2024 ANNUAL FINANCIAL REPORT

This document is a reproduction of the official version of 2024 Annual financial report, which was established in XHTML and filed with the French Markets Authority (AMF), available on the Company's website (www.dassault-aviation.com)

The English language version of this report is a free translation from the original, which was prepared in French language. All possible care has been taken to ensure that the translation is an accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

Contents

Declaration of the person responsible for the report

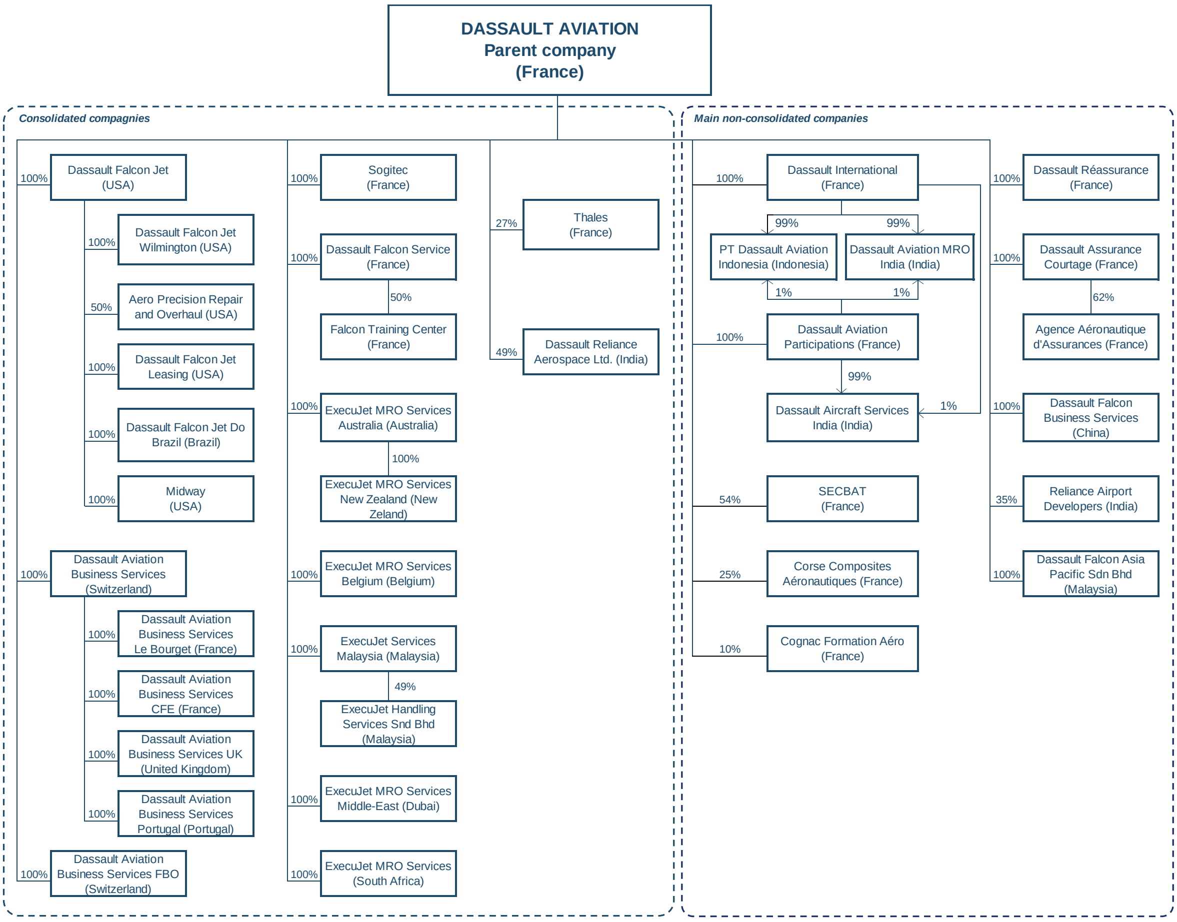
I hereby certify that, to the best of my knowledge, the annual and consolidated financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and, together with a description of the main risks and uncertainties to which they are exposed, and that the enclosed director's report presents a true and fair view of business developments, the results and the financial position of the company and of all the other companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed, and that it has been prepared in line with the applicable sustainability reporting standards.

Paris, March 4, 2025

Éric TRAPPIER
Chairman and Chief Executive Officer

Dassault Aviation’s structure as of December 31, 2024

Dassault Aviation is an international group that encompasses most of the aeronautical business of the Marcel Dassault Industrial Group. The main Dassault Aviation companies are as follows:



Detailed information on the main Dassault Aviation companies is given in paragraph 1.3 “Dassault Aviation’s Structure” of the Directors’ Report.

The list of consolidated entities is presented in note 2, “Scope of consolidation”, to the consolidated financial statements.

Board of Directors as of December 31, 2024

Honorary Chairman
Charles Edelstenne

Chairman of the Board of Directors
Éric Trappier

Directors
Besma Boumaza
Thierry Dassault
Charles Edelstenne
Marie-Hélène Habert
Henri Proglio
Lucia Sinapi-Thomas
Stéphane Marty

Executive Management

Chief Executive Officer
Éric Trappier

Chief Operating Officer
Loïk Segalen

Executive Committee as of December 31, 2024

Chairman of the Committee
Éric Trappier, Chairman and Chief Executive Officer

Loïk Segalen, Chief Operating Officer

Jean-Marie Albertini, Senior Vice-President, Sales
Laurent Bendavid, Senior Executive Vice-President, IT and Chief Digital Officer
Carlos Brana, Senior Executive Vice-President, Civil Aircraft
Bruno Chevalier, Senior Executive Vice-President, Military Customer Support
Bruno Coiffier, Senior Executive Vice-President, Procurement and Purchasing
Denis Dassé, Senior Executive Vice-President, Chief Financial Officer
Jean-Marc Gasparini, Senior Executive Vice-President, Programs
Florent Gateau, Senior Executive Vice-President, Total Quality
Bruno Giorgianni, Executive Committee Secretary and Senior Vice-President, Public Affairs and Security
Valérie Guillemet, Senior Vice-President, Human Resources
Richard Lavaud, Senior Executive Vice-President, International
Pascale Lohat, Senior Executive Vice-President, Engineering
Frédéric Petit, Senior Vice-President, Falcon Programs
Ary Plagnol, Senior Executive Vice-President, Industrial Operations

Governement Commissioner

Mr. Jean-Luc Sourdois, French Armed Forces General Inspector

Auditors

Forvis Mazars S.A., represented by Mr. Erwan Candau, partner
PricewaterhouseCoopers Audit S.A., represented by Mr. Édouard Demarcq, partner

Directors' Report

Dear Shareholders,

Before submitting the company and consolidated financial statements for the year ended December 31, 2024, and the appropriation of earnings, we would like to take this opportunity to present our consolidated results, our activities during the past year, their future prospects and the other information required by law.

At a meeting chaired by Mr. Éric Trappier on March 4, 2025, the Board of Directors approved the 2024 accounts.

Driven by the commercial success of the Rafale, particularly the 30 Export Rafale ordered in 2024, Dassault Aviation's backlog continues to grow. It stood at a new record of EUR 43.2 billion as of December 31, 2024, consisting of 299 aircraft (164 Export Rafale, 56 Rafale France and 79 Falcon). A total of 507 Rafale have been ordered since the beginning of the program: 273 Export Rafale and 234 Rafale France.

Net sales in 2024 amounted to EUR 6.2 billion, versus guidance in the range of EUR 6 billion. 21 Rafale (14 France and 7 Export) and 31 Falcon aircraft were delivered. Adjusted operating income amounted to EUR 519 million, i.e. an operating margin of 8.3%. The record adjusted net income stood at EUR 1.1 billion, i.e. a net margin of 17.0%.

In 2024, the international context was still marked by the war on Europe's doorstep and international tensions. Inflation in 2024 confirmed the decrease that began in 2023. In France, the domestic situation was impacted by political instability, with four different governments in 2024, which weighed on the country's economic actors; the increases in mandatory charges passed in early 2025 will impact companies' result. The arrival of the new President of the United States will impact Europe's economic and defense policy.

Dassault Aviation is continuing to ramp up production of the Rafale against a backdrop of persistent external and internal supply chain issues. These supply chain difficulties have led to catch-up plans. In the face of these disruptions, Dassault Aviation is taking action through:

- GIFAS (French Aerospace Industries Association),
- its participation in investment funds dedicated to supporting the French aerospace supply chain,
- the support of the suppliers in difficulty and the search for alternatives when appropriate,
- internal monitoring at Dassault Aviation in order to anticipate the risk of further supplier failures.

In this context, 2024 saw:

- the continued success of the Rafale with 30 Export Rafale ordered by two new customers: Indonesia with 18 Rafale, bringing the total ordered to 42, and Serbia with 12 Rafale. Serbia is the eighth export customer for the Rafale and the third European export country,
- the delivery of 21 Rafale out of a target of 20, including 14 to France and 7 for Export (all 24 Rafale ordered by Greece have now been delivered). 13 Rafale were delivered in 2023,
- the order for 26 Falcon in 2024, compared with 23 in 2023,
- the delivery of 31 Falcon, including the first Falcon 6X, with a target of 35. 26 Falcon were delivered in 2023,
- the announcement by the French Minister of the Armed Forces of the development launch of the unmanned combat aerial vehicle (UCAV) that will complement the future Rafale F5 standard (after 2030). This UAV will be complementary to the Rafale and suited to collaborative combat. It will benefit from the achievements of the nEUROn program.

Regarding developments, the continuation of work on:

- the execution of the F4 standard development contract,
- the Falcon 10X development, with the first deliveries scheduled for the end of 2027,
- the phase 1B of the NGF (New Generation Fighter) demonstrator within the framework of FCAS,
- the development of the Avsimar and Archange mission aircraft.

Regarding support:

- maintaining excellence for Export Rafale and Rafale France support in the context of growth in activity,
- the strengthening of our Falcon maintenance centers network with the commissioning of a maintenance center in Kuala Lumpur, Malaysia, and the continued construction of a service center in Melbourne, Florida.

Regarding industrial investments, the continued upgrading of infrastructures, in particular to accommodate the first Falcon 10X and ensure the Rafale ramp-up.

Regarding Dassault Aviation's commitment to the environment and the decarbonization of its Falcon aircraft, with:

- significant results for the Parent Company's energy saving plan which was launched at the end of 2022,
- the progress of the SAF (Sustainable Aviation Fuel) plan, with 752 internal flights carried out in 2024 with ~30% SAF blends, and the technical support of our customers and operators who are committed to this approach,
- a testing approach for real-conditions decarbonization solutions for all ground phases at Paris-Le Bourget airport as part of a 5-year protocol signed in 2024 with the ADP group.

While financial resources are being allocated to decarbonization, the increase in tax on airline tickets included in the finance law penalizes business aviation in France.

In the social domain, the recruitment effort has been significant, with nearly 2,400 new hires. 30% of the workforce has been renewed in 3 years, supported by a robust integration system. True to the legacies of Serge and Marcel Dassault, Dassault Aviation considers value sharing a core part of its DNA and maintains an attractive employment model. Based on 2024 profits, the employees of Dassault Aviation's French companies benefited from a profit-sharing and incentive scheme amounting to EUR 245 million, including the corresponding employer's tax, compared with the minimum legal profit-sharing of EUR 51 million, including the corresponding employer's tax.

The new non-financial reporting obligations (CSRD: Corporate Sustainability Reporting Directive), covering the Environmental, Social and Governance (ESG) themes, require highly detailed information on the impacts of Dassault Aviation's activity on sustainability matters, as well as how these matters would impact Dassault Aviation. Our sustainability statement is published in Chapter 4 of the Directors' report.

The Board of Directors would like to congratulate all Dassault Aviation employees for the past year's success and express its confidence in achieving the objectives for the coming year.

1. DASSAULT AVIATION CONSOLIDATED DATA

1.1. Results

1.1.1. Key Figures

	2024	2023
Order intake	**EUR 10,869 million** 30 Export Rafale 26 Falcon	**EUR 8,253 million** 60 Rafale *of which 42 France and 18 Export* 23 Falcon
Adjusted Net Sales(*)	**EUR 6,230 million** 21 Rafale *of which 14 France and 7 Export* 31 Falcon	**EUR 4,801 million** 13 Rafale *of which 11 France and 2 Export* 26 Falcon
Backlog *as of December 31*	**EUR 43,224 million** 220 Rafale *of which 164 Export and 56 France* 79 Falcon	**EUR 38,508 million** 211 Rafale *of which 141 Export and 70 France* 84 Falcon
Adjusted operating income(*) Adjusted operating margin	**EUR 519 million** 8.3% of net sales	**EUR 349 million** 7.3% of net sales
Self-funded Research and Development	**EUR 437 million** 7.0% of net sales	**EUR 483 million** 10.1% of net sales
Adjusted net income(*) Adjusted net margin Earnings per share	**EUR 1,056 million** 17.0% of net sales EUR 13.46 per share	**EUR 886 million** 18.5% of net sales EUR 10.95 per share
Available cash *as of December 31*	**EUR 8,434 million**	**EUR 7,294 million**
Dividends	**EUR 370 million** EUR 4.72 per share	**EUR 266 million** EUR 3.37 per share
Employee profit-sharing and incentives including 20% employer's corresponding tax Headcount as of Dec. 31	**EUR 245 million** 14,589	**EUR 170 million** 13,533

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

Main IFRS aggregates (see reconciliation table below)

(*) Consolidated net sales	EUR 6,240 million	EUR 4,805 million
(*) Consolidated operating income	EUR 527 million	EUR 349 million
(*) Consolidated net income	EUR 924 million	EUR 693 million

1.1.2. Definition of Alternative Performance Indicators

To reflect the consolidated actual economic performance, and for monitoring and comparability reasons, Dassault Aviation 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 revenue 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 (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.

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

- cash and cash equivalents,
- other current financial assets,
- financial debt, excluding lease liabilities.

The calculation of this indicator is detailed in the consolidated financial statements (see 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.

1.1.3. Impact of the Adjustments

The impact in 2024 of adjustments to income statement aggregates is presented below:

(in EUR thousands)	2024 consolidated income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2024 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
Net sales	6,239,708	-9,941	0			6,229,767
Operating income	527,155	-9,941	0	2,122		519,336
Net financial income/expense	199,881	9,941	-1,872			207,950
Share in net income of equity associates	382,917			3,956	128,149	515,022
Income tax	-186,129		483	-411		-186,057
Net income	923,824	0	-1,389	5,667	128,149	1,056,251
Net income attributable to the owners of the Parent Company	923,824	0	-1,389	5,667	128,149	1,056,251
Net earnings per share (in EUR)	11.78					13.46

The impact in 2023 of adjustments to income statement aggregates is presented below:

(in EUR thousands)	2023 consolidated income statement	Foreign exchange derivatives		PPA	Adjustments applied by Thales	2023 adjusted income statement
		Foreign exchange gain/loss	Change in fair value			
Net sales	4,804,891	-4,225	0			4,800,666
Operating income	349,477	-4,225	0	3,908		349,160
Net financial income/expense	211,645	4,225	-5,793			210,077
Share in net income of equity associates	266,540			3,228	190,694	460,462
Income tax	-134,264		1,496	-636		-133,404
Net income	693,398	0	-4,297	6,500	190,694	886,295
Net income attributable to the owners of the Parent Company	693,398	0	-4,297	6,500	190,694	886,295
Net earnings per share (in EUR)	8.57					10.95

1.1.4. Consolidated Order Intake

2024 consolidated order intake was **EUR 10,869 million** versus EUR 8,253 million in 2023. **Export** order intake represented **90%**.

The progression is as follows, in millions of euros:

	2024	2023	2022
Defense	**8,309**	6,524	17,510
Defense Export	*7,294*	*3,583*	*15,657*
Defense France	*1,015*	*2,941*	*1,853*
Falcon	**2,560**	1,729	3,444
Total consolidated order intake	**10,869**	8,253	20,954
% Export	**90%**	64%	90%

The order intake is composed entirely of firm orders.

Defense programs

In 2024, **Defense order intake** totaled **EUR 8,309 million**, compared with EUR 6,524 million in 2023.

The **Defense Export** share amounted **EUR 7,294 million** in 2024, versus EUR 3,583 million in 2023. In 2024, 30 Rafale were ordered (18 by Indonesia, 12 by Serbia) compared to 18 Rafale ordered by Indonesia in 2023.

The **Defense France** share amounted to **EUR 1,015 million** in 2024, compared with EUR 2,941 million in 2023. This decrease is explained in particular by the 42 Rafale from the fifth batch ordered in 2023.

Falcon programs

In 2024, **26 Falcon orders** were recorded, compared with 23 in 2023. Order intake totaled **EUR 2,560 million** versus EUR 1,729 million in 2023. The increase is notably due to the number of aircraft and a favorable product mix.

1.1.5. Consolidated Adjusted Net Sales

Consolidated adjusted net sales for 2024 stood at **EUR 6,230 million**, versus guidance of around EUR 6 billion, compared to EUR 4,801 million in 2023. **Export** represented **68%** of consolidated adjusted net sales.

The progression is as follows, in millions of euros:

	2024	2023	2022
Defense	**3,965**	2,980	4,825
Defense Export	*2,016*	*1,512*	*3,616*
Defense France	*1,949*	*1,468*	*1,209*
Falcon	**2,265**	1,821	2,104
Total consolidated adjusted net sales	**6,230**	4,801	6,929
% Export	**68%**	68%	82%

Defense programs

In 2024, **21 Rafale (14 France and 7 Export)** were delivered, compared with the guidance of 20. 13 Rafale (11 France and 2 Export) were delivered in 2023.

Defense net sales in 2024 was **EUR 3,965 million** versus EUR 2,980 million in 2023.

The **Defense Export share** was **EUR 2,016 million** versus EUR 1,512 million in 2023. This increase is notably due to the delivery of 7 Export Rafale, whereas 2 Export Rafale were delivered in 2023.

The **Defense France** share was **EUR 1,949 million** versus EUR 1,468 million in 2023. This increase is notably due to the delivery of 14 Rafale aircraft compared with 11 Rafale aircraft in 2023 and to higher invoicing for development work.

Falcon programs

31 Falcon were delivered in 2024, compared with the guidance of 35, versus 26 deliveries in 2023.

Falcon net sales for 2024 was **EUR 2,265 million** versus EUR 1,821 million in 2023. The increase is primarily due to the number of Falcon aircraft delivered (31 vs. 26).

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The book-to-bill ratio of Dassault Aviation (order intake/net sales) is **1.74x** for 2024.

1.1.6. Consolidated Backlog

The consolidated backlog as of December 31, 2024 (determined in accordance with IFRS 15) was **EUR 43,224 million**, versus EUR 38,508 million as of December 31, 2023. Change in the backlog is as follows, in millions of euros:

As of December 31	**2024**	2023	2022
Defense	**38,207**	33,862	30,318
Defense Export	*29,265*	*23,986*	*21,915*
Defense France	*8,942*	*9,876*	*8,403*
Falcon	**5,017**	4,646	4,690
Total consolidated backlog	**43,224**	38,508	35,008
% Export	**76%**	71%	72%

The backlog as of December 31, 2024 consists of the following:

- **Defense Export**: **EUR 29,265 million** versus EUR 23,986 million as of December 31, 2023. This amount mainly includes 164 Rafale compared with 141 Rafale in the Defense Export backlog as of December 31, 2023,
- **Defense France**: **EUR 8,942 million** versus EUR 9,876 million as of December 31, 2023. This figure mainly comprises 56 Rafale (vs. 70 at the end of December 2023), the support contracts for the Rafale (Ravel), Mirage 2000 (Balzac), ATL2 (Ocean) and the Alpha Jet (Alphacare), the Rafale F4 standard and the order for phase 1B of the FCAS demonstrator.
- **Falcon** (including the Albatros and Archange mission aircraft): **EUR 5,017 million** versus EUR 4,646 million as of December 31, 2023. It includes notably 79 Falcon, compared with 84 as of December 31, 2023.

Additional information on the backlog can be found in Note 24 to the consolidated financial statements.

1.1.7. Adjusted Consolidated Results

Adjusted consolidated operating income

Adjusted consolidated operating income for 2024 was **EUR 519 million** vs. EUR 349 million in 2023.

Research and development costs, particularly for the Falcon 10X, amounted to EUR 437 million in 2024.

The **adjusted consolidated operating margin** stood at **8.3%**, up from 7.3% in 2023, an increase of 1.0 percentage point.

The foreign exchange hedging rate was **USD 1.14/EUR** in 2024, vs. USD 1.20/EUR in 2023.

Adjusted consolidated financial result

Adjusted consolidated financial result for 2024 stood at **EUR 208 million**, compared with EUR 210 million in 2023, with the increase in financial income being more than offset by an increase in the financing component.

Adjusted consolidated net income

Adjusted consolidated net income for 2024 was EUR **1,056 million** versus EUR 886 million in 2023, increasing by 19.2%. Thales' contribution to Dassault Aviation's net income was EUR 507 million, versus EUR 453 million in 2023.

As a result, the **adjusted consolidated net margin** was **17.0%** in 2024, versus 18.5% in 2023. This decrease is mainly due to the lower weight of net financial income and the contribution from Thales.

Adjusted consolidated net income per share for 2024 was **EUR 13.46** compared with EUR 10.95 in 2023.

1.1.8. Consolidated Results under IFRS

Consolidated operating income (IFRS)

Consolidated operating income for 2024 was **EUR 527 million** vs. EUR 349 million in 2023.

Research and development costs amounted to EUR 437 million in 2024.

The **consolidated operating margin** was **8.4%** compared to 7.3% in 2023.

Consolidated financial result (IFRS)

Consolidated financial result for 2024 stood at **EUR 200 million**, compared with EUR 212 million in 2023, with the increase in financial income being more than offset by an increase in the financing component.

Consolidated net income (IFRS)

Consolidated net income for 2024 was **EUR 924 million,** compared with EUR 693 million in 2023. Thales' contribution to Dassault Aviation's net income was EUR 375 million, versus EUR 259 million in 2023.

As a result, **consolidated net margin** was **14.8%** in 2024, as against 14.4% in 2023.

Consolidated net income per share for 2024 was **EUR 11.78** compared with EUR 8.57 in 2023.

1.1.9. Dividends

The Board of Directors decided to propose to the Annual General Meeting a dividend distribution, in 2025, of **EUR 4.72 per share**, **EUR 370 million** in aggregate, representing a payout of 35%. At its meeting on March 4, 2025, the Board of Directors decided to cancel 198,527 shares. The dividend per share is calculated based on the number of shares as of December 31, 2024, netted of the number of those shares canceled.

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

It should be noted that, as part of value sharing, profit sharing and incentive schemes (including employer's corresponding tax) in Dassault Aviation's French entities account for an average of 35% of these 2023 and 2024 companies' net income.

1.1.10. Financial Reporting

IFRS 8 "Operating Segments" requires the presentation of information per segment according to internal management criteria.

The activity of Dassault Aviation relates entirely to the aerospace domain. Internal reporting to the Chairman and Chief Executive Officer, and to the Chief Operating Officer, used for strategy and decision-making, does not include a performance analysis under IFRS 8 at a lower level then this sector.

1.2. Financial Structure

1.2.1. Available Cash

Dassault Aviation uses a specific indicator called "Available cash", which reflects the amount of total cash available to Dassault Aviation, net of financial debt. It includes the following balance sheet items: cash and cash equivalents, current financial assets and financial debt, excluding lease liabilities. The calculation of this indicator is detailed in the consolidated financial statements (see Note 9 of the December 31, 2024, consolidated financial statements).

Dassault Aviation's available cash stands at **EUR 8,434 million**, versus EUR 7,294 million as of December 31, 2023. The increase in cash is mainly due to the advance payments received under the Export Rafale contracts.

1.2.2. Consolidated Balance Sheet

Total equity stood at EUR 6,332 million as of December 31, 2024 compared with EUR 5,742 million as of December 31, 2023, due to the results for the period.

Borrowings and financial debt stood at EUR 238 million as of December 31, 2024, compared with EUR 262 million as of December 31, 2023. Borrowings and financial debt include locked-in employees' profit-sharing funds, for EUR 52 million, and lease liabilities, for EUR 186 million.

Inventories and work-in-progress rose EUR 1,466 million to EUR 6,724 million as of December 31, 2024, compared with EUR 5,258 million as of December 31, 2023. This increase was mainly due to the execution of military contracts in backlog and the ramp-up of the Falcon 6X. Advances and progress payments received on orders net of advances and progress payments paid increased by EUR 2,561 million as of December 31, 2024, due in particular to the advances received for Export Rafale contracts.

Derivative financial instruments had a market value of EUR -100 million as of December 31, 2024, compared with EUR 29 million on December 31, 2023, as a result of the change in the USD/EUR exchange rate between December 31, 2023 (USD 1.105/EUR) and December 31, 2024 (USD 1.039/EUR).

1.3. Dassault Aviation's Structure

The Parent Company plays a predominant role in Dassault Aviation's structure.

The holding percentages are stated in the 2024 Short-form annual report, in the notes to the consolidated financial statements.

1.3.1. Consolidated Subsidiaries and Companies

Dassault Falcon Jet Corp. (DFJ) (United States) markets Falcon on the American continent and is responsible for interior fittings. The company is headquartered in Teterboro, New Jersey, and industrial activities are located in Little Rock, Arkansas. The principal subsidiaries of DFJ are:

- Aero Precision Repair And Overhaul Company Inc. (APRO) (United States) (held 50/50 with Safran Landing Systems Miami, Inc.), repair and maintenance of landing gear and flight controls,
- Midway Aircraft Instrument Corp. (United States), overhaul and repair of civil aviation equipment for French equipment manufacturers,
- Dassault Falcon Jet Do Brasil Ltda (Brazil), aviation services and maintenance,
- Dassault Falcon Jet Leasing LLC (United States), company that holds the Falcon financing structures,
- Dassault Falcon Jet - Wilmington Corp. (United States), aviation services and maintenance. This subsidiary has ceased operations.

Sogitec Industries (France) designs, produces and distributes simulation tools.

Dassault Falcon Service (DFS) (France), located in Le Bourget and Mérignac, contributes to Falcon's after-sales service through its Falcon maintenance centers. DFS has ceased operations at Moscow-Vnukovo airport (Russia). DFS also leases and manages Falcon as a Public Passenger Transport activity.
DFS owns 50% of Falcon Training Center (France), which provides Falcon training at Le Bourget.

Dassault Aviation Business Services, DABS, based in Geneva and operating in the aviation maintenance sector. DABS holds the following subsidiaries:
- Dassault Aviation Business Services Portugal (Portugal; a wholly owned subsidiary of DABS),
- Dassault Aviation Business Services UK (United Kingdom; a wholly owned subsidiary of DABS),
- Dassault Aviation Business Services Le Bourget (France; a wholly owned subsidiary of DABS),
- Dassault Aviation Business Services Clermont Ferrand (France; a wholly owned subsidiary of DABS).

Dassault Aviation Business Services FBO based in Geneva, operates in the airport services sector.

ExecuJet operates in the aviation maintenance sector. This network is composed of the following subsidiaries:
- ExecuJet MRO Services Belgium (Belgium),
- ExecuJet MRO Services Australia (Australia),

- ExecuJet MRO Services New Zealand (New Zealand, a wholly owned subsidiary of ExecuJet MRO Services Australia),
- ExecuJet MRO Services (South Africa),
- ExecuJet MRO Services Malaysia (Malaysia),
  - ExecuJet Handling Services (Malaysia), a subsidiary of ExecuJet MRO Services Malaysia, which has a 49% stake,
- ExecuJet MRO Services Middle East (United Arab Emirates).

Dassault Reliance Aerospace Limited (India), a company 49% held by Dassault Aviation that assembles and produces military and civil aerostructure parts and subassemblies.

Thales (France), a group listed on Euronext Paris, operates in the aviation, aerospace, Defense and security markets. Its activities are described in its Universal Registration Document.

1.3.2. Non-Consolidated Subsidiaries and Holdings

The main non-consolidated holdings of Dassault Aviation are:

- **GIE Rafale International** (France), coordination of feasibility and definition studies for Rafale combat aircraft (60% owned, with the other 40% equally held by Thales and Safran Aircraft Engines),
- **GIE French Defense Aeronautical Institute** (FDAI) (France), a service provider in the domain of military aircraft mechanics training (50/50 owned with Défense Conseil International),
- **Dassault Assurances Courtage, Dassault-Réassurance and Agence Aéronautique d'Assurances** (France), insurance and reinsurance brokerage,
- **Corse Composites Aéronautiques** (France), production of composite aviation parts, particularly for its corporate shareholders (Airbus, Latécoère, Safran and Dassault Aviation),
- **SECBAT** (France), responsible for cooperation in the Atlantic maritime patrol program (PATMAR),
- **Cognac Formation Aéro** (France), training of fighter pilots.

Dassault Aviation is present in India:

- **Dassault Aircraft Services India**, which is responsible for promoting Dassault Aviation's business in India (wholly owned subsidiary).
- **Dassault Aviation MRO India,** which is in charge of military aircraft support in India (wholly owned subsidiary).

Dassault Aviation is also present in Asia through Dassault Falcon Business Services (China) and Dassault Falcon Asia Pacific (Malaysia).

1.3.3. Branch

Dassault Aviation has branch in Cairo (Egypt), Doha (Qatar) and Athens (Greece) and an important office in the United Arab Emirates.

1.4. Related-Party Transactions

The 2024 related parties are identical to those identified in 2023. Some subsidiaries are related with the Parent Company via development and equipment supply contracts, along with software and associated services contracts.

The transactions that occurred during 2024 are specified under Note 26 to the consolidated financial statements.

1.5. Dassault Aviation's Activities

The highlights for 2024 were:

- the continued success of the Rafale: 30 Export Rafale ordered in 2024,
- the ramp-up of Rafale production amid persistent external and internal supply chain issues,
- the delivery of 21 Rafale and 31 Falcon, including the first Falcon 6X,
- net sales of EUR 6.2 billion,
- a record backlog of EUR 43.2 billion,
- a record adjusted net profit of EUR 1.1 billion.

1.5.1. Program Development

Defense Programs

Rafale

The Rafale program has totaled 507 orders since the beginning of the program: 234 Rafale France and 273 Export Rafale.

The highlights for 2024 were:

- the delivery of 14 Rafale to France, with 56 remaining to be delivered,
- the continued execution work on the development contract for the F4 standard for France,
- the order for 18 additional Rafale for Indonesia, bringing the total ordered by this new customer to 42 Rafale,
- the order for 12 Rafale by Serbia. A new customer, Serbia becomes the eighth Export country and the third European Export country,
- the delivery of 7 Export Rafale (all 24 Rafale ordered by Greece have now been delivered). 164 Export Rafale remain to be delivered,
- the continuing prospecting.

The industrial ramp-up continues at a time of supply chain difficulties.

The first Rafale F4 standard for the United Arab Emirates was unveiled on January 29, 2025 in Istres. It was produced in line with the contract schedule and will remain at Dassault Aviation's flight test center to perform flight tests in view of the first deliveries scheduled for end-2026.

Combat Drone

On October 8, 2024, Sébastien Lecornu, French Minister of the Armed Forces, announced the development launch of the unmanned combat aerial vehicle (UCAV) that will complement the future Rafale F5 standard (after 2030). Benefiting from the achievements of the nEUROn program, this UAV will be complementary to the Rafale and suited to collaborative combat. It will incorporate stealth technologies, autonomous control (with man-in-the-loop), internal payload capacity, and more. It will be highly versatile and designed to evolve in line with future threats.

Future Combat Air System (FCAS)

The FCAS consists of creating a combat system built around a New Generation Fighter (NGF) combining piloted platforms (current and future generation fighters, tankers, AWACS) and drones. France has been designated lead nation on the project and Dassault Aviation lead contractor on the NGF.

Dassault Aviation is lead architect of pillar 1, the NGF, and is involved (as co-contractor or sub-contractor) in pillars 3, 4, 5 and 7, as well as in item 0 (continuation of joint concept studies with the military and preparation of the operating system).

Detailed specification for the development of the NGF demonstrator, corresponding to Phase 1B of the contract awarded at the end of 2022, began in March 2023. A physical workspace was created in Saint-Cloud to welcome industrial teams from the three partner countries.

For the NGF, a contract still needs to be drawn up for phase 2 after discussions on content and principles.

Eurodrone (Medium Altitude Long-Endurance drone)

On February 24, 2022, Airbus and the Organization for Joint Armament Cooperation (OCCAR) signed the Eurodrone contract relative to the development, the production and the 5-year maintenance of 20 systems.

Airbus Defence and Space GmbH signed the contract as prime contractor, on behalf of the three main contractors, Airbus Defence and Space SAU in Spain, Dassault Aviation in France and Leonardo SpA in Italy.

OCCAR represents the first four countries to order: Germany, France, Italy and Spain.

Dassault Aviation is specifically in charge of flight control and mission communication systems. Work is continuing.

Multi-Mission Aircraft

For the multi-mission aircraft, the following key events took place in 2024.

- Albatros: continued development of the "AVSIMAR" (maritime surveillance and response aircraft) on a Falcon 2000LXS platform (for the record: 7 aircraft in backlog, 5 optional), with a first flight on January 24, 2025,
- Archange: continued development of the strategic intelligence aircraft based on a Falcon 8X platform. A third aircraft has been ordered for 2024, in addition to the first two aircraft ordered in 2019.

Regarding Export, the year 2024 was marked by the delivery of the third and fourth "green" Falcon 2000 to South Korea. 4 green aircraft had been ordered in 2022.

Falcon Programs

In 2024, 26 orders were recorded and 31 Falcon delivered, compared with a guidance of 35, versus 23 orders and 26 deliveries in 2023.

The first Falcon 6X were delivered to customers in 2024. Development work on the Falcon 10X is still under way. Dassault Aviation is also improving its in-service aircraft, in particular with the new EASy IV avionics offered on the Falcon 7X and Falcon 8X.

Falcon 6X

The first Falcon 6X were delivered to customers in 2024. Moreover:

- the industrial ramp-up continues at a time of supply chain difficulties,
- customer feedback confirm a very high level of passenger comfort (acoustics, lighting, stability in flight and during descent),
- more than 1,000 flight hours of the demonstrator, confirming good reliability,
- performances at low speeds (take-off and landing distances) are better than expected.

Falcon 10X

This brand new aircraft is characterized by its long range (7,500 nm, for example New York to Shanghai, Los Angeles to Sydney, or Paris to Santiago de Chile) and the size of its cabin, which is the most spacious on the market, while maintaining the operational capabilities of the Falcon family. It will offer unequaled cabin modularity in its category.

It is fitted with two Rolls Royce Pearl 10X 100% SAF (Sustainable Aviation Fuel)-compatible engines, will have a top speed of 0.925 Mach and will be able to land and take off on short runways, such as London City Airport.

It features innovations and technologies, some of which are borrowed from our military aircraft (smart throttle controlling the two engines, recovery mode, composite wingbox, dual head-up display for primary flight data, etc.) and a state-of-the-art cockpit,

The highlights for 2024 were:

- the continued manufacturing of development aircraft and the mechanical test cell,
- the test campaign of the Pearl 10X engine on its testbed aircraft by Rolls Royce.

The first deliveries are scheduled for the end of 2027.

Business Aviation and European Taxonomy for Transport

Business aviation has committed to achieving carbon neutrality by 2050; the segment currently generates 2% of global aviation CO_2 emissions, i.e. 0.04% of global CO_2 emissions.

Business aviation is excluded from "green" taxonomy, unlike commercial aviation. This exclusion is regrettable at a time when business aviation is a pioneer in decarbonization, notably thanks to high rates of SAF incorporation (over 30%). Small and medium-sized enterprises (SMEs) and intermediate-sized enterprises in the supply chain will be the first to suffer, as the exclusion means that their access to financing will be more limited, while they are already facing several difficulties.

Considering this exclusion being unjustified and not in accordance with European Union law, Dassault Aviation lodged on February 14, 2024 an action for annulment with the General Court of the European Union, calling for the annulment of this provision and for the European commission to define criteria for the inclusion of business aviation in the taxonomy.

Business Aviation Decarbonization

Dassault Aviation works actively to decarbonize the business aviation sector:

- SAF: all Falcon models are certified to fly with SAF/kerosene blends of up to 50%. Current alternative fuels (SAF) reduce carbon emissions by between 80 and 90% compared to kerosene. Dassault Aviation flights, including in the United States, operate using 30% SAF blends, the only ones currently available on the market. In 2024, Dassault Aviation operated 752 flights using 30% to 35% SAF blends, saving over 1,800 metric tons of CO_2.
- Storage of CO_2 emissions: Dassault Aviation provides Patronage for forest renewal and biodiversity conservation. Dassault Aviation is a "Major Patron" of Maubuisson forest (Val d'Oise, Ile-de-France region) where the sixth planting campaign was launched at the end of 2024.

Moreover, in 2024 Groupe ADP and Dassault Aviation signed a five-year agreement to strengthen their decarbonization actions at Paris-Le Bourget airport (distribution and use of SAF, use of electric equipment for ground operations, use of less emissive energies for airport buildings and hangars).

Make in India

The joint venture in India, Dassault Reliance Aerospace Limited (DRAL), expands its activities with the production of sections T12 and T4 for the Falcon 2000, as well as Rafale movable elements. The transfer of production of T12 sections for the Falcon 8X is ongoing. The Falcon 2000 final assembly is under review.

Dassault Aviation participates in the development of the Indian supply chain and continues its partnerships in India with:

- Dynamatic for the first delivery of a Falcon 6X fuel tank,
- Mahindra with the signing of a contract for the supply of Falcon 6X side consoles,
- Tata with ongoing discussions,
- an increase in the volume of primary parts supplied and the qualification of new processes with Indian suppliers.

1.5.2. Military Support and Falcon Support

Military Support

The dedication and organization of our teams throughout 2024 enabled us to meet the fleet availability commitments required by military customers in France and for Export.

For France and vertically integrated operational maintenance contracts for Rafale (RAVEL), ATL2 (OCEAN), Mirage 2000 (BALZAC) and Alpha Jet (ALPHA CARE), highlights included:

- the participation, with expected availability, for high-intensity engagement exercises carried out by French forces involving the Rafale, Mirage 2000 and ATL2,
- the development and provision of additional resources to equip the new Rafale squadron at the Orange base and the opening of a logistics office at this base,
- the awarding of “EMAR Certificates” to the 4 classes of French Air and Space Force technicians and managers following their training at the Rafale Conversion Training Center in Mérignac,
- monitoring the training resources rolled out within the Air and Space Force (CFR-NG) and the implementation of these same Rafale training resources within the French Navy in Landivisiau.

Regarding the support for the use of fleets in service for Dassault Aviation Export customers, the main highlights included:

- for Egypt, the delivery of logistical support to equip the Beni Suef base and be able to operate and support the Rafale of the second batch from March 2025,
- for Qatar, the renewal of our operational maintenance contract for 2024,
- for India, the renewal of the operational maintenance contract, with the retention of our Technical Advisors at the Ambala and Hasimara bases,
- for Greece, support for its ever-increasing aviation activity,
- for Indonesia, the preparation of support products and services,
- for the United Arab Emirates, the continued development of support products and services,
- for Serbia, the preparation of support products and services,
- for Croatia, the notification of the operational maintenance contract.

Falcon Support

Regarding the Falcon support, 2024 saw:

- the growth of Dassault Aviation's network of maintenance centers, now made up of more than 60 sites across the world, including the opening of the new ExecuJet maintenance center in Kuala Lumpur (Malaysia) in 2024, and the ongoing construction of a new Dassault service station in Melbourne (Florida),
- the support for the entry into service of the Falcon 6X: adaptation of the global network of our maintenance centers, supply of spare parts and tools, theory and practical training for mechanics and crews,
- the execution of the operational maintenance contract for French government Falcons.

1.5.3. Research and Development

In 2024, most of our research and development was focused on the development of the Falcon 10X, as well as the development of future Rafale standards, the development of the combat drone that will complement the F5 standard, and the NGF demonstrator.

Dassault Aviation is also keen to improve existing products and pave the way for future products, continually striving to reduce environmental impacts while offering its customers increasing levels of service and efficiency with unparalleled safety.

Since 2008, Dassault Aviation has been a member of CORAC (COnseil pour la Recherche Aéronautique Civile – the French Civil Aviation Research Council), under the aegis of which leading manufacturers have drafted plans as part of the "France 2030" investment plan, which replaces the "France Relance" recovery plan and are preparing the national road map for 2024-2029.

Dassault Aviation is also involved in the last year of the European "Clean Sky 2" project and the European "Clean Aviation" program, and it is committed to working with regional ecosystems.

More specifically, this research and innovation work includes technological development projects and concepts such as:

- reducing the weight of primary structures with new materials and processes (new metal alloys, composites),
- reducing the weight of certain equipment and additional components,
- maturing electric de-icing technologies,
- exploring ways of controlling loads and flutter through flight controls, as well as increased flexibility in order to lighten the wings or allow for new planforms,
- the use of Sustainable Aviation Fuels (SAF), which must be compatible with fuel systems and engines when blended with conventional kerosene at high percentage levels, with a view to achieving 100% SAF capacity,
- the research into concepts and technologies for the reduction of noise at source, which must not increase aircraft mass and/or aerodynamic drag,
- reducing the burden on pilots in mission planning and debriefing,
- the extension of the capacity of the synthetic vision system to increase the operational capacity of the Falcon in severe weather conditions,
- the exploration of an enhanced passenger experience with new digital solutions,
- the research into alternative solutions following the publication by Europe of its hazardous substances list (REACH).

In addition, Dassault Aviation continues to make significant efforts to increase the efficiency, from the design stage, of its production processes and maintenance services by using the tools offered by digital technology:

- co-engineering methods are tested and implemented to ensure the best trade-offs between design, production and support,
- optimization of the entire testing process (new types of instrumentation, processing and data analysis) and hybridization of simulation models and test data reduce the number of development flight tests and the processing cycle for any adjustments,
- advances in digital technology help demonstrate why the aircraft meets the certification criteria,
- optimizing the production cycle involves research into new materials, waste recycling, and finding alternative solutions for treating and protecting parts from corrosion, such as the removal of chromates and baths in the processes.

Dassault Aviation has stepped up scientific and industrial collaboration on methods and tools for the development, validation, verification and qualification of reliable artificial intelligence (AI) functions, with the aim of improving system efficiency and productivity via adapted and secure AI processes that use sensitive information. In particular, Dassault Aviation is exploring its contribution to improving the efficiency of future flight operations to take full advantage of the collaborative combat concept. The teams are working on proofs of concept with academics and innovative companies in the field.

To strike a balance between short-cycle innovations and technological developments over the long term, work is focused on architectures that can effectively integrate changes and disruptions, while meeting the highest safety requirements.

With the InnovLab process, we are continuing our rapid-application proof of concept demonstrations. Several of them have been launched as part of the network-based innovation process that networks creative laboratory initiatives to foster their collaborative work. Particular attention is paid to relationships with a dynamic start-up ecosystem.

Work is continuing with universities associated with the French National Center for Scientific Research (CNRS) at the MOLIERE Joint Research Laboratory, which is dedicated to innovative functional materials for aviation. Initial results are promising and additional support has been received from the AID (*Agence d'Innovation de Défense* – French Defence Innovation Agency) since early 2022.

1.5.4. Essential Intangible Resources

Our development model is based, above all, on the mastery of skills. A fighter jet is the human creation that concentrates the most critical technologies in such a small space. The complexity is such that, today, only 3 or 4 countries in the world, including France, know how to build combat aircraft completely independently. Mastering these technologies is a slow learning process; a process of accumulating, maturing and passing down skills from one generation to the next. Aeronautics is an industry of cumulative experience and Dassault Aviation benefits from more than a century of hard work in this field. We are able commit to this long-term approach thanks to two tremendous assets: the continuity and shareholder stability provided by the Dassault family since the Company's beginnings; and a corporate tradition based on value sharing (particularly through profit-sharing and incentive schemes) which helps employees stay loyal and committed.

The essential intangible resources that make up this model are detailed below.

Human capital (registered headcount)

14,589 employees at the end of 2024. Our highly qualified personnel are at the heart of our success.

Intellectual property and innovation

Research, development and technological innovation are essential to guarantee the commercial success of aircraft and meet the needs of our customers.

Employees are encouraged to develop inventions (see paragraph 2.3.3 of this report).

Digital DNA

Since the 3D modeling revolution, we have been investing in digital innovations. We are the melting pot from which Dassault Systèmes emerged, and we have a long-standing partnership with them. This close link with the world leader in Product Lifecycle Management (PLM) solutions provides us with the know-how and methods to adapt these advanced technologies to our industrial activities. The new tools that we are implementing will strengthen our predictive capabilities as well as our capacity to develop a comprehensive vision, from design to user experience, including production and support.

Brand and reputation

The loyalty of our customers is a source of strength and pride. Of the eight countries that are Export Rafale customers, five were already users of the Mirage 2000. India has been purchasing Dassault aircraft for more than 70 years.

Dassault Aviation has a reputation for keeping its commitments to its customers and providing them with the best possible support.

Strategic relationships and partnerships

As an industrial architect and integrator of complex systems, we are the linchpin of a strategic industrial fabric that includes hundreds of companies in France and abroad. We bring our ability to manage and coordinate projects by assuming responsibility for their smooth operation, including in multinational cooperation.

We are a pillar of France's sovereignty, through our major contribution to its conventional military forces and its deterrent mechanism.

Contribution to value creation

These intangible resources are fundamental to our value creation. They allow us to:

- maintain our research and development efforts to meet the technological and operational requirements of our customers,
- maintain unique technological expertise and know-how,
- strengthen customer loyalty by offering high-quality products and services,
- ensure long-term growth through our solid reputation.

By continuously enhancing and developing its intangible assets, Dassault Aviation ensures its leading position in the aerospace and defence industry, while guaranteeing long-term performance.

1.5.5. Promoting the Nation-Army Bond

The strong historical links between the Company and the French Army are part of our DNA. This is reflected in the commitment of our Chairman and Chief Executive Officer, Éric Trappier, who served for several years as an officer of the French Navy's operational reserve and is currently Naval Captain of the French military reserve.

Dassault Aviation grants its reservist employees an annual leave of absence of 12 calendar days in respect of their deployment or training activities in the military operational reserve (the minimum legal period is 10 working days).

In the same vein, since 2023, Dassault Aviation has been running a "Dassault Defense Academy" for new hires: three days of training with high-level conferences and visits to military sites.

In addition, Dassault Aviation is a sponsor of several defence-related institutions and charities, including:

- Ordre de la Libération,
- Fondation Charles de Gaulle,
- Fondation des Ailes de France,
- Association des Anciens de l'École de l'Air,
- Fondation des Œuvres Sociales de l'Air,
- Association pour le Grand Prix de l'École Navale,
- Association des Anciens de l'École Navale,
- Association pour le Développement des Œuvres Sociales de la Marine,
- École Spéciale Militaire de Saint-Cyr,
- Gouverneur Militaire de Paris.

Finally, in 2024, Dassault Aviation provided financial support for the celebrations of the 90th anniversary of the French Air Force and the 60th anniversary of the Strategic Air Force.

1.5.6. Investments: Digital and Industrial

With regard to digital investments, in 2024 efforts focused on:

- the continued widespread use of the 3DExpérience™ platform for program developments, commercial development, technical collaboration with our suppliers and the aggregation of technical data (for the industrial definition and operation of our aircraft). A continuous improvement plan is underway, focusing mainly on commercial development in order to achieve a functional end-to-end tooled process for the Falcon 10X.
- the improvement of our single multi-site database for planning and managing purchasing, production and support flows through SAP. With in particular:
  - the integration of the automatic planning capacity for the production of primary parts in advance of assemblies and the implementation of a tool for managing the items necessary for the Execution Plan of each production unit,
  - the use of the integrated SAP solution for contract management and customer invoicing, enabling the transition to electronic invoicing for our suppliers.
- the renovation of our workshop management tools (Manufacturing Execution System) via the APRISO™ roll-out project.
- the upgrade of our production reference database (Article database); a common node between definition, industrialization, supply, manufacturing and support. This will be an opportunity to implement a more efficient tool for managing our reference data in 2025,
- the digitization of pay stubs in an electronic safe,
- Big data: data processing to provide better support to our military and civil customers,
- the implementation of a cloud solution compatible with our military programs with the 3DExperience™ cloud solution as part of the programs for maintaining the operational condition of the Rafale and the European SCAF program for program management and industrialized definition in collaboration with the program's other industrial partners,
- the preservation of our intellectual property, the continuous strengthening of our cybersecurity and the integration of new regulations in the field (European, aerospace and French legislation).

With regard to industrial investments, 2024 was marked by the continued upgrading of industrial infrastructure, in particular to accommodate the first Falcon 10X and the ramp-up of the Rafale:

- Cergy: acceptance of the new factory and transfer of activities from Argenteuil.
- Mérignac: two new buildings are under construction,
  - one to house the fuselage assembly line currently in Biarritz,
  - the other to accommodate the general assembly line for the Falcon 10X.
- Martignas: expansion of the existing buildings to increase the production capacity of Rafale wings and tail fins,
- Saint-Cloud: new company restaurant in operation.

1.5.7. Total Quality

The objective of Dassault Aviation's total quality is to ensure right from the start that the quality of our products and services fully meets the expectations of our customers.

Delivering quality products and services also contributes to the safety and airworthiness of our aircraft.

The management of Corporate Social Responsibility (CSR), and supervision of the Company's operations are also part of the total quality department's role.

Objectives are shared with all Dassault Aviation employees. Achieving them is possible because people at the Company embody the culture of quality, and because our efficient management and quality assurance system is universally applied.

Thanks to its integrated management system, Dassault Aviation holds the following certification:

- ISO 9001, EN 9100 and AQAP 2110, for the development, production and maintenance of our products and services,
- ISO 14001, for the environment.

Dassault Aviation's organization has also allowed it to hold design, production and maintenance airworthiness certifications for its civil and military aircraft. These certifications, which were issued by the main airworthiness authorities, are a recognition of Dassault Aviation's ability to design, produce and maintain civil and military aircraft in compliance with the strictest airworthiness requirements.

Weaknesses at some of our suppliers will continue to remain a focus in 2025. For this reason, we will continue our major efforts to monitor and support them. With particular attention paid to maintaining skills and mastering manufacturing processes.

The main themes for the Total Quality policy in 2025 are:

- maintaining Falcon and military customer satisfaction at the top of industry rankings to guarantee sustainable long-term sales,
- drawing on human capital to reinforce our expertise and our commitment to serving technical and industrial performance,
- working together in a multidisciplinary way and with our suppliers to maintain the performance of our programs,
- working on the root causes of technical issues as close to their source as possible and in a structured way to reduce the cycles and costs caused by poor quality.

2. RISK FACTORS

This chapter describes the main risks to which Dassault Aviation is exposed. Some of the risks listed are covered in the Sustainability Statement and identified with "SS" in Chapter 4 of this report.

Dassault Aviation is exposed to various risks and uncertainties which may affect its activities, reputation or ability to achieve its objectives.

These various factors are taken into account using a comprehensive risk management system in order to:

- identify sources of risk as early as possible, continuously, in order to better manage their consequences,
- map the risks each year across all Dassault Aviation's functions, as part of the Corporate Risk Committee.

The risks described are the most significant net risks, categorized by residual importance (high/medium/low) following measures to mitigate them. For each risk, its impact is combined with its probability of occurrence or its short/medium/long-term nature.

Summary of material risks

Exposure to risk	Identified Risk	Risk Category
High	○ Dependence on the supply chain	Operational risks
	○ Program management	Operational risks
	○ Cyber risks for IT systems	Operational risks
	○ Security risks	Operational risks
	○ Global economic and geopolitical environment	Economic and Market risks
Medium	○ Markets	Economic and Market risks
	○ Risks related to personnel	Operational risks
	○ Environmental risks	Operational risks
	○ Corporate social responsibility	Reputational, regulatory and legal risks
	○ Protection of intellectual property	Reputational, regulatory and legal risks
	○ Market (exchange rate risk)	Financial and market risks
Low	○ Compliance	Reputational, regulatory and legal risks
	○ Financial (liquidity and treasury; loans and counterparties)	Financial and market risks
	○ Inadequate coverage	Insurance

2.1. Economic and Market Risks

2.1.1. Market Risks

With regard to the civil market, the economic situation of the industry in Europe is causing uncertainties that are weighing heavily on certain purchasing decisions. Competitors continue to benefit from favorable economic factors and flexibility due to their location in the dollar zone.

To address this, Dassault Aviation is pursuing its efforts to innovate and expand the Falcon range, as well as streamline production and reduce costs.

Furthermore, regionalization with our US, European, Middle Eastern and Asian maintenance network is creating opportunities. Some entities in the European network have nevertheless had to deal with a stagnating fleet in this region. In the United States, Dassault Aviation continues to develop its current operations in an extremely competitive environment.

At the same time, mindful of its customers' carbon footprint, Dassault Aviation is fully engaged with the industry's commitments to the environmental transition following the Paris Agreement on carbon neutrality by 2050, and takes into account the strengthening of French and European environmental regulations (the measures taken are detailed in Chapter 4 of this report). This complex regulatory environment could potentially lead to risks of competitiveness and distortion of competition.

Dassault Aviation's strategy includes the use of sustainable alternative fuels. Dassault Aviation also offers solutions for optimizing aircraft operations. In addition, studies are continuing on these topics and on new technologies that could reduce emissions.

In the defense sector, the export situation is benefiting from the geopolitical context. The resulting international tensions prompted the government to introduce war economy measures, and Dassault Aviation is strengthening its position in the arms markets. The search for Rafale contracts remains an ongoing challenge and the launch of demonstrators remains essential for future programs.

2.1.2. Risks Related to the Global Economic and Geopolitical Environment

The nature of Dassault Aviation's business exposes it to risks related to the uncertainties and volatility of the global economy, as well as political instability.

In this environment, the risks of cyber intrusion and industrial espionage remain very real for Dassault Aviation, and supply difficulties persist for the aviation industry.

Dassault Aviation generates a significant part of its business from government customers, and particularly from defense contracts. Public spending on these types of contracts depends on political and economic factors, which are likely to influence opportunities.

In the field of business aviation, customers are sensitive to the global economic situation and their financing capacity may depend on it. In Europe, the growth of restrictive regulations on air traffic, such as the instability and heterogeneity of taxation rules, can also have a negative impact on the services offered by business aviation, and therefore on the ability of the value chain to plan ahead and invest.

2.2. Operational Risks

2.2.1. Risks of Dependence on the Supply Chain

Suppliers make a significant contribution to the completion of Dassault Aviation products. As a result, supplier performance (price, quality and lead time) contributes to Dassault Aviation's performance, and the failure of a supplier could jeopardize its programs and aircraft deliveries to customers.

Since production on Dassault Aviation's manufacturing lines is dependent on adequate supply, supplier instabilities or failures could lead to significant disruptions, delays or even shutdowns.

In 2024, supply tensions persisted and resulted in numerous shortages at all stages of production, to the point of jeopardizing the year's delivery targets. The supply chain situation in the aeronautics sector has not yet stabilized, with certain suppliers of all sizes, mainly in aerostructures, in great difficulty:

- operational difficulties including a lack of capacity, partly as a result of post-Covid weakening,
- financial difficulties due to insufficiently profitable activity following the various crises,
- difficulties related to increasingly complex regulations,
- structural difficulties, financial soundness or changes in equity ownership.

As this situation has an impact on the development and production of its aircraft, Dassault Aviation strives to limit these negative impacts by monitoring its suppliers' production more closely, providing the necessary support to certain sub-contractors. In addition, Dassault Aviation is continuing to develop the Make in India.

This situation also exposes Dassault Aviation to risks in its after-sales operations, for which a number of measures have been implemented to ensure the availability of fleets.

Given these risks, Dassault Aviation acts through:

- GIFAS, and internal monitoring at Dassault Aviation in order to anticipate the risks of new supplier failures,
- its participation in investment funds dedicated to supporting the French aeronautics supply chain,
- the support for suppliers in difficulty and the search for alternatives when appropriate,
- daily operational management actions by the partners to help ensure commitments are met and anticipate potential difficulties.

In 2025, the risk to supplies remains present and continues to weigh on activity.

2.2.2. Risks Related to Program Management

The timescales required for the development and production of Dassault Aviation's products, the complexity of aviation technology, flight safety requirements and the existence of long-term contractual obligations expose the programs to risks that it is essential to manage in order to meet schedules and customer commitments and thus protect revenue.

As an industrial architect and integrator, Dassault Aviation must manage a multitude of partners and suppliers while observing technical, legal and financial constraints, particularly in relation to contracts involving transfers of technology.

R&D investments, technical and technological choices, and program innovations must satisfy customers' long-term operational needs and expectations, while integrating the requirements of increasingly stringent environmental emission standards for civil aircraft (noise, NOx, CO2, etc.).

To adapt to the environment and meet customer expectations, Dassault Aviation needs to have flexible and responsive production lines, including within its supply chain, to ensure that the potential is in line with production commitments and be able to cater to market demand. The unstable environment of recent years has disrupted the smooth progress of certain programs and the achievement of certain objectives of Dassault Aviation.

In view of this, Dassault Aviation has adapted and strengthened its program management organization from product and service design to support.

2.2.3. Cyber Risks for IT Systems

The cyber exposure of companies has increased due to corporate developments (teleworking), multiple partnerships, the cyber exposure of the supply chain, and the necessary openings to the cloud, all in a geopolitical environment that generates threats.

Since any IT system failure can result in data loss and business disruption, Dassault Aviation has procedures in place and has taken steps to protect itself against the risk of its IT systems being attacked.

Because the human factor is a major issue in cybersecurity, regular efforts are made to raise awareness and remind employees and partners of the need for vigilance.

The surveillance and protection systems are continually being adapted at Dassault Aviation level in response to the changing threat. Communications infrastructure and systems have evolved in view of the need to work and interact online within a secure environment. The safeguards put in place and the architecture adopted by Dassault Aviation have protected it from the main threats.

The recovery plan in the event of system shutdown is tested annually to ensure the continuity of operations.

Effective IT protection also requires all sub-contractors in the supply chain to have robust systems as well as the implementation of an appropriate standard. As the subject is considered to be of major importance for the French State and for the major industrial prime contractors of the Defense Technological and Industrial Base (*Base Industrielle et Technologique de Défense*, BITD), awareness-raising operations and the definition of required levels of cyber protection have been developed.

In addition, the agreement signed at the end of 2019 between the French Ministry of Armed Forces and the defense industry, calls on the latter to supply the armed forces with equipment that is more resistant to cyberattack.

Dassault Aviation has also factored in the changing threat to onboard systems, the services offered to our customers, and our production facilities.

2.2.4. Security Risks

In the current international and geostrategic context, damage to the reputation of Dassault Aviation, its production activities and the use of its combat aircraft could primarily result in undermining national industrial sovereignty in terms of defense and, in the longer term, the military capabilities of the French armies.

Dassault Aviation's employees and its industrial, technical and scientific assets are safeguarded by systematic site access control procedures, physical protection systems, operational assessment of suppliers and a "security" step in the recruitment process.

The effort made to reduce security risks also includes the protection of IT systems, raising employee awareness of cyber risk, and procedures to remind "travelers" of the precautions necessary for safe international travel.

2.2.5. Risks Related to Personnel

Risks related to Dassault Aviation's attractiveness and the development and retention of talent (see Chapter 4 of this report)

Dassault Aviation's performance is highly dependent on its ability to recruit, retain and grow the talent necessary to manage and develop programs. The loss of technical skills is a risk as it is a main asset and guarantee the quality expected by its customers.

The competitive environment requires the adaptation and continuous improvement of the organizational structure.

Dassault Aviation continued its recruitments in 2024 in order to ramp-up production and renew its skill sets. To promote talent integration, retention and development, Dassault Aviation introduced several support and training measures aimed at its employees.

In terms of occupational health and safety (see Chapter 4 of this report), Dassault Aviation's activities can give rise to various situations in which the health and safety of its staff could be at risk. A systematic policy of reducing occupational risks and improving working conditions has been in place for several years. The measures taken are described in Chapter 4 of this report.

2.2.6. Environmental Risks

Dassault Aviation complies with the national and international regulations applicable in the countries in which it operates, as well as standards relating to the environmental performance of its products and activities.

Risks of pollution or damage to the environment, Note 2 – Scope

In terms of environmental risk control, the Environmental Management System (EMS) includes a risk analysis deployed in the Company's facilities and in its major subsidiaries.

No court has ever found Dassault Aviation guilty of pollution or ordered it to pay compensation to repair damage caused to the environment. In 2024, Dassault Aviation did not have to recognize any environmental liabilities.

The preventive measures taken are described in Chapter 4 of this report.

Regarding the environmental risk of classified installations, the Company is only required to provide financial security for one of its facilities (Decree No. 2012-633 of May 3, 2012).

Risks related to the consequences of climate change

Due to its geographical location, Dassault Aviation has low exposure to the physical consequences of climate change, whether for its industrial sites or supply chain, which are mainly European and North American. Dassault Aviation's only facility exposed to the risk of tornadoes, in Little Rock, Arkansas, has put in place a business continuity plan.

The fight against climate change is one of the European and national strategic ambitions, with a target of net zero carbon emissions by 2050 and ambitious intermediate targets in 2030 and 2040. The International Civil Aviation Organization (ICAO) has adopted those targets in environmental standards incorporated into our product design requirements. This allows Dassault Aviation to mitigate the transition risk associated with climate change.

The measures taken are described in Chapter 4 of this report.

2.3. Reputational, regulatory and legal risks

2.3.1. Corporate Social Responsibility

Dassault Aviation may be exposed to potential risks resulting from its products, activities or practices. To protect itself from risks that could have a lasting impact on its image, Dassault Aviation has put in place organizational measures and CSR governance, as well as tools consistent with the risks identified. It has also established various operating procedures and issued guidance on best practice. These provisions underline Dassault Aviation's commitment to environmental, social, societal and governance issues.

Most of these risks are regulated, and some are included in Chapter 4 of this report.

2.3.2. Compliance

The nature of Dassault Aviation's business means that it is subject to an extremely diverse and continually changing legal and regulatory framework with increasingly stringent requirements:

- in terms of product airworthiness, with aircraft program developments being regulated at the national, European and international level,
- in terms of employees (see Chapter 4 of this report) and the protection of personal data,
- in terms of the environment and occupational health and safety (see Chapter 4 of this report) and the Duty of Care,
- in terms of the application of the anti-corruption mechanism (Sapin 2 Law, Foreign Corrupt Practices Act, etc.),
- in terms of customs, economic, ethics, tax and financial regulations.

These regulations, at times extra-territorial in nature (particularly from the United States), create additional constraints or uncertainties, in particular embargoes, anti-money laundering obligations, ITAR or ethical constraints.

This complex regulatory environment has the potential to cause compliance risks and risks of obsolescence (particularly among certain suppliers and sub-contractors, with the associated costs and lead times), competitiveness or distortion of competition.

In view of this risk, the Ethics and Compliance Department of Dassault Aviation has set up a compliance program to ensure strict compliance with laws and regulations and support the subsidiaries of Dassault Aviation.

Information related to fight against tax evasion

Dassault Aviation complies with the applicable tax regulations and, as such, pays its taxes and duties in the countries where it conducts its industrial activities.

2.3.3. Protection of Intellectual Property

Innovation has become an essential tool to guarantee the success of the Company's products.

The protection of the Company's intellectual property and know-how, principally via secrecy, patents, copyright and trademarks, is a major challenge in the protection of its assets. In particular, the Company uses intellectual property rights to protect its technology, to prevent competitors from using that protected technology, and to remain competitive. Regarding the FCAS/NGF contract, the Company has sought to guard against the risk of technology leakage.

The Company has always focused on protecting its innovations and its know-how through confidentiality. Employees are encouraged to take the necessary measures to avoid any inadvertent disclosure. Some of our innovations remain secret and evidence of their creation is produced, if necessary. Other innovations are patented, particularly in the context of the Company's civil and military programs.

The patent portfolio comprises French or foreign patents filed in strategic countries. Trademarks are also filed regularly to protect the names of the Company's leading products and services in the countries where it operates. Awareness-raising sessions focusing on intellectual property and confidentiality are organized for the employees concerned to ensure they are able to actively protect technological assets.

Employees are encouraged to create inventions through a pay policy that has been tailored accordingly. An "Intellectual Property Committee" meets regularly to decide on the necessary protections for the Company's strategic inventions.

2.4. Financial and Market Risks

2.4.1. Financial Risks

Cash and liquidity risks

Dassault Aviation's investment portfolio is primarily composed of time deposit, debt securities and others securities with no significant risk of impairment.

The cash and investment portfolio allow Dassault Aviation to face its commitments without liquidity risk.

Credit and counterparty risks

Dassault Aviation carries out its cash and foreign exchange transactions with recognized financial institutions. It divides its investments and bank accounts among the various selected institutions.

Dassault Aviation limits counterparty risk by conducting most of its sales in cash and ensuring that the loans granted to a limited number of customers are secured by export insurance guarantees (Bpifrance Assurance Export) or collateral. The manufacturing risk is also guaranteed with Bpifrance Assurance Export for major military export contracts.

Additional information is available in Notes 8 "Trade and other receivables" and 23.2 "Management of credit and counterparty risks" to the consolidated financial statements.

2.4.2. Market Risks

Foreign exchange risks

Dassault Aviation is exposed to a foreign exchange risk through the Parent Company's Falcon sales, which are virtually all denominated in US dollars. The Parent Company's foreign exchange risk is partly hedged by its purchases in dollars, and partly by the use of forward exchange contracts and options(1). This risk is permanent, taking into account exchange rate fluctuations and volatility. This is a significant risk for Dassault Aviation, since the measures put in place to limit this risk are not sufficient to make the net risk zero (periods not covered by hedges, possible financial impact of hedges already taken in the event of reversal of market assumptions).

[1] A sensitivity analysis of the hedge portfolio can be found in Note 23.3 "Management of market risks."

For the sale of Dassault Aviation's military aircraft, movements in the dollar exchange rate can affect its competitiveness, as comparisons with competitors are made in this currency.

2.5. Insurance

The Legal Affairs and Insurance Department implements the risk transfer policy of Dassault Aviation defined by the Executive Management.

Coverage of all the risks generated by the aeronautical activities of Dassault Aviation and its subsidiaries (work-in-progress, changing aircraft, civil liability after delivery, maintenance and logistical support, etc.) constitutes the largest item of the insurance budget.

Coverage is obtained from a broad panel of insurers and reinsurers at high solvency margins to ensure they are able to handle any long-term claims.

Dassault Aviation's sites, as well as its industrial facilities, are insured for fire and other risks.

The Legal Affairs and Insurance Department oversees a regular audit program of Dassault Aviation's sites. It disseminates the risk prevention and industrial facilities protection policy to reduce the frequency and intensity of accidental risks. To this end, it relies on the various departments concerned with the safety of people, property and the environment, as well as on the specialized engineers of the property damage insurer.

Other programs are purchased in order to reduce risks not related to aviation activity: general civil liability, environmental damage, the fleet of vehicles, construction sites including assembly and testing and the civil liability of corporate officers and Directors.

The Legal Affairs and Insurance Department ensures that Dassault Aviation's insurance coverage constantly adapts to changes in its structure and business.

Dassault Assurances Courtage and Agence Aéronautique d'Assurances are involved in the placement of risks. Dassault-Réassurance handles the subscription of reinsurance portions for Dassault Aviation's aviation and fire risks.

3. DUTY OF CARE

Through its organization and internal processes, Dassault Aviation takes into account the risks generated by its activities and services with regard to the requirements of the legislation relating to the duty of care.

General framework

A Dassault Aviation-level framework makes it possible to identify the main risks and manage their potential consequences for the Company and its stakeholders (see Chapter 3 of the Corporate governance report).

Additional framework specific to the duty of care law

In parallel with the general system, in accordance with the requirements of French law no. 2017-399 of March 27, 2017 on the duty of care, a vigilance plan was defined in 2017 across Dassault Aviation to assess the risks of serious breaches in the areas of the environment, health and occupational safety, human rights and fundamental freedoms. This plan covers the activities of the Company and those of the suppliers with which it has an established commercial relationship.

The main components of this vigilance plan are described in the following sections.

Risk mapping

Risk mapping by country takes into consideration environmental criteria, rights and freedoms of work, as well as health, safety and working conditions. It is based on global indicators regularly published by specialized organizations such as Yale University, UNICEF, the International Labour Organization (ILO), the International Trade Union Confederation, etc.

In addition, risk mapping is also carried out by activity (design, production, support, etc.).

Supplier assessment

A risk assessment by supplier, incorporated into the approval and oversight process, based on standardized questionnaires from the International Aerospace Environmental Group (IAEG) and GIFAS, as well as questionnaires specific to the undertaking.

High-risk subsidiaries and suppliers are audited from time to time.

Supplier assessment report

Themes		Dassault Aviation performance		
		Objective	2024	2023
Anticipate supplier risks, especially for sub-contracted activities	**Number of suppliers processed**	All suppliers in the process of approval or follow-up	428 (100%)	397 (100%)
	Rate of suppliers with a high-risk location or business	-	15%	10%
	Progress in the assessments of production sub-contractors at risk	100%	85.8%	84%
	Rate of suppliers with a negative opinion	-	1.5%	0.8%

The subsidiaries conduct checks of their suppliers for purchases that are not critical (high-risk location or business). These are managed by the Dassault Aviation duty of care system described in this section.

Duty of Care Committee

A Duty of Care Committee has been established and is composed of representatives from the Purchasing Department, Ethics and Compliance Department, Total Quality Management Department (CSR and Internal Audit and Risk Department), Human Resources Department, Public Affairs and Security Department, and Industrial Operations Department. This Committee meets at least once a year to prepare an annual report on Dassault Aviation's compliance with the duty of care. It may meet from time to time as necessary to review confirmed whistleblowing reports. The Committee's agenda mainly addresses the following aspects of the annual report:

- updates to the scope of the duty of care plan,
- updates to the risk map,
- the risk assessment procedure,
- contractual clauses concerning the duty of care,
- the compliance of Dassault Aviation's duty of care plan,
- implementation of the framework at controlled companies,
- the assessment of human rights warnings and reports received under the Company's internal whistleblowing system managed by the Ethics and Compliance Department,
- the risk mitigation actions implemented.

Training program

A training program is being rolled out by the Ethics and Compliance Department for the entire Company, as provided for by the law of March 27, 2017 on the duty of care. These training courses aim to strengthen the understanding of Dassault Aviation's duty of care compliance system, in relation to business processes.

Internal whistleblowing system

The Ethics and Compliance Department has implemented a single system for processing reports of violations of the law and international agreements on human rights with the aim of remedying non-compliant situations.

Compliance controls and internal audits

The Total Quality Management Department and the Ethics and Compliance Department coordinate the vigilance plan and ensure the correct operation and effectiveness of the process in place.

The vigilance plan was the subject of an audit conducted by the Internal Audit and Risk Department to ensure the Company's compliance with Law No. 2017-399 of March 27, 2017 on the duty of care. To date, all the findings noted during this audit have been addressed.

More specifically, a control plan for offices and subsidiaries is also being carried out by the Ethics and Compliance Department. As such, the Ethics and Compliance Department ensures that human rights are respected, mainly through level-2 compliance controls relating to the duty of care. Several entities were checked for fiscal years 2023 and 2024.

A supplier code of conduct, detailed in Chapter 4 of the Directors' report, will be rolled out during the 2025 fiscal year.

Since the scheme was introduced in 2018, Dassault Aviation has not detected any supplier with an immediate significant risk. Nevertheless, among the assessments carried out, a few suppliers had weaknesses in one or more of the areas assessed. These suppliers are placed under supervision and action is taken (e.g. on-site audits) proportionate to the risk identified. Four audits were carried out in 2024.

Conflict minerals (tin, tungsten, tantalum and gold)

Although Dassault Aviation does not source directly, the Company is particularly vigilant about the origin of certain minerals (such as tin, tungsten, tantalum and gold) used in its products, in accordance with US regulations derived from the Dodd-Frank Act and with Regulation (EU) 2017/821.

To share information with its customers, Dassault Aviation has set up an organization to compile information from its supply chain on the provenance of such minerals. This topic is included in the supplier evaluation questionnaire during the accreditation stage. In addition, a CMRT (Conflict Minerals Reporting Template) has been collected annually since 2020, mainly from electronic-system suppliers likely to use these minerals in the manufacture of their components (455 suppliers questioned in 2024).

Dassault Aviation also collected information on other controversial minerals (cobalt, mica) using the EMRT (Extended Minerals Reporting Template) and CRT (Cobalt Reporting Template).

In 2024, Dassault Aviation received 482 supplier reports (286 CMRT and 196 EMRT or CRT). The aim for 2025 is to compile information on cobalt systematically and to include the "conflict minerals" clause in all new contracts concerned.

4. SUSTAINABILITY STATEMENT

4.1. GENERAL DISCLOSURES (ESRS 2)

4.1.1. General basis for preparation of sustainability statements (BP-1)

Preamble

Directive (EU) 2022/2464, called the Corporate Sustainability Reporting Directive (CSRD), provides for the disclosure of sustainability information in a separate section of the Directors' report ("sustainability statement"). This sustainability statement replaces the Non-Financial Reporting Declaration (NFRD), which was a requirement since the 2018 financial year.

Dassault Aviation declares that this sustainability statement, containing the sustainability disclosures, forms an integral part of the Directors' report, as required by Article L. 233-28-4 of the French Commercial Code, and has been prepared and written in accordance with the regulatory requirements set out in the ESRS on the one hand, and Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) on the other, which are applicable on the date of preparation of this first sustainability statement.

The new requirements regarding the structure of the information to be reported for the CSRD, particularly with regard to metrics, make the sustainability statement for the 2024 financial year a new baseline that cannot be understood as a simple continuation of the NFRD from previous financial years.

The scope of the information required by the CSRD differs by its great extent (up to 1,200 data points) and its complexity compared to the NFRD framework. The twelve standards that make up the CSRD (the European Sustainability Reporting Standards, or ESRS) thus required the publication of more than 1,100 clarifications on their interpretation by the European Commission throughout 2024. These clarifications could be further strengthened by standardization or regulatory bodies. By the end of 2024, only 20 of the 30 countries concerned by the CSRD had transposed the directive. German and Spanish undertakings, in particular, are not subject to it for the 2024 financial year.

This sustainability statement was developed by taking into account the information and knowledge available at the date of its drafting and in the context of the first year of application of CSRD-related provisions. There are sources of uncertainty beyond the interpretation of the texts themselves, mostly related to the current state of scientific and economic knowledge as well as to the quality and availability of external data, particularly within the value chain.

Certain information required by the ESRS was not available at the closing of the sustainability statement, notably with reporting processes and tools not mature enough to properly isolate and process the information. The table below lists this information:

ESRS	§ of this sustainability statement	Information
2, E1, E2, E5, S1, S4	n/a	Dassault Aviation is not in a position to evaluate significant operating expenditure (OpEx) and/or capital expenditure (CapEx) carried out specifically for the actions described in this sustainability statement, required under ESRS 2 § 69 (MDR-A) and topical standards. Consequently, this information is not disclosed in this sustainability statement.
2	n/a	Dassault Aviation is not in a position to evaluate the financial effects of material risks and opportunities. Consequently, the information required under ESRS 2 § 48 (d) is not disclosed in this sustainability statement.

E2	4.2.3.5	Dassault Aviation ensures compliance with the REACh regulation and as such maintains a map of substances of concern and informs its customers about the presence of these substances in delivered products. Dassault Aviation is unable to produce the metrics required under Disclosure Requirement E2-5 (substances of concern), which, in addition, are not relevant to the material risk identified following the materiality assessment described in § 4.1.11 of this sustainability statement. Dassault Aviation presents an alternative metric for monitoring this material risk in § 4.2.3.5 of this sustainability statement.
S1	4.3.1.14	Dassault Aviation reports no fatalities due to workplace accidents but is not able to establish a connection between deaths and occupational illnesses.
S1	4.3.1.17	Dassault Aviation is able to evaluate with certainty the information on incidents and complaints required under Disclosure Requirement S1-17 only for the Parent Company. Consequently, this information is provided only for the Parent Company in this sustainability statement.
S2	n/a	Dassault Aviation is able to assess the materiality of the impacts, risks and opportunities related to ESRS S2 topics only for the tier 1 suppliers in its supply chain. The process and results of this analysis are specified in § 4.1.11 and 4.1.12 of this sustainability statement.
G1	4.4.6	Dassault Aviation is able to measure supplier terms of payment with sufficient reliability only for French companies.

The metrics required under Disclosure Requirement E5-4 about the supply of at-risk materials constitute strategic information that would harm Dassault Aviation if published.

For the pay gap between the highest and the median pay (S1-16, § 4.3.1.16), the median is limited to Parent Company wages.

Some estimates may be refined during future reporting periods when more relevant information becomes available. Some estimation methods may also be modified or adapted.

The information gathering process will become gradually more robust over the years and as data collection and analysis tools improve.

Dassault Aviation's internal auditing procedures related to the preparation of sustainability information will be progressively strengthened on the basis of experience gained during the first reporting periods.

Dassault Aviation also plans to periodically review and refine its materiality assessment process in relation to impacts, risks and opportunities associated with its activities.

Information required by Disclosure Requirement BP-1

The scope of this sustainability statement covers all Dassault Aviation ("the Company") activities. This scope is the same as that of the consolidated financial statements (excluding equity associates) defined in Note 2 to the consolidated financial statements of this annual report.

The elements of the value chain covered by this sustainability statement are identified in § 4.1.8.

Some of the information required under the regulatory disclosure requirements governing this sustainability statement is not disclosed for confidentiality reasons provided for under ESRS 1 Section 7.7. Dassault Aviation has not availed itself of the option that allows it to omit any specific information corresponding to intellectual property, know-how or the results of innovation.

4.1.2. Disclosures in relation to specific circumstances (BP-2)

Time horizons

Dassault Aviation has complied with the time horizons set by the CSRD[1] in the context of its sustainability disclosures.

Value chain estimations

This sustainability statement does not include metrics with estimations related to value chain.

Sources of estimation and outcome uncertainty other than value chain estimations

Some quantitative metrics cannot be measured directly by Dassault Aviation and are therefore obtained from public databases, leading to potential measurement uncertainty. The carbon emission factors and energy mix of the different countries are the key metrics affected by this uncertainty (see § 4.2.2.6 and 4.2.2.7).

This uncertainty is amplified by the time lag between the data available in public databases and the reporting year. The appendix of this Directors' report explains how this uncertainty is handled.

Disclosures stemming from other legislation or standards

The disclosure requirements listed below are required by legislation or standards other than the CSRD and are included in this sustainability statement:

- regulatory requirement for gender-balanced representation on Boards of Directors set by Article L. 225-18-1 of the French Commercial Code,
- performance of the energy audit in accordance with the obligation laid down by Article L. 233-1 of the French Energy Code,
- proportion of the Company's headcount covered by an environmental management system in accordance with the standard ISO 14001:2015.

[1] short term: < 1 year; medium term: 1 to 5 years; long term > 5 years

Incorporation by reference

The table below lists the disclosure requirements that have been incorporated by reference.

ESRS	Section	Incorporation by reference
2	4.1.1	Note 2 to the Consolidated Financial Statements
2	4.1.3	§ 1.3 of the Corporate governance report
2	4.1.5	§ 2.2.2 of the Corporate governance report
2	4.1.8	Note 1.5 to the Consolidated Financial Statements
E1	4.2.1.2	Note 2 to the Consolidated Financial Statements
E1	4.2.1.4	Note 15 to the Consolidated Financial Statements
E1	4.2.1.4	Note 4 to the Consolidated Financial Statements
E1	4.2.2.6	Note 15 to the Consolidated Financial Statements
E1	4.2.2.7	Note 15 to the Consolidated Financial Statements
G1	4.4.7	§ 2.2.3. Cyber risks for IT systems

4.1.3. The role of the administrative, management and supervisory bodies (GOV-1)

Dassault Aviation is headed by a Chairman and Chief Executive Officer (Chairman and CEO) and a Chief Operating Officer (COO).

The Board of Directors is composed of the Chairman and CEO and seven other Directors (including one Director representing employees), who are non-executive members. A representative of the Central Economic and Social Committee is invited to attend each meeting of the Board of Directors.

The Chairman and CEO and the COO have been in their respective roles since 2013. They also participate in the management bodies of several Dassault Aviation companies and those of other (listed and unlisted) companies and professional associations in the aerospace sector and the industrial sector more broadly. They are, respectively, Honorary Chairman and Deputy Chairman of GIFAS (Groupement des Industries Françaises Aeronautiques et Spatiales, the French Aerospace Industries Association). The Chairman and CEO is also President of UIMM (Union des Industries et Métiers de la Métallurgie, the French Union of Metallurgy Industries and Trades).

Members of the Board of Directors also have broad experience. They have been Company Directors for several years and all have extensive knowledge of Dassault Aviation and the aerospace sector. Several also hold, or held for many years, offices and positions in CAC 40 and/or SBF 120 undertakings and/or international undertakings (Veolia Environnement, EDF, Capgemini, Accor, Thales, Dassault Systèmes, etc.).

Percentage by gender

Three women currently sit on the Board of Directors, out of a total of seven members (excluding the Director representing employees, in accordance with the law). This equates to a percentage of 43% women, which is above the legal requirement of 40% set by Article L. 225-18-1 of the French Commercial Code concerning gender-balanced representation on Boards of Directors.

Age of Directors

At December 31, 2024, the Directors are aged between 48 and 86 with an average age of 66. This includes the Director representing employees.

Independence of Directors

The three independent Directors out of a total of seven Directors (excluding the Director representing employees) represent 43% of the Board of Directors (which is above the legal requirement of one independent Director). In this aspect, it should be noted that the Parent Company does not refer to the current corporate governance codes issued by Afep-Medef and Middlenext.

Governance of sustainability matters

Dassault Aviation's executives and Directors have responsibilities in committees dealing with sustainability, governance, pay and human resources matters of SBF 120 companies or are Directors or members of various charitable foundations. A detailed description of the offices held by Dassault Aviation Executives and Directors is provided in § 1.3 of the Corporate governance report included in this Annual report.

This expertise, which they have proven at other international companies, gives Dassault Aviation's corporate officers and Directors the ability to address sustainability matters, whether they relate to governance or to social, environmental and societal issues. A list of these matters can be found in § 4.1.4 of this sustainability statement.

Dassault Aviation's CSR Manager, appointed by the Chairman and CEO, oversees the CSR policy of both the Parent Company and its subsidiaries, and the associated reporting requirements. As such, he is responsible for recommending a CSR policy to Executive Management based on the main sustainability matters and for overseeing its application in the relevant departments.

This manager and his team within the Total Quality Management Department (TQMD) relies on a network of CSR officers assigned to each department of the Parent Company and each Dassault Aviation subsidiary.

Depending on the nature of the sustainability matters defined, different entities are responsible for translating the CSR policy into more specific policies as well as actions, metrics and targets. These roles are summarized below, in keeping with the structure of the European Sustainability Reporting Standards (ESRS), which define the disclosure requirements of the CSRD:

- environmental standards (ESRS E1 to E5) are under the responsibility of the TQMD,
- the social standard on own workforce (ESRS S1) is under the responsibility of the Human Resources Department (HRD) and the Ethics and Compliance Department (ECD),
- the governance standard (ESRS G1) on business conduct is under the responsibility of the ECD, the Purchasing Department (PD) and the Financial Department (FD),
- social standards (ESRS S2 to S4) are a cross-functional responsibility.

Executive Management approves the Company's CSR policy and its derivations, and ensures that the relevant entities apply it to their sustainability matters. It defines or approves metrics and targets and tracks key performance indicators. Some metrics are derived directly from the objectives set by the Board of Directors for Executive Management (see § 4.1.5).

The half-yearly meetings of the Board of Directors and the annual general meetings of shareholders mark key milestones in this monitoring process. The Legal Affairs and Insurance Department (LAID) serves as the Company's corporate secretary for these events.

Sustainability matters identified as risks are handled through the same process as other Company risks. The Internal Audit and Risk Department (IARD) evaluates the risk management and internal auditing systems. One of its Director's duties is to report to Executive Management and the Audit Committee on the Company's major risks, the results of the audits and the recommendations made.

The Audit Committee is responsible for monitoring the process for preparing and verifying the sustainability information.

The role of the administrative, management and supervisory bodies in business conduct

Dassault Aviation's management bodies have a zero-tolerance policy on breaches of probity and are committed to strict business ethics governing Dassault Aviation's business conduct.

The Company addresses the risks of corruption and takes appropriate measures to prevent and detect, in France and abroad, acts of corruption or influence peddling in accordance with Law 2016-1691 of December 9, 2016 on transparency, the fight against corruption and modernization of the economy.

Dassault Aviation has chosen to entrust the ECD with the implementation and supervision of the anti-corruption system. As such, the ECD is responsible for identifying, preventing and addressing the compliance risks (reputational, legal and financial) related to the Company's activities by ensuring compliance with regulations and business ethics. The ECD is an independent body that reports directly to the Chairman and CEO.

At the same time, the Risk Committee is involved in the governance of the Company's compliance actions. As such, when reporting on compliance risks to the Executive Committee (EXCOM) and Executive Management, this committee ensures that the compliance policies are defined and implemented, while also monitoring execution of the annual action plans.

Lastly, each legal representative of the Company's subsidiaries and branches is responsible for implementing the Anti-Corruption Code, the Ethical Charter, and the compliance program. As a result, they are responsible, under the leadership of the ECD, for providing the Anti-Corruption Code to all their employees, overseeing their training, informing them of their business ethics duties, and making it clear to them that any violation of the Anti-Corruption Code could lead to disciplinary measures.

4.1.4. Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)

Sustainability matters can, on the one hand, lead to risks or opportunities for Dassault Aviation; on the other hand, Dassault Aviation can have impacts on society or the environment related to these issues. Some Impacts, Risks and Opportunities (IRO) are considered significant ("material") following the materiality analysis described in § 4.1.11. These material IROs are listed in § 4.1.10.

The issues are material and are dealt with in this sustainability statement when they correspond to one or more material IROs.

Information about material IROs and related issues is provided to Executive Management throughout the year, based on their criticality, and includes in particular:

- The main areas of implementation of the Corporate Social Responsibility (CSR) policy, the actions and resources put in place to address sustainability matters, and the priorities set by Executive Management,
- Critical regulatory developments,
- Significant interactions with stakeholders,
- Major risks through the risk management procedures,
- Key performance indicators.

The Company's CSR policy is based on the main CSR matters and is backed by industry standards and rules. It is built on five pillars:

- Improving the environmental performance of activities and products,
- Offering an attractive and motivating employment model,
- Ensuring a high-quality, safe and healthy work environment,
- Adopting a responsible approach,
- Meeting regulatory requirements and compliance obligations.

In line with the multi-year CSR policy and with the Company's challenges in 2024, a CSR letter, signed by the Chairman and CEO, was circulated to all entities to ask them to focus their efforts on occupational health and safety, the attractiveness of our employment model and talent development, the environmental performance of activities and products and, lastly, the responsible purchasing approach.

The main results achieved in CSR at the end of 2023 and the objectives for 2024 were:

- brought to the attention of Executive Management when preparing the annual report, and to the Board of Directors,
- presented to EXCOM members during the Company's management review,
- brought to the attention of shareholders at their Annual General Meeting.

The Board of Directors meeting of March 5, 2024 appointed the Audit Committee to monitor the process for preparing and verifying the sustainability information.

Progress on the CSR 2024 objectives at mid-year was:

- brought to the attention of Executive Management during preparation for the Board of Directors meeting in July 2024,
- presented during the TQMD management review in July 2024.

The first double materiality assessment in line with CSRD requirements was carried out at the end of 2023. Materiality thresholds were defined in the first half of 2024. The findings were presented to Executive Management in May 2024.

The sustainability-related risks identified in the double materiality assessment are addressed through Dassault Aviation's existing risk management systems.

4.1.5. Integration of sustainability-related performance in incentive schemes (GOV-3)

The principles of the compensation policy for the Chairman and CEO and the COO have been established by the Board of Directors. Their pay consists of a fixed component and a variable component (including performance shares).

10% of this variable compensation includes sustainability performance indicators (see § 2.2.2. of the Corporate governance report).

4.1.6. Statement on due diligence (GOV-4)

Due diligence refers to the process through which undertakings identify, prevent and mitigate the actual and potential negative impacts of their activities on the environment and the populations affected by them, and report on how they address these impacts.

The core elements of due diligence can be found in the following paragraphs of this sustainability statement:

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
(a) Embedding due diligence in governance, strategy and business model	§ 4.1.4 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) § 4.1.5 Integration of sustainability-related performance in incentive schemes (GOV-3) § 4.1.10 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)
b) Engaging with stakeholders	§ 4.1.4 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2) § 4.1.9 Interests and views of stakeholders (SBM-2) § 4.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1) § 4.2.2.1 Transition plan for climate change mitigation (E1-1) § 4.2.2.3 Policies related to climate change mitigation and adaptation (E1-2) § 4.2.3.2 Policies related to pollution (E2-1) § 4.3.1.2 Policies related to own workforce (S1-1) § 4.3.1.3 Processes for engaging with own workers and workers' representatives about impacts (S1-2) § 4.3.1.4 Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3) § 4.3.2.2 Customer safety policies (S4-1) § 4.3.2.3 Processes for engaging with customers about impacts (S4-2) § 4.3.2.4 Processes to remediate negative impacts and channels for customers to raise concerns (S4-3) § 4.4.1 Business conduct policies and corporate culture (G1-1) § 4.4.2 Management of relationships with suppliers (G1-2)
c) Identifying and assessing adverse impacts	§ 4.1.10 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3) § 4.1.11 Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

d) Taking actions to address those negative impacts	§ 4.2.2.1 Transition plan for climate change mitigation (E1-1) § 4.2.2.4 Actions and resources in relation to climate change policies (E1-3) § 4.3.1.5 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4) § 4.3.2.5 Taking action on material impacts on customers, and approaches to managing material risks and pursuing material opportunities related to customers, and effectiveness of those actions (S4-4)
e) Tracking the effectiveness of these efforts and communicating	§ 4.2.2.5 Targets related to climate change mitigation and adaptation (E1-4) § 4.2.2.6 Energy consumption and mix (E1-5) § 4.2.2.7 Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6) § 4.3.1.14 Health and safety metrics (S1-14) § 4.3.2.6 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

4.1.7. Risk management and internal controls over sustainability reporting (GOV-5)

This double materiality assessment was carried out with the departments that have a good understanding of the interests and views of stakeholders.

The information produced in this sustainability statement has been analyzed and verified by the various contributing departments and, ultimately, by a central team responsible for approving the annual report.

The production of sustainability information will be treated as a Company risk during the next update of the risk map.

4.1.8. Strategy, business model and value chain (SBM-1)

Markets and customer groups/products and services offered

Breakdown of activities

Dassault Aviation's aerospace activities should be understood, first and foremost, in the context of its dual civil–military expertise. The advanced technologies developed for the military activities benefit the civil activities, which in turn generate innovations in production and certification. This means Dassault Aviation can count on complementary markets and is able to reduce its exposure to the economic environment.

The aerospace business has long cycles, as the production period for an aircraft program can often reach 25 years and the operating lifetime can exceed 40 years.

Dassault Aviation's employees are mostly located in France. The rest of the workforce is mainly based in the United States. Details can be found in § 4.3.1.7.

Since 1945, Dassault Aviation has produced more than 5,800 military aircraft and more than 2,700 civil aircraft, for a total of more than 8,500 aircraft, 64% of which have been exported.

In 2024, the revenue breakdown was Falcon 36% (civil aircraft) and Defence 64%.

Dassault Aviation's special role in national sovereignty

A cornerstone of the Fifth Republic, sovereignty[2] is a vital precondition for achieving sustainability objectives.

Dassault Aviation has designed, manufactured and supported all French combat aircraft since 1945. Nearly 3,000 Mystère, Mirage, Jaguar, Alpha Jet, Étendard, ATL and Rafale aircraft have been delivered to the French Air Force and Navy.

Combat aviation is a critical tool for modern warfare. In addition to external operations and homeland defence, since 1964 Dassault aircraft have played a role in an ongoing mission: airborne nuclear deterrence, currently ensured by the Rafale/ASMP-A missile combination within the Strategic Air Forces (Forces Aériennes Stratégiques, FAS) and the Nuclear Naval Air Force (Force Aéronavale Nucléaire, FANu). Along with the Strategic Oceanic Force (Force Océanique Stratégique, FOST), which is equipped with nuclear-powered ballistic missile submarines, the FAS and the FANu are the cornerstone of French defence and the nation's ultimate life insurance policy, as well as a mark of its sovereignty in the eyes of the world.

Dassault Aviation is the only company with the unique and complex know-how to design and integrate high-performance and reliable air combat systems in France. It relies on its experience and mastery of a number of so-called "sovereignty" technologies: stealth; digital solutions; flight controls; specialty and composite materials; aerodynamic, acoustic, infrared and electromagnetic calculation codes; simulation; artificial intelligence; pyrotechnics; etc. These technologies benefit France's entire industrial fabric, with Dassault Aviation at its core.

Dassault combat aircraft are produced by a national industrial ecosystem, made up of several hundred undertakings brought together by Dassault Aviation (prime contractor) and the DGA (project manager). This autonomy ensures that implementation of French combat aircraft cannot be subject to any external constraints. It is a major national defence asset. Only a very small number of countries worldwide have this type of technological and operational sovereignty.

Since 1945, Dassault Aviation has sold as many combat aircraft for export as it has to France. Military exports are one component of our country's strategic relations with its foreign partners. They also ensure the economic balance that France needs to maintain its sovereign defence.

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[2] Sovereignty appears in the very first sentence of the preamble to the Constitution: "The French people solemnly proclaim their attachment to Human Rights and the principles of national sovereignty as defined by the Declaration of 1789, reiterated and supplemented by the Preamble to the Constitution of 1946, and to the rights and duties as defined in the Environmental Charter of 2004."

External sovereignty is defined as what characterizes a state, in other words, effective control over a territory and a population, independence or "non-subjugation" with regard to another state, and the freedom to enter into undertakings with other states. (…) Sovereignty and power are not synonymous: the latter is "the ability of an international actor to impose its will in international relations." (…) France remains a military power, one that has made control of nuclear weapons the "cornerstone" of its defence policy and has scaled its conventional forces accordingly. In today's tense geostrategic environment, military power is not only an advantage of sovereignty, it is one of its prerequisites. (French Council of State, *Sovereignty,* 2024 Annual Report).

Retaining the current ability to design and manufacture high-performance air combat systems, and to provide them to the French forces and their export partners, and maintaining the operational capabilities of this equipment are aspects of sovereignty where Dassault Aviation has a major positive impact in terms of corporate social responsibility. The matter of sovereignty, which has been an important one for decades, is also one of Dassault Aviation's main sustainable opportunities.

Legal and administrative framework for Dassault Aviation's military activities

Linked to the government's foreign and defence policy, the production and export of war materiel are activities:

- strictly regulated by French laws (since the Second World War),
- carried out in accordance with international commitments entered into by France.

Undertakings involved in the manufacture or sale of war materiel may not do business unless they have authorization from the State and are under its control. In the interests of sovereignty, the State has granted authorization to Dassault Aviation for the manufacture and sale of military aircraft. It also grants it export licenses through a robust and strictly enforced procedure.

On that basis, Dassault Aviation:

- has a manufacturing and trade authorization granted by the French Ministry of Armed Forces for a maximum period of five years; the authorization is renewable, if necessary following investigation by the police, gendarmerie and prefecture in the areas where its plants are located,
- cooperates with regular site inspections and document checks carried out by officials from the relevant ministries,
- includes on its Board of Directors a government commissioner appointed by order of the French Ministry of Armed Forces,
- carries out its design and production under the supervision and/or project management of the DGA (Direction générale de l'armement du ministère des Armées – French Defence Procurement Agency).

For exports of war materiel in particular, two general principles apply in France:

- principle of prohibition: arms exports are prohibited, unless an exemption is granted by the State and subject to its control (there is no freedom of enterprise or trade in this respect); the exemption is applied by granting export licenses for war materiel;
- principle of interministerial coordination: the Prime Minister bears ultimate responsibility for export controls.

By law, the State is responsible for the evaluation of France's military customers via a strict authorization process overseen by three regulatory bodies:

- the CIEEMG (commission interministérielle pour l'étude de l'exportation des matériels de guerre – interministerial commission for scrutiny of war materiel exports); the interministerial aspect ensures that export license applications undergo proper scrutiny[3];
- the SGDSN,
- the DGA.

The provisions of Articles L. 2335-1 et seq. of the French Defence Code define the legal framework for authorization.

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[3] The CIEEMG examines applications for export and transfer licenses from manufacturers. The Commission, chaired by the SGDSN (Secrétariat général de la défense et de la sécurité nationale – Secretariat-General for Defence and National Security), brings together representatives of the French Minister for Defence, Minister for Foreign Affairs and Minister for the Economy. Where appropriate, favorable opinions expressed by the CIEEMG may be accompanied by conditions, as well as the requirement for a non-re-export clause and an end-use certificate. The Prime Minister's decision, taken on the advice of the CIEEMG, is notified to Customs, which then issues any approved licenses.

Export transactions are examined retrospectively to ensure that they comply with the authorization granted by the CIEEMG. This procedure, which contributes to the robustness of the scrutiny process, includes manufacturers' compliance with any conditions imposed when the export license was issued.

Consequently, the selection and evaluation of military customers, as well as the export of military aircraft manufactured by Dassault Aviation (with the associated after-sales support), are subject to the strict supervision of the French authorities. They have the sovereign power to decide in which countries and under what conditions Dassault Aviation is authorized to enter into a contract with a military customer of the State.

Besides, the Rafale aircraft of the French Air and Space Force and the French Navy contribute to the French nuclear deterrence policy through their ability to deploy the ASMP-A nuclear missile. This capability and this missile cannot be exported, in compliance with France's non-proliferation commitments.

The French Parliament is kept regularly informed of the activities of defence undertakings during parliamentary debates and through the publication of an annual report that addresses the need for transparency.

The French Senate and National Assembly also hold select committee hearings at which defence company executives are asked questions. The CEO of Dassault Aviation thus regularly attends such hearings.

Customers

For combat aircraft, Dassault Aviation's customers are countries, through their governments, government agencies and armed forces.

France is Dassault Aviation's largest military customer, from a historical and quantitative as well as organic standpoint. It is the French government, along with the French Defence Procurement Agency (Direction Générale de l'Armement, DGA) and the French armed forces, that defines, finances and structures the combat aircraft programs.

The Rafale's export customers are France's strategic partner countries. Since 2015, the Rafale has been sold to eight foreign countries. They are, in chronological order, Egypt, Qatar, India, Greece, Croatia, the United Arab Emirates, Indonesia and Serbia.

As far as Falcon business jets are concerned, the vast majority of Dassault Aviation's customers are companies. Other customers are divided between private buyers on the one hand, and buyers of multi-mission Falcons on the other (multi-mission Falcons are designed to order for governmental, para-governmental or private entities; when they are military in nature, they are subject to the rules of government control mentioned above).

Income[4]

Rafale combat aircraft

The Rafale is known for its outstanding versatility (air-to-air, air-to-ground and air-to-sea missions) and for its upgradeability thanks to continuous improvements that combine technological breakthroughs with user feedback.

The Rafale covers a variety of missions that previously required seven different types of aircraft. It is one of the vectors of French nuclear deterrence.

[4] As specified in Note 1.5 to the consolidated financial statements, IFRS 8 "Operating segments" requires the presentation of information according to internal management criteria. Dassault Aviation's activity relates entirely to the aerospace sector. As a result, all revenue is from this sector.

Falcon business jets and multi-mission aircraft

Falcons are business jets recognized for their handling qualities, operational flexibility, low fuel consumption and innovative solutions. They are "flying offices" designed to deliver optimum performance by achieving significant time savings and providing passengers with an excellent work environment. The current Falcon family has a range of 7,400 km to 13,890 km.

Multi-mission Falcons are aircraft that have been modified for intelligence, maritime surveillance, training, calibration, scientific research, medical evacuation, etc.

Customer support

Dassault Aviation supports around 1,000 military aircraft and 2,100 Falcon jets in service in 90 countries.

Most military aircraft are covered by long-term operational maintenance contracts. Dassault Aviation is responsible for supplying air forces with spare parts, systems, tools, etc.

In the civil sector, Falcons benefit from by the hour support programs, based on users' operational needs, and a global network of certified service centers.

Sustainability matters

Sustainability matters are shown in the table below. They cover all products, services, markets and customers.

Topic	Sustainability matters
National sovereignty	French national defence including nuclear deterrence. Strategic interests related to military export customers. Maintaining strategic competencies in design and manufacturing.
Environment	Reduction in the carbon footprint and energy consumption
	Industrial and pollution risk control
	Materials use and circular economy
Social and societal	Attractiveness and talent retention
	Training and skills management
	Diversity, inclusion and equal opportunities
	Employee health and safety
	Quality of life and working conditions
	Product safety
	Cyber risk control for IT systems
Governance	Business ethics and compliance
	Management of relationships with suppliers

The strategies corresponding to sustainability matters are provided in § 4.1.10.

Business model and value chain

Suppliers (upstream value chain)

For the Rafale, the industrial players are French or conduct their business in France. The DGA is the project manager. Dassault Aviation is the prime contractor with the following original equipment manufacturers (for complete assemblies of complex systems to be integrated on the aircraft): Thales (radar, avionics, communications) and Safran (engines, landing gears, various systems). The industrial ecosystem built up around these three prime manufacturers represents about 400 undertakings in France.

For the Falcons, Dassault Aviation is the project manager and prime contractor. The main suppliers are located primarily in France, Europe and North America.

Internal functions and production (Company activities)

Dassault Aviation is the architect of complex programs that meet our customers' current needs and future challenges, on time and on budget. It is the prime contractor and the organization that ensures skills synergies.

As an industrial and design architect, the Company supports its customers and partners by managing the entire life cycle of aircraft programs. Dassault Aviation is capable of managing and coordinating complex projects (national and multinational) and assumes responsibility for their success. Dassault Aviation guarantees respect for the system's fundamentals and its development, evaluates the technological challenges, and makes decisions about scope and task-sharing among partners.

In addition, the Parent Company has a very attractive value-sharing program for its employees.

For each program, Dassault Aviation:

- designs and develops the aircraft (or the new standard), by coordinating the partners and sub-contractors, and handles certification by the civil authorities (EASA, FAA) for the Falcons or qualification by the military authorities (DGA),
- ensures industrialization: supplies, purchases, tools, general organization of production,
- manufactures/assembles the airframe and flight controls, integrates all sub-contracted components, conducts the necessary checks and tests at its production and testing sites, negotiates the commercial terms of the sale;
- makes deliveries to government and civil customers,
- provides support for aircraft in operational service, which it handles for customers.

Transport and logistics (upstream and downstream)

Since aircraft are generally delivered to customers at production sites, transport and logistics consist primarily of flows with suppliers and between manufacturing plants.

Spare parts (excluding engine blocks in particular) are shipped to customers or to several dedicated centers around the world.

End-users (downstream)

Military customers. Dassault Aviation equips and ensures the availability of high-performance and reliable fleets of combat aircraft (Rafale, Mirage 2000, Alpha Jet) and multi-mission aircraft (ATL2, special Falcons). These aircraft play a role in their users' national defence.

Civil customers. Falcon business jet customers have a real work tool that allows for flexible and customized routes and safe and discreet travel, bringing passengers as close as possible to their points of departure and arrival and ensuring the best possible conditions so travelers feel fresh on arrival. In addition, these jets already use high proportions of Sustainable Aviation Fuels (SAF).

4.1.9. Interests and views of stakeholders (SBM-2)

Dassault Aviation interacts with many stakeholders. Relationships are maintained through different forms of cooperation in an effort to take each stakeholder's specific interests, needs and expectations into account.

Stakeholder	Expectations	Forms of cooperation
Company	Sovereignty Human rights and compliance Environmental risk control Reduction in negative impacts Support for local initiatives	Public hearings in Parliament External communication Codes of conduct Charitable support (inclusion, humanitarianism and culture) Reservist agreements Teacher ambassadors
Customers	Product and service quality Environmental performance of flight operations	Quality audit Certification and airworthiness monitoring Internal auditing Contractual reviews Customer seminars Trade fairs
Employees	Value Sharing Attractiveness and talent retention Training and skills management Diversity, inclusion and equal opportunities Employee health and safety Quality of life and working conditions	Negotiations and agreements with trade unions Prevention and occupational health services Internal communication HR portal Onboarding days
Shareholders and investors	Financial performance CSR commitments Regulated information	Annual General Meeting Investor meetings Press conferences Financial reporting
Suppliers	Equitable relationships Long-term commitment Terms of payment	Commitment charters (GIFAS, etc.) Digitization and faster payment times, particularly for SMEs
Public and administrative authorities	Compliance with laws and regulations Taxes, duties and contributions	Declarations, audits and controls Meetings with French and European institutions

4.1.10. Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

This table identifies the material impacts, risks and opportunities (IROs) in the value chain, as well as the strategies implemented by Dassault Aviation to develop opportunities, manage impacts and ensure resilience in the face of risks.

Issues	IRO/Description	Horizon	Value chain	Strategies
Sovereignty	Impact: (+) Major contribution to French national defence and its strategic interests Opportunity: Support for the strategic interests of France and its partners	Increase > 5 years Increase > 5 years	Upstream Company activities Downstream	Air force equipment Long-term fleet availability Programs in development Demonstrator programs French and export military sales
Reduction in the carbon footprint and energy consumption	Impact: (-) Contribution to climate change	Decrease > 5 years	Upstream Company activities Downstream	Sector GHG reduction commitments for 2050 R&T Development of a 100% SAF-compatible civilian aircraft Company SAF plan Optimization of air operations Energy saving plan
Industrial and pollution risk control	Risk: Obsolescence related to substance regulations	Increase 1-5 years	Upstream Company activities	Process for anticipating and managing chemical obsolescence
Materials use and circular economy	Risk: Non-availability of raw materials	Increase 1-5 years	Upstream Company activities	Monitoring process Process for anticipating and managing the supply of critical materials
Attractiveness and talent retention	Risk: Difficulty attracting or retaining employees	Stable 1-5 years	Company activities	Recruitment and pay policy Value Sharing
Training and skills management	Risk: Mismatch between employees' skills and the needs of the business	Stable 1-5 years	Company activities	Training, key skills planning
Diversity, inclusion and equal opportunities	Impact: (-) Potential impact on the employee experience	Stable 1-5 years	Company activities	Non-discrimination Professional equality Social inclusion

Employee health and safety	Impact: (-) Potential impact on employees' mental and physical health	Stable > 5 years	Company activities	Occupational health and safety management system
	Risk: Work-related injuries and occupational illnesses	Increase < 1 year		
	Risk: Regulatory non-compliance related to occupational health and safety	Stable 1-5 years		
Quality of life and working conditions	Impact: (-) Potential impact on the employee experience	Stable 1-5 years	Company activities	Striking the right balance between individual and collective performance Agreement on quality of life and working conditions
Product safety	Impact: (-) Impact of an aviation accident Risk: Aircraft safety failure Risk: Loss of airworthiness and grounding	Stable > 5 years	Company activities Downstream	Safety policy Quality assurance Compliance with product regulations Flight and ground safety
Security and safety of data and information systems	Risk: Cyber risk for IT systems	Increase < 1 year	Upstream Company activities Downstream	Cyber-security Audits Protection of assets and data
Business ethics and compliance	Risk: Breach of business ethics	Decrease < 1 year	Upstream Company activities Downstream	Anti-corruption Training Regulatory compliance Duty of care
Management of relationships with suppliers	Impact: (+) long-term commitment, securing sustainable solutions	Increase > 5 years	Upstream	Responsible practices for the selection and treatment of suppliers

Dassault Aviation's strategy and business model take into account the sustainability risks and opportunities associated with its activities. Measures are in place to mitigate the effects of the risks, mainly through compliance with environmental regulations and ethical and compliant business conduct.

Efforts to apply regulations and the investments made in preventive measures aim to protect Dassault Aviation from negative financial effects and make the Company resilient to the material risks it has identified.

All IROs are covered in this sustainability statement through the ESRS, except for Sovereignty, which is dealt with in § 4.1.8.

4.1.11. Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)

General methodology

The study to identify and assess the IROs (double materiality assessment) was overseen by the Company CSR manager, with the assistance of various departments and support from a consultancy firm.

This materiality assessment was carried out through a process aimed at identifying, assessing, prioritizing and monitoring potential and current impacts on people and the environment, as well as risks and opportunities that could have a financial effect on the undertaking.

The materiality assessment follows a systematic approach.

This assessment covered the various environmental, social and governance issues listed in ESRS 1. The Company also analyzed the double materiality of certain more specific matters, such as cybersecurity and sovereignty, on a voluntary basis.

The approach is based on a due diligence process and the Company’s risk management framework, and takes into account specific factors that may increase potential negative impacts. The analysis focused on civilian and military activities.

IROs have been identified and positioned throughout the Company’s value chain (see value chain description in § 4.1.8.). The IRO identification stage was based on guidelines such as those issued by the Sustainability Accounting Standards Board (SASB). The IROs related to business conduct have been identified globally across all of the Company’s activities, regardless of the geographic region. The IROs related to climate change have been identified taking into account the Company’s direct and indirect GHG emissions.

In addition, an analysis of the Company’s dependencies on the resources (tangible and intangible) that affect it was carried out.

Dassault Aviation did not interview any interested parties outside the Company in this assessment. Their opinion was taken into account through an internal panel of experts recognized in their field. These experts are representative of the selected matters and are in regular contact with stakeholders.

Each matter was assessed against the IROs defined, according to the criteria specified in ESRS 1 (General Requirements of the CSRD):

- for impacts: the severity and likelihood.

  Severity is determined by three criteria. Each criterion is assessed on a four-level scale:
  - scale: Low – Moderate – High – Very High,
  - scope: Limited – Medium – Large – Widespread,
  - irremediable character (only for negative impacts): Easy – Medium – Complex – Impossible.

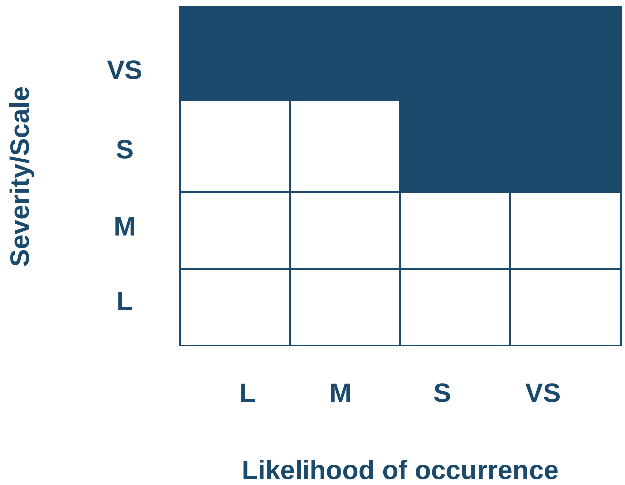
  Each of the four levels is assigned a quantitative value: 1 – 3 – 6 – 10. Severity is calculated as the arithmetic mean of the values assigned to the three criteria.

  When the impact concerns human rights, the likelihood was considered certain so as not to reduce the materiality of the impact.

- for risks and opportunities: the scale and likelihood.

Risks and opportunities were assessed in a collegiate manner with the relevant departments. The impacts were assessed by the competent experts and the results were consolidated with no department-based weighting.

The IROs were positioned according to the matrix used for Company risk management:



L: Low**; M:** Moderate**; S:** Significant**; VS:** Very Significant

IROs positioned in the zone are considered material under the CSRD.

The results of the double materiality analysis were presented to Executive Management.

The changes in IROs were assessed according to the time horizons set by the CSRD (short, medium or long term) and are described in § 4.1.10.

Additional information specific to the environment

Climate change adaptation

- **Physical risk**

This risk is not considered material in the short and medium term. Moreover, the historical data analysis did not indicate such a risk. Despite the occurrence of extreme weather events (tornadoes, severe rainfall, floods, heatwaves), business continuity was not significantly disrupted. However, Dassault Aviation remains vigilant and is continuing to actively monitor the issue. The double materiality analysis could be modified in the light of changes in the climate conditions and the climate scenario analysis.

- **Transition risk**

Outside Europe, the business aviation market is showing no signs of decline in relation to climate matters in the short and medium term. However, the complex European regulatory environment could potentially lead to risks of competitiveness and distortion of competition. After analyzing both risk factors, Dassault Aviation regards transition risks as non-material at present. Just as it does for physical risk, the Company actively monitors this issue, which could lead to its materiality assessment being updated.

Although these risks are identified as non-material in the double materiality analysis conducted for the 2024 financial year, Dassault Aviation plans to update the assessments during the next financial year. The level of exposure is taken into account in the management of Company risks.

Pollution

The double materiality assessment, based on an analysis of the activities carried out at all Dassault Aviation sites and on discussions with stakeholders, did not conclude that the risk of environmental pollution was material.

Conversely, given the increasingly restrictive regulatory environment related to substances, there is a risk that potential short, medium and long-term bans and restrictions could lead to disruptions along Dassault Aviation's entire value chain in the absence of alternative industrially viable solutions. This risk has been identified as material.

Water and marine resources

Currently, all of Dassault Aviation's facilities have sufficient and high-quality access to water resources in order to operate. Most water is used for non-industrial purposes. Efforts have been made for many years to minimize consumption and limit water withdrawals.

Biodiversity

To date, biodiversity loss and the disruption of ecosystems has not affected Dassault Aviation's business continuity. In addition, there is no dependence on raw materials related to this topic. These factors demonstrate that biodiversity is not a material matter for the Company's operations.

Resource use and circular economy

The Company's industrial activities require it to source raw materials or materials processed through the supply chain. Most of these materials have not encountered any production difficulties to date and the aerospace sector represents a small share of the market. However, the situation may be more complex for other materials, particularly in times of geopolitical instability. The risk of non-availability of raw materials has therefore been identified as material at the Company level.

4.1.12. Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)

Disclosure Requirements

The table below provides a list of the disclosure requirements and where they can be found in this sustainability statement.

ESRS	Disclosure Requirements	Section
ESRS 2	General basis for preparation of sustainability statements (BP-1)	4.1.1.
	Disclosures in relation to specific circumstances (BP-2)	4.1.2.
	The role of the administrative, management and supervisory bodies (GOV-1)	4.1.3.
	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies (GOV-2)	4.1.4.
	Integration of sustainability-related performance in incentive schemes (GOV-3)	4.1.5.
	Statement on due diligence (GOV-4)	4.1.6.
	Risk management and internal controls over sustainability reporting (GOV-5)	4.1.7.
	Strategy, business model and value chain (SBM-1)	4.1.8.
	Interests and views of stakeholders (SBM-2)	4.1.9.
	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)	4.1.10.
	Description of the processes to identify and assess material impacts, risks and opportunities (IRO-1)	4.1.11.
	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements (IRO-2)	4.1.12.
ESRS E1	Transition plan for climate change mitigation (E1-1)	4.2.2.1.
	Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1)	4.2.2.2.
	Policies related to climate change mitigation and adaptation (E1-2)	4.2.2.3.
	Actions and resources in relation to climate change policies (E1-3)	4.2.2.4.
	Targets related to climate change mitigation and adaptation (E1-4)	4.2.2.5.
	Energy consumption and mix (E1-5)	4.2.2.6.
	Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)	4.2.2.7.
	GHG removals and GHG mitigation projects financed through carbon credits (E1-7)	4.2.2.8.
	Internal carbon pricing (E1-8)	4.2.2.9.
	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9)	4.2.2.10.
ESRS E2	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (IRO-1)	4.2.3.1.

	Policies related to pollution (E2-1)	4.2.3.2.
	Actions and resources related to pollution (E2-2)	4.2.3.3
	Targets related to pollution (E2-3)	4.2.3.4.
	Substances of concern and substances of very high concern (E2-5)	4.2.3.5.
	Anticipated financial effects from pollution-related impacts, risks and opportunities (E2-6)	4.2.3.6.
ESRS E5	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (IRO-1)	4.2.4.1
	Policies related to resource use and circular economy (E5-1)	4.2.4.2.
	Actions and resources related to resource use and circular economy (E5-2)	4.2.4.3.
	Targets related to resource use and circular economy (E5-3)	4.2.4.4.
	Resource inflows (E5-4)	4.2.4.5.
	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities (E5-6)	4.2.4.6.
ESRS S1	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)	4.3.1.1.
	Policies related to own workforce (S1-1)	4.3.1.2.
	Processes for engaging with own workers and workers' representatives about impacts (S1-2)	4.3.1.3.
	Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)	4.3.1.4.
	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)	4.3.1.5.
	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)	4.3.1.6.
	Characteristics of the undertaking's employees (S1-6)	4.3.1.7.
	Characteristics of non-employees (S1-7)	4.3.1.8.
	Diversity metrics (S1-9)	4.3.1.9.
	Adequate wages (S1-10)	4.3.1.10.
	Social protection (S1-11)	4.3.1.11.
	Persons with disabilities (S1-12)	4.3.1.12.
	Training and skills development metrics (S1-13)	4.3.1.13.
	Health and safety metrics (S1-14)	4.3.1.14.
	Work-life balance metrics (S1-15)	4.3.1.15.
	Remuneration metrics (pay gap and total remuneration) (S1-16)	4.3.1.16.
	Incidents, complaints and severe human rights impacts (S1-17)	4.3.1.17.
ESRS S4	Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)	4.3.2.1.
	Policies related to consumers and end-users (S4-1)	4.3.2.2.

	Processes for engaging with consumers and end-users about impacts (S4-2)	4.3.2.3.
	Processes to remediate material impacts and channels for workers in the value chain to raise concerns (S4-3)	4.3.2.4.
	Taking action on material impacts on workers in the value chain, and approaches to managing material risks and pursuing material opportunities related to workers in the value chain, and effectiveness of those actions (S4-4)	4.3.2.5.
	Targets related to managing negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)	4.3.2.6.
ESRS G1	Business conduct policies and corporate culture (G1-1)	4.4.1.
	Management of relationships with suppliers (G1-2)	4.4.2.
	Prevention and detection of corruption and bribery (G1-3)	4.4.3.
	Incidents of corruption or bribery (G1-4)	4.4.4.
	Political influence and lobbying activities (G1-5)	4.4.5.
	Payment practices (G1-6)	4.4.6.
	Statement on cybersecurity specific to the entity	4.4.7.

Disclosure Requirements derived from other legislation of the European Union (EU)

The table below shows the datapoints that derive from other EU legislation as listed in ESRS 2 Appendix B of Annex 1 supplementing Directive 2013/34/EU.

Chapter	Section	Materiality
GOV-1	21d	ESRS 2
GOV-1	21e	ESRS 2
GOV-4	30	ESRS 2
SBM-1	40d	ESRS 2 – not applicable
E1-1	14	Material
E1-1	16g	Material
E1-4	34a	Material
E1-4	34b	Material
E1-5	35	Material
E1-5	37a	Material
E1-5	37b	Material
E1-5	37c	Material
E1-5	37ci	Material
E1-5	37ciii	Material
E1-5	37ciii	Material
E1-5	38a	Material
E1-5	38b	Material
E1-5	38c	Material

E1-5	38d	Material
E1-5	38e	Material
E1-5	40-41	Material
E1-5	42	Material
E1-5	43	Material
E1-6	44-45a	Material
E1-6	44-45b	Material
E1-6	44-45c	Material
E1-6	44-45d	Material
E1-6	53	Material
E1-6	54	Material
E1-6	55	Material
E1-7	56a	Not material
E1-7	56b	Not material
E1-9	66a	Not material
E1-9	66a	Not material
E1-9	66a	Not material
E1-9	66c	Not material
E1-9	67c	Not material
E1-9	69a	Not material
E1-9	69b	Not material
E2-4	28a	Not material
E2-4	28b	Not material
E3-1	9	Not material
E3-1	13	Not material
E3-1	14	Not material
E3-4	28c	Not material
E3-4	29	Not material
SBM-3	16a	Not material
SBM-3	16b	Not material
SBM-3	16c	Not material
E4-2	23c	Not material
E4-2	24b	Not material
E4-2	24c	Not material
E4-2	24d	Not material
E5-5	37d	Not material
E5-5	39	Not material
SBM-3	14fi	Material

SBM-3	14fii	Material
SBM-3	14gi	Material
SBM-3	14gii	Material
S1-1	20a	Material
S1-1	20b	Material
S1-1	20c	Material
S1-1	21	Material
S1-1	22	Material
S1-1	23	Material
S1-3	32c	Material
S1-14	88b	Material
S1-14	88c	Material
S1-14	88e	Not material
S1-16	97a	Material
S1-16	97b	Material
S1-17	103a	Material
S1-17	104a	Material
SBM-3	11b	Not material
S2-1	17	Not material
S2-1	18	Not material
S2-1	19	Not material
S2-1	19	Not material
S2-4	36	Not material
S3-1	16	Not material
S3-1	17	Not material
S3-4	36	Not material
S4-1	16	Material
S4-1	17	Material
S4-4	35	Material
G1-1	10b	Not material
G1-4	24a	Material
G1-4	24a	Material
G1-4	24b	Material

The methodology for identifying the material information to be disclosed on IROs is detailed in § 4.1.11 of this sustainability statement.

Additional information specific to climate change adaptation and workers in the value chain

Outcome of the materiality assessment of climate change adaptation

As explained in § 4.1.11, the results of the double materiality analysis relating to climate change adaptation reveal that the topic is non-material in the short and medium term.

Outcome of the materiality assessment of workers in the value chain

Respect for human rights is a fundamental principle and a prerequisite for respectful, long-lasting business relationships. Many international and national laws require undertakings to respect human rights in their value chains (e.g. the French law on duty of care, the United Nations Guiding Principles, or the EU Corporate Sustainability Due Diligence Directive).

As a result, this is a key matter for all companies. Dassault Aviation is mindful of this matter throughout its relationships with its suppliers, in view of the Company's duty of care and the rules set out in the GIFAS charter on the selection of suppliers respecting human rights (signed by aircraft manufacturers, including representatives of the equipment manufacturers and SMEs that Dassault Aviation works with).

However, most of the industrial players involved in the Company's activities are French or operate in France. The other players are based in North America and Europe (for Falcon products).

Therefore, almost all of Dassault Aviation's tier 1 supply chain is located in countries that have strict human and social rights laws, as well as control and reporting systems, such as France, the United States, Canada and the countries of the European Union.

Consequently, the matter of human and social rights of workers of tier 1 suppliers, although fundamental, is not material in view of the environment of regulatory compliance in which these workers operate.

As specified in § 4.4.2, nearly 500 structural analyses (including respect for human rights), covering 100% of new approved suppliers, were carried out during the 2024 financial year. In this regard, a specific supplier assessment procedure has been implemented to ensure that all of the Company's sub-contractors commit to respect human rights, in particular the ban on child labor.

Dassault Aviation is continuing to enhance its supplier monitoring policy and promote good conduct in the area of human and social rights outside tier 1. For 2025, the Company plans to ensure that its suppliers adhere to its code of conduct, in accordance with its business ethics and practices. To date, no human or social rights violations have been identified among suppliers or brought to the Company's attention.

4.2. ENVIRONMENTAL INFORMATION

4.2.1. EUROPEAN GREEN TAXONOMY

4.2.1.1 Regulatory context

To promote transparency and a long-term vision of economic activities and to direct capital flows toward sustainable investments, the European Union has created a common classification system for business activities to identify economic activities considered sustainable. This system is defined in Regulation (EU) 2020/852 of June 18, 2020 (the "Taxonomy Regulation") and is applicable since the 2022 publication on the 2021 financial statements.

Undertakings must disclose the share of their revenue, capital expenditure and operating expenditure associated with "eligible" (i.e. classified in the European Taxonomy) and "aligned" (i.e. "sustainable") economic activities.

Dassault Aviation's aerospace activity, and specifically the business of aircraft manufacturing, is an eligible activity under Commission Delegated Regulation (EU) 2023/2485, published in November 2023. However, the EU's technical screening criteria do not allow Dassault Aviation's activity to be aligned.

On February 14, 2024, the Parent Company filed an application for annulment before the General Court of the European Union against the delegated regulation providing for the exclusion of business aviation from the EU Taxonomy. Under the terms of this request, the Parent Company seeks the annulment of the exclusion of business aviation from the Taxonomy.

4.2.1.2 Scope of analysis

The revenue, capital expenditure and operating expenditure considered cover all the activities of Dassault Aviation and correspond to the scope of consolidation of the financial statements defined in Note 2 of the financial year 2024 consolidated financial statements.

As a result, the ratio calculations presented below do not take into account the entities over which the Company has joint control or significant leverage, in accordance with the delegated act referred to in Article 8 of the Taxonomy Regulation published on July 6, 2021.

4.2.1.3 Eligible and aligned activities under the taxonomy

Dassault Aviation has reviewed its activities in all sectors defined:

- in Annexes I and II of the supplementary Taxonomy Climate Delegated Act, including its amended version following the publication of Delegated Regulation 2023/2485,
- in Annexes I to IV of Delegated Regulation 2023/2486 relating to the four environmental objectives.

The addition of aviation in Delegated Regulation 2023/2485 classes the Company's activity as eligible for the objective of climate change mitigation. All of Dassault Aviation's turnover, CapEx and OpEx is attributed to the aircraft manufacturing activity and are therefore 100% eligible, and not aligned with the applicable technical screening criteria. As indicated above, the Parent Company filed an application requesting the annulment of the exclusion of business aviation from the Taxonomy.

The alignment analysis was carried out in accordance with the Taxonomy Regulation on all of the following criteria:

- substantial contribution to one or more of the climate-related objectives and compliance with the technical screening criteria,

- absence of significant harm to other environmental objectives,
- respect for minimum social safeguards (see § Respect for Human Rights in § 4.3.1.2 Policies related to own workforce of this report).

4.2.1.4 Procedures for determining eligibility and alignment ratios

The financial ratios were defined in accordance with the definitions given in Annex I to the Delegated Act of July 6, 2021 and without any change in terms compared to last year.

All revenue is declared as eligible under activity "3.21 Manufacturing of aircraft" (see Note 15 of the consolidated financial statements).

With regard to capital expenditure (CapEx):

- the denominator is taken directly from the Company's IFRS consolidated financial statements (after elimination of intra-group transactions). The scope covered corresponds to the entire scope of the consolidated financial statements, excluding associates and joint ventures accounted for using the equity method. Capital expenditure includes all inflows of property, plant and equipment and intangible assets during the financial year under review, before depreciation, amortization and revaluation, and inflows of property, plant and equipment and intangible assets from business combinations,

- the numerator is equal to the total capital expenditure related to the assets associated with the eligible activity included in the denominator. All CapEx, valued at EUR 374 million and representing 100% of the Company's CapEx [5], is eligible.

With regard to operating expenditure (OpEx):

- the denominator is taken directly from the Company's IFRS consolidated financial statements (after elimination of intra-group transactions). The scope covered corresponds to the entire scope of the consolidated financial statements, excluding associates and joint ventures accounted for using the equity method. The denominator covers direct non-capitalized costs that relate to research and development, building renovation, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets,

- the numerator is equal to the total expenditure related to the eligible activity included in the denominator. All OpEx, valued at EUR 545 million and representing 100% of the Company's OpEx, appear insignificant (<10%) in relation to the Company's total operating expenses [6]. Consequently, the Company considers that the OpEx are immaterial with respect to its business model and its sector of activity[7].

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[5] See Note 4 to the Consolidated Financial Statements.

[6] See "Income statement" note to the consolidated financial statements.

[7] Pursuant to Commission Delegated Regulation 2021/2178 of July 6, 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

4.2.1.5 Proportion of revenue from products or services associated with Taxonomy-aligned economic activities (in EUR millions)

Financial year	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	**Code (2)**	**Turnover (3)**	**Proportion of Turnover (4)**	**Climate Change Mitigation (5)**	**Climate Change Adaptation (6)**	**Water (7)**	**Pollution (8)**	**Circular Economy (9)**	**Biodiversity (10)**	**Climate Change Mitigation (11)**	**Climate Change Adaptation (12)**	**Water (13)**	**Pollution (14)**	**Circular Economy (15)**	**Biodiversity (16)**	**Minimum Safeguards (17)**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) Turnover, year N-1**	**Category (enabling activity) (19)**	**Category (transitional activity) (20)**
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	H	
of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacturing of aircraft	CCM 3.21	6,240	100%	100%	N/EL[8]	N/EL	N/EL	N/EL	N/EL								100%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**6,240**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								**100%**		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		**6,240**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								**100%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		-	-																
Total (A+B)		**6,240**	**100%**																

[8] N/EL – not eligible

4.2.1.6 Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities (in EUR millions)

Financial year	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year N-1	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	H	
of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacturing of aircraft	CCM 3.21	374	100%	100%	N/EL	N/EL	N/EL	N/EL	N/EL								100%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**374**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								**100%**		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		**374**	**100%**	**100%**	N/EL	N/EL	N/EL	N/EL	N/EL								**100%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		-	-																
Total (A+B)		**374**	**100%**																

4.2.1.7 Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities (in EUR millions)

Financial year	2024			Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category (enabling activity) (19)	Category (transitional activity) (20)
A. TAXONOMY - ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	H	
of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
A. OpEx of Taxonomy eligible activities (A.1+A.2)		-	-	-	-	-	-	-	-								-		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		-	-	-	-	-	-	-	-								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES[9]																			
OpEx of Taxonomy-non-eligible activities		545	100%																
Total (A+B)		**545**	**100%**																

[9] This expenditure is insignificant (<10%) in relation to the Company's overall operating expenses (see Consolidated income statement). Consequently, the Company considers that the OpEx are immaterial with respect to its business model and its sector of activity. By convention, these OpEx were declared in line B – *Non-eligible activities*.

4.2.1.8 Share of eligibility and alignment of metrics by environmental objective in 2024

	Share of Turnover / Total Turnover		Share of CapEx / Total CapEx		Share of OpEx / Total OpEx	
Activities[10]	Taxonomy alignment	Taxonomy eligibility	Taxonomy alignment	Taxonomy eligibility	Taxonomy alignment	Taxonomy eligibility
CCM	0%	100%	0%	100%		Not material
CCA						
WTR						
EC						
PPC						
BIO						

4.2.1.9 Disclosure of the information referred to in Article 8, paragraphs 6 and 7

Line	Nuclear energy-related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Line	**Fossil gas related activities**	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using gaseous fossil fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using gaseous fossil fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using gaseous fossil fuels.	No

[10] Activity codes:

- CCM: Climate Change Mitigation
- CCA: Climate change adaptation
- WTR: Water
- CE: Circular economy
- PPC: Pollution
- BIO: Biodiversity

4.2.2. CLIMATE CHANGE (ESRS E1)

4.2.2.1 Transition plan for climate change mitigation (E1-1)

Tackling climate change is a part of Dassault Aviation's Corporate Social Responsability policy. Targets to reduce emissions of greenhouse gases (GHG) have been set for many years and are reviewed periodically.

Dassault Aviation is pursuing its continuous improvement approach and does not have a transition plan for climate change.

4.2.2.2 Description of the processes to identify and assess material climate-related impacts, risks and opportunities (IRO-1)

These processes are described in ESRS 2 § 4.1.11. and have led to the Company's contribution to climate change being identified as material. Additional information specific to climate change adaptation can also be found in that paragraph.

4.2.2.3 Policies related to climate change mitigation and adaptation (E1-2)

The Company's CSR policy is signed by the Chairman and CEO and implemented by the Company's CSR manager. It is publicly available on the Dassault Aviation website. It covers several issues, including "Improve environmental performance of our activities and products." The primary focus of work related to this matter is "Reinforce the low-carbon Company plan consistent with climatic challenges."

This priority is addressed internally within the departments involved in achieving the objectives. Reducing the environmental footprint means factoring Environment, Health and Safety (EHS) requirements into aircraft development programs, into contracts with suppliers and partners, into the search for new processes and materials, into plans for new infrastructure or production facilities, and into the operational support given to customers.

The current policy covers key aspects of this climate component. Dassault Aviation is already well positioned to implement improvements in these areas and will provide details in subsequent sections, such as:

- the energy saving plan, which has an energy efficiency component and a self-generation renewable energy component, covering emissions from industrial and tertiary activities,
- the vehicle allocation policy of Dassault Aviation's French companies,
- the purchase of renewable energy,
- the Quality of Life and Working Conditions Agreement, which covers mobility,
- the SAF (Sustainable Aviation Fuel) plan, covering emissions from the Company's aviation activities and aimed at paving the way for the decarbonization of customers' activities,

This CSR policy is guided by the business sector's common goals and is based on the expectations of internal and external stakeholders. Building on the June 2023 pledge made at the International Paris Le Bourget Air Show, in July 2024 the Chief Technology Officers (CTOs) of Dassault Aviation and six other major aerospace players (Airbus, Boeing, GE Aerospace, Rolls Royce, RTX and Safran) reiterated their support for the 2050 net-zero target for the aviation sector, while also emphasizing the need for scientific advances on the non-CO_2 effects of aviation on climate change.

4.2.2.4 Actions and resources in relation to climate change policies (E1-3)

The Company has been committed to a proactive environmental approach since 2007, relying to that end on the ISO 14001 management standard. All sites of Dassault Aviation Parent Company, the Dassault Falcon Jet facility in Little Rock, and the Dassault Falcon Service facilities in Le Bourget and Mérignac are certified, representing over 87% of the Company's global headcount.

The issues with regard to contribution to climate change are an integral part of this certification, and are therefore treated in accordance with the general principles of an environmental management system. The system is managed, coordinated and facilitated by the CSR Department, which brings all the Parent Company's and subsidiaries' departments into the process of analyzing issues, defining policies, and developing and monitoring the related action plans.

The actions described below help improve Scope 1, 2 and 3 performance. They cover the Company's scope unless otherwise stated in the text when they are applicable only to the Parent Company, one of its subsidiaries or any other scope. Similarly, with regard to the time horizon, actions relating to products or air operations have a medium to long-term objective consistent with aircraft development cycles. For actions related to infrastructure energy and the SAF plan, the mainly short-term horizon is specified in the relevant paragraphs.

- modeling the environmental footprint of aircraft,
- factoring eco-design into the search for innovative technical solutions,
- technological aircraft innovation,
- optimization of methods and processes,
- optimization of aircraft in operation,
- Sustainable Aviation Fuel (SAF),
- energy consumption,
- other GHG emissions reduction actions.

Modeling the environmental footprint of aircraft

The environmental footprint is modeled using a life-cycle analysis (LCA) approach, in accordance with ISO 14040 and ISO 14044, for the Falcon 8X, Falcon 7X and Falcon 2000. The modeling identifies the impact of each stage in the aircraft's life cycle, from the extraction of raw materials to its end-of-life solution. Various metrics are used: the potential for global warming, the depletion of natural resources, the depletion of the ozone layer, the potential for acidification and the eutrophication of water.

These studies show that aircraft use accounts for more than 95% of greenhouse gas emissions over the entire life cycle, while highlighting the significant contribution of the kerosene production phase. On that basis, Dassault Aviation has directed most of its efforts toward improving energy efficiency during the operational phase and promoting the use of sustainable aviation fuels (SAF), while also maintaining projects to improve other environmental aspects, such as the choice of bio-sourced materials in the fittings of Falcon cabins.

The long service life of aircraft (potentially more than 30 years) means that life cycle constraints must be anticipated in the design phase. To achieve this, Dassault Aviation takes an innovative approach, supported by efficient digital industrial processes such as Product Lifecycle Management.

The aircraft sold by Dassault Aviation are repairable throughout their operation and offer significant end-of-life recyclability potential (85%, according to the ISO 22 628 standard defining the calculation methodology for road vehicles, in the absence of a similar standard for aircraft). This is due to the reusable equipment and the materials used (such as aluminum in particular). These benefits associated with the circular economy and the use of natural resources also provide co-benefits for GHG emissions by offering an alternative to manufacturing new equipment from raw materials.

Factoring eco-design into the search for innovative technical solutions

Over the past 40 years, technological progress with regard to engine efficiency, aerodynamics and weight saving has reduced fuel consumption, CO_2 emissions and noise levels from Falcon aircrafts.

The Company is continuing on this path, both in the search for technological innovations and in the optimization of the aircraft in operation.

To support this strategy, the Company has long embraced the goals set in 2000 by the Advisory Council for Aeronautics Research in Europe (ACARE) and participates in European studies that contribute to them, such as the CleanSky program and its successor, Clean Aviation.

In France, Dassault Aviation, as a member of the Civil Aviation Research Council (CORAC), is involved in the studies conducted in that framework. Dassault Aviation is also on the steering committee for the air transport value chain (Article 301 of the French Climate and Resilience Act) and contributed to the publication of the road map for decarbonizing air transport presented to the French government on February 14, 2023.

Technological aircraft innovation

Dassault Aviation is engaged in these European and French initiatives and leads or participates in concept and development studies in conjunction with the entire aviation sector.

These studies relate to:

- reducing the weight of primary structures with new materials and processes (new metal alloys, composites),
- reducing the weight of some complete equipment and components and lowering the "buy to fly ratio," i.e. the ratio between the quantity of materials of a part and the quantity of materials purchased and transported to make it (composite, metal additive manufacturing, thermoplastics, replacement of wired interconnects with printed circuits in flight control equipment),
- consolidation of design and manufacturing principles,
- using sustainable aviation fuels, which must be compatible with fuel systems and engines when blended with conventional kerosene at high percentage levels, with the aim of achieving 100% SAF operation (French VOLCAN and DECARBJ projects).

Optimization of methods and processes

To reduce its environmental footprint, Dassault Aviation is pursuing its efforts to improve the efficiency of its design methods, production processes and maintenance services:

- co-engineering methods are tested and implemented to ensure the best trade-offs between design, production and support,
- the optimization of the entire testing process (new types of instrumentation, processing and data analysis) and the hybridization of simulation models and test data reduce the number of development flight tests and the processing cycle for any adjustments (eSIM simulator on the F10X to limit the need for development flights for human factors),
- advances in digital technology help demonstrate why the aircraft meets the certification criteria.

Optimization of aircraft in operation

Thanks to its longstanding contribution to French (CORAC) and European (SESAR, CleanSky/CleanAviation) research programs, as well as through its own self-funded research, Dassault Aviation is capable of developing and integrating the most advanced technologies in its aircraft to minimize the environmental footprint of the Falcon fleet and in particular its CO_2 emissions: preparation and optimization of flight planning, flight assistance systems such as FalconEye cameras/head up displays, navigation and communication systems.

Dassault Aviation shares best practices and flight optimization recommendations with Falcon fleet operators. The aim is to maximize the environmental efficiency of flight operations. This includes optimizing loads on board, the flight profile in terms of speed and altitude and flight paths.

For optimal flight efficiency, it is also important that aircraft maintenance is carried out according to a set schedule. Dassault Aviation's teams work actively on a daily basis at its maintenance centers around the world to carry out operations which keep Falcon aircraft operating at peak operational and environmental efficiency. The maintenance centers, as Company subsidiaries, are also committed to reducing their carbon footprint in line with the CSR policy. This is achieved through the implementation of energy saving plans targeting the heating and electricity supply of the centers and the use of renewable energy, but also through the gradual introduction of carbon-free maintenance resources, such as electric runway generators and airfield tractors. In that context, Groupe ADP, Dassault Aviation and its subsidiary Dassault Falcon Service signed a five-year agreement to strengthen their decarbonization effort at Paris-Le Bourget airport (distribution and use of SAF, use of electric equipment for ground operations, photovoltaic panels, use of geothermal power for buildings and hangars).

Pilots working for Falcon customers are made aware of these best practices and environmental issues at special meetings or at events organized by Dassault Aviation during international trade shows and forums.

Sustainable Aviation Fuel (SAF)

The use of SAF is a critical lever for the decarbonization of Falcon business jets. To that end, the purpose of the SAF plan is to:

- Seek out sources of supply to operate as many Company Falcon flights as possible with the SAF that is available on the market. The flights targeted are demonstration, training, production, delivery and support flights. Currently, all Dassault Aviation flights departing from Le Bourget and an increasing number of flights to Mérignac and Little Rock (USA) are operated with physical SAF (SAF molecules on board). These are typically SAFs with a 30% to 35% HEFA (hydro-processed ester and fatty acid) blend, produced and distributed by TotalEnergies (operating bases in France) and Neste/Avfuel (USA). These SAFs reduce the carbon footprint of the corresponding flights by about 24%-30%. At the end of 2024, it was still not possible to obtain SAF blends at the maximum allowed under the ASTM standard (50%). Alternative SAF supplies may be utilized depending on availability at the airports used.

- Participate in the various SAF working groups:
    - ASTM: fuel standardization and standard-setting for future fuels, including 100% SAF
    - European Renewable and Low-Carbon Fuels Alliance (RLCF) under the aegis of the European Commission
    - US working group: General Aviation Manufacturers Association (GAMA) Environmental Committee
    - French working groups: SAF Connect, Bureau Français des eFuels (French e-fuels office).

- Take action, at the European level, along with industry associations (EBAA, GAMA, ASD) and SAF suppliers, to establish a flexibility mechanism where, instead of using physical SAF molecules as fuel, it would be possible to purchase SAF certificates, until the production of physical SAF becomes available at all airports used by the business aviation sector. This flexibility will also give those operators that can afford it the option to decarbonize up to 100% of their flight emissions once the mechanism is approved by the EU.

- Encourage Falcon customers to use SAF by sharing Dassault Aviation's experience.

- Prepare for 100% SAF compatibility of aircraft in production by 2030 (ICCAIA commitment): beyond the decarbonization that can be achieved with the SAF currently available, future models need to be able to fly with up to 100% SAF on board. This would reduce the carbon footprint by 80%, if not 90%. To that end, in 2024, Dassault Aviation conducted a ground and flight test campaign using fuel comprising up to 100% molecules produced from the circular economy (waste cooking oil or waste from the meat industry). This campaign was carried out in connection with the work done by CORAC (French Civil Aviation Research Council), as a partnership between the state DGA, industrial companies (Dassault Aviation, Safran, TotalEnergies) and the research institutes involved (IFPEN (French new energies research institute), ONERA (French aerospace lab)). This work helps to:
  - identify and confirm aircraft operability across its entire field of operation, with rates of incorporation gradually scaled up to 100%,
  - collect data to identify and plan any adjustments to design and maintenance to allow for regular use of 100% SAF.

- Contribute to research on non-CO_2 effects related to the use of fossil fuels compared with SAF emissions. The aim here is to participate in the analysis of the potential benefits of the use of SAFs, in particular in terms of reducing fine particle emissions and the resulting formation of condensation trails. On this point, it should be noted that the measurements taken as part of the CORAC study referenced in the previous point are one of the factors helping to improve the knowledge base for non-CO_2 impacts currently being studied at the European level, in particular.

Energy consumption

The Company's activities require the consumption of energy for stationary uses, mainly electricity and gas at the plants, and mobile uses, such as fuels consumed by the road vehicle fleet and aircrafts. The actions implemented cover two main areas: improving efficiency and transitioning to renewable or low-carbon energy.

Just like the other environmental aspects, the energy management system is integrated with the ISO 14001 certified environmental management system. There is currently no plan for ISO 50001 certification.

A network of energy experts, trained in 2022, was set up at the Parent Company level to improve energy performance management and the rollout of improvement actions, particularly those resulting from the regulatory energy audits carried out at the Parent Company's facilitiesfacilities in late 2023.

2022 also saw the launch of the energy efficiency plan. Coordinated by an energy saving manager appointed at Company level and by energy saving advisors at each French facility, the plan focuses on several areas:

- reducing electricity and gas consumption by following government guidance on heating and air conditioning,
- optimizing the energy efficiency of installations and equipments such as technical aeration plants, compressors, datacenters and computer workstations,
- switching from conventional lighting to LED lighting,
- introducing technical energy management and technical building management as standard at all facilitiesfacilities,
- producing renewable energy by installing photovoltaic panels at all facilitiesfacilities where this is technically feasible.

Communication was ramped up to facilitate buy-in and rally all employees behind these goals, both within the Company and outside it.

The first results from this energy saving plan were noted in the consumption readings as of the end of 2022, as a result of the immediate implementation of organizational and behavioral measures. The first technical actions, including the widespread use of LED lighting and the introduction of technical energy management at certain facilitiesfacilities, were implemented in 2023, confirming the positive effects of this plan. The rollout of technical energy management continued in 2024, and work began on the installation of photovoltaic panels. The plan will reach its full potential by 2026 once photovoltaic panels and technical energy management are fully operational at all Parent Company facilitiesfacilities.

The remaining consumption of energy by stationary sources is related to the use of diesel during operational testing of the sprinkler system motor pump units and during the operation of emergency generators.

As for mobile sources, aircraft fuel consumption accounts for the highest volumes, in both the civil and military sectors (ground and flight tests as part of new programs, end of production tests, ferry flights, demonstrations, pilot training, commercial flights). The road vehicle fleet, namely company and service cars, represent another use of fuel.

For both stationary and mobile sources, pursuing energy efficiency is the priority with the goal of reducing the volumes consumed. At the same time, the transition to renewable or low-carbon energy sources is already underway, as illustrated by the use of SAF in the Company's air operations and the ongoing installation of photovoltaic panels. Additional transition actions in 2024 included:

- connecting the new Cergy site to the Cergy district heating network,
- using Hydrotreated Vegetal Oil (HVO) for ground support at the Mérignac and DFS facilities,
- the supply of renewable electricity to French and Little Rock facilities.

Other GHG emission reduction actions

The greenhouse gases taken into account are those covered by the Kyoto Protocol. Their emissions are expressed in metric tons of CO_2 equivalent. Emissions are calculated in accordance with the GHG Protocol.

Greenhouse Gas (GHG) emissions are derived for scope 1 from direct emissions from the Company's air activity, combustion plants, the use of company vehicles and refrigerant leaks.

Scope 1 emissions were down in 2024 compared to 2019, due to the reduction in industrial energy consumption resulting from the launch of the energy saving plan and the continuation of the SAF plan.

The Parent Company has decided to speed up the replacement of its fleet of company and service vehicles above and beyond the regulatory requirements laid down in the French Mobility Orientation Law (Loi sur l'Orientation des Mobilités). The fleet, historically composed of diesel and gasoline vehicles, is thus transitioning toward hybrid and electric vehicles.

At the end of 2024, the share of low-emission electric and hybrid vehicles accounted for 45% of the Parent Company's car fleet.

In parallel with the replacement of the vehicle fleet, electric vehicle charging points have been installed at facilities, in accordance with the French Mobility Orientation Law.

Emissions associated with kerosene combustion are directly related to our aircraft activity. In 2024, more than 750 flights were operated with SAF contributing to a reduction of more than 1,800 tCO_2.

As in previous years, CO_2 emissions reports required for the Emissions Trading Scheme were produced for the Company's aviation business.

Scope 2 emissions from electricity consumption were up in 2024 for location-based due to the significant increase in activity, but sharply lower for market-based due to a contract for the supply of carbon-free electricity at the French and Little Rock facilities.

In accordance with regulatory requirements, the last GHG assessments and energy audits were carried out at eligible facilities in France at the end of 2023.

Dassault Aviation has identified, in collaboration with a firm of experts, decarbonization levers for its indirect emissions that could contribute to its low-carbon strategy.

Use of Falcon products sold

The reduction in fuel consumption and the corresponding carbon footprint is a historic concern of Dassault Aviation.

Falcon aircraft are recognized as being among the least-emitting aircraft on the market with an equivalent range. To go further, many actions are being taken both in the technical and operational fields and in SAF.

Modeling studies of emissions from Falcon aircraft delivered during the year are ongoing, according to the "GHG Protocol" method, taking into account the ramp-up of the SAF. Indeed, given the significant potential for reducing the carbon emissions of these fuels, the progressive use of the different generations of SAF in the air activity of business aviation makes it possible to consider a significant reduction of the carbon footprint over the aircraft lifetime.

In 2024, several responses to calls for tender issued by potential customers led to discussions about Dassault Aviation's CSR performance, and specifically the environmental performance of the products in operation.

Purchases of products and services

This category was quantified using the methodology developed by the IAEG (International Aerospace Environmental Group) as part of the low-carbon plan.

Actions have also been launched to raise the awareness of the supply chain to climate and environmental issues, including through specific contractual clauses and a supplier approval process incorporating environmental aspects.

Dassault Aviation is a signatory to a commitment charter on relations between customers and suppliers in the aviation industry. As such, the Company contributes to the work led by GIFAS (French Aerospace Industries Association) to rally the industry behind the shared goals of reducing the carbon footprint of aviation.

Upstream and downstream freight transport

Logistics platforms contribute to the optimization of transport flows and the associated CO_2 emissions.

Environmental criteria, mainly relating to greenhouse gas emissions and the climate transition, were tightened in the Parent Company's invitation to tender for transport services when it was last revised at the end of 2023. The new service provider selected in 2024 is committed to decarbonization, which ranks it in the top 15% of the best undertakings in the road freight transport sector (EcoVadis rating for 2024).

Business travel

Carbon emissions from business trips were less than in 2019. The use of collaborative tools and videoconferencing is contributing to this decline.

Under the terms of vehicle rental agreements for business trips, electric vehicles must be provided wherever possible, which at the Parent Company level enabled an increase from less than 1% of journeys using electric vehicles in 2022 to 10% in 2024.

Travel to and from work

The Parent Company employee mobility survey conducted during the first quarter of 2022 provided input for the Quality of Life and Working Conditions agreement signed on February 14, 2023 and which now includes a sustainable mobility component. A new mobility survey will be carried out in 2025. This will provide insight into any changes in employee practices.

Several actions implemented under this agreement help mitigate carbon emissions, such as the promotion of three virtuous modes of transport: bicycle, carpooling and low-emission vehicles, while continuing to encourage the use of public transport. The provision of financial incentives in the form of grants to buy bicycles or the installation of bicycle parking and electric vehicle charging infrastructure are some of the examples of what has been achieved under this agreement.

4.2.2.5 Targets related to climate change mitigation and adaptation (E1-4)

As part of its CSR policy and its ISO 14001 certification, Dassault Aviation has set targets for reducing its environmental footprint. The desired performance improvement targets energy consumption, water consumption, air emissions and waste recovery.

The year 2020, disrupted by the Covid-19 crisis, is not representative of Dassault Aviation's activities. The year 2019 was therefore chosen as the base year.

Building on the momentum from previous years, Dassault Aviation is maintaining its commitment to continuous improvement. With regard to Scopes 1 and 2 GHG emissions, Dassault Aviation has not set a measurable target in absolute terms for 2025, but is seeking to improve the efficiency of its activities through the improvement initiatives already identified in the following areas:

- Energy efficiency and consumption reduction,
- Fuel switching,
- Electrification,
- Use of renewable energy

Despite the lack of publication of a measurable target in absolute terms for GHG emissions by 2025, the policies and actions undertaken in the context of climate change mitigation are monitored in particular through the carbon metric (see 4.1.5 Integration of sustainability-related performance in incentive schemes) for the Parent Company scope, and in a qualitative manner for subsidiaries through the reporting of energy data and actions.

4.2.2.6 Energy consumption and mix (E1-5)

The Company's activities correspond to NACE code 3030Z – Manufacture of air and spacecraft and related machinery, and Section C – Manufacturing. They are thus considered to be in a high impact climate sector under Commission Delegated Regulation (EU) 2022/1288.

On that basis, energy consumption and energy intensity per net sales are described below.

The energy sources contributing to each of the categories in the following table are described in the methodological appendix (see appendix of this Directors' report).

Energy consumption and mix	Comparative 2019	2023	2024	% 2024/2023
(1) Fuel consumption from coal and coal products (MWh)	0	0	**0**	0%
(2) Fuel consumption from crude oil and petroleum products (MWh)	159,803	117,577	**147,402**	25%
(3) Fuel consumption from natural gas (MWh)	95,263	78,213	**83,945**	7%
(4) Fuel consumption from other fossil sources (MWh)	0	0	**0**	0%
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	41,544	32,965	**36,895**	12%
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	296,610	228,755	**268,242**	17%
Share of fossil sources in total energy consumption (%)	**74%**	**68%**	**69%**	
(7) Consumption from nuclear sources (MWh)	75,703	68,992	**74,233**	8%
Share of consumption from nuclear sources in total energy consumption (%)	**19%**	**20%**	**19%**	
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	3,249	**8,208**	153%
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	29,410	36,914	**40,391**	9%
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0	279	**255**	-9%
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	29,410	40,442	**48,854**	21%
Share of renewable sources in total energy consumption (%)	**7%**	**12%**	**12%**	
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	**401,723**	**338,189**	**391,329**	**16%**
Total energy consumption excluding kerosene (in MWh)	**247,190**	**223,809**	**241,780**	**8%**

The last two lines of this table summarize energy consumption with and without kerosene. These are the respective contributors to GHG emissions in scopes 1 and 2, and in scopes 1 and 2 excluding kerosene in the table presented in the following paragraph.

Energy intensity per net sales	Comparative 2019	2023	2024	% 2024/2023
Total energy consumption from activities in high climate impact sectors per net gain from activities in high climate impact sectors (MWh/€m)	54.7	70.4	62.7	-11%

Net sales from activities in high climate impact sectors corresponds to total net sales (see Note 15 to the consolidated financial statements).

4.2.2.7 Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

GHG emissions and the intensity of these emissions per net sales are shown below, and cover the financial entities consolidated according to the global method (see 4.1.1 of this report).

The methods, main assumptions and emission factors used are detailed in the methodological appendix (see appendix of this Directors' report).

None of the sites have a biomass boiler system, so there are no biogenic CO_2 emissions to report in scope 1.

Since September 2024, electricity consumption at the French sites of the Parent Company, Dassault Falcon Service and Sogitec has been covered by guarantees of origin. Scope 2 emissions are therefore recorded using the location-based and market-based methods. The same applies for the Dassault Falcon Jet site in Little Rock, whose electricity purchases are covered by Renewable Energy Certificates (RECs). These GOs and RECs are supplied in a way that is linked to the electricity supply contracts of the facilities concerned.

GHG emissions and their intensity per net gain (revenue) are presented below, with the exception of scope 3 emissions. This non-publication was decided due to Dassault Aviation's inability to meet the request.

	Retrospective				Milestones and target years	
	Base year 2019	**2023**	**2024**	**% 2024/2023**	**2025**	**2030**
Scope 1 GHG emissions						
Gross scope 1 GHG emissions [tCO_2eq]	57,829	45,661	54,037	18%	Steadily improving	Steadily improving
Gross scope 1 GHG emissions, excluding kerosene [tCO_2eq]	20,180	18,516	19,434	5%		
Percentage of GHG emissions from Scope 1, resulting from regulated emission trading schemes (in %)	1.7%	1.6%	ND[11]	ND		
Scope 2 GHG emissions						
Gross location-based Scope 2 GHG emissions (tCO_2eq)	23,236	18,593	20,820	12%		
Gross market-based Scope 2 GHG emissions (tCO_2eq)	23,236	18,593	8,946	-52%		
Total GHG emissions						
Total GHG emissions (location-based) (tCO_2eq)	81,065	64,254	74,857	17%		
Total GHG emissions (market-based) (tCO_2eq)	81,065	64,254	62,983	-2%		
GHG emissions excluding kerosene						
GHG emissions excluding kerosene (location-based) (tCO_2eq)	43,416	37,109	40,254	8%		
GHG emissions excluding kerosene (market-based) (tCO_2eq)	43,416	37,109	28,380	-24%		

Location-based Scope 1 and 2 emissions excluding kerosene were up 8% at the Company level in line with the increase in activity, and market-based emissions were down 24%. This illustrates the efforts made under the CSR policy to use lower-carbon energy sources.

[11] Not disclosed: GHG emissions resulting from regulated emission trading schemes are audited by an Independent Third-Party Organization, whose conclusion is delivered in March. Consequently, they are not available on the date of issue of this document.

GHG intensity[12] per net sales	Comparative 2019	2023	2024	% 2024/2023
Total GHG emissions (location-based) per net sales (tCO_2eq/€m)	11.0	13.4	12.0	-10%
Total GHG emissions (market-based) per net sales (tCO_2eq/€m)	11.0	13.4	10.1	-25%

Net sales from activities in high climate impact sectors corresponds to total net sales (see Note 15 to the consolidated financial statements).

4.2.2.8 GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

Dassault Aviation did not undertake any GHG removal or mitigation projects in 2024.

Since 2023, its contribution to the Maubuisson forest project in Val-d'Oise has been in the form of patronage. With the planting of a million trees of thirty different species on an abandoned plain, this 1,340 ha of forest will benefit a population of 100,000 people in seven neighboring communities as well as the twelve million inhabitants of the Ile-de-France region, while helping to remove GHGs.

In 2024, the Company began actively monitoring the potential role of GHG removal projects.

4.2.2.9 Internal carbon pricing (E1-8)

Internal carbon pricing has not been implemented in Dassault Aviation's processes. Nevertheless, a qualitative approach at the Parent Company level that takes environmental criteria into account (including energy consumption and GHG emissions) has been adopted for projects involving changes to or the creation of industrial installations, machinery, activities or new production processes.

4.2.2.10 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement.

[12] Scopes 1 and 2

4.2.3. POLLUTION (ESRS E2)

4.2.3.1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (IRO-1)

These processes are described in ESRS 2 § 4.1.11.

4.2.3.2 Policies related to pollution (E2-1)

Regulations on chemicals, such as the EU Regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACh), have a significant impact on aeronautics products and processes qualified to meet airworthiness and reliability requirements. By setting priorities for regulatory compliance and the environmental performance of the products described in the Company’s CSR policy, signed by the Chairman and CEO, Dassault Aviation aims to anticipate these constraints by working to replace carcinogenic, mutagenic or toxic for reproduction (CMR) substances and the most problematic products (surface treatments, paints, sealants, adhesives, etc.).

The resources and actions detailed in the following paragraph have been implemented and are monitored through reviews of the processes used by the affected departments.

As this topic is of interest to the entire industry, discussions are ongoing with aerospace undertakings, particularly through the work done by GIFAS in France, the Aerospace and Defence Industries Association (ASD) in Europe, and the International Aerospace Environmental Group (IAEG) internationally. One of the contractual specifications shared with suppliers is that they should take regulations on substances into account and manage obsolescence.

4.2.3.3 Actions and resources related to pollution (E2-2)

For several years, actions have been taken to limit the use of hazardous chemicals and cover the Company’s scope of activity.

Regulatory oversight systems have therefore been in place for more than 15 years to identify potential impacts on activities and incorporate regulatory issues into the Company’s strategy. Current and future French and European legislation (REACh, Ozone-Depleting Substances (ODS), Persistent Organic Pollutants (POP), F-Gas III on fluorinated gases, RoHS, biocides Prior Informed Consent (PIC), Classification, Labelling and Packaging (CLP), etc.) is regularly analyzed and checked against the substances/mixtures used at the Company level.

As part of its CSR policy, the Company is committed to replacing these substances through substitution plans aimed at developing, qualifying and implementing alternative processes.

Significant investments are being made to research and develop alternative technologies such as: replacements for chromates in corrosion protection, terphenyl in sealants, bisphenol A in epoxy resins or adhesives, lead in electronics, etc. The per- and polyfluoroalkyl substances (PFAS) restriction proposal will also be taken into account in the substitution plan in the coming years.

With the aim of limiting the use of new CMR substances or those affected by a regulation, a process for validating the entry of new chemical products has been in place for more than ten years to advise on new products used in production or maintenance. This makes it possible to select, early on, the least hazardous chemicals for industrial processes and to anticipate regulations so as to avoid the risks of obsolescence in the long term.

Furthermore, in the use phase, the modernization of the machinery fleet and the changes in processes contribute to the optimization of the quantities of chemicals used.

This optimization involves the qualification and deployment of alternative processes such as: replacement of chemical machining by mechanical machining, removal of chromates in surface treatment processes, substitution of chromated paint primers and removal of octylphenols from sealants.

These actions are preventive and address medium- and long-term risks. In the short term, when a supplier announces an obsolescence, immediate actions can be taken such as finding a new source of supply or building up inventories.

At the same time, Dassault Aviation informs its customers about the presence of substances of very high concern in aircraft via REACh – Article 33 declarations and maintenance manuals that specify the substances contained in certain aircraft components (chromates, lead, cadmium, bisphenol A, terphenyl, etc.). The potential risk during specific operations is thus identified, allowing the appropriate measures to be taken, depending on local regulations.

4.2.3.4 Targets related to pollution (E2-3)

Dassault Aviation does not plan to set targets for the production, use or distribution of substances of concern and of very high concern, since this does not allow the associated risks and opportunities to be monitored. The material risk selected using the double materiality assessment is related to the obsolescence of regulated substances and not to the risk of pollution. The policies and actions implemented are therefore focused on anticipating regulations and substituting the most hazardous products.

4.2.3.5 Substances of concern and substances of very high concern (E2-5)

Metrics are used to monitor substitutions, although they do not measure the impact on pollution. Nevertheless, the effectiveness of actions involving the substitution of substances is monitored using progress metrics covering the number of substituted hazardous products and those impacted by REACh. Thus, since 2013, 636 hazardous products have been removed, replaced or are being substituted.

4.2.3.6 Anticipated financial effects from pollution-related impacts, risks and opportunities (E2-6)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement.

4.2.4. RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

4.2.4.1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (IRO-1)

These processes are described in ESRS 2 § 4.1.11.

4.2.4.2 Policies related to resource use and circular economy (E5-1)

As noted in the "G1-2 Management of relationships with suppliers" paragraph, Dassault Aviation's Purchasing Policy, which was updated by the Senior Executive Vice-President, Procurement and Purchasing at the beginning of the year, aims in particular to secure its supply chain.

4.2.4.3 Actions and resources related to resource use and circular economy (E5-2)

Some of the actions and resources are defined in the "G1-2 Management of relationships with suppliers" chapter. The paragraph below aims to provide more details on raw materials.

Dassault Aviation is structured to identify and monitor all types of non-availability risks, in particular through the following actions:

- Supplier: structural assessment, contractual relationships,
- Technical: obsolescence oversight and monitoring by CINPA (Comité Industriel de Non Pérennité d'Approvisionnement, Industrial Committee on Supply Unsustainability),
- Geopolitical: relationships with government bodies and industry groups (French Ministry of Armed Forces, GIFAS, etc.).

And, regarding the non-availability of raw materials more specifically, Dassault Aviation actively monitors the situation with certain government offices by analyzing our dependence on raw materials supply. It also participates in dedicated working groups, e.g. OFREMI (French Observatory of Mineral Resources for Industrial Sectors).

This oversight informs the purchasing and procurement process in order to meet the production and support needs for Dassault Aviation products.

The combination of the oversight described above and knowledge of the materials used in products allows actions plans to be defined and adapted. When a risk is identified, one or more of the following actions are taken. This approach covers production and support:

- Build up inventories,
- Look for new sources of supply,
- Develop technical solutions:
    - Lower the buy-to-fly ratio,
    - Use additive manufacturing,
    - Redesign and switch materials, for example, from metal to composite components,
- Implement materials recovery and develop circular economy relationships with suppliers.

4.2.4.4 Targets related to resource use and circular economy (E5-3)

A list of at-risk materials has been prepared and the main objective is to control their supply in order to secure production. This list of materials results from internal analyses by Dassault Aviation and the joint work with the State.

4.2.4.5 Resource inflows (E5-4)

As indicated in Chapter § 4.2.4.4, a list of at-risk materials has been identified but is not detailed in this document for the reasons described in § 4.1.1.

4.2.4.6 Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities (E5-6)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement.

4.3. SOCIAL INFORMATION

4.3.1. OWN WORKFORCE (ESRS S1)

4.3.1.1 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

The significant IROs (Impacts, Risks, Opportunities) related to the issues concerning the undertaking's workforce have been identified and listed in § 4.1.10 of ESRS 2.

The impacts potentially concern any type of industry. Dassault Aviation has developed a model that bases its economic strength on the individual and collective performance of its teams. Through the policies and actions described in this sustainability statement, Dassault Aviation implements the appropriate measures to reduce potential risks and impacts.

Some risks and impacts are related. Thus, the potential negative impacts on the employee experience can lead to an increased risk of difficulty in attracting or retaining employees; similarly, the risk of workplace accidents and occupational illnesses trends in the same direction as the potential negative impact on employee health.

Thus, the measures taken by the Company simultaneously help reduce risks and potential negative impacts.

The impacts potentially concern all Dassault Aviation employees. Nevertheless, the Company's employees engaged in production, maintenance and aviation operations are more exposed than those engaged in a tertiary activity: occupational health and safety policies specific to those activities have been developed to address prevention.

The workers included in the definition of the concept of employee in § 4.3.1.7 are as follows:

- open-ended contract
- fixed-term contract
- work-study students: professional training contracts and apprentices,
- non-guaranteed hours employees.

The workers included in the definition of the concept of non-employees in § 4.3.1.8 are as follows:

- self-employed people,
- temporary workers,
- interns,
- young people participating in a job shadowing program.

Dassault Aviation is working in defence and advanced technology, a high-stakes industry for national sovereignty. The Company has not identified any risk of forced or compulsory labor in its activities. Dassault Aviation companies do not use child labor. Dassault Aviation's commitments with regard to respect for human rights are detailed in § 4.3.1.2.

4.3.1.2 Policies related to own workforce (S1-1)

The policies described in § 4.3.1.2 are the responsibility of the Human Resources Department of each Dassault Aviation entity, with a common guideline established by the Human Resources Department of the Parent Company.

Attractiveness and talent retention

The Company must differentiate itself to attract the profiles it needs now and in the future, with a strong and unique employer image.

Dassault Aviation's companies invest in preparing the talents who will join after completing their studies or retraining. The Company's policy is thus to pursue diverse types of cooperation with the world of higher education and research, organizations working in employment development and professional retraining, and secondary schools, to give the youngest students an opportunity to learn more about its professions.

Dassault Aviation's companies also establish communication systems that allow them to present their activities, professions and values to as many people as possible.

They develop apprenticeship and internship policies that speak to their high qualitative and quantitative ambitions, with the aim of playing a role in the initial training of future workers, and of building a pool of suitable candidates. Young people on internship or apprenticeship programs know that they are highly likely to be recruited after graduation if this first experience is a success.

The recruitment policy is focused on:

- anticipating skills needs, both qualitatively and quantitatively,
- looking for the right match between the needs and the profiles of the applicants, not only for the position to be filled but also from the perspective of a long-term career path,
- maintaining an intergenerational balance and seeking diversity,
- enhancing the positive image of Dassault Aviation's companies,
- paying particular attention to integrating new hires over several years, a period that is integral to successful recruitment.

Dassault Aviation is committed to attracting talent and keeping its employees highly motivated by offering them stimulating projects along with an attractive compensation policy.

This compensation policy rewards and inspires loyalty among its employees, while adapting to the economic situation and the economic environment to maintain the Company's competitiveness in a highly competitive market.

Dassault Aviation's French companies have a redistribution policy that is fully in keeping with its value-sharing philosophy. They have chosen not to have a share award policy; instead they have opted for a direct contribution to the undertaking's key figures through an attractive redistribution policy. Dassault Aviation's French companies have thus signed profit-sharing opt-out agreements and particularly advantageous incentive agreements, enabling employees to have a share in the profits. In all, 77.4% of Dassault Aviation's employees benefit from these schemes. The amounts awarded over the last five years have represented on average three months' wages for the Parent Company's employees.

These companies also promote employee savings by offering company savings plans with a wide choice of investments, as well as a Company pension plan.

The Company offers all its employees medical cover.

Training and skills management

Individual development of each employee is an essential condition of collective success. Dassault Aviation's companies' policies aim to:

- maintain the highest level of skills by ensuring a match between jobs, skills and needs,
- adapt jobs and skills to changes in technology, the environment and customers' requirements,
- give employees the resources to plan for the future and advance based on the opportunities offered by the undertaking,
- promote intergenerational cooperation and interaction, in particular by ensuring skills transfer and renewal.

Dassault Aviation companies have implemented an employment and career management system to support their strategy and growth by promoting collective and individual skills development.

There are two dimensions to employment and career management:

- at the collective level, the idea is to integrate human resources as a key factor in economic development, and to anticipate and manage projected medium- and long-term career and job trends from a quantitative and qualitative standpoint,
- at the individual level, as far as the employee's professional goals and the Company's operational needs are concerned, the idea is to provide employees, throughout their career, with the resources to advance professionally.

Employment and career management should also contribute to social mobility, a principle that is very important to the Company.

Diversity, inclusion and equal opportunities

Dassault Aviation promotes diversity in the workplace and is highly committed to the principles of non-discrimination. Firmly believing that diversity is a major matter and a performance factor for the undertaking, the Company restates its involvement in preventing discrimination and is committed to promoting equal opportunities and treatment in compliance with national regulations.

This commitment is reflected in the signing of company-level agreements in the following areas:

- professional equality between women and men,
- employment and retention in employment of persons with disabilities,
- careers of staff representatives.

Gender equality at work

Dassault Aviation pursues its policy of developing gender diversity in the Company by implementing specific actions to increase the number of women hired.

Dassault Aviation is facing the issue of fewer women enrolling in initial technical and industrial training courses. The development of scientific and technical careers among women is therefore an important matter.

Dassault Aviation pays attention to the training and development of women's careers, helping to promote them to positions of responsibility, particularly in management and senior management.

Employment and retention in employment of persons with disabilities

Dassault Aviation is continuing its policy of recruitment and retention of disabled people. Dassault Aviation's French Companies all have an agreement on hiring and retaining people with disabilities.

Dassault Aviation is also committed to ensuring that employees with disabilities benefit from the same opportunities for pay increases and career advancement as other employees.

Careers of staff representatives

The Parent Company and Dassault Falcon Service are implementing agreements signed in 2019 on social dialog to facilitate the functioning of union organizations and staff representative institutions. More specifically, those agreements provide a career monitoring mechanism for the careers of staff representatives to ensure equal treatment.

Employee health and safety

Issues related to the health and safety of employees and service providers, and those related to conditions and quality of life at work, are included in the "Ensuring a high-quality, safe and healthy work environment" pillar of the Company's Corporate Social Responsibility (CSR) policy, signed by the Chairman and CEO.

This pillar comprises the three priorities below, which aim to prevent the risks of work-related accidents, occupational illnesses and regulatory non-compliance, and thus to cover the psychological and physical impacts of our activity on the workforce:

- fostering an effective culture of prevention throughout the undertaking,
- continuing to reduce occupational risks and improve working conditions,
- developing quality of life at work and fostering employee well-being.

Quality of life and working conditions

Work-life balance plays a role in development and stability for both employees and the Company. It involves taking actions that offer a range of customizable solutions that consider employees' personal projects and constraints over the course of their career (motherhood, parenthood, family caregiving, personal choices, etc.), while also meeting the undertaking's needs.

Pursuant to the Quality of Life and Working Conditions (QLWC) agreement signed with all the trade unions, the Parent Company is gradually implementing new work-life balance measures.

Working hours also contribute to quality of life at work. Tailoring working hours to accommodate the personal needs of individual employees leads to a more flexible organization and improves shift management within Dassault Aviation's French Companies. All Dassault Aviation companies offer part-time hours, subject to the manager's approval. More than 77% of the Company's headcount benefit from a "working time account" scheme to help employees manage their annual leave.

Respect for human rights

Dassault Aviation addresses the risks related to respect for human rights and commits to respect these rights through its Code of Ethics, its internal structure, and its duty of care plan. This plan details the measures put in place to prevent and mitigate human rights risks, in accordance with international agreements, Law No. 2017-399 of March 27, 2017 relating to the duty of care, and Directive (EU) 2024/1760 of June 13, 2024 on corporate sustainability due diligence.

Dassault Aviation is committed to respecting all national and international laws and regulations regarding human rights, especially as regards occupational health and safety of employees and non-discrimination in the workplace. It acts in accordance with the Universal Declaration of Human Rights, and the provisions of the OECD and the International Labour Organization relating to Human Rights.

Dassault Aviation joined the UN Global Compact in 2003 and adopted the ten principles, including the principle relating to Human Rights.

The Parent Company has a Code of Ethics that reflects these commitments. This Charter is available on the Dassault Aviation website and on the Dassault Aviation Intranet; it is systematically distributed to new hires. The Code of Ethics is also implemented within the Company's subsidiaries, which reference it in their own codes.

This Code embodies the values of respect for human rights and fundamental labor rights and promotes the proper application of essential principles:

- non-discrimination on grounds of origin, morals, sex, sexual orientation, disability, political or religious opinions, trade union membership;
- respect for the individual and his or her private life;
- maintaining a safe working environment and conditions.

The Ethics and Compliance Department ensures that the subsidiaries and foreign offices respect human rights, mainly through level 2 compliance controls relating to the duty of care.

These on-site audits are also an opportunity to meet with the various stakeholders and discuss the issues and risks related to respect for human rights (including the ban on child labor).

The annual meeting of the Duty of Care Committee was held on April 23, 2024, at which time it examined the undertaking's human rights impacts and possible remedial actions.

Lastly, the Ethics and Compliance Department has implemented a system for processing reports of violations of the law and international agreements on human rights with the aim of remedying possible impacts on human rights.

4.3.1.3 Processes for engaging with own workers and workers' representatives about impacts (S1-2)

The Company has an employee relations policy which is built on trust, compromise, and mutual respect.

Trade unions representing the professional interests of employees are present in all French subsidiaries and DFJ Do Brasil. They cover more than 77% of the Company's workforce.

In 2024, 13 agreements and amendments were signed by Dassault Aviation's French companies. They covered topics such as wages, job and career management, quality of life at work, working time and the Company pension plan.

For Dassault Aviation's French companies, 2024 saw the continuation of discussions with social partners regarding the challenges of employment and career management after the rollout of the new branch collective bargaining agreement which was signed in February 2022.

This social dialogue within the Company helps to maintain a climate conducive to the proper functioning of the companies.

Discussions between the different management teams of the French companies and staff representatives take place at meetings of dedicated bodies, namely the Economic and Social Committee (CSE) and the Health, Safety and Working Conditions Committee (CSSCT). The agenda is set beforehand and shared with participants. These meetings are an opportunity for Management to present the undertaking's challenges, its outlook for the future and its major projects while seeking to interact with the staff representatives elected by employees.

The French companies also organize their relationships with the staff representative bodies through an annual agenda setting out the timetable for mandatory and optional negotiations.

Management shares benchmarks, legal analyses and proposals with the trade unions during the negotiation sessions with the goal of finding the best compromise between the undertaking's considerations and the employees' interests.

Monitoring committees that meet several times a year follow up on the Company-level agreements signed by the French companies and trade unions on all the topics under negotiation (agreement on hiring people with disabilities, agreement on employment and career management, etc.). They keep staff representatives informed of the implementation of the signed agreements.

All these interactions are covered in reports distributed to staff.

In 2024, the Parent Company also continued the practice launched in 2022 of arranging half-yearly meetings enabling employees to discuss with their manager what actions could be taken to work together better. More than 1,900 meetings were held in 2024. This long-term approach is part of the agreement relating to quality of life and working conditions.

These channels of communication allow employees to express their views on any issues – particularly those related to work and its organization – that have affected their physical or mental health. These meetings enable solutions to be jointly identified. The Parent Company follows up on the issues raised and the answers found.

To prevent bullying and sexual harassment, sexist behavior, sexual assault and discrimination at work, Dassault Aviation's French companies have introduced internal mechanisms for identifying and dealing with problematic situations (see § 4.4.1).

Formalized procedures have been published, notably at the Parent Company and ExecuJet, covering nearly 75% of employees.

The Parent Company appoints advisors to deal with issues around harassment, disability and quality of life at work, supported by a network of human resources managers. Employees are informed of their identity by any suitable means.

The legal protection afforded to whistleblowers ensures that they can have confidence in the mechanisms put in place.

4.3.1.4 Processes to remediate negative impacts and channels for own workers to raise concerns (S1-3)

The Company's employees have multiple channels to report their concerns. Their first option is their manager, whose role is to support their team, and members of the Human Resources (HR) function.

As part of the social dialogue, staff representatives also report any concerns employees may have to Management.

Within the Parent Company, meetings are arranged to enable employees to discuss with their manager and as part of a working group the difficulties they encounter in their jobs. This participatory resolution process takes a collaborative approach to addressing a number of concerns.

Mediation procedures exist to resolve disputes between employees, whether or not they report to the same manager. This mediation role is most often performed by members of the HR function.

When communication channels are not able to resolve and end disputes, employees can refer the matter to an outside third party for resolution and, if necessary, remediation (courts, administrative bodies, defenders of rights, etc.).

Lastly, to prevent bullying and sexual harassment, sexist behavior, sexual assault and discrimination at work, Dassault Aviation's French companies have introduced internal mechanisms for identifying and dealing with problematic situations.

Communications are sent out regularly to remind employees of the channels available to them.

4.3.1.5 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

These actions are monitored by the various HR competence centers that implement them.

Attracting and retaining talent

As part of their talent attraction and retention policy, Dassault Aviation's companies:

- support students during their studies through internships, work-study programs and France's international business volunteer program (VIE – Volontariat International en Entreprise),
- participate in consultations on how to adapt curricula to the medium and long-term needs of the aviation industry. These consultations are carried out within professional bodies such as the Groupement des Industries Françaises Aéronautiques et Spatiales (GIFAS), and with educational institutions and organizations (engineering colleges, universities, vocational high schools),
- encourage their staff to take part in vocational or multidisciplinary courses and examination boards and to supervise technical projects,
- make their recruiters available to educational institutions several times a year to prepare future graduates for recruitment interviews,
- promote an awareness of the Company's business lines by organizing meetings (forums, Company presentations, etc.) and visits to sites for pupils, students and their advisors (teachers, career counselors, principals, etc.). Targeted actions for middle school and high school students have been carried out to foster diversity within technical and scientific professions.

The Dassault Aviation Parent Company contributes to the general skills development of future technicians, engineers and researchers by creating or participating in teaching and research chairs. This takes the form of financial support, which the Company supplements with the participation of experts in the development of educational and research projects for the benefit of the academic and scientific community.

Given the significant need to recruit manufacturing staff for the Parent Company, in 2024 it continued the training programs set up in 2022 with external bodies to "build skills" and support people undergoing retraining with professional certification in metallurgy at the end of the course (CQPM – *Certificat de Qualification Paritaire de la Métallurgie*). The School of Mechanics, created in April 2023 at the Argonay site, added a new training course in May 2024 on equipment assembly. It is fully customized and individualized (one tutor for each trainee) but also allows students to obtain a CQPM certificate.

In 2024, DABS continued its partnership with the Geneva Chamber of Commerce and Industry. This enables it to participate in the "MACH 147" project, aimed at meeting the needs of aerospace maintenance undertakings in French-speaking Switzerland. It resulted in the creation, in Geneva, of the first Part-147 training center approved by OFAC (*Office fédéral de l'aviation civile* – the Swiss Federal Office of Civil Aviation) for French-speaking Switzerland.

Actions undertaken in India

The Indian government-approved Dassault Skill Academy was created in 2018 to develop new training courses in India for the aviation industry. It was designed to be a two-year training course equivalent to the French professional aviation diploma (Baccalauréat professionnel aéronautique). Since the start of the 2019/2020 school year, the training has been based in a public high school in Nagpur (Maharashtra State). The high school teachers were trained by French teachers and are now qualified to take over. Building on this success, the project was then rolled out in two new professional high schools in the state of Maharashtra. Since then, all graduates have been recruited by various aviation undertakings in Maharashtra and Telangana. In 2024, 80 students attended the training course at these three vocational high schools.

In 2023, the Indian government signed a partnership agreement with our subsidiary in India for the creation of the “Dassault Aviation Center of Excellence for Aeronautical Vocational Training” within the National Skill Training Institute in Kanpur (state of Uttar Pradesh). This center of excellence prepares future Indian teachers for the widespread roll-out of this training. In 2024, nine students were enrolled in the vocational instructor training program.

Communication and onboarding actions

To enhance its employer brand image, Dassault Aviation has bolstered its presence on social media and become more vocal about its recruitment needs, increasing the number of actions to be more visible at a national and local level.

In 2024, the Parent Company once again featured in the Top 5 of the Universum France ranking of the 130 best places to work, across all sectors, according to engineering students. It was also ranked number one in the “Aerospace, rail, naval” sector of the Statista rankings for the economics magazine Capital (out of 39 undertakings ranked in the sector).

Despite ongoing pressures on the job market in 2024, the Company continued recruiting by seeking the best match between work loads, headcount and skills requirements.

To facilitate the integration of their new hires, Dassault Aviation’s companies have put in place programs that explain their business, set-up and operation.

In 2024, the Parent Company brought together nearly 700 new hires from all its facilities by holding six “Journées Envol” (Take-off Days) to give them a better understanding of the Company’s challenges, the characteristics of its civil and military customers, and its activities, from design to support. These days, introduced by the CEO or the COO and with presentations from members of the Executive Committee and one of our test pilots, are very popular (93% satisfaction rate).

The Dassault Defence Academy presents the geopolitical context, France’s defence policy, the structure of the French armed forces and the role of the military in Dassault Aviation’s DNA. In 2024, close to 230 employees took part.

Before these programs, new hires at the Parent Company are invited to a welcome day on their very first day and subsequently attend local onboarding seminars. They also have individual welcome check-ins with an HR officer in their first few months on the job.

DFJ invites all new employees and interns to take part in the “Welcome to Dassault Falcon Jet Passport” program. This program provides access to a LinkedIn Learning platform where employees have access to courses taught by industry experts, covering sales, innovation and technology subjects.

In 2024, DABS introduced digital tools, such as Talentsoft, into its onboarding policy. This new approach aims to clarify roles and responsibilities, while establishing contact as soon as the employment contract is signed to facilitate the employee’s integration. This process is structured around a 4-step model: 4 hours, 4 days, 4 weeks and 4 months, with regular check-ins with the manager.

Recruitment and onboarding actions are essential. They help prepare for the future and facilitate the intergenerational transfer of skills.

Actions with regard to attractive pay and benefits

In order to reduce the risk of talent loss, the Company monitors the market to ensure that its wages and benefits are attractive. An organization has been set up to verify application of the rules on pay.

With the same goal, and in a bid to maintain a high level of motivation through team building among employees, Dassault Aviation's French companies paid more than EUR 32 million in 2024 (i.e. more than 5% of the payroll) to the Economic and Social Committee, allowing employees to benefit from various social and cultural activities. The budget will also fund various sports associations for the benefit of all employees who want to play sports or do physical exercise.

Training and skills management

Actions with regard to vocational training

These actions reduce the potential risk of loss of skills.

They provide an opportunity to boost employee motivation and employability.

Dassault Aviation's companies continue to develop distance learning in the skills development plan. These measures also address the constraints of geographical dispersion and optimize future skills development for employees. The initiatives took into account the operational needs of the Dassault Aviation's companies, the development of the roles and technologies, and individual development preferences.

DFJ also relies on a tuition assistance plan to enable its employees to join a higher education program that will develop their skills. This program, directly related to the position held by the employee, reflects his or her career development prospects.

- Skills Conservatory and support for digital tools

The Parent Company continues to roll out and maintain the range of training courses for professions such as process planners and assemblers. The Inspector program was in development at the end of 2024. These offerings are supplemented by the PASS program, which supports the development of specialist vocational knowledge. The program is designed by the facilities to make skills development for newly hired colleagues more effective. Thus, an Assembler PASS has been rolled out at Martignas, while a Layout Fitter PASS was created at Mérignac. Moreover, the functional business lines also have targeted courses covering business-specific issues, such as the Purchasing Passport and the Supply Chain Academy. The latter focuses on synergies between all vocations concerned. It aims to create and provide courses for supply chain jobs by skill level (beginner to expert) with a tutoring component (about thirty tutors are selected and trained on tutoring techniques) and a classroom training session component. Some training courses are multi-trade to promote an understanding of each person's role. Training content is also available online: microlearning, memos, and operating procedures for the tools, including the SAP software.

- Strengthening the Company's management

Strengthening its management is a priority for the Company, which guides the development of its managers throughout their career. The Dassault Institute has continued to hold training courses at the Parent Company. In 2024, 1,730 managers or future managers took these courses.

The management program has expanded in two ways:

– management performance training continued in 2024. It is offered to N+1 of the targeted managers to give them the tools for discussions conducive to their management.

– in 2024, about twenty managers representing different departments developed a Management Charter, with the help of the HR Department's Change Management division. To do so, they relied on their management experience while remaining true to Dassault Aviation's culture.

The Management Charter outlines the managerial actions to be taken and the behaviors to adopt. It will be a valuable tool for future managers to help them understand what is expected of them and the responsibilities associated with their role. It can be used to select managers who know how to embody the values illustrated, and to provide support that will lead to progress on its various priorities.

The communication and rollout plan for the Charter was launched at the end of 2024.

In 2024, DABS finalized the "Shaping Our Future" managerial training course, which involves bringing all its managers in for hands-on workshops that cover six topics (the manager's role, manager/coach, difficult interviews, situational leadership, non-verbal communication, delegation).

Sogitec has strengthened its managerial culture by creating its guidelines for managerial best practices and offering a training course (6th session in 2024) on facilitating communication (by implementing a visual management system). The management community, established in 2023, meets regularly for workshops, as well as on the collective annual seminar day.

Actions with regard to skills management

These actions boost employees' skills by helping them map out a career path, and thus strengthen their employability and motivation.

Since January 1, 2024, as part of its efforts to implement the new branch collective bargaining agreement, Dassault Aviation's French companies have had guidelines for vocational families, professions and jobs that is accessible to all employees.

This framework forms the basis of the employment and career management work. It consists of:

- a shared and structured representation of the families, professions and jobs,
- a common shared language for employment management,
- a communication tool for professions and jobs, both internally and externally.

The framework consists of a definition of each family, and a description of each profession and each job.

This framework also encourages the formalization of career paths to give employees visibility based on operational needs and their own aspirations.

The Company intends to take a forward-looking approach to jobs and skills in order to maintain and sustain its technical expertise while also remaining competitive. This approach makes it possible to:

- plan for employment, both quantitatively and qualitatively,
- anticipate needs related to the workload, changes in the age pyramid, and technical and technological developments in the aerospace industry,
- transmit knowledge and promote the undertaking as a learning enterprise.

In 2024, the company Sogitec supplemented its approach with a catalog of key technical competencies, in particular for the simulation professions. This allows it to identify its needs and the corresponding actions (in terms of recruitment and determining the target headcount, transfers, training, etc.).

Diversity, inclusion and equal opportunities

The actions described below show how the Company takes diversity into consideration to improve employee well-being.

Actions on gender equality

Various actions are aimed at girls in middle school and high school to encourage them to take vocational courses relevant to the aviation sector; the Parent Company is a founding member of the association "Elles bougent" ("Girls on the Move").

A signatory since 2022 to the "Féminisons les métiers de l'aéronautique et du spatial" ("Women in the aeronautics and space industry") charter, in 2024 the Parent Company took part in initiatives launched by the organization Airemploi to showcase career opportunities in the aviation industry and debunk stereotypes and prejudices. By signing the charter, it underlines its commitment to gender diversity within the industry.

Dassault Aviation's French companies all have an agreement on gender equality and equal pay. Priority is given to initiatives to recruit women in all professional categories and to support their career development so that they can go on to hold positions of responsibility.

Actions on employment and retention in employment of persons with disabilities

Regular communication actions are carried out, particularly with the academic community, local organizations for the employment of disabled people and disability-friendly undertakings. Dassault Aviation's companies participate in specialized forums and organize awareness-raising actions with employees and recruiters.

The Parent Company is a member of the association Hanvol, which offers a unique training scheme for the return to work of disabled people with diverse backgrounds and skills but a shared goal: to work in the aerospace sector.

Concrete measures are being taken to modify workstations and to facilitate and encourage formal recognition of the status of employees with disabilities and renewal of that recognition. The Company relies on cooperation between its HR teams, medical professionals from prevention and occupational health services, environment, health and safety (EHS) staff and ergonomists to institute the necessary actions and arrangements to retain employees with disabilities.

Sogitec makes scheduling accommodations to facilitate the retention of employees with disabilities, and grants paid leave so employees can go on their own behalf or with a relative (child or spouse) for medical check-ups and follow-ups relating to their disability.

Actions on the careers of staff representatives

In addition to the system for monitoring the careers of staff representatives to ensure equal treatment, Dassault Aviation's French companies give employee representative institutions many additional resources compared to those provided for by law.

Employee health and safety

The actions below reduce the risk of work-related accidents and occupational illnesses, as well as regulatory non-compliance. They counteract the impacts on physical and mental health that such accidents and illnesses may have on people.

Actions on strengthening an effective culture of prevention

The practices and tools that promote proactive management of occupational health and safety continue to be implemented, along with the training and awareness-raising of those involved in prevention.

Since 2022, the Parent Company has had a fully operational environment, health and safety (EHS) training course for new managers, consisting of four modules. Moreover, EHS aspects are being gradually incorporated into vocational training courses so that they can be applied in practice.

As of the end of 2023, a managerial roadshow including EHS aspects is being rolled out to all facilities to improve daily good practices.

In addition, the Parent Company has designed EHS management guidelines built around four levels of maturity, in line with the ISO 45001 and ISO 14001 standards, with level 1 corresponding to basic proficiency and level 4 to operational excellence. At the end of 2024, six Parent Company facilities, representing 81% of staff, had achieved, or were very close to achieving level three status. Action plans remain underway at the other facilities.

Actions on reducing occupational risks and improving working conditions

Controlling the risk of workplace accidents and occupational diseases means reducing physical and chemical risks.

Actions to manage chemical risk are ongoing. In 2024, the Parent Company continued with efforts to provide additional collective protection, such as the installation of extractor hoods and equipment for composite material work, and the improvement of local extraction systems.

Efforts continued to make working at height safer, both in production and at testing installations.

Quality of life and working conditions

The actions described below show how the Company harnesses quality of life and working conditions to improve employee experience and satisfaction.

Actions on ergonomics and working conditions

To promote a culture of ergonomics and ensure that ergonomic considerations are factored into new projects and programs, training courses are held. Moreover, 98 ergonomics officers have been trained across all the Parent Company's sites.

Ergonomics are taken into account in the industrialization phase via a specific "EHS/ergonomics" training module delivered by the Parent Company's skills conservatory; this is an integral part of the vocational course for process planners and toolmakers. A total of 72 employees have been trained since it was set up in 2021.

Lastly, a network of 13 trainers specializing in risk prevention during physical activities and in body posture and movement provide training at the Parent Company's facilities. In 2024, 220 employees attended these training courses, learning about what actions they can take to prevent musculoskeletal disorders.

At the same time, the workplace transformation to take better account of ergonomics continued in 2024, focusing on:

- reducing the risk of accidents linked to manual load handling by purchasing suitable equipment (trolleys, stacker trucks, lifting platforms, hoists, motorized doors, etc.), reorganizing storage facilities, and redesigning tools to make them more lightweight,
- addressing the causes of musculoskeletal disorders (setting up and equipping workstations, workbenches and desks so that they can be raised, lowered and/or reclined, using pivotable tripods, testing and buying exoskeletons for the thumb, neck, back and arms/shoulders, purchasing 3D additives that are positioned on hand tools to reduce muscle activity and vibrations),

- The reduction of noise pollution in shared offices: provision of active noise-reduction headphones (6,000 employees to be equipped over three years – 2023/2025),
- accommodating disabilities; adapting workstations, purchasing suitable equipment, etc.

Actions on preventing psychosocial risks

A renewed focus has been placed on psychosocial risks. In 2021, the Parent Company introduced a system for assessing collective psychosocial risks in the workplace in order to gauge the risk and take the necessary corrective measures.

When the Quality of Life and Working Conditions agreement was renegotiated and signed on February 14, 2023, the Parent Company undertook to introduce a new mechanism in 2025 to assess psychosocial risks for each employee of the undertaking. Specific support will be offered to managers to analyze the results of this assessment and launch any necessary action plans.

The system supplements the detection and monitoring of individual psychosocial risks carried out by internal or inter-company occupational health services.

The Parent Company has an agreement in place with the Psychological Support and Resources Institute (IAPR), which offers a listening and support system for employees who are victims of workplace stress and psychological trauma.

In 2024, the Parent Company held a training session for managers on preventing sexual harassment and sexist behavior. In all, 66% of managers have completed the training. It is currently being rolled out to all employees.

At DABS, the vast majority of the HR department has been trained on how to coach employees through their issues and the entire department will soon be trained on mental health first aid using ENSA (the Swiss version of the Australian Mental Health First Aid program).

Actions on medical monitoring of employees

Dassault Aviation has autonomous occupational health services or assistance programs at all of its sites.

Employees in high-risk positions or who are expatriates or on mission receive specific monitoring and specialized additional support. This includes more regular medical check-ups and additional examinations paid for by the Company.

Prevention and awareness campaigns, local or Company-wide, are organized, periodically or occasionally, on a variety of themes, professional or public-health related:

- influenza (awareness campaign and free vaccinations),
- heat wave-related risks,
- low back pain and injuries from carrying heavy loads,
- help with addiction (tobacco, alcohol, psychotropic products, games, cyberdependency),
- food hygiene,
- psychosocial risks,
- cardiovascular diseases,
- organ donation,
- sleep disorders,
- cancer.

A cancer prevention campaign was launched in March/April 2024 with talks on the topics of "cancer and employment" and "cancer and health." Events have been held at most of the Parent Company's facilities to raise employees' awareness of prevention.

Actions on the quality of life at work and work-life balance

The Company has long encouraged a work/life balance.

Some Dassault Aviation companies provide access to inter-company day care facilities.

Since 2021, the Parent Company has implemented a digital and physical corporate concierge scheme, offering employees local services that are readily accessible and that help them manage personal tasks. The services available are regularly updated to meet employees' needs. Since 2024, the digital concierges have rolled out one-off physical onsite services.

In terms of societal challenges, mobility is also a matter of concern for employees. The Parent Company has introduced a sustainable mobility scheme, through which the undertaking contributes up to EUR 200 toward the purchase of a manual or electric bicycle. Since implementation, 584 bonuses have been paid through this scheme. The Parent Company's facilities are improving their infrastructure to accommodate bicycles and ensure their safe use.

4.3.1.6 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

The Company does not currently have any targets that have been set for it as a whole, as each Dassault Aviation company has its specific objectives based on its own characteristics.

4.3.1.7 Characteristics of the undertaking's employees (S1-6)

The Company's development is based on the quality and commitment of its people. They are its main source of wealth. This principle is enshrined in the Code of Ethics.

Total number of employees

Enrolled headcount *(open-ended contracts + fixed-term contracts + non-guaranteed hours contracts)*	**Headcount as at 12/31/2024**
Dassault Aviation, Parent Company	10,416
Dassault Falcon Jet	2,412
Dassault Falcon Service	568
ExecuJet	495
DABS	396
Sogitec	302
Total	**14,589**

The figures shown reflect the number of employees present as of December 31 of the year in question (headcount). The number of employees who had left as of December 31 is deducted. Each employee counts as 1.

Breakdown of employees by gender	Number of employees (head count)
Female	2,779
Male	11,810
Total employees	**14,589**

Women accounted for 22.2% of hires in 2024.

Breakdown of employees by country	Number of employees (head count)
France	11,286
USA	2,380
Rest of world	923
Total employees	**14,589**

Breakdown of employees by contract type, broken down by gender then by country

By gender

FEMALE	MALE	TOTAL
Number of employees		
2,779	11,810	14,589
Number of permanent employees (headcount on open-ended contracts)		
2,656	11,475	14,131
Number of temporary employees (headcount on fixed-term contracts + temporary employees)		
123	335	458
Number of non-guaranteed hours employees		
0	0	0
Number of full-time employees		
2,526	11,628	14,154
Number of part-time employees		
253	182	435

By country

FRANCE	USA	Rest of world	TOTAL
Number of employees			
11,286	2,380	923	14,589
Number of permanent employees (headcount on open-ended contracts)			
10,872	2,379	880	14,131
Number of temporary employees (headcount on fixed-term contracts + temporary employees)			
414	1	43	458
Number of non-guaranteed hours employees			
-	0	-	0
Number of full-time employees			
10,870	2,377	907	14,154
Number of part-time employees			
416	3	16	435

Nearly 97% of the Company's employees are on open-ended contracts.

Hirings

Number of hirings *(open-ended contracts + fixed-term contracts + work-study contracts + non-guaranteed hours contracts)*	**2024**
Total	2,394

Employees leaving the company

Number of people leaving the Company *(all reasons combined)*	**2024**
Total	1,366

Turnover rate *(all reasons combined)*	**2024**
Total	10.1%

The turnover rate, as defined in the CSRD, corresponds to the ratio between the number of employees who left the undertaking during the reporting period and the headcount at the start of the period.

All departures during the financial year (from January 1 to December 31 inclusive) are taken into account for the calculation. It includes employees who have:

- resigned,
- reached the end of their fixed-term contract,
- reached the end of their probationary period (decided either by the employer or the employee),
- retired,
- died,
- been made redundant,
- been dismissed,
- had their contract terminated,
- left for other reasons.

Note that the resignation rate is 2.9% for Dassault Aviation and 1.1% for the Parent Company.

4.3.1.8 Characteristics of non-employees (S1-7)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement.

4.3.1.9 Diversity metrics (S1-9)

Distribution of employees by age group

Age group	**Number of employees (head count)**
under 30 years old	2,250
30-50 years	7,691
over 50 years old	4,648
Total employees	**14,589**

Gender distribution at top management

	In number	**In percentage**
Female	31	10.3
Male	269	89.7
Total	**300**	

In the light of the provisions of the CSRD, we consider top management to be the employees in categories H16 and I of the metalworking industry collective bargaining agreement of February 7, 2022. This definition applies to all of Dassault Aviation's French companies.

For foreign subsidiaries that are not subject to the French provisions of the metalworking industry collective bargaining agreement, top management is considered to be executives in the highest management roles, particularly regarding their level of responsibility, pay and freedom to manage their working time.

4.3.1.10 Adequate wages (S1-10)

All Company employees are paid an adequate wage, in line with applicable benchmarks.

The average annual pay of Dassault Aviation employees in 2024 was EUR 63,499.

The average annual pay of Dassault Aviation's French Companies, including profit-sharing and incentives, was EUR 73,399.

4.3.1.11 Social protection (S1-11)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement.

4.3.1.12 Persons with disabilities (S1-12)

At the end of 2024, Dassault Aviation employed 713 disabled workers, accounting for 4.9% of its headcount.

Because this category accounts for 7.6% of their workforce, Dassault Aviation's French companies meet the statutory requirement according to which disabled people must make up at least 6% of the total headcount.

4.3.1.13 Training and skills development metrics (S1-13)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement.

4.3.1.14 Health and safety metrics (S1-14)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement for:

- the percentage of own workers covered by a health and safety management system for non-employees,
- the number of work-related accidents for non-employees,
- the number of occupational illnesses,
- the number of days lost.

	Percentage of own workers covered by a health and safety management system
Employees	100%

Work-related accidents (with or without lost time)	**In number**	**Frequency rate**
Employees	265	11.9%

This metric concerns employees (open-ended contracts, fixed-term contracts, work-study contracts and non-guaranteed hours contracts) working at the Company during the year.

	Number of fatalities as a result of work-related accidents	**Number of fatalities as a result of occupational illnesses**
Employees	**0**	The Company is not able to establish a connection between the fatality and the occupational illness.
Other on-site workers	**0**	
Total	**0**	

4.3.1.15 Work-life balance metrics (S1-15)

In accordance with § 137 of ESRS 1 (General Requirements), Dassault Aviation derogates from this disclosure requirement.

4.3.1.16 Remuneration metrics (pay gap and total remuneration) (S1-16)

Gender pay gap

This gap is 6.8% for Dassault Aviation; it is calculated as follows:

((average gross annual pay level of male employees) - (average gross annual pay level of female employees))/average gross annual pay level of male employees x 100

Dassault Aviation is mindful of equal treatment for women and men in its compensation and promotion policies. The French companies have a compiled gender equality score of 88 out of 100. This is well above the regulatory threshold of 75.

For the Parent Company, this gap is 3.8%. The study carried out by the firm LHH shows that, with equivalent profiles (classification, age, experience, seniority, sector and position), there is no significant difference between the wages of men and women.

Pay gap between highest and median pay

This gap is 95.5, which is calculated as follows:

Annual remuneration of Dassault Aviation CEO/median annual total remuneration of Dassault Aviation Parent Company (excluding corporate officers)

4.3.1.17 Incidents, complaints and severe human rights impacts (S1-17)

The details of the single internal whistleblowing procedure are described in § 4.4.1 of this sustainability statement. The data compiled comes from the annual performance dashboard for whistleblowing reports produced by the Ethics and Compliance Department for the Parent Company.

Reason for report	Number of reports for the year 2024
HR-related non-compliance (harassment, sexist behavior and discrimination)	14
Human rights non-compliance	0
Total instances of non-compliance	**14**

Reason for fines, sanctions, penalties and compensation	Amount of fines, penalties and compensation for the year 2024
HR incidents and complaints (harassment, sexist behavior and discrimination)	0
Identified cases of severe human rights incidents	0
Total amount of fines, penalties and compensation	0

4.3.2. CONSUMERS AND END-USERS (CUSTOMERS – ESRS S4)

4.3.2.1 Material impacts, risks and opportunities and their interaction with strategy and business model (SBM-3)

Dassault Aviation designs and manufactures military and business aircraft and provides its customers with operational support solutions. All Company entities are committed to ensuring that customers are able to fulfill their missions safely and with peace of mind. Customer safety always comes first.

The material IROs identified and listed in § 4.1.10 of ESRS 2 are summarized below:

- the negative impacts of an accident that could affect passengers or people on the ground,
- the risks of a safety defect,
- the risks of loss of airworthiness or grounding.

In this section 4.3.2.:

- the disclosures only cover customers in the civil sector for confidentiality reasons;
- given the nature of Dassault Aviation's activities, the term "customers" replaces the terms "consumers and end-users" used in the CSRD.

4.3.2.2 Customer safety policies (S4-1)

Dassault Aviation's commitment to putting safety first was reiterated at the end of 2024 in a letter from the Chairman and CEO sent to all departments.

A dedicated organizational structure allows safety to be monitored across all aspects of the Company's activities, from design, production and operational support to maintenance of aircraft in service and flight operations.

This organizational structure is based on:

- an independent Executive Aviation Safety Officer reporting directly to the Chairman and CEO,
- a Safety Management System (SMS) that meets the highest international standards for the identification and management of flight safety risks,
- the corporate culture and certifications obtained for the design, production and maintenance of civil and military aircraft.

Dassault Aviation's SMS is integral to its policy of continually improving the safety of its civil and military aircraft, with targets set annually. It also reinforces the safety culture throughout the Parent Company and its subsidiaries.

Working groups from industry associations (ASD, GAMA, AIA, AIAB, AIAC)[13] have developed a standard (SM-0001) for the implementation of a safety management system in accordance with ICAO (International Civil Aviation Organization) Annex 19. The SMS was implemented at Dassault Aviation in accordance with the SM-0001 recommendations.

The SMS underpins the fundamentals of aircraft certification and airworthiness monitoring. As part of the design certification complying with EASA Part 21 regulatory requirements (Regulation (EU) No 748/2012), Dassault Aviation's design assurance system allows certification activities to be carried out

[13] ASD: European Aerospace, Security and Defence Industries
GAMA: General Aviation Manufacturers Association
AIA: Aerospace Industries Association
AIAB: Aerospace Industries Association Brazil
AIAC: Aerospace Industries Association Canada

in relation to the various Falcon models, together with the related airworthiness monitoring. The main purpose of certification is to ensure that the aircraft design complies with the technical regulations of certification (e.g. CS25) to guarantee that the aircraft is airworthy, i.e. able to fly in acceptable safety conditions. Airworthiness monitoring helps ensure that the aircraft in service remain airworthy. For the Falcon, these activities are carried out in close coordination with the EASA (European Union Aviation Safety Agency), the lead certification authority.

4.3.2.3 Processes for engaging with customers about impacts (S4-2)

Interaction on actual impacts

In the event of an accident or serious incident involving a Falcon in service, the procedures to manage the situation are as follows.

Any Dassault Aviation employee who is informed of or witnesses an accident or a serious incident involving a Falcon in service must immediately alert the Customer Service Department.

The management teams of undertakings having their registered office or principal place of business in France and involved in the design, manufacture or maintenance of aircraft must immediately inform the technical investigation authority of any accident or incident involving these aircraft, as soon as they have knowledge of the event and regardless of where it occurred.

Only the technical investigation authorities are authorized to share details of the investigation and its progress with the parties involved (Dassault Aviation, EASA, etc.) and customers, and to make this information public.

The Flight Safety Department is responsible for liaising with the technical investigation authorities.

The Technical Certification Department is responsible for liaising with the certification authorities. As the type certificate holder, Dassault Aviation is required to report the accident or serious incident to the certification authorities.

The Civil Aircraft Department is responsible for liaising with Falcon customers and operators, and in particular with the owner of the aircraft involved in the accident, without disclosing details of the investigation.

Engagement on potential impacts

During the operational life of aircraft, customers also inform the Customer Service Department of unusual events they encounter, other than major incidents and accidents.

Events to be reported to the authorities are handled by Dassault Aviation, which prepares a report and decides on the information to be shared. The role of the Technical Certification Department is to notify the authorities (EASA, as lead authority) and give an account of any significant incident, establish its impact on airworthiness and propose any necessary corrective actions.

Prior to the sale, customers may have specific questions about safety issues. If so, all the departments mentioned intervene in support of the Civil Aircraft Department. The dual nature of the Company’s activities, expertise, technologies and processes are also emphasized, where appropriate.

The Civil Aircraft Department is responsible for liaising with Falcon customers and operators.

4.3.2.4 Processes to remediate negative impacts and channels for customers to raise concerns (S4-3)

Depending on the severity of the impacts or risks, two procedures are possible: a technical investigation or a judicial investigation. It falls to the competent authorities, rather than Dassault Aviation and/or the customer, to initiate the relevant procedure.

Technical investigation (or safety investigation)

Governments must launch a technical investigation, or safety investigation, in the event of a civil aviation accident occurring on their territory. A "lead investigator," responsible for conducting the technical investigation, is appointed within the investigation authority of the country concerned. The country of the operator, the country of registration, the country of the aircraft manufacturer or the manufacturer of certain equipment, or even countries whose nationals are among the victims, may participate in the investigation by appointing an "accredited" representative.

The sole aim of the technical investigation is to improve safety. It concludes with a report which contains safety recommendations, where applicable.

Within Dassault Aviation, in the event of an accident involving a Falcon, an Accident Management Committee (AMC) composed of pre-appointed members meets in order to manage the situation and take the necessary decisions. The basic principles are to ensure:

- a well-defined, stable organization, with teams composed of managers appointed and recognized as such by Dassault Aviation according to the type of event,
- the implementation of procedures known to all involved,
- the escalation of information to the AMC, which handles the crisis,
- periodic reports for Executive Management,
- control over the negative impacts, including excessive media coverage, so that the situation can return to normal as soon as possible,
- external and internal communication that is factual, measured and appropriate, as well as being proactive.

Through the AMC, Dassault Aviation takes the necessary steps to try to establish the causes of the accident or incident and define, if necessary, the preventive or corrective measures to prevent the event from occurring again, and to maintain the airworthiness of the fleet in agreement with the certification authorities:

- by offering technical assistance to the technical investigation authority, usually the BEA (*Bureau d'Enquêtes et d'Analyse pour la sécurité de l'aviation civile* – French Office of Investigation and Analysis for Civil Aviation Safety), in case a technical investigation is opened,
- by conducting investigations directly using the Company's resources if the authority in charge of the technical investigation allows it or if no technical investigation is opened.

In any event, the regulations on technical investigations limit the amount of initiative that Dassault Aviation can take. The manufacturer must report any accident or serious incident to the investigation authority and remain on hand to provide it with technical expertise, taking care not to divulge information about the investigation.

Judicial investigation

Dassault Aviation does not define the remediation procedure. The purpose of the judicial investigation is to determine any fault or liability, which could lead to a criminal conviction and compensation for victims and their relatives. This comes under national law, so the conditions vary considerably from one country to another.

In some countries, the judicial investigation only commences at the end of the technical investigation. In the majority of countries, however, the judicial investigation and the technical investigation are conducted in parallel by different authorities. The judicial investigation may also take precedence in some cases and impede the technical investigation by prohibiting access to recorders or other equipment.

4.3.2.5 Taking action on material impacts on customers, and approaches to managing material risks and pursuing material opportunities related to customers, and effectiveness of those actions (S4-4)

As described in § 4.3.2.2, a dedicated organizational structure, underpinned by the SMS, facilitates the implementation of the safety policy.

The SMS represents a methodical approach to safety management (in the sense of aviation safety) that involves all entities (design, production, operational support, maintenance of aircraft in service, flight operations) and the entire value chain. It includes the organizational structures, responsibilities, policies and procedures necessary to identify the risks associated with aviation activities and keep them at an acceptable level.

Dassault Aviation is committed to all aspects of safety in accordance with the applicable regulations, with a view to continuous improvement:

- by fostering and maintaining a positive safety culture, taking into account the human and organizational factors,
- by enabling all employees to be proactive in reporting perceived threats to safety as part of a "just culture," with the option of remaining anonymous,
- by drawing attention to safety as the primary responsibility of managers,
- by striving for maximum proactivity through the identification of safety risks in all of Dassault Aviation's activities,
- by supporting change management from a safety point of view, where necessary,
- by applying these principles to Dassault Aviation's suppliers, sub-contractors and partners.

EASA assessed this process in 2024.

Dassault Aviation also holds the necessary design, production and maintenance certifications to conduct the Company's activities. These certifications are subject to ongoing monitoring by the airworthiness authorities that have issued them:

- the French Civil Aviation Authority (DGAC),
- the European Aviation Safety Agency (EASA),
- the Federal Aviation Administration (FAA).

The Parent Company and its subsidiaries DFJ and DFS are EN 9100, ISO 9001 and ISO 14001certified. Audits conducted in 2024 by outside organizations confirmed the compliance of Dassault Aviation's management systems with the requirements of the standards.

4.3.2.6 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)

In line with EASA recommendations following the 2024 audit, specific goals have been set from 2025 in order to improve the SMS:

- ensure training of all employees in Safety and SMS,
- intensify the promotion of Just and Fair Culture, awareness of human and organizational factors by integrating the limitations of human performance,
- check the implementation of the Safety approach in the supply chain among suppliers identified as critical,
- establish a summary of the Safety risks of Dassault Aviation's most critical activities.

4.4. GOVERNANCE (ESRS G1)

4.4.1. Business conduct policies and corporate culture (G1-1)

Through its Ethical Charter, Dassault Aviation asserts the values that federate the actions of all its employees. This charter also sets out codes of conduct that the Company applies with its customers, partners, suppliers and sub-contractors. It is supplemented by an Anti-Corruption Code and a Supplier Code of Conduct – which will be rolled out in 2025 – describing real-life situations.

Observing strict ethical standards, Dassault Aviation commits to acting in accordance with the Convention of the Organization for Economic Cooperation and Development (OECD), the United Nations Convention and national laws.

In addition, the Parent Company is a signatory to numerous international commitments on the prevention of corruption (Global Compact, Common Industry Standards, Global Principles). It is also a member of several associations and forums on business ethics and corporate responsibility at the national, European and international levels (see website www.dassault-aviation.com, Ethics section). The Parent Company is a member of the IFBEC (International Forum on Business Ethical Conduct) and adheres to the standards of the ASD (AeroSpace and Defence Industries Association of Europe) with a view to maintaining its anti-corruption system at the highest level.

Business conduct policies

Dassault Aviation is implementing a global business conduct policy that includes a range of mechanisms, such as programs for anti-corruption compliance programs, the duty of care, export control, trade compliance, the General Data Protection Regulation (GDPR) and business ethics. The Dassault Aviation Business Conduct Policy aims to identify, prevent and address the compliance risks (reputational, legal and financial) related to the Company's activities by ensuring regulatory compliance.

More specifically, Dassault Aviation is implementing an anti-corruption system as provided for in Law No.°2016-1691 of December 9, 2016, known as Sapin 2. The Company also ensures compliance with the duty of care (human rights) provided for in Law No.°2017-399 of March 27, 2017, in relation to Corporate Social Responsibility (CSR). In addition to compliance with export control and anti-money laundering measures, Dassault Aviation is also implementing the GDPR and artificial intelligence (AI) governance, in cooperation with the Data Protection Officer (DPO).

The Ethics and Compliance Department ensures the overall consistency of the compliance system and is responsible for the conduct of these policies.

There are several levels to the operational organization of business conduct risk control:

- the Ethics and Compliance Department, created in 2021, which reports directly to the Chairman and CEO and defines and monitors the compliance programs,
- the network of compliance officers at the subsidiaries and branches, to better identify, prevent and remedy compliance risks under the functional authority of the Ethics and Compliance Department. This network brings together a dozen compliance ambassadors around the world,
- the Audit and Risk Department , which evaluates the Company's business conduct policy.

Dassault Aviation promotes a corporate culture through its Code of Ethics, Anti-Corruption Code and Supplier Code of Conduct (which will be rolled out in 2025). Numerous internal compliance communications are provided to all its employees at the foreign sites and offices. This system is reinforced by the network of compliance ambassadors at the subsidiaries and in the different departments and by training and awareness-raising actions (e-learning). Lastly, Dassault Aviation's business conduct policy also concerns stakeholders, namely its customers, partners, suppliers and sub-contractors, in particular via the anti-corruption code, third-party assessments, informational notices relating to personal data, etc.

The implementation of business conduct policies involves monitoring and processing reports received under Dassault Aviation's internal whistleblowing procedure, as well as implementing export control/sanctions compliance. The Ethics and Compliance Department makes sure that compliance procedures are properly implemented within the Company through its level 2 controls, resulting in annual campaigns. These policies are also subject to level 3 controls carried out by the Internal Audit and Risk Department.

The compliance program deployed by Dassault Aviation and its subsidiaries demonstrates its commitment to effectively fighting corruption and influence peddling and to promoting its business integrity model.

Internal whistleblowing procedure for business conduct

Since the entry into force of Law No. 2022-401 of March 21, 2022, known as the "Whistleblower" law, Dassault Aviation has implemented a single internal whistleblowing system that can be used to identify, report and review all incidents of non-compliance. The Internal Whistleblowing Procedure, which allows employees and external contractors to report any breach of the Code of Ethics and Anti-Corruption Code, has therefore been extended to the reporting of any crime or offense, including human rights abuses.

More specifically, these situations of non-compliance concern:

- any act contrary to the Anti-Corruption Code (Law of December 6, 2016, or Sapin 2): corruption, influence peddling, unlawful taking of interest;
- any serious breach of human rights, including sexual assault or discrimination, fundamental freedoms, human health and safety, and the environment (whistleblowing system in the vigilance plan under the law of March 27, 2017 on the duty of care);
- any breach by the employer of specific worker safety and protection obligations (Article L. 4121-1 of the French Labor Code);
- any crime or offense;
- any conduct or situation that is contrary to the internal regulations of the undertaking.

The Ethics and Compliance Department, as an independent body and the only recipient of the alerts, is responsible for receiving and processing internal whistleblowing reports within seven days of the date the report is made, before forwarding the report to the relevant departments for investigation. The whistleblower will be given an initial update on the status of the investigation within three months.

For this purpose, a dedicated generic email address with an encryption system guaranteeing confidentiality, as well as a hotline, is available to all employees and internal and external stakeholders.

Whistleblowers are protected through the procedural guarantees provided for by law and expressly included in the internal whistleblowing procedure: a single secure channel for collecting alerts; the confidentiality of all interactions occurring under the procedure and of the whistleblower's identity; no disciplinary measures or retaliation taken against whistleblowers for making a report; and the protection of whistleblowers' personal data within the meaning of the GDPR.

Employees are made aware of this system through various internal communications, memos summarizing the key points of the internal whistleblowing procedure, "fact sheets" provided to all new hires, direct access to the procedure on the intranet and on the website, and motion design videos that illustrate this system in an entertaining and educational way.

In addition to instilling this internal whistleblowing culture within the undertaking, the Company educates its employees through training and awareness-raising sessions and also offers an e-learning course. Human Resources (HR) managers responsible for conducting investigations receive training in the form of practical workshops (two sessions in 2024). General awareness-raising also takes place in the form of compliance training for the various departments and foreign offices.

In financial year 2024, no acts of corruption or influence peddling were brought to the attention of the Ethics and Compliance Department, and no fines were imposed on Dassault Aviation on that basis.

Training policy regarding business conduct

The Ethics and Compliance Department is tasked with employee training and awareness. This includes implementing, across Dassault Aviation, the anti-corruption system provided for in the law of December 9, 2016 (Sapin 2), a duty of care plan provided for in the law of March 27, 2017, and the GDPR.

The Ethics and Compliance Department follows a risk-based approach and implements its training program according to employees' risk profiles:

– For the most exposed personnel, specific training sessions are planned to teach them practices for preventing the risks of breaches of probity, or those related to the duty of care based on the specific nature of their jobs (buyers, sellers, representatives from foreign offices, etc.). These sessions are held with the relevant departments and must allow the fundamental principles of the Sapin 2 Law and business ethics issues to be acquired based on concrete situations targeted by the risk scenarios.

  During 2024, all the functions identified as at risk by the Ethics and Compliance Department were covered by these specific training sessions.

  Percentage of employees trained per population identified as "at risk":

Function	Employees "at risk" trained
First line suppliers contact	49%
First line customers contact	74%
Internal alert referents	82%

– For the least exposed personnel, awareness sessions are planned to reach a larger number of employees on compliance issues and the related policies, while emphasizing practical examples and questions.

These training and awareness sessions are held every year and every two years, respectively. Sessions last approximately 1.5 hours and 45 minutes, respectively.

In addition, "compliance passport" training courses were rolled out in 2024:

– Expatriate passports: intended for all expatriate employees in foreign offices, these sessions (last passport on September 12, 2024) aim to train staff embarking on an expatriate assignment at a Dassault Aviation office. The program covers compliance in general as well as the specific characteristics of the country (gifts and entertainment, child labor, etc.).

– New hires passport: for all new hires at the Saint-Cloud site, these two-hour training sessions (*last session on December 19, 2024*) are intended to provide all new employees with the compliance basics they will need to perform their duties at Dassault Aviation.

In order to meet the requirement to train all Dassault Aviation employees, the Ethics and Compliance Department has developed two e-learning modules, one on Sapin 2 (anti-corruption) and one on the GDPR (data protection). Since their launch, these e-learning modules have reached 3,611 employees in the case of Sapin 2, and 3,322 employees in the case of the GDPR. They are entertaining tools to validate knowledge.

Lastly, Dassault Aviation launched its "Ethics Day" on May 13, 2024. Various experts (specialized attorneys and compliance officers) in anti-corruption and duty of care programs shared diverse and insightful perspectives on challenges such as compliance best practices. This event gave Dassault Aviation employees an opportunity to interact with the various speakers. This first "Ethics Day" was inaugurated by the Chairman and CEO and underscored the Executive Management's commitment to promoting a compliance culture across the entire organization.

4.4.2. Management of relationships with suppliers (G1-2)

Due to the specific features of its sector of activity, and in accordance with its purchasing policy, Dassault Aviation is committed to sustainability processes with its partners.

Dassault Aviation's purchasing policy, which was updated by the Senior Executive Vice-President, Procurement and Purchasing at the beginning of the year, aims in particular to secure its supply chain.

This securing is based on a structural assessment of suppliers. This assessment is performed when referencing or monitoring a supplier to ensure that it is maintained in compliance with the guidelines.

The procedure has been in place since 2007. It has been changed to include the provisions relating to the "Sapin 2" and "duty of care" laws and, more recently, cyber-security challenges.

To allow the referencing of a supplier, a structural assessment consists of five components:

- financial health, social criteria,
- security,
- cyber-security,
- management of health, safety in the workplace, the environment and chemical products,
- Compliance (anti-corruption, human rights and fundamental freedoms).

Supplier monitoring, which takes into account these same themes, is performed regularly through semi-annual campaigns, or when a significant event occurs.

For example, the Parent Company carried out almost 500 structural analyses including 100% of new suppliers approved in 2024, in particular small and medium-sized enterprises (SMEs). The summary of these structural analyses is included in the Purchasing Department's management review.

The purchasing policy includes reducing the carbon footprint of the supply chain. Details can be found in § 4.2.2.3 and 4.2.2.4.

For several decades, the Parent Company has worked with and supported a broad network of aerospace companies and contributes to the development of various SMEs. The very nature of the products and the related services entails a long-term relationship with its suppliers.

Around 85% of the Parent Company's suppliers are French.

Against the backdrop of an economic crisis, the Parent Company continues to provide this support:

- by helping, under the aegis of GIFAS, to monitor the actions implemented within the framework of the "Charter of commitment on customer and supplier relations within the French aeronautics sector,"
- by participating, under the aegis of MINARM (French Ministry of the Armed Forces), in actions to support undertakings in the defence technological and industrial base.

  For the record, the Parent Company is a signatory to the SME Defence Pact membership agreement with the French Ministry of the Armed Forces. The Parent Company signed an update to this agreement in mid-2024, underlining its commitment to advancing French SMEs, intermediate-sized enterprises and startups in the Defence sector, and to strengthening good business practices,
- by continuing to support its suppliers, focusing on financial aspects such as payment times and taking into account – on a case-by-case basis and in particular for SMEs – measures adapted to the economic difficulties suppliers are experiencing.

These various support actions (within the framework of the GIFAS Charter and the SME Defence Pact) are evaluated by GIFAS, with the SME Pact Observatory, and by MINARM, respectively.

Dassault Aviation has a legal obligation to meet supplier payment terms. The Company must comply with these terms to ensure fair and sustainable business relationships.

Through the various agreements and charters listed above, Dassault Aviation expresses its support for the aerospace sector by applying payment terms best practices, including in times of crisis.

In addition to players in the French aerospace sector, the Company complies with the contractual payment terms with all its suppliers, in line with the payment terms disclosed in § 4.4.6.

In addition to complying with legislative time frames, Dassault Aviation strives to reduce these times by introducing electronic invoicing, among other measures.

A special effort is made for all Purchasing Department staff through the "Purchasing Passport" training course, which addresses the fundamentals of the purchasing function, in particular how to manage supplier relationships. Other specific training courses are also offered, for example, on ethics, safety, etc.

4.4.3. Prevention and detection of corruption and bribery (G1-3)

For many years, Dassault Aviation has implemented strict internal procedures to prevent corruption and ensure the integrity, business ethics and reputation of the Company in its industrial and commercial relations.

Pursuant to Law No. 2016-1691 of December 9, 2016, the "Sapin 2" law, concerning the fight against corruption and modernization of the economy, Dassault Aviation supplemented and strengthened its process to prevent and detect corruption and influence peddling at the level of both the Parent Company and its subsidiaries under the leadership of the Chairman and CEO who promotes a zero-tolerance policy.

The Ethics and Compliance Department is tasked with implementing and auditing procedures related to the fight against corruption and influence peddling, which are deployed as follows:

- Risk maps on the fight against corruption and influence peddling have been developed and deployed within the Company in consultation with the various operational units and are regularly updated. These risk maps are designed to identify, analyze and prioritize the risks of Dassault Aviation's exposure to corruption and influence peddling, taking into account internal processes, risk factors, the nature of the civil and military activities, and the geographical areas in which the undertaking operates. These maps serve as the basis for the Company's compliance policy and have led Dassault Aviation to strengthen existing anti-corruption procedures.

- At the same time, the Anti-Corruption Code, which was updated in 2024, defines and illustrates, using practical examples and scenarios, the different types of employee behavior to be proscribed as likely to constitute acts of bribery or influence peddling. It is integrated into the internal rules of Dassault Aviation's various sites. Any violation is therefore punishable. This Code will be supplemented in 2025 with a Supplier Code of Conduct, which will strengthen ethical values and best practices in business relationships.

- A single system for handling reports of instances of non-compliance has been put in place, and allows any employee to report any violation of the Anti-Corruption Code. This is the internal whistleblowing procedure for business conduct.

- The Ethics and Compliance Department has a robust business conduct training program, with specialized anti-corruption training for high-risk groups and Sapin 2 awareness sessions for all departments. A mandatory e-learning module has also been rolled out and aims to reach all employees, just like the new hires passport.

- The Ethics and Compliance Department has strengthened its procedures for evaluating the situation of customers, suppliers, sub-contractors and consultants in the light of the risk mapping. Before the Company agrees to do business with them, special committees are tasked with validating the various stages to ensure that they comply with its business ethics.

- Special internal and external accounting control procedures intended to ensure that the books, ledgers and accounts do not mask acts of corruption or influence peddling are deployed within the Financial Department. This reinforces the existing procedures carried out by the Ethics and Compliance Department.

- Throughout the 2024 financial year, the Ethics and Compliance Department performed level 2 controls on: procedures for evaluating suppliers and first-tier subcontractor, civil aircraft customers and consultants; accounting procedures and expense reports in association with the Financial Department; gifts in conjunction with the Communication Department; and internal investigations with HR. These controls confirmed that evaluation procedures covering the Sapin 2 Law had been put in place and were working.

The Chairman and CEO receives briefing notes which are used, together with the annual review, to inform the administrative, management and supervisory bodies and update them on the outcome of the Ethics and Compliance Department's actions, as specified above. The compliance program was also presented to the members of the Executive Committee.

An "ethics and compliance" page is available on the Parent Company's Intranet site. It outlines the policy on business ethics, provides details of contacts within the Ethics and Compliance Department, and gives a list of reference documents (in French and English), including the Anti-Corruption Code and the Internal Whistleblowing Procedure.

A page dedicated to ethics and compliance is also accessible on Dassault Aviation's website.

4.4.4. Incidents of corruption or bribery (G1-4)

The Company has not been convicted of any offense.

4.4.5. Political influence and lobbying activities (G1-5)

Pursuant to the provisions of the law of December 9, 2016, Dassault Aviation reports its lobbying activities to the National Digital Register of Lobbyists, which is maintained by the HATVP (*Haute Autorité pour la transparence de la vie publique* – French High Authority for Transparency in Public Life):

- To raise awareness of aerospace issues among public actors,
- To raise awareness of export issues among public actors.

This register is available for public consultation.

On that basis, Dassault Aviation is a member of various professional bodies in the aerospace and metallurgy sectors: *Cercle de l’Industrie*, CIGREF (*Club Informatique des Grandes Entreprises Françaises*), GIFAS, MEDEF (*Mouvement des Entreprises de France*) INTERNATIONAL, UIMM (*Union des Industries et Métiers de la Métallurgie*).

The only people who engage in lobbying activities for the Company are clearly designated by its Executive Management and act in accordance with compliance and business ethics. Patronage and sponsorship actions are subject to a dedicated procedure monitored by the Ethics and Compliance Department.

Dassault Aviation also contributes to discussions and work within other groups such as the AFEP (*Association Française des Entreprises Privées*), France Industries, IAEG (International Aerospace Environmental Group), EBAA (European Business Aviation Association), ASD (European Aerospace, Security and Defence Industries), etc. They summarize the industry’s views on existing or future regulations in position papers, which are sent to the relevant authorities where necessary.

These contributions may concern various topics related to the material IROs covered in this sustainability statement. The aim is to share information and work on reducing negative impacts, mitigating risks and capitalizing on positive impacts and opportunities.

4.4.6. Payment practices (G1-6)

In application of the law, Dassault Aviation implemented the necessary procedures to assure payment to its suppliers within the legal time frames and has already begun digitizing the process.

Dassault Aviation uses IT solutions to manage and pay invoices. These include the ERP (enterprise resource planning) system, which covers almost all of the Company’s purchases. Using its PtoP (procure-to-pay) module, this system helps manage invoice flows, from creating a new supplier record and requisitioning purchases and advances to paying invoices.

Invoices are paid within the applicable legal time frames based on the supplier category. Payment terms are calculated from the date the invoice is received. Invoices are received in paper form or electronically.

Dassault Aviation’s French subsidiaries apply the standard statutory payment terms of 45 days from the end of the month of invoice. This represents 82% of the Company’s invoices that were paid during the financial year. 88% of these invoices were paid on time. Some invoices may be paid after the statutory term if the information on the invoice is incorrect or in the event of a dispute with the supplier, thereby lengthening the processing time. Dassault Aviation is taking steps to reduce this processing time.

In financial year 2024, the average term of payment of the Company's French subsidiaries was 42 days, compared with the average statutory payment terms of 55 days. Dassault Aviation's French subsidiaries thus pay their suppliers on average 13 days before the statutory payment date.

To support small and medium-sized enterprises (SMEs), specific measures are taken to pay before the legal deadline. The Parent Company thus pays SMEs on average 16 days before the statutory payment date. In financial year 2024, 95% of invoices were paid on time.

There are no ongoing legal proceedings relating to late payments.

4.4.7. Statement on cybersecurity specific to the entity

The double materiality analysis described in ESRS 2 § 4.1.11 confirmed the materiality of the risk of cyberattack for Dassault Aviation, and the underlying risks concerning the data of its customers, suppliers and employees.

As this topic is not covered by the CSRD standards, it is the subject of this entity-specific disclosure in accordance with Section 10.1 of ESRS 1.

The context and the measures put in place by Dassault Aviation regarding cybersecurity risk are described in § 2.2.3 Cyber risks for IT systems of the Directors' report.

More detailed information on the policies, actions, targets or metrics in place will not be disclosed for confidentiality reasons.

5. DASSAULT AVIATION, PARENT COMPANY

5.1. Activities

The activities of Dassault Aviation (Parent Company), particularly in the area of programs development, Research & Development, and production, have been presented to you within the framework of Dassault Aviation's activities.

5.2. Results

5.2.1. Order Intake

Parent Company order intake in 2024 was **EUR 9,624 million**, compared with EUR 6,734 million in 2023. **Export** order intake represented **90%**.

Changes were as follows, in millions of euros:

	2024	2023	2022
Defense	**7,770**	5,717	15,377
Defense Export	*6,919*	*3,059*	*13,855*
Defense France	*851*	*2,658*	*1,522*
Falcon	**1,854**	1,017	2,483
Total order intake	**9,624**	6,734	17,860
% Export	**90%**	61%	90%

The order intake is composed entirely of firm orders.

Defense programs

In 2024, **Defense order intake** totaled **EUR 7,770 million** compared with EUR 5,717 million in 2023.

The **Defense Export** figure was **EUR 6,919 million** in 2024, versus EUR 3,059 million in 2023. In 2024, 30 Rafale were ordered (18 by Indonesia, 12 by Serbia) compared to 18 Rafale ordered by Indonesia in 2023.

The **Defense France** share amounted to **EUR 851 million** in 2024, compared with EUR 2,658 million in 2023. This decrease is mainly explained by the 42 Rafale from the fifth batch ordered in 2023.

Falcon programs

In 2024, **26 Falcon orders** were recorded, compared with 24 in 2023. Order intake totaled **EUR 1,854 million** versus EUR 1,017 million in 2023. The increase is notably due to the number of aircraft and a favorable product mix.

5.2.2. Net Sales

Net sales in 2024 totaled **EUR 5,447 million**, versus EUR 4,101 million in 2023. **Export** represented **64%**.

Changes were as follows, in millions of euros:

	2024	2023	2022
Defense	**3,918**	2,917	4,778
Defense Export	*2,048*	*1,516*	*3,607*
Defense France	*1,870*	*1,401*	*1,171*
Falcon	**1,529**	1,184	1,527
Total net sales	**5,447**	4,101	6,305
% Export	**64%**	64%	81%

Defense programs

21 Rafale (14 France and 7 Export) were delivered in 2024. 13 Rafale (11 France and 2 Export) were delivered in 2023.

Defense net sales in 2024 was **EUR 3,918 million** versus EUR 2,917 million in 2023.

The **Defense Export** share was **EUR 2,048 million** versus EUR 1,516 million in 2023. This increase is largely due to the delivery of 7 Export Rafale, whereas 2 Export Rafale were delivered in 2023.

The **Defense France** share was **EUR 1,870 million** versus EUR 1,401 million in 2023. This increase is notably due to the delivery of 14 Rafale aircraft compared with 11 Rafale aircraft in 2023 and to higher invoicing for development work.

Falcon programs

31 Falcon were delivered in 2024, compared with 24 in 2023.

Falcon net sales for 2024 was **EUR 1,529 million** versus EUR 1,184 million in 2023. The increase is primarily due to the number of Falcon aircraft delivered (31 vs. 24).

5.2.3. Backlog

The backlog of the Parent Company as of December 31, 2024 was **EUR 38,164 million**, compared with EUR 33,926 million as of December 31, 2023.

Change in the backlog is as follows, in millions of euros:

As of December 31	**2024**	2023	2022
Defense	**33,873**	30,021	27,222
Defense Export	*25,932*	*21,062*	*19,519*
Defense France	*7,941*	*8,959*	*7,703*
Falcon	**4,291**	3,905	4,015
Total backlog	**38,164**	33,926	31,237
% Export	**76%**	70%	71%

The backlog as of December 31, 2024 consists of the following:

- **Defense Export**: **EUR 25,932 million** versus EUR 21,062 million as of December 31, 2023. This figure mainly includes 164 Rafale compared with 141 Rafale in the Defense Export backlog as of December 31, 2023.
- **Defense France**: **EUR 7,941 million** versus EUR 8,959 million as of December 31, 2023. This figure mainly comprises 56 Rafale (vs. 70 at the end of December 2023), the support contracts for the Rafale (Ravel), Mirage 2000 (Balzac), ATL2 (Ocean) and the Alpha Jet (Alphacare), the Rafale F4 standard and the order for phase 1B of the FCAS demonstrator.
- **Falcon** (including the Albatros and Archange mission aircraft): **EUR 4,291 million** versus EUR 3,905 million as of December 31, 2023. It includes notably 79 Falcon, compared with 84 as of December 31, 2023.

5.2.4. Net Income

Net income for 2024 was **EUR 685 million**, compared to EUR 435 million in 2023.

In 2025, employees will receive EUR 196 million on 2024 profit-sharing and incentive plans (excluding related tax), of which:

- profit-sharing: EUR 176 million (vs EUR 42 million with the application of the legal formula),
- incentive plan: EUR 20 million.

These figures account for 31% of salaries in 2024. With the 20% employer's tax, profit-sharing and incentives amounted to EUR 235 million, or 34% of the Parent Company's 2024 net income.

5.2.5. Allocation of Earnings

If you approve the accounts for fiscal year 2024, we propose that you allocate the net earnings for the year of EUR 684,862,371.94, plus retained earnings from previous fiscal years, i.e., EUR 2,956,391,468.98, less the dividends applied to shares other than treasury shares(*), to the retained earnings balance.

(*) The amount of dividends which, in accordance with the provisions of the fourth paragraph of Article L. 225-210 of the French Commercial Code, may not be paid to the treasury shares held by the Company, will be reallocated to the retained earnings account.

5.2.6. Five-year Summary

The Dassault Aviation five-year summary is shown in Note 32 to the annual financial statements.

5.2.7. Tax Consolidation

Our Company opted for the tax consolidation scheme in 1999. As of January 1, 2012, the tax consolidation scope of Dassault Aviation includes Dassault Aviation, Dassault Aéro Service and Dassault Aviation Participations. A tax integration agreement, tacitly renewable for five-year periods, was signed with these companies.

5.3. Risk Management

The risks and uncertainties to which the Company is exposed are the same as those outlined regarding Dassault Aviation in Section 2 “Risk factors” above, since the Parent Company plays a predominant role within the scope of consolidation.

5.4. Terms of Payment

In application of the law, Dassault Aviation implemented the necessary procedures to assure payment to its suppliers at EOM (End-Of-Month) +45 days. The composition of unpaid past-due supplier invoices received by the balance sheet date was as follows (in millions of euros, VAT excluded):

Late payment tranches	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total
Number of invoices involved			1,590(*)		
Total amount of invoices involved (before VAT)	6.80	2.51			9.31
% of the total amount of purchases excluding tax for the year	0.13%	0.05%			0.18%

(*) 2,780 invoices for EUR 22 million excluded as related to disputes

Contractual payment terms: EOM + 45 days.

The composition as of December 31, 2024 of unpaid past-due invoices issued by the closing date was as follows (in millions of euros, VAT excluded):

Late payment tranches	1 to 30 days	31 to 60 days	61 to 90 days	91 days and over	Total
Number of invoices involved			10,830		
Total amount of invoices involved (before VAT)	63.7	50.3	80.4	95.5	289.9
% of FY net sales (before VAT)	1.17%	0.92%	1.48%	1.75%	5.32%

Payment terms: defined in the General Purchasing Conditions

5.5. Shareholder Information

5.5.1. Capital Structure

As of December 31, 2024, the share capital of the Company is EUR 62,876,448.80. It is divided into 78,595,561 shares, each with a par value of EUR 0.80.

The shares are listed on the regulated "Euronext Paris" market in Compartment A, International Securities Identification Number (ISIN): FR0014004L86. They are eligible for the Deferred Settlement Service (SRD). Following the increase in its free float, in 2016 Dassault Aviation joined the following stock market indices: Sociétés des Bourses Françaises 120 (SBF 120) and the Morgan Stanley Capital International World (MSCI World).

Pursuant to Law No. 2014-384 of March 29, 2014, seeking to reconquer the real economy, and since April 3, 2016, shares issued by the Company and held in a registered account for two years or more are entitled to double voting rights.

The Company's bylaws do not include any restrictions on the exercise of voting rights or on the transfer of shares.

There has been a statutory obligation to provide information on the crossing of ownership thresholds. This applies to any fraction held that is equal to or greater than 1% of the capital and voting rights of the Company, and any multiple of that percentage, which exceeds or falls below those thresholds. This information is not required for threshold crossings of 1% above 50% of the capital or voting rights.

No shareholder has special control rights. In particular, there is no shareholding system offering employees specific control.

As of December 31, 2024, the shareholding of Dassault Aviation is as follows:

Shareholders	Number of shares	%	Exercisable voting rights[2]	%
GIMD	51,960,760	66.11%	103,921,520	79.74%
Float	17,962,449	22.85%	18,129,342	13.91%
Airbus SE	8,275,290	10.53%	8,275,290	6.35%
Treasury shares [1]	397,062	0.51%	0	0.00%
TOTAL	78,595,561	100.00%	130,326,152	100.00%

[1] shares recorded in the "fully registered shares" account, without voting rights.

[2] Pursuant to the "Florange" Law, and in the absence of contrary provisions in the bylaws of Dassault Aviation, shares held in a registered account for more than two years are entitled to double voting rights.

Direct or indirect shareholdings in the Company of which it is aware, pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code, are shown in the table above.

As of December 31, 2024, 26,038 shares (0.03% of the capital) were held by one of the corporate investment funds whose members are current or former employees of the Company.

5.5.2. Information on Capital, Shareholders and Voting Rights

The General Meeting has not agreed to delegate any authority or powers to the Board of Directors regarding capital increases.

The Company has not issued any securities representative of its current capital.

The Company did not create any stock options in 2024.

The General Meeting of May 11, 2021 authorized the Board of Directors to allocate, in one or more stages, free existing shares of the Company (to the benefit of Company employees or certain employee categories it may determine, and to the benefit of eligible corporate officers of the Company).

This authorization, valid for a period of 38 months from the General Meeting, concerned a maximum of 278,000 shares [(1)] representing 0.33% of the capital as of May 11, 2021. It states that the Board of Directors shall determine the identity of the beneficiaries of such allocations and, as required, the conditions and the criteria for allocating the shares, as well as the vesting and lock-in period of those shares.

[(1)] proforma, following the 10-for-1 stock split

Pursuant to this authorization (see Table 6 of the Corporate governance report), on March 5, 2024 the Board of Directors decided to award 13,000 performance shares to the Chairman and Chief Executive Officer and 8,000 performance shares to the Chief Operating Officer.

These shares will become vested (between 0% and 114%) provided the following performance criteria are met:

- adjusted consolidated operating margin,
- two aspects of corporate social responsibility, namely:
  - feminization,
  - the low-carbon plan,
- qualitative assessment of individual performance.

In addition, the same Board Meeting defined the following other conditions:

- a one-year vesting period, ending on March 4, 2025 (evening),
- presence in the workforce at the end of the vesting period,
- a one-year holding period for beneficiaries, starting from March 5, 2025, and ending March 4, 2026,
- from March 5, 2026, the retention of 20% of those shares for the duration of their term of office.

5.5.3. Securities Transactions by Corporate Officers

The securities transactions executed in 2024 by corporate officers consisted of the acquisition of performance shares voted by the Board of Directors on March 5, 2024 (see Corporate governance report).

No other acquisition or sale of Dassault Aviation shares was declared by corporate officers to the Company or to the French Financial Markets Authority (Autorité des Marchés Financiers). Such transactions, when they occur and subject to their amount, must be reported to the French Financial Markets Authority (Autorité des Marchés Financiers) and the Company, pursuant to the provisions of Article L. 621-18-2 of the French Monetary and Financial Code and Articles 223-22-A et seq. of the French Financial Markets Authority (Autorité des Marchés Financiers) General Regulation.

5.5.4. Shareholders' Agreements

There is no shareholders' agreement between Groupe Industriel Marcel Dassault (GIMD) and Airbus SE.

However, the following two agreements are in place:

Agreement between the French State, Airbus SE and Airbus SAS

Pursuant to Article L. 233-11 of the French Commercial Code, the Company has been informed by the French Commissioner of State Holdings that on June 21, 2013, the French State signed a shareholders' agreement with Airbus SE and Airbus SAS that established concerted action with respect to Dassault Aviation. This agreement provides as follows:

- Airbus may exercise its voting rights in General Meetings following consultation with the French State,
- the French State is granted the right of first refusal and the right of first offer should Airbus seek to dispose of all or part of its shares in the stock of Dassault Aviation.

Airbus SE, which also signed the agreement, is bound by these commitments.

Agreement between the French State and GIMD

In application of Article L. 233-11 of the French Commercial Code, the Company was informed by GIMD that, on November 28, 2014, the French State signed an agreement with GIMD, which would enter into force on December 2, 2014. The purpose of this agreement is to confer on the French State preemptive rights in case of transfer of Dassault Aviation shares by GIMD that would drop below the 40% threshold in Dassault Aviation capital, and in case of any subsequent shares transfers below this threshold.

This agreement does not constitute a concerted action between the French State and GIMD, each remaining at total liberty to manage its shareholding and exercise its voting rights.

These two agreements have no impact on the Company's governance.

GIMD holds the majority of the capital and voting rights in Dassault Aviation.

5.5.5. Treasury Shares

Share buybacks

The share buyback authorization approved by the General Meeting of May 16, 2023 and implemented by the Board of Directors on May 16, 2023 continued into the first half of 2024.

To allow Dassault Aviation to continue to trade its own shares on the market or off-market, the General Meeting of May 16, 2024 resolved to implement a new share buyback authorization, identical to those implemented since 2014, under similar conditions to the 2023 program. At its meeting of July 23, 2024, the Board of Directors implemented this new share buyback authorization and delegated powers to the Chairman and Chief Executive Officer to conduct any transaction under the conditions set by the Annual General Meeting.

This new authorization is valid for a period of 18 months from May 16, 2024 (i.e. up to and including November 15, 2025). This new authorization entered into force on July 23, 2024 and terminated, as of the same date, the share buyback authorization previously given by the General Meeting on May 16, 2023, for the unused portion.

This share buyback is in compliance with the provisions of Articles L. 22-10-62 et seq. of the French Commercial Code and European Regulation 596/2014 of April 16, 2014.

This share buyback authorization may be used by the Board of Directors for the following objectives:

- to cancel shares in order to increase the profitability of shareholders' equity and earnings per share,
- to transfer or allocate shares to employees and corporate officers of the Company and/or of affiliated companies under the terms and conditions stipulated by law, particularly in case of the exercising of stock options or allocating existing free shares, or transferring and/or subscribing for existing shares as part as an employee stock ownership scheme,
- to stimulate market activity or increase the liquidity of Dassault Aviation shares through an investment services provider under a liquidity contract compliant with an ethics charter recognized by the French Financial Markets Authority (Autorité des Marchés Financiers),
- to retain the shares with a view to subsequent use, to remit them as payment or in exchange, including as part of any external growth transactions, for up to 5% of the share capital,
- to remit the shares upon exercise of rights attached to debt securities convertible to Dassault Aviation shares,
- to implement any market practice that would be recognized by the law or by the French Financial Markets Authority (Autorité des Marchés Financiers).

The acquisition, disposal or transfer of shares as described above may be carried out by any means compatible with applicable law and regulations, including as part of a negotiated trade.

The authorization given by the General Meeting on May 16, 2024, to the Board of Directors entitles Dassault Aviation to buy its own shares, up to a limit of 10% of its capital, for a unit price capped at EUR 220 exclusive of acquisition costs (compared with EUR 200 in 2023), subject to adjustments linked to corporate actions, particularly through the incorporation of reserves and the allocation of free shares and/or stock split or reverse stock split.

The maximum amount to be used to buy back the Company's shares is EUR 1,736,939,820 based on the number of shares outstanding on the date of the decision; this condition is combined with the condition for a 10% cap on the Company's capital.

The General Meeting conferred all powers to the Board of Directors, with an option to subdelegate in the cases authorized by the law, to decide to act on this authorization, place any stock market or off-market orders, sign any agreements, draw up any documents including information documents, set the terms for the Company's market or off-market dealings, as well as the terms and conditions for acquisition and disposal of shares, file any declarations, including to the French Financial Markets Authority (Autorité des Marchés Financiers), set the terms and conditions protecting, where necessary, the rights of the holders of securities giving access to the capital, of options to subscribe for or buy shares, or of rights to allocate performance shares in accordance with legal, regulatory or contractual provisions, fulfill any formalities and, in general, do whatever is necessary to complete such transactions.

The General Meeting also conferred all powers to the Board of Directors if the law or the French Financial Markets Authority (Autorité des Marchés Financiers) were to extend or add to the objectives authorized for the share buybacks, in order to bring to public attention, within applicable legal and regulatory terms and conditions, any amendments with regard to these objectives.

The buyback by Dassault Aviation of its own shares in 2024 related to:

- 669,094 shares acquired between January 1, 2024 and July 23, 2024 under the authorization approved by the General Meeting of May 16, 2023,

- 198,527 shares acquired between July 24, 2024 and December 31, 2024 under the authorization approved by the General Meeting of May 16, 2024,

In 2024, these 867,621 shares (1.10% of the share capital at December 31, 2024) were acquired at an average share price of EUR 178.56, or a cumulative gross amount of EUR 154,925,458.56. Trading fees amounted to EUR 108,447.80.

Taking into account the allocation in 2024 of a total of 43,531 shares (0.05% of the share capital) to the Chairman and Chief Executive Officer and to the Chief Operating Officer as 2023 performance shares, the balance of shares acquired under a previous authorization and set aside for the distribution of performance shares and the potential arrangement of a liquidity contract to stimulate the market or ensure the liquidity of the stock through an investment service provider was 198,535 shares.

In order to allow the Company to trade in its own shares at any time, on March 4, 2025, the Board of Directors proposes to the General Meeting of May 16, 2025, that a new share buyback authorization be launched with a maximum price per share fixed at EUR 270, other conditions remaining unchanged (Resolution 11).

Pursuant to the provisions of Articles L. 225-211 and R. 225-160 of the French Commercial Code, the Company maintains registers of the purchase and sale of shares acquired and sold in the context of its share buybacks.

Cancellation of shares through a capital reduction

Under the authorization given by the General Meeting of May 16, 2023, the Board of Directors in its March 5, 2024 meeting canceled 1,850,554 shares (2.29% of the share capital) acquired under the share buyback authorization approved by the General Meeting of May 16, 2023 and which had been allocated for cancellation.

On May 16, 2024, the General Meeting authorized the Board of Directors, on the same terms as the authorizations granted since 2019, to:

- reduce its share capital by way of cancellation, in one or more stages, of all or some of the shares acquired by the Company under a share buyback authorization, limited to 10% of the capital per 24-month period,
- allocate the difference between the buyback value of canceled shares and their nominal value to premiums and available reserves.

To this end, the General Meeting has granted all powers to the Board of Directors to set the terms and conditions for any capital reductions consecutive to any cancellation operations decided upon.

This authorization was given for a period that expires at the end of the Annual General Meeting called to approve the financial statements for the year ended December 31, 2024.

Under this new authorization, the Board of Directors decided on July 23, 2024 to cancel 356,251 shares (0.45% of the share capital) acquired under the share buyback authorization given by the General Meeting of May 16, 2023 and which had been allocated for cancellation.

In order to allow the Company to reduce its share capital at any time, the Board of Directors, at its meeting of March 4, 2025, recommends to the General Meeting of May 16, 2025 that it authorize the Board to reduce the Company's share capital by the cancellation of shares purchased or to be purchased under a share buyback authorization (Resolution 12).

Treasury shares as at December 31, 2024

As of December 31, 2024, the Company held 397,062 of its own shares (0.51% of the share capital) with a par value of EUR 0.80, for a gross purchase value of EUR 55,554,796.78.

Of these 397,062 shares, 198,535 were allocated for the distribution of performance shares and the potential arrangement of a liquidity contract and 198,527 shares were allocated for cancellation.

5.5.6. Significant Agreements entered into by the Company

The Company did not enter into any major agreement that would be amended or automatically terminated in the event of a change in control of the Company.

However, in such a case, the National Defense contracts entered into with the French State would be reexamined by the French Ministry of Defense, which could require that all or some of these contracts be transferred to another French company for reasons of national interest.

There is no agreement offering compensation for:

- members of the Board of Directors, should they resign or be dismissed,
- for employees, should they resign or are dismissed without real and serious cause or if their employment is terminated due to a public tender offer, beyond the provisions of the collective bargaining agreement.

6. PROPOSED RESOLUTIONS

The resolutions submitted for your vote relate to the following points:

6.1. Resolutions for the Ordinary General Meeting

Approval of the annual and consolidated financial statements

You are first asked to approve the annual financial statements of the Parent Company (Resolution 1), which show a net income of EUR 684,862,371.94, and the consolidated financial statements, which show a consolidated net income of EUR 923,824 thousands for the year ended December 31, 2024 (Resolution 2).

These financial statements were approved by the Board of Directors at its meeting on March 4, 2025, after prior examination by the Audit Committee, and were the subject of unqualified reports from the Statutory Auditors, included in the 2024 Annual Report.

Allocation and distribution of the Parent Company's profit

It is proposed that the net income for the year, increased by the retained earnings from previous fiscal years, constituting a distributable total of EUR 3,641,253,840.92, be allocated to the distribution, for fiscal year 2024, of a dividend of EUR 4.72 per share, with the balance being carried forward (Resolution 3).

The dividend would be paid on May 22, 2025.

Approval of the compensation elements paid or allocated during the 2024 fiscal year

In accordance with Article L. 22-10-34 I and II of the French Commercial Code, you are asked to approve the elements mentioned in Article L. 22-10-9 I of the Commercial Code, comprising the compensation paid to all Directors (Resolution 4), as well as the aforementioned elements concerning the Chairman and Chief Executive Officer, Mr. Éric Trappier, and the Chief Operating Officer, Mr. Loïk Segalen (Resolutions 5 and 6), for the year ending December 31, 2024.

These elements are presented in paragraph 2.1 of the Corporate Governance Report.

Approval of the 2025 compensation policy

Pursuant to Article L. 22-10-8 II of the French Commercial Code, the Board of Directors submits the 2025 compensation policy for the Directors (Resolution 7), the Chairman and Chief Executive Officer (Resolution 8) and the Chief Operating Officer (Resolution 9) to the General Meeting for approval.

These elements were approved by the Board of Directors on March 4, 2025 and are presented in paragraph 2.2 of the Corporate Governance Report.

Approval of the new lease agreement between Dassault Aviation Parent Company and GIMD for the Seine Rive Ouest building in Saint-Cloud

The commercial lease between the Company and Groupe Industriel Marcel Dassault (GIMD) for the Seine Rive Ouest building in Saint-Cloud expires on July 9, 2025.

After having read the special report of the Statutory Auditors on the related-party agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code, the General Meeting is called upon to approve the new 9-year lease, with the possibility of termination every three years, concluded between the Company and GIMD.

This lease was authorized by the Board of Directors on July 23, 2024 and signed on January 7, 2025 with effect from July 10, 2025 (Resolution 10).

This lease is in the corporate interest of Dassault Aviation Parent Company, as the Company needs office space for its employees.

Authorization to be given to the Board of Directors to allow the Company to trade in its own shares

Companies whose shares are admitted to trading on a regulated market are authorized to buy back their own shares if they have been authorized to do so by the General Meeting of Shareholders.

Under the provisions of the French Commercial Code, in particular Articles L. 22-10-62 et seq., and European Regulation No. 596/2014 of April 16, 2014, we propose that you once again authorize the Board of Directors to implement a share buyback program for a period of 18 months (Resolution 11).

This share buyback program would enable the Company to:

1) cancel shares in order to increase the profitability of shareholders' equity and earnings per share (subject to the adoption of Resolution 12),
2) to transfer or allocate shares to employees and corporate officers of the Company and/or of affiliated companies under the terms and conditions stipulated by law, particularly in case of the exercising of stock options or allocating existing performance shares, or transferring and/or subscribing for existing shares as part as an employee stock ownership scheme,
3) to stimulate market activity or increase the liquidity of Dassault Aviation shares through an investment services provider under a share liquidity contract compliant with an ethics charter recognized by the French Financial Markets Authority (Autorité des Marchés Financiers),
4) to retain the shares with a view to subsequent use, to remit them as payment or in exchange, including as part of any external growth transactions, for up to 5% of the share capital,
5) to remit the shares upon exercise of rights attached to debt securities convertible to Dassault Aviation shares,
6) to implement any market practice that would be recognized by the law or by the French Financial Markets Authority (Autorité des Marchés Financiers).

The Board of Directors could carry out the buyback of Dassault Aviation shares within the legal limit of 10% of Dassault Aviation's capital.

The maximum buyback price would be set at EUR 270 per share excluding acquisition costs (compared to EUR 220 in 2024). Taking into account the number of shares comprising the capital as of December 31, 2024, minus the shares canceled as part of the capital reduction decided by the Board of Directors on March 4, 2025, the maximum number of shares that can be repurchased is 7,839,703, i.e. a maximum amount of EUR 2,116,719,810, this condition being combined with that of the cap of 10% of the Company's capital.

This authorization would come into effect as of the next Board of Directors meeting that would decide on the implementation of this new share buyback authorization, on which date the unused portion of the share buyback previously authorized by the General Meeting on May 16, 2024 would end.

6.2. Resolutions for the Extraordinary General Meeting

Authorization to be given to the Board of Directors to reduce the Company's share capital by canceling shares purchased or to be purchased

In accordance with the provisions of Article L. 22-10-62 of the French Commercial Code, a proposal is made to the General Meeting to authorize the Board of Directors, with the option to sub-delegate, to:

- reduce its capital by way of cancellation, in one or more stages, of all or some of the shares acquired by the Company under a share buyback program, limited to 10% of the capital per 24-month period,
- allocate the difference between the buyback value of canceled shares and their nominal value to premiums and available reserves.

This new authorization would be given for a period that expires at the end of the General Meeting called to approve the financial statements for the year ended December 31, 2025 (Resolution 12).

As of May 16, 2025, it would render ineffective, for the portion not yet used, the authorization of the same nature granted by the General Meeting of Shareholders on May 16, 2024.

Extension of the term of the Company

The term of the Company is due to expire on July 13, 2027.

It is proposed that this duration be extended by 99 years from the date of the General Meeting, i.e. until May 16, 2124, and that Article 5 of the Articles of Association be amended accordingly (Resolution 13).

Miscellaneous amendments to the Articles of Association to ensure alignment with laws and regulations

We hereby propose that the Articles of Association be updated to reflect changes in laws and regulations, in particular Law no. 2024-537 of June 13, 2024, known as the "Attractiveness Law" (Resolution 14).

In particular, these amendments concern

- participation in the deliberations of the Board of Directors by means of telecommunication, which has been made possible for all Board decisions, without the need for express provision in the Internal Regulations. The Articles of Association or Internal Regulations may stipulate that certain decisions cannot be made during a meeting held using means of telecommunication (Article 16, paragraph 6 of the Articles of Association),

- the legal authority of the Board of Directors to bring the Articles of Association into compliance with the law and regulations, without the need for prior delegation from the Extraordinary General Meeting. Any amendments to the Articles of Association will, as before, have to be ratified by the next Extraordinary General Meeting (Articles 19 and 34 of the Articles of Association).

- the provisions relating to the participation of shareholders in General Meetings by means of telecommunication (Article 29 of the Articles of Association),

For the sake of clarity, the current paragraph 8 of Article 29 would also be moved within the same article.

- abstentions expressed via a voting form or resulting from a lack of any indication of a vote, which are no longer considered to be votes cast (Article 31, paragraph 5 of the Articles of Association).

7. OUTLOOK

Our objectives for 2025 are to:

- deliver Rafale and Falcon according to our planning,
- respect the deadlines and costs for military and Falcon developments,
- prepare for the future of the Rafale with its combat drone accompanying the F5 standard, and for the post-Rafale era with the NGF,
- support and availability of our aircraft: maintain the satisfaction level of our military customers and regain a leading position in business aviation support rankings,
- continue Export Rafale prospecting and Falcon sales,
- accelerate Make in India,
- continue our recruitment efforts, the integration of new hires, and our actions aimed at reducing our environmental impact.

2025 Guidance

We forecast an increase in net sales for 2025 compared to 2024 in the range of EUR 6.5 billion (of which deliveries of 40 Falcon and 25 Rafale).

This guidance for 2025 excludes any impact from the potential implementation of new tariffs in the United States and possible European countermeasures.

This Directors' Report may contain forward-looking statements which represent objectives and cannot be construed as forecasts regarding Dassault Aviation'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 this report.

APPENDIX
TO THE DIRECTORS' REPORT

Audit and consolidation of the sustainability statement

Each published metric is subject to a reporting protocol detailing the definition of the metric, the scope and the calculation methodology. Metrics are calculated on the basis of a calendar year (from January 1 to December 31).

Taking into account the mode of data gathering and the locations of the subsidiaries, the reporting scope may vary according to the metrics. Certain metrics cannot be consolidated due to the differences in regulations between the countries.

Within the framework of ISO 14001 certification, reporting procedures for environmental metrics are applied by the Parent Company.

§ 4.1. General disclosures (ESRS 2)

§ 4.1.5. Integration of sustainability-related performance in incentive schemes (GOV-3)

The carbon metric (see 4.1.5 Integration of sustainability-related performance in incentive schemes) aims to compare the Parent Company's GHG emissions over time by comparing year n emissions at constant heating conditions and hours worked versus year n-1. The components of this calculation are as follows:

- scope 1 GHG emissions (heating gas, gas excluding heating, other fuels from stationary sources, fuel used by on-road vehicles and refrigerant leaks),
- scope 2 GHG emissions (electricity and district heating network),
- hours worked (Parent Company staff, temporary workers and on-site sub-contractors),
- Unified Degree Day (UDD) provided by *Météo-France*,
- heated volumes.

Heating-related emissions (heating gas and district heating network) are compared at constant heating conditions via the ratio $TCO_2/UDD.m^3$, while non-heating emissions are compared at constant operating conditions via the ratio TCO_2/hours worked versus year n-1.

This carbon metric is calculated monthly.

§ 4.2.2. Climate change (ESRS E1)

The environmental metrics and the associated generation methods are subject to descriptive methodological procedures both for the Parent Company and for its subsidiaries.

These procedures are included in the documentation guidelines of the Parent Company and distributed to the various entities contributing to the generation of these metrics.

The year 2020, disrupted by the Covid-19 crisis, is not representative of the Company's activities. The year 2019 was therefore chosen as the reference year.

The balances are produced per calendar year and consolidated, when the data so allows, on invoices and meter readings for the period from January to December. Unavailable information relating to the last months of the year is estimated by comparison with the equivalent months of the previous year or based on the average for the same month of the last three years, or by any other relevant method determined by the data manager.

Since 2024, DABS UK has occupied only part of its original building, which it now shares with another undertaking. Energy consumption is not broken down by undertakings, so the 2023 data was used to make a proportional area-based estimate for 2024. This estimate was made because of the immateriality of the emissions from this facility. In 2023, GHG emissions from DABS UK accounted for less than 0.5% of the Company's emissions.

The data for year n-1 are likely to change in the report for year n, after:

- receiving the actual data, which will replace the estimated data,
- updating an emission factor during year n,
- updating the breakdown of energy sources necessary for electricity generation in year n.

§4.2.2.6. Energy consumption and mix (E1-5)

The breakdown of electricity, heat, steam and cooling consumption purchased or acquired from fossil, nuclear and renewable sources is obtained from the energy mixes

- of electricity production by country, which is obtained from the International Energy Agency (IEA) website. With the exception of the United Arab Emirates, Malaysia and South Africa, whose data is from 2022, this is from 2023 for the countries in which our facilities are located,
- and the 2023 energy mix of Cergy's heating network, as disclosed by the network operator.

The consumption of kerosene for maintenance activities is calculated on the basis of the purchased, non-reinvoiced fuel.

The consumption of kerosene for production activities includes both civil and military aircraft.

Energy consumption data are broken down into the categories below, each of which may consist of several contributors:

Energy consumption and mix	Definition of contributors
(1) Fuel consumption from coal and coal products (MWh)	Not applicable
(2) Fuel consumption from crude oil and petroleum products (MWh)	- Heating oil and diesel from stationary combustion sources - LPG from stationary combustion sources - Kerosene and the kerosene part of flights using SAF - Fuel from mobile sources
(3) Fuel consumption from natural gas (MWh)	Natural gas from stationary combustion sources
(4) Fuel consumption from other fossil sources (MWh)	Not applicable
(5) Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	- The fossil fuel part of the electricity mix of countries in which the Company operates - The fossil fuel part of the district heating network
(6) Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	/
Share of fossil sources in total energy consumption (%)	/

Energy consumption and mix	Definition of contributors
(7) Consumption from nuclear sources (MWh)	The nuclear part of the electricity mix of countries in which the Company operates
Share of consumption from nuclear sources in total energy consumption (%)	/
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	The biomass part of flights using SAF
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	- The renewable part of the electricity mix of countries in which the Company operates - The renewable part of the district heating network
(10) The consumption of self-generated non-fuel renewable energy (MWh)	Self-generation from photovoltaic panels
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	/
Share of renewable sources in total energy consumption (%)	/

§ 4.2.2.7. Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)

The calculation of scope 1 GHG emissions related to aviation operations considers all aircraft fuels as kerosene and applies the kerosene combustion emission factor (3.16 kg CO_2/kg or 2.54 kg CO_2/L), from which the CO_2 gains calculated using the SAF reduction factor used are subtracted. This reduction factor is the product of the blend rate and the 100% SAF gain provided by the SAF supplier.

The calculation of scope 2 GHG emissions is separated into location-based and market-based emissions. Market-based emissions take into account nuclear, solar or hydroelectric power supply contracts, whose scope 2 emissions are considered to be zero.

The emission factors used come from several sources:

- the majority are from ADEME's *Base Empreinte*,
- but also the electricity emission factor in the USA is from the Environmental Protection Agency,
- and "*Data Page: Carbon intensity of electricity generation," part of the following publication: Hannah Ritchie, Pablo Rosado and Max Roser (2023) – "Energy." Data adapted from Ember, Energy Institute. Retrieved from https://ourworldindata.org/grapher/carbon-intensity-electricity [online resource]* for other electricity emission factors by country. These emission factors do not specify the breakdown of GHG flows between upstream (scope 3) and combustion. To be conservative, we are therefore reporting all emissions associated with these factors in scope 2.

§ 4.3.1. Own workforce (ESRS S1)

The social data of this sustainability statement is based on fact sheets and methodology sheets that form the basis for Dassault Aviation's social data reporting guidelines, in force in 2024. The defined metrics are in compliance with national regulations.

The following details are given for the following metrics:

§ 4.3.1.7. Characteristics of the undertaking's employees (S1-6)

The turnover rate, as defined in the CSRD, corresponds to the ratio between the number of employees who left the undertaking during the reporting period and the headcount at the start of the period.

All departures during the financial year (from January 1 to December 31 inclusive) are taken into account for the calculation. It includes employees who have:

- resigned,
- reached the end of their fixed-term contract (if a fixed-term contract is renewed, the number of people leaving the Company increases)
- reached the end of their probationary period (decided either by the employer or the employee),
- retired,
- died,
- been made redundant,
- been dismissed,
- had their contract terminated,
- left for other reasons.

§ 4.3.1.13. Persons with disabilities (S1-12)

In accordance with the CSRD, the number of persons with disabilities declared is based on the legal definition in force in the country where the employee's undertaking is located, namely:

  - South Africa > Employment Equity Act
  - Brazil > Law on the Inclusion of Persons with Disabilities (Law no. 13,146/2015, *Lei de Inclusão da Pessoa com Deficiencia*)
  - USA > The Americans with Disabilities Act (ADA)
  - France > Article L. 5212-13 of the Labor Code
  - Portugal > Basic Law on the Rights of Persons with Disabilities (Law 38/2004)
  - United Kingdom > Equality Act 2010
  - Switzerland > Law on invalidity insurance benefits

  Note that there are no employees declared as disabled in Australia, Belgium, the United Arab Emirates, Malaysia and New Zealand.

§ 4.3.1.14. Health and safety metrics (S1-14)

Work-related accidents = a sudden accidental event leading to injury (physical or mental) as a result of being exposed to a risk present while the employee was carrying out a task specific to their professional activities organized by the undertaking.

→ professional activities account for all the actions that an employee carries out on behalf and in the interest of the undertaking.

<u>Work-related accidents connected to professional activities that are not included:</u>

- accidents related to a pre-existing and non-work-related illness (for example heart attacks, epilepsy),
- accidents that occur while a person is on a business trip if, at the time of the accident, the person was not engaged in professional activities in the employer's interest (e.g. falling in the shower),
- accidents that occur while the worker is working from home (remote work) and if the worker, at the time of the accident, was not engaged in professional activities from home; or if the accident is not directly related to carrying out such activities,
- an accident during recreational/sporting activities (activities organized by the Social and Economic Committee, birthday celebrations, a walk after eating),
- an accident in a parking lot of the undertaking while accessing or leaving the workplace or cafeteria,

- specific note for work-related accidents without lost time: external medical examinations (such as x-rays or eye examinations) that do not result in reported injuries are not recorded as work-related accidents.

Work-related accidents with or without lost time that are related to the activity and require treatment beyond first aid are recorded.

Relapses related to a single accident are not recorded.
An accident of an employee who left the Company during the year is recorded.

Note that:
- for 2024, this metric concerns employees (open-ended contracts, fixed-term contracts, work-study contracts and non-guaranteed hours contracts) working at the Company during the year;
- this metric is not mature for temporary workers in 2024.

§ 4.3.1.16. Remuneration metrics (pay gap and total remuneration) (S1-16)

- Gender pay gap: the pay taken into account is the average annualized wage (base salary for December + possible seniority bonus x 12 or 13 according to the Company's pay policy) of all active employees on 12/31, excluding corporate officers, apprentices and those on professional training contracts. Departures on 12/31 are excluded.
  For part-time employees, full-time base salary is taken into account.

- The difference between the highest and the median pay is calculated on the basis of the annual total remuneration of employees active on 12/31.
  The highest pay takes into account cash benefits, benefits in kind and long-term incentives.
  The median wage takes into account:
  - annualized wage + any seniority bonus,
  - optional and mandatory profit-sharing arrangements.

The sustainability statement includes Dassault Aviation's policy on gender equality and equal pay, which the Board of Directors is required to deliberate under Article L. 225-37-1 of the French Commercial Code.

§4.4. Governance (ESRS G1)

§4.4.6. Payment practices (G1-6)

Supplier terms of payment relate to Dassault Aviation's French companies and are calculated over the entire year.

Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852

Year ended December 31, 2024

To the General Meeting of Dassault Aviation,

This report is issued in our capacity as statutory auditor of DASSAULT AVIATION. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in section 4 "sustainability statement" of the Directors' report.

Pursuant to Article L. 233-28-4 of the French Commercial Code, DASSAULT AVIATION is required to include the above mentioned information in a separate section of the Directors' report. This information has been prepared in the context of the first time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables to understand the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- compliance with the sustainability reporting standards adopted pursuant to Article 29 ter of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for European Sustainability Reporting Standards) of the process implemented by DASSAULT AVIATION to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- compliance of the sustainability information included in section 4 of the Directors' report with the requirements of A L. 233-28-4 of the French Commercial Code, including ESRS; and
- compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "Limited assurance engagement - *Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852*".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by DASSAULT AVIATION in its Directors' report, we have included an emphasis of matter paragraph hereafter.

Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of DASSAULT AVIATION, in particular it does not provide an assessment, of the relevance of the choices made by DASSAULT AVIATION in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information are not covered by our engagement.

Compliance with the ESRS of the process implemented by DASSAULT AVIATION to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code

Nature of procedures carried out

Our procedures consisted in verifying that:
- the process defined and implemented by DASSAULT AVIATION has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in section 4 of the Directors' report, and
- the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by DASSAULT AVIATION with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code we inform you that as of the date of this report, this consultation has not yet been held.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided in paragraph "4.1.1. General basis for preparation of sustainability statements (BP-1)" and "4.1.12 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement (IRO-2)" in the Directors' report describing the impossibility encountered by DASSAULT AVIATION to assess, in its supply chain, the materiality of the impacts, risks and opportunities associated of worker in the value chain (ESRS S2) besides its tier 1 suppliers.

Elements that received particular attention

We present below the elements that have been the subject of particular attention on our part concerning the compliance with ESRS of the process implemented by DASSAULT AVIATION to determine the information published.

- **Concerning the identification of stakeholders**

Information on the identification of stakeholders is given in paragraph "4.1.9. Interests and view of stakeholders (SBM-2)" of the Directors' report.

We have taken note of the analysis carried out by DASSAULT AVIATION to identify :

- stakeholders, who may affect or be affected by the entities within the scope of the information, through their direct or indirect activities and business relationships in the value chain
- the main users of sustainability statements (including the main users of financial statements)

We spoke to the Group's CSR department and the people we considered appropriate, and inspected the available documentation.

Our procedures included the following:

- assess the consistency of the main stakeholders identified by DASSAULT AVIATION with the nature of its activities and its geographical location, taking into account its business relationships and value chain;
- exercise our critical faculties to assess the representative nature of the stakeholders identified by DASSAULT AVIATION;
- assess the appropriateness of the description given in paragraphs "4.1.9. Interests and views of stakeholders (SBM-2)" and "4.1.11. Description of procedures to identify and assess material
- impacts, risks and opportunities (IRO-1)" of the Directors' report, particularly with regard to the procedures implemented by DASSAULT AVIATION to collect the interests and viewpoints of stakeholders.

- **Concerning the identification of impacts, risks and opportunities ("IRO")**

Information relating to the identification of impacts, risks and opportunities is provided in paragraph "4.1.11. Description of procedures to identify and assess material impacts, risks and opportunities (IRO-1)" of the Directors' report.

We have read the process implemented by DASSAULT AVIATION concerning the identification of actual or potential impacts (negative or positive), risks and opportunities ("IROs") in relation to the sustainability issues mentioned in paragraph AR 16 of the "Application requirements" of ESRS 1 as well as those specific to DASSAULT AVIATION, as presented in the aforementioned paragraph, and in paragraph "4.1.8. Strategy, business model and value chain (SBM-1)" and "4.4.7. Statement on cybersecurity to the entity" of Directors' report.

In particular, we appreciated the approach adopted by DASSAULT AVIATION to determine its impacts and dependencies, which may be a source of risks or opportunities.

We also assessed the completeness of the activities included in the scope used to identify IROs, notably by taking into account the activities of non-consolidated subsidiaries.

We have read the mapping of identified IROs of DASSAULT AVIATION, including in particular a description of their breakdown within the Group's own activities and value chain, as well as their time horizon (short, medium or long term), and assessed the consistency of this mapping with our knowledge of DASSAULT AVIATION.

- **Concerning the assessment of impact materiality and financial materiality**

Information relating to the assessment of impact materiality and financial materiality is mentioned in paragraph "4.1.11. Description of the procedures to identify and assess material impacts, risks and opportunities (IRO-1)" of the Directors' report.

Through interviews with the Group's CSR department and inspection of available documentation, we have reviewed the impact materiality and financial materiality assessment process implemented by DASSAULT AVIATION, and assessed its compliance with the criteria defined by ESRS 1.In particular, we have assessed the manner in which DASSAULT AVIATION has established and applied the information materiality criteria defined by ESRS 1, including those relating to the setting of thresholds, to determine the material information published:

- indicators relating to material IROs identified in accordance with the relevant ESRS thematic standards;
- entity-specific information.

Compliance of the sustainability information included in section 4 of Directors' report with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

Nature of procedures carried out

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in section 4 of the Directors' report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- the presentation of this information ensures its readability and understandability;
- the scope chosen by DASSAULT AVIATION for providing this information is appropriate; and
- on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section 4 of the Directors' report, with the requirements of Article L.233-28-4] of the French Commercial Code, including the ESRS.

Qualification

As indicated in paragraph "4.2.2.7. Gross Scopes 1, 2, 3 and Total GHG emissions (E1-6)" of the Group management report, DASSAULT AVIATION has decided not to publish information relating to greenhouse gas emissions from scope 3. This lack of information does not comply with the publication requirements of ESRS standard E1 and in particular E1-6.

Emphasis of matter

Without qualifying the conclusion expressed above, we draw your attention to the information provided paragraph "4.1.1. General basis for preparation of sustainability statements (BP-1)" in the Director's report, which lists the information required by the ESRS standards which, notably due to the lack of maturity of the Group's reporting processes or tools in the context of the first year of application, is not available (in particular in relation to pollution indicators) or is only available on a partial scope, and which is listed in the same paragraph.

Elements that received particular attention

We hereby present to you the elements to which we have paid particular attention concerning the compliance of the sustainability information included in section 4 of the Group management report with the requirements of article L.233-28-4 of the French Commercial Code, including the ESRS.

- **Information provided in application of environmental standards (ESRS E1 to E5)**

Information published in relation to climate change, and in particular greenhouse gas emissions, is mentioned in section "4.2.2. Climate change (ESRS E1)" of the Directors' report.

Our procedures consisted in particular in :

- on the basis of interviews conducted with the Group's CSR management and the persons concerned, in particular the Group Environment Coordinator, we assessed whether the description of the policies, actions and targets implemented by DASSAULT AVIATION covers the following areas: climate change mitigation and adaptation;
- assessed the appropriateness of the information presented in paragraph "4.2.2. Climate change (ESRS E1)" of the environmental section of the sustainability information included in the Group management report and its overall consistency with our knowledge of DASSAULT AVIATION.

- **Information provided in application of social standards (ESRS S1 to S4)**

The information published concerning the company's workforce is given in section "4.3.1. Own workforce (ESRS S1)" of the Directors' report.

With regard to the verification of the indicators presenting the characteristics of the Group's employees, as well as the indicators for diversity, living wages, pay gaps, employment of disabled persons, and health and safety, our procedures consisted in particular in :

- on the basis of interviews with the Group's CSR department and the persons concerned, in particular the Human Resources department, obtaining an understanding of the process for collecting and compiling the information published and the internal control and risk management procedures implemented by DASSAULT AVIATION to ensure the compliance of the information published, it being specified that we did not test the design or operational effectiveness of these controls;
- evaluate the social data collection and compilation process in order to assess the completeness and accuracy of the information collected, and implement procedures to verify the correct consolidation of this data;
- verify the arithmetical accuracy of calculations used to establish published information;
- reconciling, on a test basis, the underlying data with supporting documents;
- assess the appropriateness of the information presented in section "4.3.1. Own workforce (ESRS S1)" and its overall consistency with our knowledge of DASSAULT AVIATION.

Compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852

Nature of procedures carried out

Our procedures consisted in verifying the process implemented by DASSAULT AVIATION to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

Elements that received particular attention

We determined that there were no such items to disclose in our report.

Neuilly-sur-Seine and Paris La Défense, March 14, 2025

Statutory auditors

PricewaterhouseCoopers Audit	FORVIS MAZARS SA
Edouard Demarcq	Erwan Candau

This is a free translation into English of the statutory auditors' report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 202/852 of the Company issued in French and it is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and H2A guidelines on "*Limited assurance engagement – Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852*".

Corporate governance report

Dear Shareholders,

The purpose of this report is to update you about the corporate governance of Dassault Aviation, Parent Company (hereinafter the “Company”), the policy relating to the corporate officers’ compensation, and the components of that compensation.

Prepared in application of Articles L. 225-37 et seq. and L. 22-10-8 et seq of the French Commercial Code, it is presented to you along with the Directors’ Report. The Legal Affairs and Insurance Department and the Finance Department carried out preparatory checks on the drafting of said report, which was then reviewed by the Statutory Auditors as part of their due diligence and approved by the Board of Directors on March 4, 2025.

1. CORPORATE GOVERNANCE

1.1. Corporate governance guidelines

In accordance with Article L. 22-10-10 4° of the French Commercial Code, the Company decided in 2021, after reviewing the provisions of the current corporate governance codes issued by AFEP-MEDEF and Middlenext, that those codes do not constitute its corporate governance guidelines.

- The Company does not refer to the aforementioned codes as a result of its specific situation and in particular due to:
  - the family nature of its shareholding structure since its beginning, with a majority of the shares held by Groupement Industriel Marcel Dassault (hereinafter "GIMD"), a company owned by the Dassault family, which is a full-fledged stakeholder in the Company's strategic choices,
  - its uniqueness, which is the distinctive feature of Dassault Aviation's pioneering role in the implementation of certain practices, especially in the area of labor relations, such as paid vacations and profit-sharing and incentive schemes,
  - its simple, centralized and reactive organization,
  - its story marked by the high stability of its management team, with five Chairmen and Chief Executive Officers since the post-war period, in line with the long cycles specific to its industry sector,
  - a rigorous culture that guides its operations on a day-to-day basis.

- The Company's governance is based on the following principles:
  - the desire to foster a stable shareholding structure, reflecting its nature as a family business with long-term shareholder investment,
  - a skilled, experienced Board of Directors with in-depth knowledge of the business,
  - the striving for balance on the Board of Directors, with members from the family circle, Independent Directors and a Director representing employees,
  - the ambition for diversity and gender parity in the composition of the Board of Directors, with balanced representation of women and men on the Board of Directors (for more details, see paragraph 4.1.3 of the Directors' report),
  - the transparency of the corporate officers' compensation.

Furthermore, the Company has decided to adopt a certain number of governance rules in addition to the legal requirements:

- the Board of Directors' internal regulations posted on the Company's website (www.dassault-aviation.com), which specifies the operating rules governing the Board of Directors,
- a specific definition of independence (see paragraph 1.2 "Composition of the Board of Directors"),
- the introduction of specific rules concerning the identification and prevention of conflicts of interest on the Board of Directors, supplementing the Internal Charter on related-party agreements (see paragraph 1.4 "Conditions for preparing and organizing the work of the Board of Directors"),
- the staggered renewal of Directors' terms of office (see paragraph 1.2 "Composition of the Board of Directors"),
- detailed information communicated to shareholders when Directors are appointed or reappointed (see paragraph 1.2 "Composition of the Board of Directors"),
- the ownership by each Director of a minimum number of shares to be retained as registered shares throughout his or her term of office (see paragraph 1.2 "Composition of the Board of Directors"),
- a reminder to Directors of the qualities required and of the rules of professional ethics for

the performance of their duties (this information is available in the Board of Directors' internal regulations available on the Company's website www.dassault-aviation.com),

- a minimum of two meetings per year of the Board of Directors and the Audit Committee, given Dassault Aviation's long business cycles (see paragraph 1.4 "Conditions for preparing and organizing the work of the Board of Directors"),
- the suspension of the employment contracts of corporate officers.

Lastly, with regard to the executive corporate officers' compensation, the Company applies all provisions of the laws in force.

1.2. Composition of the Board of Directors

As of the date of this report, the Board of Directors is composed of eight members with the experience and expertise required to fulfill their office: Éric Trappier (Chairman and Chief Executive Officer) and Charles Edelstenne (Honorary Chairman), Besma Boumaza, Marie-Hélène Habert and Lucia Sinapi-Thomas, Thierry Dassault, Henri Proglio and Stéphane Marty (Director representing employees), with renewable four-year terms of office.

The table below shows the expiration dates of the terms of office of the Directors, which are renewed on a staggered basis.

COMPOSITION OF THE BOARD OF DIRECTORS ON DECEMBER 31, 2024

Name	Office	Âge at 12/31/2024	Independent Director	First term of office	Expiration of current term	Seniority on the Board of Directors
Éric Trappier	Chairman and Chief Executive Officer Director	64		2013 2012	2027 2027	12
Charles Edelstenne	Honorary Chairman Director Member of the Audit Committee	86		1989	2027	35
Thierry Dassault	Director	67		2021	2027	3
Marie-Hélène Habert	Director	59		2014	2026	10
Besma Boumaza	Director	48	Yes	2021	2028	3
Henri Proglio	Director Chairman of the Audit Committee	75	Yes	2008	2026	16
Lucia Sinapi-Thomas	Director Member of the Audit Committee	60	Yes	2014	2027	10
Stéphane Marty	Director representing employees	66		2021	2026	4

The aforementioned Directors are all of French nationality.

At December 31, 2024, the Directors are aged between 48 and 86 with an average age of 66. This includes the Director representing employees.

Three women currently sit on the Board of Directors, out of a total of seven members (excluding the Director representing employees, in accordance with the law). This equates to a percentage of 43% women, which is above the legal requirement of 40% set by Article L. 225-18-1 of the French Commercial Code, as referred to in Article L. 22-10-3 of the French Commercial Code concerning gender-balanced representation on Boards of Directors.

1.2.1. Independence of Directors

The Company recognizes the importance of having a number of independent directors on its Board of Directors. It considers a Director to be independent if he or she has no vested interests and contributes, through his or her skills and freedom of judgment, to the Board's ability to perform its duties. To be classified as independent, Directors must not be in a position likely to alter their freedom of judgment or place them in a real or potential conflict of interest.

The status of Independent Director is reviewed annually and when a new Director is appointed or his or her term of office is renewed, in view of following formal criteria:

1. not have been an employee or have held an executive position within the Company or a company controlled by it in the five preceding years,
2. not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship, or in which an employee designated as such or an executive corporate officer of the Company holds a directorship,
3. not being or representing a major shareholder,
4. not being or representing, in a significant way, a commercial (customer, supplier) or financial partner (investment banker, commercial banker), stakeholder or consultant,
5. not be closely related to a major shareholder or executive member,
6. not have been a statutory auditor of the Company.

The Board of Directors may find that a Director who does not meet these criteria is nevertheless independent.

The outcomes of this review are communicated to the shareholders annually in the present Corporate governance report and prior to any vote on the first appointment or reappointment of a Director.

The table below summarizes the outcome of the independence review of each of the Directors concerned according to the criteria set out above:

	Besma Boumaza	Lucia Sinapi-Thomas	Henri Proglio
1 - not have been an employee or have held an executive position in the five preceding years	✓	✓	✓
2 - does not exercise cross mandates	✓	✓	✓
3 - does not represent a major shareholder	✓	✓	✓
4 - no close relationship with a commercial or financial partner	✓	✓	✓
5 - not be closely related to a major shareholder or executive member	✓	✓	✓
6 - not have been a Statutory Auditor of the Company	✓	✓	✓

At its meeting on March 4, 2025, the Board of Directors confirmed, following consideration, that Besma Boumaza, Lucia Sinapi-Thomas and Henri Proglio were Independent Directors in accordance with the Company's independence criteria. The three Independent Directors out of a total of seven board members (excluding the Director representing employees) represent 43% of the Board of Directors (which is above the legal requirement of one Independent Director).

1.2.2. Information for shareholders in the event of the appointment of a Director or renewal of his or her term of office

Whenever a Director is appointed or reappointed, shareholders are provided with detailed information on his or her education and professional experience, which, in addition to his or her personal qualities and values, reflects his or her skill and ability to serve out that term of office.

1.2.3. Director representing employees

The Director representing employees, Stéphane Marty, was reappointed on July 10, 2022, for a four-year term of office.

1.2.4. Directors' share ownership obligation

In accordance with Article 15 of the Company's Articles of Association and Article 4 of the Board of Directors' internal regulations, each Director, with the exception of the Director representing employees in accordance with the law, is required to own a minimum of 250 shares (pro forma after the division of the par value of the shares) in registered form throughout his or her entire term of office. The number of shares held as of December 31, 2024 by each Director is specified in paragraph 1.3 "List of Offices held and duties performed by corporate officers in 2024."

1.3. List of offices held and duties performed by corporate officers in 2024

Honorary Chairman

Charles Edelstenne

Director

Honorary Chairman

Member of the Audit Committee

Date of first appointment as Director:
January 27, 1989

Expiration of current term:
General Meeting of 2027

Number of shares held: 670

Offices held and duties performed in other companies during the last fiscal year

- President of Groupe Industriel Marcel Dassault SAS ("GIMD")
- Honorary Chairman and Director of Dassault Systèmes SE*
- Director and Member of the Strategy and CSR Committee of Thales SA*
- Director, Chairman of the Governance Committee and Member of the Compensation Committee of Carrefour SA*
- Chairman, Chairman of the Board of Directors and Director; then representative of GIMD, Chairman, Chairman of the Board of Directors and Director of Dassault Médias SAS
- Chairman and Member of the Board of Directors of Groupe Figaro SASU
- Chief Executive Officer; then representative of GIMD, Chief Executive Officer of Dassault Wine Estates SASU
- President of Rond Point Immobilier SAS
- General Manager; then representative of GIMD, Chairman of Rond Point Investissements SAS (formerly Rond Point Investissements EURL)
- President of Société du Figaro SAS
- Director of Dassault Falcon Jet Corporation (USA)
- Chairman of the Board of Directors and Director; then representative of GIMD, Chairman of the Board of Directors and Managing Director of Sitam Belgium SA (Belgium)
- Honorary Chairman of GIFAS
- General Manager of Arie SC
- General Manager of Arie 2 SC
- General Manager of Nili SC
- General Manager of Nili 2 SC
- Director of Monceau Dumas SICAV

Offices held and duties performed that have expired in the last five fiscal years

- Director of Sogitec Industries SA
- Director of Lepercq, de Neuflize and Co Corp.
- Director of SABCA SA (Belgium)
- President of Rond-Point Holding SAS
- Chairman and Chief Executive Officer of Dassault Médias SA
- General Manager of SCI de Maison-Rouge
- Chairman of the Board of Directors of Dassault Systèmes SE*

*listed company

Chairman and Chief Executive Officer

Éric Trappier

Chairman and Chief Executive Officer

Date of first appointment as Director: December 18, 2012

Expiration of term of office as Director: General Meeting of 2027

Date of first appointment as Chairman and CEO: January 9, 2013

Expiration of term of office as Chairman and CEO: General Meeting of 2027

Number of shares Dassault Aviation held: 115,493

Offices held and duties performed in other companies during the last fiscal year

- Director and Member of the Governance and Compensation Committee of Thales SA*
- Chairman and Director of Dassault Falcon Jet Corporation (USA)
- Director of Dasbat Aviation LLC (UAE)
- Honorary Chairman of GIFAS
- Member of the Board of Directors of ASD
- Chairman of the UIMM

Offices held and duties performed that have expired in the last five fiscal years

- Chairman of GIFAS
- Chairman of ASD
- Chairman of CIDEF
- Director of Sogitec Industries SA
- Chairman and Director of Dassault Reliance Aerospace Ltd (India)

*listed company

Directors

Thierry Dassault

Director

Date of first appointment as Director: April 12, 2021

Expiration of term of office as Director: General Meeting of 2027

Number of shares Dassault Aviation held: 1,447

Offices held and duties performed in other companies during the last fiscal year

- Chief Operating Officer, Chairman of the Supervisory Board and Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS
- Chairman of the Supervisory Board and Member of the Supervisory Board of Rond Point Immobilier SAS
- Vice-Chairman of the Supervisory Board and Member of the Supervisory Board of Immobilière Dassault SA*
- Director of Artcurial SA
- Director of Dassault Médias SAS
- Member of the Board of Directors of Groupe Figaro SASU
- General Manager of T.D.H. SC
- General Manager of GOYA SCI
- General Manager of TCBD & Fils SC
- Member of the Supervisory Board of Particulier et Finances Editions SAS
- Permanent representative of T.D.H. on the Board of Directors of Halys SAS
- Permanent representative of T.D.H. on the Board of Directors of Wallix Group SA (formerly If Research – Wallix SAS)
- Director of Sitam Belgique SA (Belgium)
- Director of Royal Hotel, Winter & Gstaad Palace AG (Switzerland)
- Chairman of the Board and Director of Dassault Immobilier Canada Inc. (formerly Dassault Real Estate Canada Inc.)
- General Manager of T&C Collection SC
- Director of the CDEFQ (Cercle des Dirigeants d'Entreprise Franco-Québecois)
- Member of the Supervisory Board of Taittinger CCVC SAS
- Member of the Strategy Committee of YouScribe SAS
- Member of the Supervisory Board of Scarcell Therapeutics SAS
- Vice-Chairman of the Executive Board of the Fondation du Rein
- Director and Secretary General of the Fondation Serge Dassault
- Director of the Fondation Recherche Alzheimer

Offices held and duties performed that have expired in the last five fiscal years

- Chairman of the Supervisory Board of Groupe Industriel Marcel Dassault SAS
- Chairman of the Supervisory Board of Rond Point Immobilier SAS
- Permanent representative of T.D.H. on the Board of Directors of TwoOnPark SAS
- Chairman of the Board of Directors and Director of Keynectis SA
- Member of the Supervisory Board of Particulier et Finances Editions SA
- Permanent representative of T.D.H. on the Supervisory Board of Wallix Group SA (formerly If Research – Wallix SAS)
- General Manager of Falke SC

*listed company

Marie-Hélène Habert

Director

Date of first appointment as Director:
May 15, 2014

Expiration of term of office as Director:
General Meeting of 2026

Number of shares Dassault Aviation held: 457

Offices held and duties performed in other companies during the last fiscal year

- Member of the Supervisory Board of Groupe Industriel Marcel Dassault SAS (“GIMD”)
- Member of the Supervisory Board of Rond Point Immobilier SAS
- Vice-Chairman of the Supervisory Board and Member of the Supervisory Board of Immobilière Dassault SA*
- Director; then permanent representative of GIMD, Director of Dassault Systèmes SE*
- Director, Member of the Human Resources, Compensation and CSR Committee and Member of the Strategy Committee; then representative of GIMD, Director, Member of the Human Resources, Compensation and CSR Committee and Member of the Strategy Committee of Biomérieux SA*
- Director of Artcurial SA
- President and Director of the Fondation Serge Dassault
- President and Member of the Strategy Committee of Habert Dassault Finance SAS
- General Manager of Duquesne SCI
- General Manager of H. Investissements SARL
- Director of Siparex Associés SA
- General Manager of HDH Immo SCI
- Director of the Fondation Fondamental
- Director of the Fondation Gustave Roussy

Offices held and duties performed that have expired in the last five fiscal years

- Chairman of the Supervisory Board of Groupe Industriel Marcel Dassault SAS
- Chairman of the Supervisory Board of Rond Point Immobilier SAS
- General Manager of HDH SC
- Vice-Chairman of Habert Dassault Finance SAS

*listed company

Besma Boumaza

Independent Director

Date of first appointment as Director: April 12, 2021

Expiration of term of office as Director: General Meeting of 2028

Number of shares Dassault Aviation held: 250

Offices held and duties performed in other companies during the last fiscal year

- Chairman of the Board of Directors, Chief Executive Officer, Director of Société Française de Participations et d'Investissements Européens SA
- President of Actimos SAS
- Director of Chammans SA
- General Manager of Le Hameau SCI

Offices held and duties performed that have expired in the last five fiscal years

- Permanent representative of Soparac in the company DEVIMCO
- Permanent representative of Société de Participation de l'Ile de France on the Board of Compagnie Générale de Restauration et de Services SA
- Permanent representative of Sodetis on the Board of Société Française de Participations et d'Investissements Européens SA
- Director and permanent representative of Sodetis on the Board of Société Française de Promotion Touristique et Hôtelière SA
- President of Soparac SAS
- Permanent representative of Sodetis on the Board of Compagnie Générale de Restauration et de Services SA
- Permanent representative of Soparac on the Board of Accor Afrique Services (Morocco)
- Permanent representative of Soparac on the Board of Tunisia Hotels and Resort (Tunisia)
- Permanent representative of Soparac on the Board of Accor Hotels Algérie (Algeria)

Henri Proglio

Independent Director

Chairman of the Audit Committee

Date of first appointment as Director: April 23, 2008

Expiration of term of office as Director: General Meeting of 2026

Number of shares Dassault Aviation held: 270

Offices held and duties performed in other companies during the last fiscal year

- Non-voting Board member, Member of the Compensation Committee and Member of the Strategy Committee of Natixis SA
- Honorary Chairman of EDF SA*
- President of Henri Proglio Consulting SAS
- President of HJF Development SAS
- Director of Akkuyu Nuclear JSC (Turkey)
- General Manager of SCI du 19 janvier
- General Manager of SCI Suchet 87

Offices held and duties performed that have expired in the last five fiscal years

- Director of Natixis SA
- Director of ABR Management (Russia)
- Director of Atalian SAS
- Director of Fomentos de Construcciones y Contratas (Spain)
- General Manager of SCI La Tramontane

*listed company

Lucia Sinapi-Thomas

Independent Director

Member of the Audit Committee

Date of first appointment as Director:
May 15, 2014

Expiration of term of office as Director:
General Meeting of 2027

Number of shares Dassault Aviation held: 260

Offices held and duties performed in other companies during the last fiscal year

- Director representing employee shareholders and Member of the Compensation Committee of Capgemini SE*
- Executive Director of Capgemini Ventures
- Director, Member of the Nomination and Compensation Committee and Member of the Strategy Committee of Bureau Veritas SA*
- Director of Azqore (Switzerland)

Offices held and duties performed that have expired in the last five fiscal years

- Non-voting Board Member of Azqore (Switzerland)
- Member of the Audit and Risk Committee of Bureau Veritas SA*
- Director of SOGETI NORGE A/S (Norway)
- Director of Capgemini Danmark A/S (Denmark)
- Chairman of Capgemini Employees Worldwide SAS
- Director of SOGETI SVERIGE MITT AB (Sweden)
- Director of Capgemini Business Services Guatemala SA
- Director of SOGETI SVERIGE AB (Sweden)
- Director of FIFTY FIVE GENESIS PROJECT INC. (USA)
- Chairman of the Supervisory Board of the Capgemini FCPE
- Member of the Supervisory Board of the ESOP Capgemini FCPE

Stéphane Marty

Director representing employees

Date of first appointment as Director:
January 1, 2021

Expiration of term of office as Director:
July 10, 2026

Number of shares Dassault Aviation held: none

Offices held and duties performed in other companies during the last fiscal year

- Member of the Supervisory Board of the Dassault Aviation Gestion FCPE

Offices held and duties performed that have expired in the last five fiscal years

- Chairman of the Supervisory Board of the Dassault Aviation Gestion FCPE

*listed company

Chief Operating Officer

Loïk Segalen

Chief Operating Officer

Date of first appointment as Chief Operating Officer: January 9, 2013

Expiration of term of office as Chief Operating Officer: General Meeting of 2027

Number of shares Dassault Aviation held: 91,582

Offices held and duties performed in other companies during the last fiscal year

- Director and Member of the Audit and Accounts Committee of Thales SA*
- Director of Dassault Falcon Jet Corporation (USA)
- Director of Sitam Belgique SA (Belgium)
- Deputy Chairman of GIFAS
- Member of the Advisory Committee of Daher Industrial Services SAS

Offices held and duties performed that have expired in the last five fiscal years

- Director of Sogitec Industries SA
- Director of Midway Aircraft Instrument Corporation (USA)
- Director and Member of the Audit Committee of SABCA SA (Belgium)
- Director of SABCA Limburg (Belgium)

***listed company**

1.4. Conditions for preparing and organizing the work of the Board of Directors

1.4.1. Directors' information

To ensure the attendance of Directors at Board meetings, the Board of Directors determines the meeting schedule of the Board of Directors and the Audit Committee from one year to the next. This schedule is updated and regular reminders are sent to participants by the Secretary to the Board of Directors.

The Board of Directors meets at least twice a year to approve the company and interim financial statements and as often as required in the interests of the Company.

The notices of Board meetings specifying the agenda are sent to the Directors, the Statutory Auditors and the Government Commissioner at least one week in advance, except in case of emergencies.

Prior to each Board meeting, the Chairman of the Board of Directors ensures that each Director receives a complete, relevant, balanced file of information with a sufficient period of time, except in case of emergencies, to enable him or her to prepare for said meeting.

The Statutory Auditors and the Government Commissioner receive the same documents as the Directors.

1.4.2. Activities of the Board of Directors in 2024

In 2024, the Board of Directors met twice, on March 5 and July 23.

The attendance rate at Board meetings was 100%.
The Board of Directors supervised the implementation of the strategies chosen and reviewed the Company's general operations. In particular, the Board of Directors:
- analyzed the amount for order intake, the order book and revenue, and self-financed consolidated research and development,
- monitored the roll-out of civil and military programs,
- set the medium-term strategy in the civil and military domains.

In addition, the Board of Directors:
- approved the fiscal year 2023 company and consolidated financial statements,
- convened the shareholders at the Annual General Meeting of May 16, 2024,
- approved the financial statements for the first half-year of 2024,
- finalized the Company's forward-looking management documents in March and July 2024, and reviewed the budgets for self-financed technology investments and industrial investments,
- carried out the annual review of related-party agreements approved in previous fiscal years,
- was informed by the Chairman and Chief Executive Officer of the amount of sureties, endorsements and guarantees granted for commitments by controlled subsidiaries,
- authorized the conclusion of a new lease between the Company and GIMD for the Seine Rive Ouest building in Saint-Cloud, which it already occupies, with effect from July 10, 2025,
- approved the wording of the half-yearly and annual financial press releases,
- evaluated the performance criteria relating to performance shares granted in 2023 and noted the acquisition of said shares by their beneficiaries at the end of the vesting period,
- conducted another performance share plan by preparing the list of beneficiaries and defining the conditions under which their shares become fully vested (achievement of performance criteria, vesting and holding periods, employment on the day the shares become fully vested), with delegation to the Chairman and Chief Executive Officer of all powers to implement the allocation of performance shares,
- conducted an assessment of the performance criterion for additional pension rights, for the 2023 fiscal year, for executive corporate officers that was consistent with legal requirements,
- set the performance criterion for additional pension rights for the 2024 fiscal year,
- approved the compensation allocated and paid in fiscal year 2023 to the Chairman and Chief

Executive Officer, the Chief Operating Officer and the Directors,
- set the principles of compensation for the Chairman and Chief Executive Officer, the Chief Operating Officer and the Directors for fiscal year 2024,
- implemented the new share buyback authorization and sub-delegated powers to the Chairman and Chief Executive Officer to perform any transaction in this context, subject to the conditions set by the General Meeting,
- allocated the shares acquired under share buyback authorizations,
- decided, as authorized by the General Meeting, to reduce the Company's share capital in March and July 2024 through the cancellation of shares purchased under the share buyback authorizations and delegated powers to the Chairman and Chief Executive Officer to implement the above capital reductions.
- decided to entrust the Audit Committee with tasks relating to sustainability information and amended its internal regulations.

1.4.3. Audit Committee

Pursuant to the order ("*Ordonnance*") of December 8, 2008, which transposed Directive 2006/43/EC of May 17, 2006 on statutory audits of company and consolidated financial statements, on July 22, 2009 the Board of Directors established an Audit Committee.

In 2024, the Audit Committee met twice: on March 1 for the 2023 financial statements and on July 19 for the financial statements for the first half of 2024. The attendance rate of Committee members at meetings in 2024 was 100%.

The Audit Committee consists of Henri Proglio, Chairman, Charles Edelstenne and Lucia Sinapi-Thomas. They were appointed because of the expertise they received from their academic training, their experience in finance and accounting for listed companies, and their time as members of executive management. All three are Non-executive Directors.

This composition meets the requirements of the aforementioned order ("Ordonnance"). The Board of Directors considered that Lucia Sinapi-Thomas and Henri Proglio met the independence criteria set forth in paragraph 1.2.1. above.

The Audit Committee is responsible for monitoring:
- the procedure for preparing the financial information,
- the effectiveness of the risk management and internal auditing systems,
- the auditing of the company and consolidated financial statements by the Statutory Auditors,
- the independence of the Statutory Auditors,
- the process for preparing and verifying sustainability reporting,
- and more generally, for carrying out all the tasks provided for by the applicable texts.

The Audit Committee meets at least twice a year. Participants, including the Statutory Auditors, are notified of this via a schedule set from one year to the next. The schedule is sent to all participants and meeting reminders are sent by the Secretary of the Board of Directors.

The Audit Committee:
- examined the company and consolidated financial statements for the 2023 fiscal year, the financial statements for the first half of 2024, the Parent Company's forward-looking management documents and the main events of the relevant year or half-year,
- reviewed the risk factors, the internal auditing and the risk management of the Directors' report, the planning for the CSRD,
- met with the Statutory Auditors, with no Company representatives being present, after examining the conclusions of their work and their declaration of independence,

- reviewed the annual feedback on the assessment carried out by the Finance Department and the Legal Affairs and Insurance Department on related-party agreements,
- reviewed the Risk Committee's summary, the 2024 audit plan, the update on 2023 actions and the follow-up on actions from the 2020, 2021 and 2022 audits,
- reported back on its work to the Board of Directors.

1.4.4. Board of Directors' internal regulations

In addition to the Articles of Association, which set out the Company's rules of operation, the Board meeting of July 25, 2012 approved the Board of Directors' internal regulations, which allow in particular Directors to take part in meetings (debating and voting) by means of telecommunications that are compliant with applicable regulations. The Board of Directors meetings of March 4, 2021 and March 5, 2024 amended the internal regulations.

The internal regulations will be amended in 2025.

The Board of Directors' internal regulations are available for viewing online on the Company's website at www.dassault-aviation.com.

1.4.5. Prevention and management of conflicts of interest

With respect to the prevention and management of conflicts of interest, Directors are required to inform the Board of Directors of any situation of potential or actual conflict of interest between them and the corporate interests and must, where applicable, refrain from attending the discussions and abstain from voting on the corresponding deliberation at the meeting.

In particular, at any time, the participation of any Director in a transaction in which the Company has a direct interest or of which he or she became aware as a Director shall be brought to the attention of the Board of Directors prior to its conclusion.

In addition, GIMD, as the majority shareholder of the Company, takes care to prevent potential conflicts of interest with respect to the Directors appointed on its proposal.

As of the date of this report and to the best of the Company's knowledge, there is no potential conflict of interest between the duties of the Directors with respect to the Company and their private interests.

These measures are supplemented by the Internal Charter on related-party agreements described in paragraph 1.5.2. of this report.

1.4.6. Prevention and management of insider dealing

In accordance with the provisions resulting from the European Regulation of April 16, 2014, on market abuse and the AMF (Autorité des Marchés Financiers – French Financial Markets Authority) Guide for ongoing information and the management of inside information, published on October 26, 2016, and updated on April 29, 2021, the Company established procedures for "blackout periods" (periods when transactions involving the shares issued by the Company are prohibited), which begin at least 30 days before the publication of the Company annual and half-yearly financial statements. When the Company publishes financial press releases after the close of the stock market, the date of publication is included in the blackout period.

Every year, the Directors are informed by letter of the calendar of "black-out periods" for the coming year.

The financial calendar is published online on the Company's website at the start of each financial period.

In addition, the list of permanent and occasional insiders is reviewed quarterly and at any other time as needed.

1.5. Related-party agreements

1.5.1. Agreements between a shareholder or a corporate officer of the Company and one of its subsidiaries

Pursuant to Article L. 225-37-4-2° of the French Commercial Code, must be mentioned in the Corporate governance report, agreements entered into, directly or indirectly or by proxy between:

- one of the corporate officers or shareholders of the Company holding a fraction greater than 10% of the voting rights and
- a company controlled by the Company under Article L. 233-3 of the French Commercial Code,

with the exception of agreements representing a current transaction entered into under normal terms and conditions.

To the Company's knowledge, there is no agreement between:

- a corporate officer of the Company or GIMD, which holds more than 10% of the voting rights in the Company and
- Dassault Falcon Jet (or one of its subsidiaries), Dassault Falcon Service, Sogitec Industries or any other company controlled by the Company under Article L. 233-3 of the French Commercial Code,

that would not constitute a current transaction concluded under normal terms and conditions.

1.5.2. Internal Charter on regulated related-party agreements and agreements representing a current transaction entered into under normal terms and conditions

In accordance with Law No. 2019-486 of May 22, 2019 on the growth and transformation of companies, so-called "Pacte," the Board of Directors of the Company established a procedure for regularly assessing whether agreements deemed to be current fulfill the following two conditions: relate to current transactions and be entered into under normal conditions.

This procedure, as expressed in an Internal Charter, was approved by the Company's Board of Directors on February 26, 2020 and has been applicable since that date. It is based on the joint evaluation by the Finance Department and the Legal Affairs and Insurance Department of the Company, followed by the Audit Committee.

1.6. Methods of the exercise of Executive Management

In accordance with the laws in force, the possibility of separating the duties of Chairman of the Board of Directors and of Chief Executive Officer was introduced into the Company's Articles of Association during the General Meeting of April 25, 2002.

On April 25, 2002, the Board of Directors decided that the Chairman of the Board of Directors would be responsible for the Executive Management of the Company.

This was because the Board of Directors had chosen the Executive Management option that it deemed best suited to the Company's specific features. The decision was therefore made not to separate the duties of Chairman of the Board of Directors and of Chief Executive Officer.
Since January 9, 2013, the Chairman and Chief Executive Officer has been assisted by a Chief Operating Officer.

This mode of Executive Management was maintained by the Board of Directors on May 16, 2023, when it also renewed the terms of the Chairman and Chief Executive Officer and of the Chief Operating Officer for four years with the same powers.

1.7. Powers of the Chairman and Chief Executive Officer

The powers of the Chairman and Chief Executive Officer are not limited by the Company's Articles of Association nor by the Board of Directors, in the decisions appointing him and subsequently renewing his term of office.

The Chairman of the Board of Directors organizes and directs the work of the Board, reporting back on this to the General Meeting. The Chairman executes the decisions of the Board. He sees to it that the Company management bodies run smoothly and ensures that the Directors are able to fulfill their duties.

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of the Company. The Chief Executive Officer therefore exercises his powers with no limitations other than those set forth by the applicable regulations concerning the powers attributed expressly by law to General Meetings of shareholders and to the Board of Directors.

1.8. Powers of the Chief Operating Officer

The Chief Operating Officer assists the Chairman and Chief Executive Officer. With respect to third parties, he has the same powers as the Chief Executive Officer.

1.9. Executive Committee

Presided over by the Chairman and Chief Executive Officer, the Executive Committee includes the persons in charge of the Company's various departments.

As of December 31, 2024, it consisted of:

- Éric Trappier, Chairman and Chief Executive Officer,
- Loïk Segalen, Chief Operating Officer,
- Jean-Marie Albertini, Senior Vice-President, Sales,
- Laurent Bendavid, Senior Executive Vice-President, IT, Chief Digital Officer,
- Carlos Brana, Senior Executive Vice-President, Civil Aircraft,
- Bruno Chevalier, Senior Executive Vice-President, Military Customer Support,
- Bruno Coiffier, Senior Executive Vice-President, Procurement and Purchasing,
- Denis Dassé, Senior Executive Vice-President, Chief Financial Officer,
- Jean-Marc Gasparini, Senior Executive Vice-President, Programs,
- Florent Gateau, Senior Executive Vice-President, Total Quality,
- Bruno Giorgianni, Executive Committee Secretary and Senior Vice-President, Public Affairs and Security,
- Valérie Guillemet, Senior Vice-President, Human Resources,
- Richard Lavaud, Senior Executive Vice-President, International,
- Pascale Lohat, Senior Executive Vice-President, Engineering
- Frédéric Petit, Senior Vice-President, Falcon Programs,
- Ary Plagnol, Senior Executive Vice-President, Industrial Operations.

The Executive Committee covers all subjects related to running and operating the different aspects of the Company. It meets once per week.

1.10. General Meeting of shareholders

1.10.1. Admission

The conditions governing shareholders' attendance at General Meetings are set forth in Articles 29 and 31 of the Articles of Association. These conditions are as follows:

- the right to attend General Meetings is subject to:
    - for holders of registered shares, registration in the registered shareholder accounts held by the Company,
    - for holders of bearer shares, registration in the bearer shareholder accounts held by the authorized intermediary (bank, financial institution or investment service provider) and production of a shareholding certificate issued by the intermediary,
- the period during which these formalities must be completed is two business days before the General Meeting,
- the Board of Directors retains the right to accept the attendance certificate after the above deadline,
- shareholders may be represented by proxy according to legal and regulatory conditions.
  Notification of the designation and revocation of the authorized representative may be made either on paper or by electronic means. In the latter case, the shareholder's signature may constitute in practice a reliable means of identification guaranteeing his/her link to the associated document, and may in particular consist of a login and password.

These conditions are reiterated in the meeting notice and the final notice of the General Meeting that are published in the BALO (*Bulletin des Annonces Légales Obligatoires*) and made available online on the Company's website.

1.10.2. Voting rights

Subject to special circumstances set forth by law, all members present at the General Meeting have as many votes, without limitation, as the number of fully paid-up shares they own or represent.

Since April 3, 2016, the shares issued by the Company registered in nominal accounts for more than two years receive double voting rights.

Voting is performed by the raising of hands and/or use of voting slips.

A secret ballot may be requested, either by the Board of Directors or by shareholders representing at least one quarter of the share capital, subject to the submission of written notification to the Board of Directors or the authority convening the meeting at least three days prior to the General Meeting.

Shareholders may also vote by correspondence in accordance with the legal conditions.

Furthermore, the Articles of Association of the Company state that:

- voting may be performed using OCR slips or electronically,

- shareholders may also, if the Board has so decided upon convening the meeting, vote by any means of telecommunication that enables them to be identified, subject to and according to the procedures provided for by applicable laws and regulations.

1.10.3. Convening of General Meetings of Shareholders

General Meetings of Shareholders are called by the Board of Directors in accordance with applicable laws and regulations. All shareholders, regardless of the number of shares they own, may take part. The date of each Annual General Meeting is provided on the Company's website (www.dassault-aviation.com) approximately six months in advance.

No later than twenty-one days before the General Meeting, the documentation may be viewed on the aforementioned website in the Group/Finance/General Meetings section.

The results of the vote on the resolutions and the minutes of the General Meeting are also placed online within fifteen days following the meeting.

2. COMPENSATION OF CORPORATE OFFICERS

This report is prepared pursuant to Articles L. 22-10-8 et seq. of the French Commercial Code.

2.1. Compensation paid to Directors and corporate officers in 2024

2.1.1. Compensation of Honorary Chairman

Compensation of Charles Edelstenne, Honorary Chairman

- Compensation from the Company:

Charles Edelstenne received EUR 44,000 gross in compensation: EUR 38,000 gross as a member of the Board of Directors and EUR 6,000 gross as a member of the Audit Committee.

Supplementary pension
The Company agreed to pay a supplementary pension to Charles Edelstenne. It represents a gross amount of EUR 308,660 per year (before revaluation).

However, at the end of his term of office as Chairman and Chief Executive Officer of the Company in January 2013, Charles Edelstenne did not retire from his positions at Dassault Systèmes and GIMD. He cannot therefore draw on his statutory pension.

Consequently, in spite of its commitment, the Company has had to postpone the payment of this pension.

- Compensation from other French and foreign companies within the Company's scope of consolidation:

Charles Edelstenne received in France USD 83,140 net in compensation as a member of the Board of Directors of Dassault Falcon Jet and EUR 66,875 gross in compensation for his offices held at Thales.

2.1.2. Compensation of Directors

Compensation of Thierry Dassault, Director

- Compensation from the Company:

Thierry Dassault received EUR 38,000 gross in compensation as a member of the Board of Directors.

- Compensation from other French and foreign companies within the Company's scope of consolidation:

For the other French and foreign companies within the Company's scope of consolidation, Thierry Dassault did not receive any compensation or benefits in kind.

Compensation of Marie-Hélène Habert, Director

- Compensation from the Company:

Marie-Hélène Habert received EUR 38,000 gross in compensation as a member of the Board of Directors.

- Compensation from other French and foreign companies within the Company's scope of consolidation:

For the other French and foreign companies within the Company's scope of consolidation, Marie-Hélène Habert did not receive any compensation or benefits in kind.

Compensation of Henri Proglio, Director

- Compensation from the Company:

Henri Proglio received EUR 50,000 gross in compensation: EUR 38,000 gross as a member of the Board of Directors and EUR 12,000 gross as a member of the Audit Committee, double compensation for the Chairman of the Audit Committee.

- Compensation from other French and foreign companies within the Company's scope of consolidation:

For the other French and foreign companies within the Company's scope of consolidation, Henri Proglio did not receive any compensation or benefits in kind.

Compensation of Lucia Sinapi-Thomas, Director

- Compensation from the Company:

Lucia Sinapi-Thomas received EUR 44,000 gross in compensation: EUR 38,000 gross as a member of the Board of Directors and EUR 6,000 gross as a member of the Audit Committee.

- Compensation from other French and foreign companies within the Company's scope of consolidation:

For the other French and foreign companies within the Company's scope of consolidation, Lucia Sinapi-Thomas did not receive any compensation or benefits in kind.

Compensation of Besma Boumaza, Director

- Compensation from the Company:

Besma Boumaza received EUR 38,000 gross in compensation as a member of the Board of Directors.

- Compensation from other French and foreign companies within the Company's scope of consolidation:

For the other French and foreign companies within the Company's scope of consolidation, Besma Boumaza did not receive any compensation or benefits in kind.

Compensation of Stéphane Marty, Director

- Compensation from the Company:

Stéphane Marty received EUR 38,000 gross in compensation as a member of the Board of Directors.

- Compensation from other French and foreign companies within the Company's scope of consolidation:

For the other French and foreign companies within the Company's scope of consolidation, Stéphane Marty did not receive any compensation (other than as an employee of the Company) or benefits in kind.
The total compensation awarded and paid to all Directors on the basis of their terms on the Board of Directors of the Company during fiscal year 2024 is presented in Table 3 later in this section. These items are subject to the approval of the General Meeting of Shareholders (Resolution 4, as presented in the paragraph "Presentation of resolutions submitted to shareholder vote" below).

2.1.3. Compensation of corporate officers

Éric Trappier, Chairman and Chief Executive Officer

- Compensation from the Company:

Éric Trappier received gross annual fixed compensation as Chairman and Chief Executive Officer of EUR 1,855,645 gross, an increase of 5.15% from 2023.

The Board of Directors meeting of March 5, 2024 decided to award him a target variable compensation of EUR 1,800,000 for 2024 calculated on the basis of the performance criteria defined at the same Board meeting.

No clawback option concerning the variable portion of compensation is provided for in the 2024 compensation policy of the Chairman and Chief Executive Officer. However, this variable compensation will be paid to him in 2025, subject to approval by the General Meeting of May 16, 2025.

His compensation does not include exceptional compensation.

He was not awarded any stock options.

At its meeting of March 5, 2024, the Board of Directors allotted him 13,000 performance shares (subject to performance conditions). These performance shares were valued in the financial statements as of December 31, 2024 at EUR 174.10 per share, or EUR 2,263,300 in aggregate for 13,000 performance shares. These shares accounted for 0.017% of the capital as of December 31, 2024.

He does not benefit as an corporate officer from any compensation linked to the cessation of his term of office.

He had a chauffeur-driven company car (benefit in kind valued at EUR 11,237) and reimbursement of actual costs incurred in connection with his functions.

As Chairman of the Board of Directors (double remuneration), he received compensation of EUR 76,000 gross. This consisted of EUR 56,000 as the fixed portion of his compensation for 2024 as Chairman of the Board of Directors, and EUR 20,000 as the variable portion of his 2023 annual compensation, paid in 2024 following approval by the General Meeting of May 16, 2024.

He will receive compensation of EUR 20,000 gross as the variable portion of the 2024 annual compensation awarded to him as Chairman of the Board of Directors of the Company, subject to approval by the Ordinary General Meeting of Shareholders to be held on May 16, 2025 (Resolution 5, as presented below in the paragraph entitled "Presentation of resolutions submitted to shareholder vote").

On January 9, 2013, the date of his appointment as Chairman and Chief Executive Officer, the employment contract of Éric Trappier was suspended due to:

- his length of service of 28 years in the Company on the date of his appointment as Chairman and Chief Executive Officer in January 2013,
- the desire of the Company to use internal promotion in the appointment of executive corporate officers, entrusting these responsibilities to experienced executives with deep knowledge of the industry and the aviation sector.

The decision to suspend his employment contract was consistent with the AMF's position in its reports on corporate governance in relation to the contracts of executive corporate officers.

He has the supplementary retirement plan provided for the members of the Executive Committee and the flight crew.
This plan, which has been applicable since January 1, 2020, complies with Order ("Ordonnance") No. 2019-697 of July 3, 2019 and allows for the annual acquisition of additional pension benefits equal to 2% of gross compensation, subject to performance conditions defined each year by the Board of Directors. The amount for 2024 was EUR 77,406.

During his term of office, the Chairman and Chief Executive Officer also has the benefit of health and welfare plans applicable to all executive employees of the Company.

The Chairman and Chief Executive Officer has not entered into a service agreement directly or indirectly with the Company or one of its subsidiaries.

The table below shows the ratios of compensation allocated to the Chairman and Chief Executive Officer in relation to the average and median compensation of Dassault Aviation employees.

Éric Trappier	2020	2021	2022	2023	2024 (**)
Compensations ratios					
relative to average wages (parent Company) (*)	38.7	47.5	60.6	70.1	81.4
relative to median wages (parent Company) (*)	46.7	57.4	73.3	83.5	95.5
Annual growth					
of the compensation of Éric Trappier	-4.9%	4.9%	38.4%	31.6%	8.7%
of the average compensation of employees (*)	1.9%	-13.8%	8.3%	13.9%	-6.4%
Adjusted net income in EUR thousands	395,623	693,446	830,244	886,295	1,056,251
change from previous year	-51%	75%	20%	7%	19%

- <u>Compensation from other French and foreign companies within the Company's scope of consolidation</u>:

Éric Trappier received, in France, USD 83,140 net in compensation as a member of the Board of Directors of Dassault Falcon Jet and EUR 57,500 gross in compensation for his offices held at Thales.

<u>Loïk Segalen, Chief Operating Officer</u>

- <u>Compensation from the Company</u>:

Loïk Segalen received gross annual fixed compensation as Chief Operating Officer of EUR 1,641,579, an increase of 5.15% from 2023.

The Board of Directors meeting of March 5, 2024 decided to award him a target variable compensation of EUR 1,602,000 for 2024 calculated on the basis of the performance criteria defined at the same Board meeting.

No clawback option concerning the variable portion of compensation is provided for in the 2024 compensation policy of the Chief Operating Officer. However, this variable compensation will be paid to him in 2025, subject to approval by the General Meeting of May 16, 2025.

His compensation does not include exceptional compensation.

He was not awarded any stock options.

At its meeting of March 5, 2024, the Board of Directors allotted him 8,000 performance shares (subject to performance conditions). These performance shares were valued in the financial statements as of December 31, 2024 at EUR 174.10 per share, or EUR 1,392,800 in aggregate for 8,000 performance shares. These shares accounted for 0.01% of the capital as of December 31, 2024.

He does not benefit as an corporate officer from any compensation linked to the cessation of his term of office.

He had a chauffeur-driven company car (benefit in kind valued at EUR 8,227) and reimbursement of actual costs incurred in connection with his functions.

On January 9, 2013, the date of his appointment as Chief Operating Officer, the employment contract of Loïk Segalen was suspended due to:

- his length of service of 27 years with the Company on the date of his appointment as Chief Operating Officer in January 2013,
- the desire of the Company to use internal promotion in the appointment of executive corporate officers, entrusting these responsibilities to experienced executives with deep knowledge of the industry and the aviation sector.

The decision to suspend his employment contract was consistent with the AMF's position in its reports on corporate governance in relation to the contracts of executive corporate officers.

He has the supplementary retirement plan provided for the members of the Executive Committee and the flight crew.

This plan, which has been applicable since January 1, 2020, complies with Order ("*Ordonnance*") No. 2019-697 of July 3, 2019 and allows for the annual acquisition of additional pension benefits equal to 2% of gross compensation, subject to performance conditions defined each year by the Board of Directors. The amount for 2024 was EUR 68,657.

During his term of office, the Chief Operating Officer also benefits from health and welfare plans applicable to all executive employees of the Company.

The Chief Operating Officer has not entered into a service agreement directly or indirectly with the Company or one of its subsidiaries.

The table below shows the ratios of compensation allocated to the Chief Operating Officer in relation to the average and median compensation of the Company's employees.

Loïk Segalen	2020	2021	2022	2023	2024 (**)
Compensations ratios					
relative to average wages (parent Company) (*)	32.2	39.2	47.1	54.2	62.9
relative to median wages (parent Company) (*)	38.9	47.4	56.9	64.5	73.8
Annual growth					
of the compensation of Loïk Segalen	-6.1%	4.9%	30.1%	31.0%	8.8%
of the average compensation of employees (*)	1.9%	-13.8%	8.3%	13.9%	-6.4%
Adjusted net income in EUR thousands	395,623	693,446	830,244	886,295	1,056,251
change from previous year	-51%	75%	20%	7%	19%

- Compensation from other French and foreign companies within the Company's scope of consolidation:

Loïk Segalen received, in France, USD 83,140 net in compensation as a member of the Board of Directors of Dassault Falcon Jet and EUR 66,875 gross in compensation for his offices held at Thales.

2.1.4. Summary tables of compensation of corporate officers and Directors

Table 1 Summary table of compensation due and options and shares granted to each executive corporate officer (in EUR)

	2024	**2023**
Éric Trappier, Chairman and Chief Executive Officer		
Compensation paid during the fiscal year (breakdown in table 2)	1,942,882	1,851,400
Value of variable compensation granted during the fiscal year (1)	1,800,000	-
Value of stock options granted during the fiscal year	-	-
TOTAL	3,742,882	1,851,400
Loïk Segalen, Chief Operating Officer		
Compensation paid during the fiscal year (breakdown in table 2)	1,649,806	1,570,775
Value of variable compensation granted during the fiscal year (1)	1,602,000	-
Value of stock options granted during the fiscal year	-	-
TOTAL	3,251,806	1,570,775

(1) The recognition of the performance criteria by the Board of Directors on March 4, 2025 will result in a payment in 2025 of 111.3% of the variable compensation awarded.

Valuation of shares granted to each executive corporate officer (in EUR)

	2024	2023
Éric Trappier, Chairman and Chief Executive Officer Value of performance shares granted during the fiscal year *(see table 6)*	2,263,300	3,673,100
Loïk Segalen, Chief Operating Officer Value of performance shares granted during the fiscal year *(see table 6)*	1,392,800	2,698,930

Table 2 Summary table of compensation paid to each executive corporate officer (in EUR)

	2024 - amounts		2023 - amounts	
	Attributed	**Paid**	**Attributed**	**Paid**
Éric Trappier, Chairman and Chief Executive Officer				
Fixed compensation	1,855,645	1,855,645	1,764,666	1,764,666
Annual variable compensation(1)	1,800,000	-	-	-
Exceptional compensation	-	-	-	-
Compensation for the term of office of Chairman of the Board of	76,000	76,000	76,000	76,000
Benefits in kind	11,237	11,237	10,734	10,734
TOTAL	**3,742,882**	**1,942,882**	**1,851,400**	**1,851,400**
Loïk Segalen, Chief Operating Officer				
Fixed compensation	1,641,579	1,641,579	1,561,123	1,561,123
Annual variable compensation(1)	1,602,000	-	-	-
Exceptional compensation	-	-	-	-
Compensation for the term of office of a Director(2)	-	-	-	-
Benefits in kind	8,227	8,227	9,652	9,652
TOTAL	**3,251,806**	**1,649,806**	**1,570,775**	**1,570,775**

(1) The recognition of the performance criteria by the Board of Directors on March 4, 2025 will result in a payment in 2025 of 111.3% of the variable compensation awarded. This variable compensation will be paid in 2025 to Éric Trappier and Loïk Segalen after approval by the Ordinary General Meeting of May 16, 2025.
(2) Éric Trappier and Loïk Segalen each received USD 83,140 net in compensation in their capacity as members of the Board of Directors of Dassault Falcon Jet. Éric Trappier and Loïk Segalen also received compensation for their offices held at Thales of EUR 57,500 gross and EUR 66,875 gross, respectively.

Table 3 Compensation received by non-executive corporate officers for serving on the Board of Directors (in EUR)

Non-executive corporate officers	Amounts allocated in 2024 (Gross)	Amounts paid in 2024 (Gross)	Amounts allocated in 2023 (Gross)	Amounts paid in 2023 (Gross)
Charles Edelstenne [(1)]				
Compensation	44,000	44,000	44,000	44,000
Other compensation	-	-	-	-
Thierry Dassault				
Compensation	38,000	38,000	38,000	38,000
Other compensation	-	-	-	-
Marie-Hélène Habert				
Compensation	38,000	38,000	38,000	38,000
Other compensation	-	-	-	-
Besma Boumaza				
Compensation	38,000	38,000	34,700	34,700
Other compensation	-	-	-	-
Henri Proglio [(2)]				
Compensation	50,000	50,000	46,700	46,700
Other compensation	-	-	-	-
Lucia Sinapi-Thomas [(3)]				
Compensation	44,000	44,000	44,000	44,000
Other compensation	-	-	-	-
Stéphane Marty				
Compensation	38,000	38,000	38,000	38,000
Other compensation	salary	salary	salary	salary
TOTAL	**290,000**	**290,000**	**283,400**	**283,400**

[(1)] including EUR 6,000 for the Audit Committee.
In addition, in 2024, Charles Edelstenne received USD 83,140 net in compensation as a member of the Board of Directors of Dassault Falcon Jet and EUR 66,875 gross in compensation for his position at Thales.
[(2)] including EUR 12,000 for the Audit Committee.
[(3)] including EUR 6,000 for the Audit Committee.

Table 4 Options to subscribe for or purchase shares allocated during the fiscal year to each executive corporate officer by the issuer and by any Group company

N/A

Table 5 Options to subscribe for or purchase shares exercised during the fiscal year by each executive corporate officer

N/A

Table 6 Performance shares awarded during the fiscal year to each executive corporate officer by the issuer or any Group company

	Plan name and date	Number of performance shares allocated during fiscal year 2024	Value of shares (in EUR) [(1)]	Vesting date	Date of availability	Performance conditions
Éric Trappier	2024 Shares 03/05/2024	13,000[(2)]	2,263,300	03/05/2025	03/05/2026	yes
Loïk Segalen	2024 Shares 03/05/2024	8,000[(2)]	1,392,800	03/05/2025	03/05/2026	yes
TOTAL		**21,000**[(2)]				

[(1)] price of EUR 174.10 per share (IFRS 2).
[(2)] the total number of shares vested is capped at 114% of the number of shares allocated at the Board of Directors' meeting of March 5, 2024.

Table 7 Performance shares that became available during the fiscal year for each executive corporate officer

	Plan name and date	Number of shares that became available during fiscal year 2024	Vesting conditions
Éric Trappier	2022 Shares 03/03/2022	22,240	Shares vested after a vesting period of one year and subject to performance conditions
Loïk Segalen	2022 Shares 03/03/2022	16,124	Shares vested after a vesting period of one year and subject to performance conditions
TOTAL		**38,364**	

Table 8 History of allocations of options to subscribe for or purchase shares – Information on subscription or purchase options

N/A

Table 9 Stock options allocated to the ten employees who are not corporate officers holding the most options and options exercised by these employees.

N/A

Table 10 History of performance share awards

NB: the number of shares indicated in the table below is restated pro forma following the 10-for-1 stock split carried out in 2021.

	2020 Shares	2021 Shares	2022 Shares	2023 Shares	2024 Shares
Date of General Meeting	05/24/2018	05/24/2018	05/11/2021	05/11/2021	05/11/2021
Date of Board of Directors meeting	02/26/2020	03/04/2021	03/03/2022	03/08/2023	03/05/2024
Total number of shares allocated	22,500	27,000	34,500	39,900	21,000
corporate officers	22,500	27,000	34,500	39,900	21,000
• Éric Trappier	12,500	15,000	20,000	23,000	13,000
• Loïk Segalen	10,000	12,000	14,500	16,900	8,000
Vesting date of shares	03/04/2021	03/04/2022	03/03/2023	03/08/2024	03/05/2025
End date of holding period	03/03/2022	03/03/2023	03/02/2024	03/07/2025	03/04/2026
Performance conditions	yes	yes	yes	yes	yes
Number of shares acquired	24,080 (1)	29,700 (2)	38,364 (3)	43,531 (4)	23,373 (5)
corporate officers	24,080	29,700	38,364	43,531	23,373
• Éric Trappier	13,380	16,500	22,240	25,093	14,469
• Loïk Segalen	10,700	13,200	16,124	18,438	8,904
Cumulative number of shares canceled or expired	0	0	0	0	0

(1) Based on the performance criteria recorded by the Board of Directors on March 4, 2021, the number of vested shares (capped at 112%) represents 107.0% of the shares awarded valued at a price of EUR 96.50 per share.
(2) Based on the performance criteria recorded by the Board of Directors on March 3, 2022, the number of vested shares (capped at 112%) represents 110.0% of the shares awarded valued at a price of EUR 88.00 per share.
(3) Based on the performance criteria recorded by the Board of Directors on March 8, 2023, the number of vested shares (capped at 112%) represents 111.2% of the shares awarded valued at a price of EUR 121.70 per share.
(4) Based on the performance criteria recorded by the Board of Directors on March 5, 2024, the number of vested shares (capped at 128%) represents 109.1% of the shares awarded valued at a price of EUR 159.70 per share.
(5) Based on the performance criteria recorded by the Board of Directors on March 4, 2025, the number of vested shares (capped at 114%) represents 111.3% of the shares awarded valued at a price of EUR 174.10 per share.

Table 11 Other information on the executive corporate officers

Executive corporate officers	Employment contract	Supplementary pension plan	Compensation or benefits payable or likely to be payable due to termination or change of office	Compensation for non-compete agreement
Éric Trappier Chairman and Chief Executive Officer *start of term: 01/09/2013* *end of term: General Meeting of 2027*	yes [1]	yes	no [2]	no
Loïk Segalen Chief Operating Officer *start of term: 01/09/2013* *end of term: General Meeting of 2027*	yes [1]	yes	no [2]	no

[1] employment contract suspended as of January 9, 2013,
[2] at the end of their terms of office, corporate officers receive retirement allowances according to the rules applicable to employees in their category, it being understood that depending on the formula chosen, the seniority taken into account may cover the years during which their employment contract was suspended.

2.2. Compensation policy for corporate officers and Directors in 2025

The purpose of this paragraph is to set forth the components of the compensation policy for Directors and executive corporate officers for 2025. This compensation policy is subject to the approval of the Ordinary General Meeting of Shareholders (Resolutions 7, 8 and 9 as described in the paragraph "Presentation of resolutions submitted to shareholder vote" below).

Pursuant to Article L. 22-10-8 paragraph II of the French Commercial Code, we confirm that the payment of variable and exceptional compensation elements is contingent on approval by the Ordinary General Meeting of the compensation elements of the persons concerned.

2.2.1. Compensation policy for Directors

Compensation is allocated annually according to the following principles:

- for the Board of Directors:
  - fixed compensation of EUR 28,000,
  - variable compensation of EUR 10,000 multiplied by the attendance rate at meetings,

  these amounts are doubled for the Chairman of the Board of Directors,

- for the Audit Committee: variable compensation only dependent on attendance at meetings of EUR 3,000 per meeting (double for the Chairman).

There is no clawback provision on the variable portion of Directors' compensation.
The overall amount authorized by the General Meeting of May 15, 2014 (EUR 444,000) was not modified.

In addition, the directors benefit from the Directors' and Corporate Officers' liability insurance policy (known in French as *RCMS*), which covers all the directors and corporate officers of the Company and its subsidiaries.

2.2.2. Compensation policy for corporate officers

The principles of the compensation policy for the Chairman and Chief Executive Officer and the Chief Operating Officer have been established by the Board of Directors.

The compensation of the Chairman and Chief Executive Officer and of the Chief Operating Officer consists of fixed compensation and variable compensation.

The target variable compensation for 2025 is:

- EUR 1,875,600 for the Chairman and Chief Executive Officer,
- EUR 1,669,284 for the Chief Operating Officer.

This compensation is subject to the same conditions and performance criteria as the performance shares presented below.

The fixed compensation and the variable compensation change according to the increase policy for executive employees of the Company resulting from the Annual Mandatory Negotiations, unless decided otherwise by the Board of Directors.

In 2025, the Chairman and Chief Executive Officer and the Chief Operating Officer, under their respective mandates, will not receive:

- any exceptional compensation,
- any stock options,
- any private unemployment insurance,
- any severance packages,
- any special supplementary pensions.

In 2025, the Chairman and Chief Executive Officer and the Chief Operating Officer will receive performance shares.

On March 4, 2025, the Board of Directors decided to award them 15 500 and 10 500 shares, respectively. These shares will become vested provided the following performance criteria are met:

- adjusted consolidated operating margin,
- two aspects of corporate social responsibility, namely:
    - feminization,
    - the low-carbon plan,
- qualitative assessment of individual performance.

Furthermore, the Board of Directors has determined the following additional conditions:

- a vesting period of one year, expiring on March 3, 2026 inclusive,
- presence in the workforce at the end of the vesting period,
- a one-year holding period, beginning on March 4, 2026 and ending on March 3, 2027 inclusive,
- starting on March 4, 2027, retention by the corporate officers of 20% of those shares for the duration of their term of office.

In addition, the 2025 Share plan prohibits executive corporate officers who have been granted performance shares from using risk hedging until after the end of the holding period.

The employment contracts of the Chairman and Chief Executive Officer and of the Chief Operating Officer have been suspended. Upon effective reinstatement of the contracts, they will recover the rights of salaried senior executives in their category, according to the Company's rules, which will be revalued at the date of termination of their term of office by the average percentage increase in executive salaries during the period of suspension of the employment contract.

In particular, upon effective reinstatement of their contracts, the Chairman and Chief Executive Officer and the Chief Operating Officer shall be subject to the conditions of severance pay applicable to employees of their category in accordance with Company rules, it being specified that, depending on the formula chosen, the seniority taken into account may cover the years during which their employment contract was suspended, like the other employees.

For supplementary pensions, they are eligible for:

- the rights acquired under the plan applicable to executive employees of the Company, which have been frozen as of December 31, 2017,
- the rights acquired in 2018 and 2019 under the pension plan established on January 1, 2018, which is applicable to members of the Executive Committee and to the Company's flight crew currently grounded in accordance with order ("Ordonnance") No. 2019-697 of July 3, 2019 regarding supplementary defined-benefit pensions,
- the rights acquired under the plan applicable as of January 1, 2020 to members of the Executive Committee and the Company's flight crew, which provides for the annual vesting of additional pension rights equal to 2% of gross annual compensation, subject to performance conditions defined each year by the Board of Directors, which shall duly note the achievement thereof.

In addition, the Chairman and Chief Executive Officer and the Chief Operating Officer, like the directors, benefit from the Directors' and Corporate Officers' liability insurance policy (known in French as *RCMS*), which covers all the directors and corporate officers of the Company and its subsidiaries.

Finally, the Chairman and Chief Executive Officer and Chief Operating Officer shall each receive, during the performance of their terms of office, a chauffeur-driven company car, reimbursement of the actual expenses incurred in their duties, and health and welfare plans applicable to all of the Company's executive employees.

2.2.3. Presentation of resolutions submitted to shareholder vote

Shareholders are called upon to express an opinion in two stages:

- vote after the fact (referred to as an "ex-post vote"): the compensation elements paid or attributed to Directors and corporate officers during the past fiscal year, as presented in the Corporate governance report, shall be subject to the approval of the shareholders.

- advance vote on compensation policy (referred to as an "ex-ante" vote): the compensation policy for Directors and corporate officers, as presented in the Corporate governance report, shall be subject to the approval of the shareholders,

Consequently, the following resolutions will be submitted for your approval:

- Approval of compensation elements paid or allocated during fiscal year 2024 to the Directors as presented in the Corporate governance report in paragraph 2.1 "Compensation paid to Directors and corporate officers in 2024" (Resolution 4),

- Approval of compensation elements paid or allocated during fiscal year 2024 to the Chairman and Chief Executive Officer as presented in the Corporate governance report in paragraph 2.1 "Compensation paid to Directors and corporate officers in 2024" (Resolution 5),

- Approval of compensation elements paid or allocated during fiscal year 2024 to the Chief Operating Officer as presented in the Corporate governance report in paragraph 2.1 "Compensation paid to Directors and corporate officers in 2024" (Resolution 6),

- Approval of the 2025 compensation policy for the Directors as presented in the Corporate governance report in paragraph 2.2 "Compensation policy for corporate officers and Directors in 2025" (Resolution 7),

- Approval of the 2025 compensation policy for the Chairman and Chief Executive Officer as presented in the Corporate governance report in paragraph 2.2 “Compensation policy for corporate officers and Directors in 2025” (Resolution 8),
- Approval of the 2025 compensation policy for the Chief Operating Officer as presented in the Corporate governance report in paragraph 2.2 “Compensation policy for corporate officers and Directors in 2025” (Resolution 9).

3. INTERNAL AUDITING AND RISK MANAGEMENT PROCEDURES

3.1. Internal auditing objectives

The purpose of the internal auditing procedures set up in our Company is to:

- ensure that the conducting of operations and management actions, and the behavior of staff fall within the framework defined by Executive Management, applicable laws and regulations, and our Company's internal values and rules,
- verify that the information provided and communications addressed to the Board of Directors and to the General Meetings are reliable and give a true and fair view of the Company's activity.

One of the main purposes of the internal auditing system is to anticipate and control the risks resulting from the Company's activity and risks of error or fraud, particularly with respect to finance and accounting. However, as with any control system, it cannot provide absolute assurance that these risks have been totally eliminated.

3.2. Environment and general organization of internal auditing

3.2.1. Internal auditing reference documents

The Company's internal auditing is guided by the following reference documents:

- the Quality Manual, which describes the Company processes,
- the Organization Manual, which describes the tasks and organization of each department,
- the economic and financial data management procedure described in the Quality Manual for accounting and financial activities,
- an Anticorruption Code and an Internal Alert Procedure complete the processes that already exist,
- a Supplier Vigilance Plan.

Dassault Aviation also draws on the AMF reference framework of July 22, 2010.

Internal control activities are performed by each and every department.

3.2.2. Control of subsidiaries

The Company maintains an effective presence on the Boards of Directors and management bodies of its subsidiaries.

Periodic reports are prepared by each subsidiary for the Company.

3.2.3. Internal auditing

Attached to the Total Quality Management Department, the Internal Audit and Risk Department is tasked with assessing risk management and internal auditing processes.

The Internal Audit and Risk Director reports to Executive Management on the results of the audits and the recommendations implemented. The Internal Audit Director also presents the Internal Audit plan to Executive Management for approval prior to its implementation.

The Audit Committee meets with the Internal Audit and Risk Director and examines the Group's major risks, the audit plan and the findings of the audits.

3.2.4. External auditing factors

The Company operates in a particular external auditing environment due to its French government contracts and aviation activity:

- the calculation of our cost price components (hourly rates, procurement and non-production expenses) as well as the cost prices of our activities related to French government contracts are examined by the French Defense Procurement Agency (known in French as *DGA*),
- in the field of military aviation, the monitoring of products, our design capability recognition and our production capability recognition for the Export Rafale is overseen by the DGA,
- the Company, in the field of civil aviation, possesses design, production and maintenance certifications. These certifications are subject to ongoing monitoring by the airworthiness authorities that have issued them:
    - the French Civil Aviation Authority ((known in French as DGAC),
    - the European Aviation Safety Agency (EASA),
    - the Federal Aviation Administration (FAA),
    - Other foreign authorities depending on the market.

The Company and its subsidiaries DFJ and DFS are EN 9100-, ISO 9001- and ISO 14001-certified. Audits conducted in 2024 by outside organizations confirmed the compliance of our management systems with the requirements of the standards.

3.3. Risk management procedures

The risk management organization detailed in Chapter 2 of the Directors' report is based on a risk mapping updated by each of the Company's major departments and primary subsidiaries for the activities that concern them.

Each of the risks identified in this mapping, whatever its nature, has been assessed according to its seriousness and its frequency of occurrence. The procedures for handling risks are also recorded in this mapping.

The risk management procedures are defined and applied by the departments of the Company.
In particular, Program risk control at Dassault Aviation is performed through regular risk reviews organized by the Program Departments with the operational Departments.

Risks are monitored at the various stages in a product's life cycle for various reviews. The purpose of these reviews is to identify new risks and monitor and reduce existing risks.

The Total Quality Management Department, through the Internal Audit and Risk Department, notifies Executive Management of risks by transmitting the list of most critical risks identified.

Finally, the Risk Committee's mission, based on risk mapping and a campaign of interviews with all Departments, is to:

- validate the identified risks, their classification and the risk reduction actions carried out,
- ensure that new risks are identified, taken into account and their financial impacts measured.

To this end, the Committee conducts interviews with senior Directors of the Company who are responsible for updating the risk map.

The Committee also ensures that the risk management system is taken into account in its subsidiaries.

It is chaired by the Senior Executive Vice-President, Total Quality, assisted by the Director of Internal Audit and Risks, secretary of the Committee, and reports to the Executive Management.

3.4. Internal auditing procedures for financial and accounting purposes

3.4.1. Organization of the financial and accounting function

This function, described in the Quality Manual, is managed by the Finance Department for both the Company and Group consolidation. This aforesaid function consists of:

- validating and auditing the Company's financial and accounting information system, implemented by Information Systems General Department,
- updating the consolidation software configuration used by the Company and its subsidiaries.

3.4.2. General references

The financial statements are prepared in accordance with:

- the accounting standards applicable to French companies:
  - Accounting Standards Authority (known in French as ANC) Regulation 2014-03,
  - subsequent opinions and recommendations of the ANC.
- the international standards for the measurement and presentation of IFRS financial information in force as of December 31, 2024, as adopted by the European Union, which must be applied for fiscal periods beginning on or after January 1, 2024, for the consolidated financial statements,
- the operating and control procedures described in the "Economic and financial data management procedure," supplemented by the special procedures for the preparation of the half-yearly and annual financial statements of the Company and the consolidated companies. These procedures and the IT applications used by the finance and accounting department are regularly reviewed by the Statutory Auditors in connection with their annual certification of the financial statements.

3.4.3. Financial and accounting information process

In 2024, the Finance Department centralized the accounting data and produced the Company and consolidated financial statements for Dassault Aviation.

It distributed a schedule of the tasks and controls to be performed at each period-end to the relevant persons in the Company and its subsidiaries. This schedule indicated the start date for the Statutory Auditors' certification procedures at approximately six weeks prior to the Board meeting at which the financial statements are submitted for approval.

In parallel, the reports and financial statements are checked by a review committee, independent of the teams participating in the drafting of these documents.

3.5. 2024 actions

The Internal Audit and Risks Department and the Total Quality Management Department continued to monitor the internal audit procedures for all parties involved by using the risk mapping that was updated during the year.

They performed the audits in order to verify the proper application of the internal auditing procedures.

3.6. 2025 actions plan

For 2025, the Total Quality Management Department and the Internal Audit Department are tasked with continuing the audits that ensure oversight of internal controls and risk management, and the proper application of procedures.

4. INFORMATION MENTIONED IN ARTICLE L. 22-10-11 OF THE FRENCH COMMERCIAL CODE

The information set forth in this Article is contained in paragraph 5.5 of the accompanying Directors' report, to which this report is attached. Both these reports are included in the 2024 Annual Report, which has been published electronically and filed with the AMF by our distributor "Intrado." They are published online on the Company website in the Group/Finance/Publications section.

The Board of Directors

Consolidated financial statements as of December 31, 2024

Assets

(in EUR thousands)	Notes	**12/31/2024**	**12/31/2023**
Goodwill	3	65,957	65,957
Intangible assets	4	100,323	88,864
Property, plant and equipment	4	1,609,187	1,414,931
Equity associates	5	2,909,611	2,680,668
Other non-current financial assets	6	168,059	155,999
Deferred tax assets	20	385,274	344,295
Non-current assets		**5,238,411**	**4,750,714**
Inventories and work-in-progress	7	6,723,898	5,258,273
Contract assets	14	82,216	36,982
Trade and other receivables	8	1,941,277	1,444,638
Advances and progress payments to suppliers	14	6,641,613	4,566,732
Derivative financial instruments	23	1,987	58,694
Other current financial assets	9	6,873,977	5,913,980
Cash and cash equivalents	9	1,611,440	1,457,580
Current assets		**23,876,408**	**18,736,879**
Total assets		**29,114,819**	**23,487,593**

Equity and liabilities

(in EUR thousands)	Notes	12/31/2024	12/31/2023
Capital	10	62,876	64,642
Consolidated reserves and retained earnings		6,201,312	5,978,690
Currency translation adjustments		123,357	-6,212
Treasury shares	10	-55,554	-295,451
Total attributable to the owners of the parent company		**6,331,991**	**5,741,669**
Non-controlling interests		0	0
Equity		**6,331,991**	**5,741,669**
Long-term borrowings and financial debt	11	182,191	207,811
Deferred tax liabilities	20	1,811	2,427
Non-current liabilities		**184,002**	**210,238**
Contract liabilities	14	18,836,124	14,206,265
Trade and other payables	13	1,516,271	1,233,754
Tax and social security liabilities	13	484,617	392,415
Short-term borrowings and financial debt	11	55,567	54,626
Provisions for contingencies and charges	12	1,604,701	1,619,186
Derivative financial instruments	23	101,546	29,440
Current liabilities		**22,598,826**	**17,535,686**
Total equity and liabilities		**29,114,819**	**23,487,593**

Income statement

(in EUR thousands)	Notes	2024	2023
Net sales	15	**6,239,708**	**4,804,891**
Other revenue	16	197,629	193,660
Change in work-in-progress		968,385	985,615
Purchases consumed		-4,869,432	-4,014,203
Personnel expenses (1)		-1,646,881	-1,468,607
Taxes and other contributions		-66,796	-62,783
Depreciation and amortization	4	-186,081	-174,449
Net allocations/reversals of provisions	12	-89,838	94,689
Other operating income and expenses	17	-19,539	-9,336
Operating income		**527,155**	**349,477**
Cost of net financial debt		38,505	41,595
Other financial income and expenses		161,376	170,050
Net financial income/expense	19	**199,881**	**211,645**
Share in net income of equity associates	5	382,917	266,540
Income tax	20	-186,129	-134,264
Net income		**923,824**	**693,398**
Attributable to the owners of the parent company		*923,824*	*693,398*
Attributable to non-controlling interests		*0*	*0*
Earnings per share (in EUR)	21	**11.78**	**8.57**
Diluted earnings per share (in EUR)	21	**11.77**	**8.57**

(1) personnel expenses include incentive schemes and profit-sharing (EUR -203,950 thousand in 2024 and EUR -141,809 thousand in 2023).

Statement of recognized income and expense

(in EUR thousands)	Notes	2024	2023
Net income		**923,824**	**693,398**
Derivative financial instruments (1)	23	-123,140	99,636
Related taxes	20	31,801	-25,731
Currency translation adjustments		58,640	-34,950
Equity associates, net	5	49,241	-11,938
Items to be subsequently recycled to P&L		**16,542**	**27,017**
Other non-current financial assets	6	4,757	-8,984
Actuarial adjustments on pension benefit obligations	12	88,124	-22,337
Related taxes	20	-22,135	5,559
Equity associates, net	5	6,107	-65,043
Items that will not be recycled to P&L		**76,853**	**-90,805**
Income and expense recognized directly through equity		**93,395**	**-63,788**
Recognized income and expense		**1,017,219**	**629,610**
Attributable to the owners of the parent company		*1,017,219*	*629,610*
Attributable to non-controlling interests		*0*	*0*

(1) the amounts stated represent the change in the market value over the period for instruments that qualify for hedge accounting. They are not representative of the actual gain/loss that will be recognized when the hedges are exercised.

Statement of changes in equity

(in EUR thousands)	Capital	Consolidated reserves and retained earnings		Currency translation adjustments	Treasury shares	Total attributable to the owners of the parent company	Non-controlling interests	Total equity
		Additional paid-in capital, consolidated income and other reserves	Derivative financial instruments					
As of 12/31/2022	**66,790**	**6,037,982**	**-81,590**	**63,243**	**-80,855**	**6,005,570**	**0**	**6,005,570**
Net income for the year		*693,398*				*693,398*		*693,398*
Income and expense recognized directly through equity		*-90,805*	*96,472*	*-69,455*		*-63,788*		*-63,788*
Recognized income and expense		602,593	96,472	-69,455		629,610		629,610
Dividends paid		-245,585				-245,585		-245,585
Share-based payments (1)		5,524				5,524		5,524
Movements on treasury shares (1)	-2,148	-443,568			-214,596	-660,312		-660,312
Other changes (2)		6,862				6,862		6,862
As of 12/31/2023	**64,642**	**5,963,808**	**14,882**	**-6,212**	**-295,451**	**5,741,669**	**0**	**5,741,669**
Net income for the year		*923,824*				*923,824*		*923,824*
Income and expense recognized directly through equity		*76,853*	*-113,027*	*129,569*		*93,395*		*93,395*
Recognized income and expense		1,000,677	-113,027	129,569		1,017,219		1,107,219
Dividends paid		-264,729				-264,729		-264,729
Share-based payments (1)		5,859				5,859		5,859
Movements on treasury shares (1)	-1,766	-393,056			239,897	-154,925		-154,925
Other changes (2)		-13,102				-13,102		-13,102
As of 12/31/2024	**62,876**	**6,299,457**	**-98,145**	**123,357**	**-55,554**	**6,331,991**	**0**	**6,331,991**

(1) see note 10.
(2) other changes notably include the impact associated with the change in Thales' integration percentage, resulting from Thales' share buyback programs, as well as the impact from the change in scope.

Cash flow statement

(in EUR thousands)	Notes	2024	2023
I - Net cash flows from operating activities			
Net income		**923,824**	**693,398**
Elimination of net income of equity associates, net of dividends received	5	-186,544	-98,777
Elimination of gains and losses from disposals of non-current assets	17	10,097	-2,804
Change in the fair value of derivative financial instruments	23	5,673	-17,551
Change in fair value of other current and non-current financial assets	6, 9	-36,703	-28,072
Tax expense (including deferred taxes)	20	186,129	134,264
Allocations to and reversals of depreciation, amortization and provisions (excluding those related to working capital requirement)	4, 12	234,094	62,446
Other items	10	5,859	5,524
Net cash from operating activities before working capital changes and taxes		**1,142,429**	**748,428**
Income taxes paid	20	**-207,063**	**-101,619**
Change in inventories and work-in-progress (net)	7	-1,428,594	-1,353,570
Change in contract assets	14	-45,118	-32,987
Change in trade and other receivables (net)	8	-485,131	308,263
Change in advances and progress payments to suppliers	14	-2,074,920	-1,628,196
Change in contract liabilities	14	4,601,299	1,464,441
Change in trade and other payables	13	288,767	-123,806
Change in tax and social security liabilities	13	89,400	46,441
Increase (-) or decrease (+) in working capital requirement		**945,703**	**-1,319,414**
Total I		**1,881,069**	**-672,605**
II - Net cash flows from investing activities			
Change, as acquisition cost, of other current financial assets	9	-919,936	-252,818
Purchases of intangible assets and property, plant and equipment	4	-345,885	-345,558
Increase in other non-current financial assets	6	-9,700	-12,483
Disposals of or reductions in non-current assets		10,682	34,626
Acquisition of an additional stake in Thales	5	0	-301,596
Total II		**-1,264,839**	**-877,829**
III - Net cash flows from financing activities			
Buyback of treasury shares	10	-154,925	-660,312
Increase in financial debt	11	2,608	2,561
Repayment of financial debt	11	-62,605	-61,170
Dividends paid during the year	10	-264,729	-245,585
Total III		**-479,651**	**-964,506**
IV - Impact of exchange rate fluctuations		17,281	-8,007
Change in net cash and cash equivalents (I+II+III+IV)		**153,860**	**-2,522,947**
Opening net cash and cash equivalents	9	1,457,580	3,980,527
Closing net cash and cash equivalents	9	1,611,440	1,457,580

Notes to the consolidated financial statements

Note 1 - Accounting policies

On March 4, 2025, the board of directors closed and authorized the publication of Dassault Aviation consolidated financial statements for the year ended December 31, 2024. These consolidated financial statements will be submitted for approval to the annual general meeting on May 16, 2025.

1.1. Basis of preparation for the 2024 consolidated financial statements

Dassault Aviation consolidated financial statements are prepared in accordance with IFRS standards, amendments and interpretations as adopted by the European Union and applicable at the closing date.

Since January 1, 2024, the following standards, amendments and interpretations have been applied:
- amendments to IAS 1 “Presentation of Financial Statements,” on the classification of liabilities as current or non-current and non-current liabilities with covenants,
- amendments to IAS 7 and IFRS 7 relating to supplier finance arrangements,
- amendments to IFRS 16 “Leases” relating to lease liabilities in a sale and leaseback,

These texts have no material impact on the consolidated financial statements.

1.2. New standards mandatory after December 31, 2024

The following texts have still not been applied in advance when that option was offered.

The main texts adopted by the European Union whose application is mandatory after January 1, 2025 are as follows:
- amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” on lack of exchangeability.

These texts have no impact on the consolidated financial statements.

1.3. Accounting choices and management estimates

To prepare the financial statements, Management is required to make estimates and issue assumptions that could have an impact on the amounts entered in the balance sheet and in the income statement.

These estimates concern, in particular:
- the results of contracts in progress,
- the calculation of provisions for contingencies and charges and provisions for impairment,
- the calculation of development costs that meet capitalization criteria,
- the recoverability of deferred tax assets.

These estimates are calculated by taking into account past experience, elements known at the closing date and any reasonable change assumptions.

The estimates used to prepare the financial statements take into account, as far as the available information allows, the risks induced by climate change whether physical, regulatory or related to customer expectations and sector commitments. Their impact on cash flow has been integrated into the business plans of the cash-generating units concerned.

Subsequent results may therefore differ from such estimates.

1.4. Presentation of the consolidated financial statements

Consolidated balance sheet items are presented as current/non-current. Dassault Aviation's activities have long operating cycles. As a result, the assets/liabilities generally realized in the context of the operating cycle (inventories and work-in-progress, contract assets and liabilities, receivables, payables, etc.) are presented in the consolidated balance sheet as current assets and liabilities, without distinction between the amount due within one year and the amount due at more than one year.

Consolidated income statement items are presented by nature.

Net operating income represents all income and expenses not arising from financial activities, equity associates, discontinued operations or operations being sold, and income taxes. It is composed of two separate parts: current operating income and other non-current income and expenses. Only significant unusual items are recorded in other non-current income and expenses. No items met this criteria in 2024 or in 2023.

1.5. Segment reporting

IFRS 8, "Operating Segments," requires the presentation of information according to internal management criteria. The activity of Dassault Aviation relates entirely to the aerospace domain. Internal reporting to the chairman and chief executive officer and to the chief operating officer, used for strategy and decision-making, does not include a performance analysis, under IFRS 8 terms, at a lower level than this sector.

1.6. Consolidation principles and methods

1.6.1. Scope and methods of consolidation

Scope of consolidation

The financial statements of material subsidiaries directly or indirectly controlled by Dassault Aviation are fully consolidated. Material subsidiaries jointly controlled by Dassault Aviation (joint ventures) or in which Dassault Aviation has significant influence (associates) are accounted for under the equity method.

Consolidated companies are listed in note 2.

Consolidation thresholds

For the application of the factor of relative significance, a company controlled by Dassault Aviation or in which it has significant influence is included in the scope of consolidation if all of the following criteria are met:

- total assets and liabilities exceed 2% of Dassault Aviation total,
- total net sales exceed 2% of Dassault Aviation total,
- equity exceeds 3% of Dassault Aviation total.

Entities can be consolidated by a management decision even though they do not meet the criteria previously defined. As of December 31, 2024, all non-consolidated companies do not collectively exceed the thresholds described above.

Inter-company transactions

All material inter-company transactions and internal margins included in non-current assets, inventories and work-in-progress are eliminated.

Closing date

The majority of companies close their fiscal year on December 31.

1.6.2. Conversion of financial statements of non-euro area subsidiaries

The currency used in the preparation of the consolidated financial statements is the euro.

The financial statements of non-euro area subsidiaries are translated as follows:
- assets and liabilities are translated at the year-end rate,
- the income statement is translated at the average annual rate.

Currency translation adjustments are recognized in equity and do not impact the income statement.

1.7. Valuation principles

1.7.1. Goodwill and business combinations

Business combinations are recognized under the acquisition method as described in IFRS 3. Under this method, Dassault Aviation recognizes the identifiable assets acquired and liabilities assumed at their fair value on the acquisition date.

Goodwill, which reflects the difference between the acquisition cost of investments and the share of the revalued net assets, is recognized:
- immediately as a loss when it is negative,
- on the asset side of the balance sheet when it is positive:
  - under goodwill if the acquired company is fully consolidated,
  - under equity associates if the acquired company is consolidated under the equity method.

The allocation of the purchase price is finalized within a maximum period of one year from the date of acquisition.

Goodwill is not amortized but is subject to annually impairment tests (see note 1.7.3. Impairment and recoverable value).

Acquisition-related costs (valuation fees, consulting fees, etc.) are recognized under operating income as incurred.

1.7.2. Intangible assets and property, plant and equipment

Accounting principles

Intangible assets and property, plant and equipment are recognized at acquisition or production cost, less accumulated depreciation or amortization and impairment. Each identified component of an intangible asset or item of property, plant and equipment is recognized and depreciated and amortized separately.

The rights of use relating to leases as defined by IFRS 16 are recorded on the balance sheet at the lease contract conclusion for the discounted value of future lease payments. Contracts within the scope of IFRS 16 are mainly related to real estate leases (land and buildings). The terms selected generally correspond to the firm duration of the contract unless an intention to renew or terminate the contract is known. Dassault Aviation applies the two exemptions provided for by the standard (leases of less than 12 months and leases for low-value assets).

Depreciation and amortization are calculated using the straight-line method. No residual value is taken into account, except for aircraft.

Depreciation and amortization periods depend on their estimated useful lives. Useful lives are reviewed at each year-end for material assets.

In accordance with IAS 38 “Intangible Assets” concerning development costs, Dassault Aviation determines the development phase of its programs that meets the criteria for capitalization. Development costs are capitalized if they satisfy the following three determining criteria for Dassault Aviation:

- the technical criterion is met when the period for validation of results after the maiden flight has elapsed without questioning the project,
- the economic criterion is validated by the orders placed or options obtained on the date the technical criterion is considered satisfied,
- the financial information reliability criterion is satisfied for significant programs because the information system differentiates between research and development phases. If such a distinction cannot be made, as may be the case for minor developments (e.g. modification, improvement, etc.), those development costs are not capitalized.

The asset must generate clearly identifiable future economic benefits attributable to a specific product.

Capitalized development costs are valued at the production cost. They are amortized on the basis of the number of aircraft delivered during the year, divided by an estimated number of aircraft to be delivered under the program.

Useful lives

Initial useful lives are determined as follows:

Software	3-4 years
Development costs	depend on the number of units to be produced
Industrial buildings	20-25 years
Office buildings	20-25 years
Fixtures and fittings	7-15 years
Plant, equipment and machinery	3-10 years
Aircraft	4-15 years
Rolling stock	4 years
Other property, plant and equipment	3-10 years
Used property	on a case-by-case basis
Rights of use	based on the duration of each lease contract

The initial useful life of an asset is extended or reduced if the conditions in which the asset is used justify it.

1.7.3. Impairment and recoverable value of intangible assets, plant, property and equipment and goodwill

In accordance with IAS 36 “Impairment of Assets,” all non-current assets (tangible and intangible) and goodwill are subject to an impairment test when an indication of impairment is detected, and at least once a year on December 31 for goodwill and intangible assets with an indefinite useful life.

Indications of impairment derive from significant adverse changes of a lasting nature, affecting the economic environment or the assumptions or objectives used by Dassault Aviation.

Impairment tests consist in ensuring that the recoverable values of the property, plant and equipment, intangible assets and cash-generating units or group of cash-generating units to which the goodwill is assigned are at least equal to their net book value. Otherwise, impairment is recognized in net income and the net book value of the asset is reduced to its recoverable value.

The recoverable value of property, plant and equipment or an intangible asset is the higher value between its fair value, less the costs of disposal, and its value in use.

The recoverable amount of a cash-generating unit corresponds to its value in use. Each consolidated company represents a cash-generating unit, i.e. the smallest identifiable group of assets that generates cash inflows and outflows.

The value in use is calculated using the discounted future cash flow method. Discount rates are reviewed each year. As of December 31, 2024, the after-tax discount rate was 9.2% (9.8% as of December 31, 2023). Value in use is determined on the basis of projected after-tax cash flows resulting from economic assumptions and estimated operating conditions used by Management and takes into account a terminal value.

When a cash-generating unit needs to be impaired, the impairment is first of all applied to the goodwill then, if appropriate, to the other assets of the cash-generating unit proportionate to their net book value. Impairments may be reversed, except for those relating to goodwill.

1.7.4. Equity associates

Investments in equity associates undergo an impairment test once there are objective indications of any long-term loss in value.

An impairment is recognized if the recoverable value is lower than the carrying value, with the recoverable value being equivalent to the value in use, as defined in paragraph 1.7.3., or the fair value net of transaction costs, whichever is higher.

Concerning the equity investment in Thales, when an impairment test is carried out, the operational and financial assumptions used come directly from data provided by Thales management.

An impairment may be reversed if the recoverable value once again exceeds the carrying value.

1.7.5. Other non-current financial assets

Non-listed securities

These securities are recognized at their fair value.

In the absence of any external valuation elements, the fair value of unconsolidated investments, non-listed, represents the share in net assets (calculated based on the most recent financial statements available at the time of accounting) plus any significant unrealized gains or it is based on the discounted future cash flow method (see note 1.7.3). These items are classified as level 3 (according to IFRS 13).

Changes in fair value and gains or losses on disposal for these securities are recognized under other income and expenses directly recorded through equity, without any impact on income or loss. Only dividends continue to be recorded in income.

Other non-current financial assets

Other financial assets mainly comprise advance lease payments, loans granted to investments and loans granted to employees for a housing loan. Loans are recorded at amortized cost (historical cost less repayments). Other assets are recorded at their historical cost.

Other non-current financial assets also include Dassault Aviation’s investments in investment funds, including the aeronautical investment fund, valued at fair value through income or loss.

1.7.6. Inventories and work-in-progress

Incoming raw materials, semi-finished and finished goods inventories are measured at acquisition cost for items purchased and production cost for items produced. Outgoing inventories are valued at the weighted average cost, except for used aircraft which are stated at acquisition cost. Work-in-progress is stated at production cost and does not include abnormal production costs.

Inventories and work-in-progress are impaired when their net realizable value is less than their carrying amount.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs for completion and making the sale. It takes into account the technical or commercial obsolescence of articles and the risks associated with their low turnover.

1.7.7. Contract assets and liabilities

For a given contract, the amount of cumulative revenue accounted for in respect of all performance obligations, less payments received and trade receivables which, in the balance sheet, are booked separately, is recognized under contract assets or contract liabilities.

1.7.8. Receivables

A receivable is an unconditional right to payment by the customer. Trade receivables include receivables arising from finance leases. These represent the discounted amount of the expected lease revenues, plus the residual value of the aircraft at the end of the finance lease.

A provision for impairment is recorded when the recoverable value of a receivable is lower than the book value.

The recoverable value of a receivable is estimated based on expected losses and takes into account the type of customer and the history of payments.

The receivable is impaired up to the amount of the estimated risk for the portion not covered by credit insurance (Bpifrance Assurance Export or collateral).

Non-impaired receivables are recent receivables and/or receivables with no material credit risk.

Foreign currency receivables, translated by each subsidiary into their local currency at the day’s rate, are revalued at each closing on the basis of the closing rate. Revaluation differences are recognized in operating income.

1.7.9. Other current financial assets

Other current financial assets mainly consist of time deposits at more than three months and other cash investments in the form of marketable securities.

The time deposits and debt securities are recorded at amortized cost, as Dassault Aviation does not intend to convert these investments into cash in the short term for operational purposes. Other investments are measured at fair value through profit or loss.

The associated financial results are presented as income from other financial assets within net financial income.

1.7.10. Cash and cash equivalents

Cash and cash equivalents satisfy the criteria set forth in IAS 7, “Statement of Cash Flows”: short-term investments that are readily convertible to known amounts of cash and that are not subject to a material risk of changes in value. Cash equivalents mainly consist of time deposits with a maturity of less than three months and cash investments in the form of marketable securities.

The time deposits are recorded at amortized cost and the cash investments in the form of marketable securities are measured at fair value in the income statement.

The associated financial results are presented as income from cash and cash equivalents within net financial income.

1.7.11. Treasury shares

Treasury shares

Treasury shares are deducted from equity at their acquisition cost. Any gains or losses from the sale of treasury shares are recognized directly in equity and do not contribute to the income for the fiscal year.

Share-based payments

Dassault Aviation has settled plans to grant performance shares. These allotments are recognized as an expense representing the fair value of the services rendered by the beneficiaries.

The fair value of the services is determined by reference to the fair value of the shares on the grant date, adjusted for dividends not received during the vesting period.

The performance conditions are taken into account when estimating the number of shares to be granted at the end of the vesting period.

The benefits granted constitute personnel expenses and are recognized on a straight-line basis over the vesting period. This expense is recognized against consolidated reserves.

1.7.12. Provisions for contingencies and charges

Provisions for warranties and other contract risks

Dassault Aviation has formal obligations under sales or procurement contracts relating to the equipment, products and/or services delivered (software development, systems integration, etc.).

These obligations can be distinguished between:
- “current” warranty: repair of defective equipment during the contractual warranty period or by implicit obligations, handling hardware or software malfunctions identified following qualification and handover to users, etc.,
- “regulatory” warranty: treatment by the manufacturer of any changes to the regulatory framework determined by the regulatory authorities or any regulatory non-compliance identified by the manufacturer or a user after delivery of materials or products,
- other risks in connection with the performance of the contract.

The amount of the provisions is mainly determined as follows:
- on the basis of feedback on the costs incurred,
- on the basis of quotes provided by specialists in the relevant fields.

Retirement costs

Commitments to employees for retirement costs are measured using the projected unit credit method. The commitments are estimated for all employees on the basis of vested rights (based on the employee's length of service at the end of the period relative to total career expectancy) and a projection of current salaries, after taking into account the mortality risk, employee turnover, and a discounting assumption. The rates used have been determined based on the yield for top-ranking corporate long-term bonds, with maturity equivalent to the duration of the calculated liabilities.

Dassault Aviation applies the revised IAS 19 which stipulates:
- the recognition of all actuarial adjustments in income and expense recognized directly through equity,
- immediate recognition of the cost of past services,
- alignment of the expected return from the plan's assets to the discount rates,
- the recognition of the sole administrative costs relating to management of the assets as a deduction from their actual return.

The provision or asset that appears in the balance sheet corresponds to the total commitment net of plan assets. The impact on the income statement is fully recognized in operating income.

1.7.13. Borrowings and payables

Foreign currency borrowings and payables, translated by each subsidiary into their local currency at the day's rate, are revalued at each closing based on the closing rate. Revaluation differences are recognized in operating income.

Loans taken out by Dassault Aviation are initially recorded at the amount received net of transaction costs, and subsequently at the amortized cost, calculated using the effective interest rate.

Lease liabilities relating to leases as defined by IFRS 16 are recognized on the balance sheet at the origin of the lease for the discounted value of future payments.

1.7.14. Discounting of receivables, payables and provisions

Receivables and payables are recognized for their discounted amounts when the payment date is more than one year and the effects of the discounting are significant.

The provision relating to retirement severance payments and related benefits is discounted in accordance with IAS 19 "Employee Benefits" and the lease liabilities are discounted in accordance with IFRS 16 "Leases."

Other provisions are stated at their current value.

In accordance with IFRS standards, deferred tax assets and liabilities are not discounted.

1.7.15. Derivative financial instruments

Derivative financial instruments subscribed by Dassault Aviation

Dassault Aviation uses derivatives to hedge its exposure to the risk of changes in foreign exchange rates.

Exchange rate risks mainly arise from US dollar-denominated sales. The corresponding future cash flows are partially hedged using forward exchange contracts and currency options.

Evaluation and recognition of derivatives

Upon initial recognition, derivatives are booked at acquisition cost in the balance sheet under "Derivative Financial Instruments."

They are subsequently stated at fair value, calculated on the basis of the market price communicated by the relevant financial institutions and the market parameters observed on the closing date, taking into account any counterparty risks. The valuation of financial instruments is level 2 (according to IFRS 13).

Dassault Aviation applies hedge accounting when the criteria defined by IFRS 9 "Financial Instruments" are met. Foreign exchange derivatives are documented, on a case-by-case basis, on the basis of spot or forward prices.

Derivatives eligible for hedge accounting are recognized as follows:
- changes in fair value of hedging instruments are posted, net of tax, to other income and expense recognized through equity, with the exception of the ineffective amount of the hedge, if any, which is recognized in income,
- when the cash flow is received, the gain or loss on the foreign exchange hedging instrument is recognized in income.

If a derivative, chosen for the effectiveness of the economic hedging it provides to Dassault Aviation, does not meet the conditions required by the hedge accounting standard (foreign exchange options), then changes in its fair value are recognized in financial income.

1.7.16. Net sales and income

Recognition of net sales and operating income

The results on completion are based on estimates of net sales and costs at completion (taking into account the program departments' forecasts) which are revised as the contract progresses and take into account the latest known events at the closing date. The potential losses on completion are recognized as soon as they are known.

Sale of goods

Net sales and net income are recognized over time if the transfer of control of goods is gradual and at a point in time otherwise.

For the majority of its contracts, the IFRS 15 criteria for the recognition of revenue over time are not met, in particular for Rafale and Falcon sales whose alternative use could be demonstrated. Revenue is therefore recognized when the goods are delivered in the majority of cases.

Finance leases are recognized as credit sales in application of IFRS 16, "Leases."

Sale of services

Revenue from performance of services is recognized over time, if the criteria of IFRS 15 are met, as it is the case for maintenance contracts. The percentage-of-completion method used by Dassault Aviation will be the cost-to-cost method: whereby revenue is recognized based on costs incurred at a given date divided by total costs expected at completion.

Services for which the criteria of IFRS 15 are not met, as is the case for certain development contracts, are recognized at the end of the service provided.

Agent / principal

Contracts involving co-contractors and for which Dassault Aviation is the sole signatory are analyzed to determine the Company's status as a principal or agent. If the analysis classifies the Company as an agent, only the proportionate share of net sales due to the agent is recognized. Otherwise, the entirety of net sales and related expenses (including the share attributable to co-contractors) is recognized.

Backlog

The backlog presented in note 24 corresponds to the transaction price allocated to the remaining performance obligations on the closing date.

Government grants

Research tax credits are included in operating income in "other revenue" when obtaining them does not depend on the realization of a tax profit.

Net financial income

Net financial income primarily represents:
- financial income related to cash and cash equivalents and other current and non-current financial assets,
- financial expenses related to loans taken out by Dassault Aviation and locked-in employee profit-sharing funds,
- the financing component when there is, for a given contract, a significant difference between the moment when the cash is received and the moment when the revenue is recognized,
- interest expenses related to lease liabilities under IFRS 16,
- dividends from non-consolidated companies,
- financial income from finance lease contracts,
- losses and gains on derivative instruments that do not meet the conditions required by the standard for hedge accounting.

1.7.17. Deferred tax

Deferred taxes linked to temporary differences are calculated per company.

In accordance with the requirements of IAS 12 "Income Taxes," deferred tax assets are only recognized, for each company, insofar as the estimated future income is sufficient to cover these assets and their maturity does not exceed ten years.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is paid, based on local tax rates (and tax laws) that have been enacted by year-end.

Taxes on items recognized directly through equity are charged or credited to equity.

Deferred tax assets and liabilities are offset per entity for presentation on the balance sheet.

Note 2 - Scope of consolidation

2.1. Scope as of December 31, 2024

Dassault Aviation is a French group that designs and manufactures military aircraft, business jets and space systems. Dassault Aviation mainly operates in France.

The consolidated financial statements comprise the financial statements of Dassault Aviation and the following entities:

Name	Country	% interest (1)		Consolidation method (2)
		12/31/2024	12/31/2023	
Dassault Aviation (3)	**France**	**Parent company**	**Parent company**	
Dassault Aviation Business Services	**Switzerland**	**100**	**100**	**FC**
- Dassault Aviation Business Services Le Bourget	France	100	100	FC
- Dassault Aviation Business Services Clermont Ferrand	France	100	-	FC
- Dassault Aviation Business Services UK	United Kingdom	100	100	FC
- Dassault Aviation Business Services Portugal	Portugal	100	100	FC
Dassault Aviation Business Services FBO	**Switzerland**	**100**	**100**	**FC**
Dassault Falcon Jet	**United States**	**100**	**100**	**FC**
- Dassault Falcon Jet Wilmington	United States	100	100	FC
- Dassault Falcon Jet Leasing	United States	100	100	FC
- Aero Precision	United States	50	50	EM
- Midway	United States	100	100	FC
- Dassault Falcon Jet Do Brazil	Brazil	100	100	FC
Dassault Falcon Service	**France**	**100**	**100**	**FC**
- Falcon Training Center	France	50	50	EM
Dassault Reliance Aerospace Ltd	**India**	**49**	**49**	**EM**
ExecuJet				
- ExecuJet MRO Services Australia	Australia	100	100	FC
- - ExecuJet MRO Services New Zealand	New Zealand	100	100	FC
- ExecuJet MRO Services Belgium	Belgium	100	100	FC
- ExecuJet Services Malaysia	Malaysia	100	100	FC
- - ExecuJet Handling Services Sdn Bhd	Malaysia	49	49	FC
- ExecuJet MRO Services	South Africa	100	100	FC
- ExecuJet MRO Services Middle East	Dubai	100	100	FC
Sogitec Industries	**France**	**100**	**100**	**FC**
Thales	**France**	**27**	**26**	**EM**

(1) the equity interest percentages are identical to the percentages of control for all Dassault Aviation companies except for Thales, in which Dassault Aviation held 26.59% of the capital, 26.67% of the interest rights and 29.89% of the voting rights as of December 31, 2024.
(2) FC: full consolidation, EM: equity method.
(3) identity of the parent company: Dassault Aviation, a Société Anonyme (limited company) with capital of EUR 62,876,448.80, listed and registered in France, Paris Trade and Companies Register No. 712 042 456 – 9, Rond-Point des Champs-Élysées Marcel Dassault – 75008 Paris.

2.2. Changes in scope

There were no material changes in 2024.

Note 3 - Goodwill

Goodwill as of December 31, 2024 breaks down as follows:

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Dassault Aviation Business Services	10,052	10,052
Dassault Aviation Business Services FBO	6,625	6,625
Dassault Falcon Jet	5,887	5,887
Dassault Falcon Service	3,702	3,702
ExecuJet	34,914	34,914
Sogitec Industries	4,777	4,777
Goodwill	**65,957**	**65,957**

As the tests performed in accordance with IAS 36 “Impairment of Assets” (see note 1.7.3 on accounting principles) did not indicate any impairment loss, no provision for goodwill impairment was recognized.

A 10% increase in the discount rate, a 10% reduction in the growth rate or a 1-point decrease in profitability would not lead to any impairment.

Pursuant to IFRS, the goodwill for Thales, which is consolidated under the equity method, is included under “Equity associates” (see note 5).

Note 4 - Intangible assets and property, plant and equipment

4.1. Geographic breakdown

(in EUR thousands)	12/31/2024	12/31/2023
Net value		
France	1,263,146	1,139,436
United States	310,748	231,453
Other	135,616	132,906
Total	**1,709,510**	**1,503,795**
of which intangible assets	100,323	88,864
of which property, plant and equipment	1,609,187	1,414,931

4.2. Intangible assets

4.2.1. Changes in net intangible assets

(in EUR thousands)	Intangible assets acquired (PPA)	Other intangible assets	Total
Net value as of December 31, 2023	**3,521**	**85,343**	**88,864**
Acquisitions/increases	0	32,386	32,386
Disposals/decreases	0	-18	-18
Depreciation and amortization	-1,171	-20,296	-21,467
Currency translation adjustments	-31	534	503
Other	0	55	55
Net value as of December 31, 2024	**2,319**	**98,004**	**100,323**

4.2.2. Breakdown by type

(in EUR thousands)	12/31/2024			12/31/2023
	Gross	Amortization	**Net**	**Net**
Intangible assets acquired	15,135	-12,816	2,319	3,521
Development costs (1)	219,704	-162,442	57,262	43,010
Software, patents, licenses and similar assets	223,386	-206,047	17,339	23,884
Intangible assets in progress, advances and progress payments	23,403	0	23,403	18,449
Intangible assets	**481,628**	**-381,305**	**100,323**	**88,864**

(1) see note 1.7.2 of accounting principles.

4.3. Property, plant and equipment

4.3.1. Changes in net tangible assets

(in EUR thousands)	Rights of use (1)	Other property, plant and equipment	**Total**
Net value as of December 31, 2023	**172,531**	**1,242,400**	**1,414,931**
Acquisitions/increases	28,267	313,499	341,766
Disposals/decreases	0	-12,308	-12,308
Depreciation and amortization	-37,218	-127,396	-164,614
Provisions for impairment	1,581	7,152	8,733
Currency translation adjustments	6,310	14,423	20,733
Other	0	-54	-54
Net value as of December 31, 2024	**171,471**	**1,437,716**	**1,609,187**

(1) mostly real estate leases (land and buildings).

4.3.2. Breakdown by type

(in EUR thousands)	**12/31/2024**				**12/31/2023**
	Gross	Depreciation	Impairment	**Net**	**Net**
Rights of use	479,664	-308,193	0	171,471	172,531
Land	175,299	-11,169	0	164,130	163,835
Buildings	1,271,384	-558,453	0	712,931	578,351
Plant, equipment and machinery	866,012	-638,974	0	227,038	192,045
Other property, plant and equipment	197,745	-148,370	-1,621	47,754	39,145
Intangible assets in progress, advances and progress payments	285,863	0	0	285,863	269,024
Property, plant and equipment	**3,275,967**	**-1,665,159**	**-1,621**	**1,609,187**	**1,414,931**

Note 5 - Equity associates

5.1. Dassault Aviation share in net assets and net income of equity associates

As of December 31, 2024, Dassault Aviation held 26.67% of the interest rights of the Thales Group, compared with 26.49% as of December 31, 2023. Dassault Aviation has significant influence over Thales, especially with regard to the shareholders' agreement between Dassault Aviation and the Public Sector.

(in EUR thousands)	Equity associates		Share in net income of equity associates	
	12/31/2024	**12/31/2023**	**2024**	**2023**
Thales (1)	2,872,771	2,646,541	374,625	258,762
Other	36,840	34,127	8,292	7,778
Total	**2,909,611**	**2,680,668**	**382,917**	**266,540**

(1) Dassault Aviation share in Thales net assets and net income is detailed in note 5.3.

Thales' net income, accounted for under the equity method, was included at a rate of 26.67% in 2024 and 25.60% in 2023.

5.2. Change in equity associates

(in EUR thousands)	**2024**	**2023**
As of January 1	**2,680,668**	**2,351,141**
Acquisition of an additional stake in Thales	0	301,596
Share in net income of equity associates	382,917	266,540
Elimination of dividends paid (1)	-196,373	-167,763
Income and expense recognized directly through equity		
- Securities at fair value	-4,907	-1,641
- Derivative financial instruments (2)	-21,688	22,567
- Actuarial adjustments on pension benefit obligations	11,014	-63,402
- Currency translation adjustments	70,929	-34,505
Share of equity associates in other income and expense recognized directly through equity	55,348	-76,981
Other movements (3)	-12,949	6,135
As of December 31	**2,909,611**	**2,680,668**

(1) In 2024, Thales paid Dassault Aviation EUR 142,350 thousand in dividends for 2023 and EUR 46,538 thousand in interim dividends for 2024. In 2023, Thales had paid Dassault Aviation EUR 117,670 thousand in dividends for 2022 and EUR 43,616 thousand in interim dividends for 2023.
(2) the amounts stated correspond to the change in the market value of the portfolio over the period. They are not representative of the actual gain/loss that will be recognized when the hedges are exercised.
(3) other movements notably include the impact associated with the change in Thales' integration percentage, resulting from Thales' share buyback programs, as well as the impact from the change in scope.

5.3. Summary financial information relating to Thales

Thales provides solutions, services and products that help its customers – businesses, organizations and states – in the defence, aeronautics, space and digital identify and security markets (see http://www.thalesgroup.com). The headquarters of Thales Group is located at 4 rue de la Verrerie – 92190 Meudon – France.

The Thales financial statements summary is as follows:

Balance sheet

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Non-current assets	18,694,400	17,128,600
Current assets	21,295,400	21,657,100
of which cash and cash equivalents	*4,767,100*	*3,979,900*
Total assets	**39,989,800**	**38,785,700**
Equity attributable to the owners of the parent company	7,515,200	6,830,000
Non-controlling interests	42,900	139,000
Non-current liabilities	6,775,000	7,592,200
of which non-current financial liabilities	*4,550,900*	*5,720,300*
Current liabilities	25,656,700	24,224,500
of which current financial liabilities	*3,625,200*	*2,901,100*
Total equity and liabilities	**39,989,800**	**38,785,700**

Income statement

(in EUR thousands)	**2024**	**2023**
Net sales	20,576,600	18,428,400
Net income attributable to the owners of the parent company	1,419,500	1,023,400
of which amortization and depreciation allowances	*-1,155,400*	*-1,045,100*
of which financial interest on gross debt	*-289,300*	*-159,600*
of which financial interest related to cash and cash equivalents	*123,500*	*161,400*
of which income tax	*-247,300*	*-252,200*

Statement of recognized income and expense

(in EUR thousands)	**2024**	**2023**
Other items of comprehensive income, net of tax attributable to the shareholders of the parent company	202,800	-274,300
Total comprehensive income to the owners of the parent company	1,622,300	749,100

The breakdown between the net assets, attributable to Dassault Aviation, published by Thales and the carrying amount of Dassault Aviation share in Thales is shown in the table below:

(in EUR thousands)	12/31/2024	12/31/2023
Share of Thales equity, attributable to owners of the parent company	7,515,200	6,830,000
Homogenization restatements and PPA	-2,614,934	-2,600,100
Thales restated equity, attributable to owners of the parent company	**4,900,266**	**4,229,900**
Dassault Aviation share	1,306,901	1,120,501
Goodwill (1)	1,565,870	1,526,040
Share in net assets of Thales	**2,872,771**	**2,646,541**

(1) the change in goodwill in 2024 is a result of the acquisition by Dassault Aviation of an additional stake in Thales, as well as an increase in interest percentages after Thales bought back its own shares with a view to canceling them.

The breakdown between the net income, attributable to Dassault Aviation, published by Thales and the Dassault Aviation share in net income is as follow:

(in EUR thousands)	2024	2023
Thales net income (100%)	**1,419,500**	**1,023,400**
Dassault Aviation share in Thales net income	**378,581**	**261,990**
Post-tax amortization of the purchase price allocation (1)	-3,956	-3,228
Dassault Aviation share in net income of equity associates	**374,625**	**258,762**

(1) amortization of identified assets for which the modes and periods of amortization are identical to those used for the year ended December 31, 2023.

5.4. Impairment

Based on the Thales share price as of December 31, 2024 (EUR 138.65 per share), Dassault Aviation's stake in Thales is valued at EUR 7,591 million. In the absence of any objective indication of impairment, the Thales investment was not subject to an impairment test as of December 31, 2024.

Note 6 - Other non-current financial assets

(in EUR thousands)	12/31/2023	Increase	Decrease	Change in fair value	Other	12/31/2024
Non-listed securities (1)	88,052	0	-399	1,556	-15	89,194
Other financial assets (2)	67,947	9,700	-4,853	6,073	-2	78,865
Receivables related to investments	*19,530*	*1,107*	*-651*	*0*	*0*	*19,986*
Other receivables and loans	*18,540*	*1,064*	*-637*	*0*	*-2*	*18,965*
Investments measured at market value	*29,877*	*7,529*	*-3,565*	*6,073*	*0*	*39,914*
Other non-current financial assets	**155,999**	**9,700**	**-5,252**	**7,629**	**-17**	**168,059**

(1) unconsolidated investments, non-listed, are measured at fair value against other income and expenses recognized directly through equity, which are not recyclable to income.
(2) maturing at more than one year: EUR 42,492 thousand.

Historical costs of non-current assets and related unrealized gains/losses are presented below:

(in EUR thousands)	12/31/2024			12/31/2023		
	Historical cost	Capital gain or loss	**Asset value**	Historical cost	Capital gain or loss	**Asset value**
Non-listed securities	82,494	6,700	89,194	82,908	5,144	88,052
Other financial assets	71,294	7,571	78,865	66,449	1,498	67,947
Other non-current financial assets	153,788	14,271	**168,059**	149,357	6,642	**155,999**

Note 7 - Inventories and work-in-progress

(in EUR thousands)	12/31/2024			12/31/2023
	Gross	Impairment	Net	Net
Raw materials	536,402	-93,564	442,838	353,788
Work-in-progress	4,548,215	-15,155	4,533,060	3,536,461
Semi-finished and finished goods	2,154,480	-406,480	1,748,000	1,368,024
Inventories and work-in-progress	**7,239,097**	**-515,199**	**6,723,898**	**5,258,273**

The increase in inventories and work-in-progress is mainly linked to the performance of Defence contracts and the ramp-up of the Falcon 6X.

Note 8 - Trade and other receivables

8.1. Details

(in EUR thousands)	12/31/2024			12/31/2023
	Gross	Impairment	Net	Net
Trade receivables (1)	1,240,309	-70,692	1,169,617	829,605
Corporate income tax receivables	24,945	0	24,945	81,688
Other receivables (2)	615,509	0	615,509	397,175
Prepaid expenses	131,206	0	131,206	136,170
Trade and other receivables	**2,011,969**	**-70,692**	**1,941,277**	**1,444,638**

(1) see note 8.3 for receivables relating to finance leases.
(2) other receivables include the net assets resulting from the overfunding of Dassault Falcon Jet's pension plans for EUR 39,894 thousand in 2024 versus EUR 25,577 thousand in 2023 (see note 12.3).

The part of outstanding receivables not written-down at year-end is subject to regular individual monitoring. Dassault Aviation's exposure to credit risk is presented in note 23.2.

8.2. Schedule

(in EUR thousands)	12/31/2024			12/31/2023		
	Total	Within one year	In more than one year	Total	Within one year	In more than one year
Trade receivables (1)	1,240,309	1,233,709	6,600	900,223	851,491	48,732
Corporate income tax receivables	24,945	24,945	0	81,688	81,688	0
Other receivables	615,509	489,001	126,508	397,175	332,664	64,511
Prepaid expenses	131,206	62,711	68,495	136,170	58,985	77,185
Trade and other receivables	**2,011,969**	**1,810,366**	**201,603**	**1,515,256**	**1,324,828**	**190,428**

(1) see note 8.3 for receivables relating to finance leases.

8.3. Receivables relating to finance leases

(in EUR thousands)	12/31/2024	12/31/2023
Minimum lease receivables	30,129	32,733
Unearned financial income	-288	-1,429
Provisions for impairment	0	0
Receivables relating to finance leases	**29,841**	**31,304**

The amount of lease receivables due within one year is EUR 30,129 thousand as of December 31, 2024.

Note 9 - Cash

9.1. Net cash

(in EUR thousands)	12/31/2024	12/31/2023
Cash equivalents (1)	1,007,220	580,682
Cash at bank and in hand	604,220	876,898
Cash and cash equivalents	**1,611,440**	**1,457,580**
Bank overdrafts	0	0
Net cash in the cash flow statement	**1,611,440**	**1,457,580**

(1) primarily time deposits and cash equivalent marketable securities. The corresponding risk analysis is described in note 23.1.

9.2. Available cash

Dassault Aviation uses an alternative performance indicator called "Available cash," which reflects the amount of total liquidity available to Dassault Aviation, net of financial debts except for lease liabilities. It is calculated as follows:

(in EUR thousands)	12/31/2024	12/31/2023
Current financial assets (1)	6,873,977	5,913,980
Cash and cash equivalents	1,611,440	1,457,580
Sub-total	**8,485,417**	**7,371,560**
Borrowings and financial debts, excluding lease liabilities (2)	-51,763	-77,861
Available cash	**8,433,654**	**7,293,699**

(1) other current financial assets notably include time deposits and other cash investments in the form of listed marketable securities. These investments could be converted into cash depending on Dassault Aviation's operational purposes.
(2) see detail of financial debts in note 11.

A full analysis of the performance of investments classified as other current financial assets and cash equivalents is performed at each closing date. The investment portfolio does not show, line by line, any objective indication of significant impairment as of December 31, 2024 (as was the case on December 31, 2023). The corresponding risk analysis is described in note 23.

9.2.1. Current financial assets

(in EUR thousands)	12/31/2024	12/31/2023
Time deposits > 3 months	5,200,683	4,532,694
Treasury notes	721,359	614,778
UCITS	951,935	766,508
Current financial assets	**6,873,977**	**5,913,980**

9.2.2. Cash equivalents

(in EUR thousands)	12/31/2024	12/31/2023
Time deposits < 3 months	337,932	73,901
Treasury notes	26,441	0
UCITS	642,847	506,781
Cash equivalents	**1,007,220**	**580,682**

Note 10 - Equity

10.1. Share capital

Following the decision of the meetings of the board of directors on March 5, 2024 and July 23, 2024, the share capital was reduced through the cancellation of 2,206,805 treasury shares. As of December 31, 2024, the share capital stands at EUR 62,876 thousand and consists of 78,595,561 common shares of EUR 0.80 each. The distribution of share capital as of December 31, 2024 is as follows:

	Shares	% Capital	% Voting rights
GIMD (1)	51,960,760	66.1%	79.7%
Float	17,962,449	22.9%	13.9%
Airbus SE	8,275,290	10.5%	6.4%
Dassault Aviation (treasury shares)	397,062	0.5%	-
Total	**78,595,561**	**100%**	**100%**

(1) the parent company, Groupe Industriel Marcel Dassault (GIMD), located at 9, Rond-Point des Champs-Élysées - Marcel Dassault - 75008 Paris, fully consolidates Dassault Aviation's financial statements.

10.2. Treasury shares

Movements on treasury shares are detailed below:

(in number of shares)	2024	2023
Treasury shares as of January 1	**1,779,777**	**689,502**
Purchase of treasury shares	867,621	3,813,303
Share-based payments	-43,531	-38,364
Cancellation of shares	-2,206,805	-2,684,664
Treasury shares at the closing date	**397,062**	**1,779,777**
Amount recognized in less from equity (in EUR thousands)	*-55,554*	*-295,451*

The impact of treasury shares on Dassault Aviation's consolidated financial statements is detailed in the statement of changes in equity.

In 2024, Dassault Aviation acquired 867,621 shares for a total of EUR 154,925 thousand (average price of EUR 178.56 per share).

Of the remaining 397,062 shares held by the Company as of December 31, 2024, 198,527 shares were allocated for cancellation by the board of directors on March 4, 2025, in addition to 198,535 shares previously allocated to potential performance share awards and to a potential liquidity contract to stimulate the market for the shares.

10.3. Dividend distribution

Dividends on ordinary shares	**2024**	**2023**
Paid during the year (in EUR thousands) (1)	264,729	245,585
i.e. per share (EUR)	3.37	3.00
Submitted to the AGM for approval, not recognized as a liability as of December 31 (in EUR thousands) (2)	370,034	266,068
i.e. per share (EUR)	4.72	3.37

(1) net of dividends on treasury shares.
(2) proposed dividends were calculated on the basis of the number of shares making up the share capital as of December 31, 2024, less shares canceled pursuant to the decrease in capital decided by the board of directors meeting on March 4, 2025.

10.4. Share-based payments

Dassault Aviation grants performance shares to corporate officers. The characteristics of these allocation plans are described in the Directors' report.

Grant date	**Vesting period**	**Number of shares allocated**	**Share price on the grant date**	**Number of shares delivered in 2024**	**Number of shares canceled (1)**	**Balance of performance shares as of 12/31/2024**
03/08/2023	from 03/08/2023 to 03/07/2024	39,900	EUR 162.30	43,531	0	0
03/05/2024	from 03/05/2024 to 03/04/2025	21,000	EUR 188.10	0	0	21,000

(1) shares canceled in the event of partial or total non-achievement of performance conditions.

Dassault Aviation did not grant any stock-option plans to its employees and corporate officers.

The impacts on the income statement are set out below:

(in EUR thousands - unless otherwise indicated)	**Fair value of the plan**	**IFRS value of the allocated share**	**2024 personnel expenses**	**2023 personnel expenses**
2023 plan	6,953	EUR 159.73	4,351	2,602
2024 plan	3,656	EUR 174.10	1,508	0

Note 11 - Borrowings and financial debt

(in EUR thousands)	Bank borrowings	Lease liabilities	Other borrowings and financial liabilities (1)	**Borrowings and financial debt**
As of December 31, 2023	**0**	**184,576**	**77,861**	**262,437**
Increase	0	28,267	2,608	30,875
Decrease	0	-33,891	-28,714	-62,605
Other	0	7,043	8	7,051
As of December 31, 2024	**0**	**185,995**	**51,763**	**237,758**

(1) other financial liabilities mainly include locked-in employee profit-sharing funds. Employee profit-sharing corresponds to “other long-term benefits,” and should be valued and discounted according to the principles of IAS 19 (revised). However, in view of the low historical differences between remuneration rate and discount rate, Dassault Aviation considers that the valuation method by amortized cost constitutes a reasonable approximation of the profit-sharing liability.

By maturity, the distribution of financial debt is as follows:

(in EUR thousands)	**Total as of 12/31/2024**	**Amount due within one year**	**Amount due in more than one year**		
			Total	*>1 year and <5*	*> 5 years*
Bank borrowings	0	0	0	*0*	*0*
Lease liabilities	185,995	29,296	156,699	*41,524*	*115,175*
Other borrowings and financial liabilities	51,763	26,271	25,492	*25,419*	*73*
Borrowings and financial debt	**237,758**	**55,567**	**182,191**	*66,943*	*115,248*

(in EUR thousands)	**Total as of 12/31/2023**	**Amount due within one year**	**Amount due in more than one year**		
			Total	*>1 year and <5*	*> 5 years*
Bank borrowings	0	0	0	*0*	*0*
Lease liabilities	184,576	31,743	152,833	*46,706*	*106,127*
Other borrowings and financial liabilities	77,861	22,883	54,978	*54,908*	*70*
Borrowings and financial debt	**262,437**	**54,626**	**207,811**	*101,614*	*106,197*

As the difference between gross values and balance-sheet values is not material, maturity schedule is presented based on balance-sheet values.

The change in borrowings and financial debt between 2023 and 2024 breaks down as follows:

(in EUR thousands)	**12/31/2023**	Cash flow	Lease liabilities (1)	Other movements	**12/31/2024**
Bank borrowings	0	0	0	0	0
Lease liabilities	184,576	-33,891	28,267	7,043	185,995
Other borrowings and financial liabilities	77,861	-26,106	0	8	51,763
Borrowings and financial debt	**262,437**	**-59,997**	**28,267**	**7,051**	**237,758**

(1) liabilities from new leases entered on the balance sheet over the period and termination of leases, with no impact on cash.

Note 12 - Provisions for contingencies and charges

12.1. Provisions for contingencies and charges and for impairment

(in EUR thousands)	12/31/2023	Allocations	Reversals	Other (1)	12/31/2024
Provisions for contingencies and charges	1,619,186	346,382	-289,636	-71,231	1,604,701
Provisions for impairment	547,500	582,822	-549,730	7,074	587,666
Non-current financial assets	*154*	*0*	*0*	*0*	*154*
Property, plant and equipment	*10,094*	*1,557*	*-10,290*	*260*	*1,621*
Inventories and work-in-progress	*466,634*	*510,912*	*-468,722*	*6,375*	*515,199*
Trade receivables	*70,618*	*70,353*	*-70,718*	*439*	*70,692*
Provisions for contingencies and charges and for impairment	**2,166,686**	**929,204**	**-839,366**	**-64,157**	**2,192,367**

(1) notably includes foreign exchange differences and actuarial adjustments recorded as income and expense recognized directly through equity.

12.2. Details of provisions for contingencies and charges

(in EUR thousands)	12/31/2023	Allocations	Reversals	Other	12/31/2024
Warranty (1)	878,568	113,937	-128,897	1,934	865,542
Other risks related to contract (1)	629,519	179,930	-135,447	2,712	676,714
Retirement severance payments (2)	103,037	45,503	-23,899	-75,944	48,697
French companies	*103,037*	*33,106*	*-10,153*	*-77,293*	*48,697*
US companies	*0*	*12,397*	*-13,746*	*1,349*	*0*
Other operational risks (3)	8,062	7,012	-1,393	67	13,748
Provisions for contingencies and charges	**1,619,186**	**346,382**	**-289,636**	**-71,231**	**1,604,701**

(1) provisions are updated to reflect changes to the fleet in service, deliveries during the period and contractual obligations induced by the execution of contracts.
(2) actuarial adjustments contributed to the decrease in the provision for retirement severance payments in the amount of EUR -88,124 thousand. They are distributed as follows:

French companies	*-77,293*
US companies	*-10,831*
Total actuarial adjustments	*-88,124*

Net assets resulting from the overfunding of Dassault Falcon Jet's pension plans are posted in other receivables (see note 8).

(3) as of December 31, 2024, the other long-term benefits relating to long-service awards amounted to EUR 3,099 thousand, compared with EUR 3,208 thousand at the end of 2023.

12.3. Provisions for retirement severance payments

12.3.1. Description of the plans

The plans set up are either defined-contribution plans or defined-benefit plans.

Defined-contribution plans

In certain countries, Dassault Aviation pays contributions bases on salaries to state organizations overseeing basic pension schemes (e.g., Securité Sociale or the compulsory supplementary schemes ARRCO and AGIRC in France). These plans do not impose any obligations on Dassault Aviation other than the payment of contributions: there is no related benefit obligation and contributions are expensed in the period they are incurred.

Amounts paid represent EUR -139,417 thousand in 2024 and EUR -127,896 thousand in 2023.

Defined-benefit plans

Defined-benefit plans relate to different types of benefits:
- pensions and end-of-career indemnities (legal or contractual), and other long-term benefits (jubilee awards, etc.), particularly in France;
- supplementary pension schemes, mainly in the United States providing the payment of an annuity. This plan was frozen as at December 31, 2021 and was replaced by a defined-contribution plan.

These commitments are partially covered by plan assets. A provision is recognized if the value of the assets is insufficient to cover the obligations.

12.3.2. Assumptions used

	French companies		US companies	
	2024	**2023**	**2024**	**2023**
Inflation rate	2.10%	2.40%	2.49%	2.14%
Discount rate	3.30%	2.60%	5.80%	5.10%
Average duration of commitments	13 years	13 years	15 years	15 years

The discount rates were based on the yield for top-ranking corporate long-term bonds corresponding to the currency and the maturity of the commitments.

12.3.3. Changes in commitments and plan assets

Changes in commitments and plan assets over the last five years are as follows:

(in EUR thousands)	**2024**	**2023**	**2022**	**2021**	**2020**
Total commitment	652,324	734,208	745,271	996,513	1,029,185
Plan assets	643,521	656,748	673,477	767,391	694,085
Net commitment	**8,803**	**77,460**	**71,794**	**229,122**	**335,100**
underfunding	*48,697*	*103,037*	*115,481*	*229,122*	*335,100*
overfunding	*39,894*	*25,577*	*43,687*	*0*	*0*

Changes in commitments over the year break down as follows:

(in EUR thousands)	2024			2023		
	France	United States	**Total**	France	United States	**Total**
As of January 1	492,915	241,293	**734,208**	520,369	224,902	**745,271**
Current service cost	29,910	0	29,910	27,870	0	27,870
Past services cost (1)	0	0	0	-47,855	0	-47,855
Interest expense	13,242	12,397	25,639	16,236	11,942	28,178
Benefits paid	-32,170	-21,558	-53,728	-28,113	-279	-28,392
Actuarial adjustments	-76,728	-21,064	-97,792	4,408	13,074	17,482
Foreign exchange differences and other	0	14,087	14,087	0	-8,346	-8,346
As of December 31	427,169	225,155	**652,324**	492,915	241,293	**734,208**

(1) In 2023, the pension reform resulted in a decrease of the provision by EUR 47,855 thousand, recorded under past services cost.

The sensitivity of the commitment to a change in the discount rate as at December 31, 2024 is presented below:

Sensitivity in basis points	**+100 pts**	**+50 pts**	**+25 pts**	**-25 pts**	**-50 pts**	**-100 pts**
Reduction (increase) in the commitment	-77,669	-41,460	-21,262	22,442	46,099	95,700

Changes in plan assets during the period are as follows:

(in EUR thousands)	2024			2023		
	France	United States	**Total**	France	United States	**Total**
As of January 1	389,878	266,870	**656,748**	404,888	268,589	**673,477**
Expected return on plan assets	10,046	13,204	23,250	13,638	13,326	26,964
Actuarial adjustments	565	-10,233	-9,668	917	-5,772	-4,855
Employer contributions	5,000	542	5,542	15,000	508	15,508
Benefits paid	-27,017	-21,558	-48,575	-44,565	-279	-44,844
Foreign exchange differences and other	0	16,224	16,224	0	-9,502	-9,502
As of December 31	378,472	265,049	**643,521**	389,878	266,870	**656,748**

The costs for defined benefit plans can be analyzed as follows:

(in EUR thousands)	2024			2023		
	France	United States	**Total**	France	United States	**Total**
Current service cost	29,910	0	29,910	27,870	0	27,870
Past services cost	0	0	0	-47,855	0	-47,855
Interest expense	13,242	12,397	25,639	16,236	11,942	28,178
Expected return on plan assets	-10,046	-13,204	-23,250	-13,638	-13,326	-26,964
Costs for defined benefit plans	33,106	-807	**32,299**	-17,387	-1,384	**-18,771**

Plan assets are invested as follows:

	2024		2023	
	France	United States	France	United States
Bonds and debt securities	80%	100%	80%	77%
Real estate	11%	0%	11%	18%
Shares	9%	0%	9%	0%
Liquidities	0%	0%	0%	5%
Total	**100%**	**100%**	**100%**	**100%**

The fund invests largely in bonds with a minimum guaranteed annual yield.

Note 13 - Operating liabilities

(in EUR thousands)	12/31/2024			12/31/2023		
	Total	**Within one year**	**In more than**	**Total**	**Within one year**	**In more than**
Trade payables	1,273,776	1,273,776	0	1,073,177	1,073,177	0
Other liabilities	241,127	241,127	0	159,494	159,494	0
Deferred income	1,368	1,368	0	1,083	663	420
Trade payables and other payables	**1,516,271**	**1,516,271**	**0**	**1,233,754**	**1,233,334**	**420**
Corporate income tax	7,724	7,724	0	6,891	6,891	0
Other tax and social security liabilities	476,893	476,645	248	385,524	385,524	0
Tax and social security liabilities	**484,617**	**484,369**	**248**	**392,415**	**392,415**	**0**

Note 14 - Contract assets and liabilities

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Unbilled receivables	117,629	142,495
Deferred income	0	0
Advances and progress payments received from customers	-35,413	-105,513
Contract assets	**82,216**	**36,982**
Unbilled receivables	564,570	440,881
Deferred income	-1,163,305	-1,116,225
Advances and progress payments received from customers	-18,237,389	-13,530,921
Contract liabilities	**-18,836,124**	**-14,206,265**

For a given contract, a contract asset (liability) represents the unbilled receivables, less deferred income and advances and progress payments received from the customer.

The increase in contract liabilities is essentially due to the increase in advances and progress payments received from customers. This is mainly because of the advances received on military contracts.

The amount of revenue recognized in 2024 that was included in the opening balance of contract liabilities is EUR 2,605,099 thousand.

The amount of revenue recognized in 2024 relating to performance obligations that met in prior periods is not material.

As Dassault Aviation acts as “principal” on the Rafale Export contracts, the progress payments received include the co-contractors' share. The progress payments paid reflect the repayment of the co-contractors' share:

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Advances and progress payments received	-18,272,802	-13,636,434
Advances and progress payments paid	6,641,613	4,566,732
Advances and progress payments received net of advances and progress payments paid	**-11,631,189**	**-9,069,702**

Note 15 - Net sales

By origin, net sales breaks down as follows:

(in EUR thousands)	**2024**	**2023**
France	5,047,263	3,826,212
United States	976,298	781,820
Other	216,147	196,859
Net sales	**6,239,708**	**4,804,891**

The breakdown of net sales by geographical area is as follows:

(in EUR thousands)	**2024**	**2023**
France (1)	2,001,046	1,540,294
Export (2)	4,238,662	3,264,597
Net sales	**6,239,708**	**4,804,891**

(1) mainly the government, with whom Dassault Aviation realized more than 10% of its total net sales in 2024 and in 2023.
(2) in 2024, more than 5% of net sales was made with the United States, Greece and India. In 2023, more than 5% of net sales was made with the United States and with Greece. The net sales from Rafale Export contracts is recognized on a gross basis (including the co-contractors' parts).

By activity, net sales break down as follows:

(in EUR thousands)	**2024**	**2023**
Falcon	2,275,012	1,825,128
Defence	3,964,696	2,979,763
Defence France	*1,948,985*	*1,468,233*
Defence Export	*2,015,711*	*1,511,530*
Net sales	**6,239,708**	**4,804,891**

By recognition method, net sales breaks down as follows:

(in EUR thousands)	**2024**	**2023**
At a point in time	4,597,913	3,254,737
Over time	1,641,795	1,550,154
Net sales	**6,239,708**	**4,804,891**

Note 16 - Other revenue

(in EUR thousands)	2024	2023
Research tax credits	34,442	33,835
Interest on arrears	1,731	494
Capitalized production	22,309	42,325
Other income	139,147	117,006
Other revenue	**197,629**	**193,660**

Note 17 - Other operating income and expenses

(in EUR thousands)	2024	2023
Income or losses from disposals of non-current assets	-10,097	2,804
Foreign exchange gains or losses from business transactions (1)	-5,313	6,928
Other operating expenses	-4,129	-19,068
Other operating income and expenses	**-19,539**	**-9,336**

(1) particularly foreign exchange gains and losses on trade receivables and payables.

Note 18 - Research and development costs

Self-financed research and development costs are recognized as expenses for the fiscal year in which they are incurred, except for development costs whereby the criteria for being shown as an asset are met, which are capitalized and subsequently amortized (see note 1.7.2).

(in EUR thousands)	2024	2023
Research and development costs	-437,184	-483,018

Dassault Aviation's research and development strategy and initiatives are described in the Directors' report.

Note 19 - Net financial income/expense

(in EUR thousands)	2024	2023
Income from cash and cash equivalents	47,902	48,681
Cost of gross financial debt	-9,397	-7,086
Financial interest on leases	*-7,361*	*-4,212*
Other financial expenses	*-2,036*	*-2,874*
Cost of net financial debt	**38,505**	**41,595**
Dividends and other investment income	6,612	734
Income and expenses from other financial assets	253,097	221,703
Foreign exchange gain/loss (1)	-8,161	6,151
Financing component (2)	-90,172	-58,538
Other financial income and expenses	**161,376**	**170,050**
Net financial income	**199,881**	**211,645**

(1) the foreign exchange loss for the period includes the change in market value and the loss associated with the exercise of foreign exchange hedging instruments not eligible for hedge accounting as defined in IFRS 9 “Financial Instruments.” The amounts are not representative of the actual gain/loss, which will be recognized when the hedges are exercised.
(2) under IFRS 15, financing component recognized for long-term Defence contracts.

Note 20 - Taxes

20.1. Income tax

(in EUR thousands)	2024	2023
Corporate tax (1)	-206,959	-105,996
Deferred tax	20,830	-28,268
Income tax	**-186,129**	**-134,264**

(1) In 2024, the corporate tax includes Pillar II tax. The amount is not material.

20.2. Taxes recognized directly through equity

(in EUR thousands)	12/31/2024	12/31/2023
Derivative financial instruments	31,801	-25,731
Other non-current financial assets	-333	253
Actuarial adjustments	-21,802	5,306
Taxes recognized directly through equity	**9,666**	**-20,172**

20.3. Reconciliation between theoretical and recognized income tax expense

(in EUR thousands)	2024	2023
Net income	923,824	693,398
Less tax expense	*186,129*	*134,264*
Less share in net income of equity associates	*-382,917*	*-266,540*
Income before tax	727,036	561,122
Theoretical tax expenses calculated at the current rate (1)	**-187,757**	**-144,910**
Effect of tax credits (2)	10,868	10,371
Effect of differences in tax rates	1,352	816
Other	-10,592	-541
Income tax recognized	**-186,129**	**-134,264**

(1) the rate applied is the rate applicable in France (25.83%), as income before tax mainly relates to French entities.
(2) includes the impact of the research tax credits, recognized in other revenue. This amounted to EUR 34,442 thousand in 2024, compared with EUR 33,835 thousand in 2023.

20.4. Deferred tax sources

(in EUR thousands)	Consolidated balance sheet		Consolidated income statement	
	12/31/2024	12/31/2023	2024	2023
Provisions (profit-sharing, pensions, etc.)	263,514	266,228	18,274	-20,232
Other current and non-current financial assets and cash equivalents	-3,904	-2,572	-8,883	-3,581
Derivative financial instruments	24,252	-7,066	-483	-1,496
Other temporary differences	99,601	85,278	11,922	-2,959
Net deferred taxes	**383,463**	**341,868**	**20,830**	**-28,268**
Deferred tax assets	*385,274*	*344,295*		
Deferred tax liabilities	*-1,811*	*-2,427*		

20.5. Deferred tax assets not recognized on the balance sheet

(in EUR thousands)	12/31/2024	12/31/2023
Deferred tax assets not recognized on the balance sheet	1,176	1,618

These are temporary differences for which reversal is not expected before 10 years.

Note 21 - Earnings per share

Earnings per share	**2024**	**2023**
Net income attributable to the owners of the parent company (in EUR thousands) (1)	923,824	693,398
Average number of shares outstanding	78,448,249	80,926,105
Diluted average number of shares outstanding	78,458,749	80,946,055
Earnings per share (in EUR)	**11.78**	**8.57**
Diluted earnings per share (in EUR)	**11.77**	**8.57**

(1) net income is fully attributable to income from continuing operations (no discontinued operations).

Earnings per share are calculated by dividing the net income attributable to the owners of the parent company by the weighted average number of common shares outstanding during the year, minus treasury shares.

Diluted earnings per share correspond to the net income attributable to the owners of the parent company divided by the diluted weighted average number of shares. This corresponds to the weighted average number of common shares outstanding, increased by performance shares granted.

Note 22 - Financial assets and liabilities

The valuation method on the balance sheet (cost or fair value) of financial instruments (assets or liabilities) is detailed in the tables below.

Dassault Aviation used the following hierarchy for the fair value valuation of financial assets and liabilities:
- Level 1: quoted prices on an active market,
- Level 2: valuation techniques based on observable market data,
- Level 3: valuation techniques based on non-observable market data.

22.1. Financial assets

(in EUR thousands)	Balance sheet value as of 12/31/2024				Balance sheet value as of 12/31/2023
	Cost or amortized cost (1)	Fair value		Total	
		Impact on net income	Impact on equity		
Non-current assets					
Other non-current financial assets	38,951	39,914	89,194	168,059	155,999
Current assets					
Trade and other receivables	1,941,277			1,941,277	1,444,638
Derivative financial instruments		0	1,987	1,987	58,694
Other current financial assets	5,922,042	951,935		6,873,977	5,913,980
Cash equivalents	364,373	642,847		1,007,220	580,682
Total financial instruments (assets)	**8,266,643**	**1,634,696**	**91,181**	**9,992,520**	**8,153,993**
Level 1		1,634,696	0		
Level 2		0	1,987		
Level 3		0	89,194		

(1) the carrying amount of the financial instruments (assets) recognized at cost or amortized cost corresponds to a reasonable approximation of the fair value.

22.2. Financial liabilities

(in EUR thousands)	Balance sheet value as of 12/31/2024				Balance sheet value as of 12/31/2023
	Cost or amortized cost (1)	Fair value		Total	
		Impact on net income	Impact on equity		
Non-current liabilities					
Bank borrowings	0			0	0
Lease liabilities	156,699			156,699	152,833
Other financial liabilities (2)	25,492			25,492	54,978
Current liabilities					
Bank borrowings	0			0	0
Lease liabilities	29,296			29,296	31,743
Other financial liabilities (2)	26,271			26,271	22,883
Trade and other payables	1,516,271			1,516,271	1,233,754
Derivative financial instruments		3,679	97,867	101,546	29,440
Total financial instruments (liabilities)	**1,754,029**	**3,679**	**97,867**	**1,855,575**	**1,525,631**
Level 1		0	0		
Level 2		3,679	97,867		
Level 3		0	0		

(1) the carrying amount of the financial instruments (liabilities) recognized at cost or at amortized cost corresponds to a reasonable approximation of the fair value.
(2) primarily locked-in employee profit-sharing funds.

Note 23 - Financial risk management

23.1. Cash and liquidity risks

23.1.1. Financial debts

Dassault Aviation has no significant risk in relation to its financial debt. A description of the financial debts appears in note 11.

23.1.2. Cash, cash equivalents and other current financial assets

Dassault Aviation has a solid financial structure and works only with top-tier banks.

The investment portfolio is primarily composed of time deposits and money market investments with no significant risk of impairment.

(in EUR thousands)	**Market value**	**In %**
Cash at bank and in hand, money market investments and time deposits	6,785,683	80%
Investments in bonds and other investments	925,961	11%
Unspecified investments	773,773	9%
Total	**8,485,417**	**100%**

A full analysis of the performance of investments is performed at each closing date. The investment portfolio does not show, line by line, any objective indication of significant impairment as of December 31, 2024 (as was the case on December 31, 2023).

These investments could be converted into cash depending on Dassault Aviation's operational purposes. Cash resources and its portfolio of marketable securities therefore allow Dassault Aviation to meet its commitments without any liquidity risk. Dassault Aviation is not faced with restrictions with regard to the availability of its cash and its portfolio of marketable securities.

23.2. Credit and counterparty risks

23.2.1. Credit risk on bank counterparties

Dassault Aviation allocates its investments and performs its cash and foreign exchange transactions with recognized financial institutions. Dassault Aviation has no investments or accounts with financial institutions presenting a significant risk of default.

23.2.2. Customer default risk

Dassault Aviation limits counterparty risk by conducting most of its sales in cash and ensuring that the loans are secured by export insurance guarantees (Bpifrance Assurance Export) or collaterals. The share of receivables not covered by these procedures is subject to regular individual monitoring and, if necessary, a provision for impairment.

Given the arrangements in risk mitigation that are in place, and the provisions made in its accounts, Dassault Aviation's residual exposure to the risk of default by a customer in a country subject to uncertainties is limited.

The Bpifrance Assurance Export guarantees and collateral obtained and not exercised as of the closing date are of the same nature as those as of December 31, 2023.

The amount of Bpifrance Assurance Export guarantees and collaterals obtained and not exercised at year-end appears in the table of off-balance sheet commitments (see note 24).

The manufacturing risk is also guaranteed with Bpifrance Assurance Export for major military export contracts.

23.3. Other market risks

23.3.1. Foreign exchange risk

Dassault Aviation covers risks from exchange rates using derivative financial instruments whose book value is presented below:

(in EUR thousands)	12/31/2024		12/31/2023	
	Assets	**Liabilities**	**Assets**	**Liabilities**
Exchange rate derivatives	1,987	101,546	58,694	29,440
Net derivative financial instruments		**99,559**	**29,254**	

Dassault Aviation is exposed to a foreign exchange risk through the parent company in relation to its Falcon sales, which are mainly denominated in US dollars. This risk is partially hedged by using forward currency contracts and foreign exchange options.

Dassault Aviation partially hedges its cash flows that are considered highly probable. It ensures that the initial future cash flows will be sufficient to use the foreign exchange hedges in place. The hedged amount may be adjusted in accordance with changes over time in expected net cash flows.

This risk is permanent, taking into account exchange rate fluctuations and volatility. This is a significant risk for Dassault Aviation, since the measures put in place to limit this risk are not sufficient to make the net risk zero (periods not covered by hedges, possible financial impact of hedges already taken out the event of reversal of market assumptions).

The foreign exchange derivatives subscribed by Dassault Aviation are not all eligible for hedge accounting under IFRS 9 “Financial instruments.” The breakdown is presented in the table below:

(in EUR thousands)	**Market value as of 12/31/2024**	**Market value as of 12/31/2023**
Instruments which qualify for hedge accounting	-91,667	39,018
Instruments which do not qualify for hedge accounting	-7,892	-9,764
Exchange rate derivatives	**-99,559**	**29,254**

The breakdown of the fair value of the derivative financial instruments by maturity rate is as follows:

(in EUR thousands)	**Within one year**	**In more than one year**	**Total**
Exchange rate derivatives	-47,511	-52,048	**-99,559**

The impact on net income and equity of the change in fair value in hedging instruments over the period is as follows:

(in EUR thousands)	**12/31/2023**	**Impact on equity (1)**	**Impact on operating income**	**Impact on net financial income (2)**	**12/31/2024**
Exchange rate derivatives	29,254	-123,140	-7,545	1,872	**-99,559**

(1) recognized directly under income and expenses recognized directly through equity, share of fully consolidated companies.
(2) change in fair value of foreign exchange hedging instruments which do not qualify for hedge accounting under the terms of IFRS 9 “Financial Instruments.”

The change in the market value of derivative financial instruments reflects the change in the €/$ exchange rate between December 31, 2023 ($/€ 1.1050) and December 31, 2024 ($/€ 1.0389).

A sensitivity analysis was conducted to determine the impact of a 10 cent increase or decrease in the US dollar/euro exchange rate.

Market value of the portfolio (in EUR thousands)	**12/31/2024**	
Net balance sheet position	-99,559	
Closing US dollar/euro exchange rate	$1.0389/€	
Closing US dollar/euro exchange rate +/-10 cents	$0.9389/€	$1.1389/€
Change in net balance sheet position (1)	-186,181	+153,486
Impact on net income	*-5,069*	*+4,178*
Impact on equity	*-181,112*	*+149,308*

(1) data calculated based on existing market conditions on the balance sheet dates. They are not representative of the actual gain/loss to be recognized when hedging is carried out.

23.3.2. Interest rate risk

Dassault Aviation is exposed to changes in interest rates notably through its variable-rate investments.

(in EUR thousands)	**12/31/2024**		
	Fixed rate	**Variable rate**	**Total**
Current financial assets, cash and cash equivalents	6,286,415	2,199,002	8,485,417
Financial debt (excluding lease liabilities)	0	-51,763	-51,763
Net exposure to interest rate risk	**6,286,415**	**2,147,239**	**8,433,654**

In 2024, a one-point increase in interest rates applied to Dassault Aviation’s average cash would have had a positive impact on financial income of EUR 19,213 thousand.

Note 24 - Off-balance sheet commitments

Dassault Aviation's off-balance sheet commitments relate essentially its operating activities and can be analyzed as follows:

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Commitments given under commercial contracts	23,596,702	18,495,315
Guarantees and deposits	108,150	190,508
Commitments given secured by bank guarantees	4,276,328	4,381,718
Commitments given	**27,981,180**	**23,067,541**

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Backlog	43,223,593	38,508,477
Other commitments received under commercial contracts	3,170,600	2,358,680
Collateral	31,565	31,659
Bpifrance Assurance Export guarantees	2,180	6,140
Commitments received secured by bank guarantees	132,914	81,012
Commitments received	**46,560,852**	**40,985,968**

The breakdown of the backlog by maturity is as follows:

(in EUR thousands)	Less than three years	Between three and five years	More than five years	**Total**
Backlog	22,023,925	12,922,690	8,276,978	**43,223,593**

The main contract type that constitutes the backlog is "Rafale Export" contract. The change in backlog over the period is therefore mainly due to the Rafale contracts with the Rafale Indonesia (18 Rafale) and Rafale Serbia (12 Rafale) contracts coming into force during the year.

Note 25 - Contingent assets and liabilities

There are no contingent assets or liabilities as of December 31, 2024.

Note 26 - Related-party transactions

Dassault Aviation's related parties are:
- Groupe Industriel Marcel Dassault and its subsidiaries,
- equity associates, including the Thales group and its subsidiaries,
- the chairman and chief executive officer and the chief operating officer of Dassault Aviation,
- the directors of Dassault Aviation.

<u>Terms and conditions of related-party transactions</u>

Sales and purchases are made at market price. Balances outstanding at year-end are not guaranteed and payments are made in cash. No guarantees were provided or received for related-party receivables. For 2024, Dassault Aviation did not recognize any provisions for bad debts relating to amounts receivable from related parties. This assessment is performed each year by examining the financial position of the related parties and the market in which they operate.

26.1. Details of transactions

(in EUR thousands)	2024	2023
Income	7,627	1,256
Expenses	828,502	648,882
Receivables	3,481,898	1,267,356
Payables	174,975	260,020

The majority of expenses and receivables are with Thales, co-contracted for the Rafale Export contracts on which Dassault Aviation acts as principal.

26.2. Compensation of corporate officers and benefits in kind

The compensation and benefits in kind paid by Dassault Aviation to the corporate officers can be analyzed as follows:

(in EUR thousands)	2024	2023
Fixed compensation	3,498	3,326
Directors’ fees	586	452
Benefits in kind	19	20
Allocation of performance shares	6,953	4,669
Compensation of corporate officers and benefits in kind	**11,056**	**8,467**

Note 27 - Average headcount

Dassault Aviation’s average headcount was 14,164 in 2024. It was 13,174 in 2023.

Note 28 - Auditors’ fees

The statutory auditors’ fees for certifying Dassault Aviation’s financial statements as of December 31, 2024, recognized as expenses for 2024 and 2023, are as follows:

(in EUR thousands)	PwC		Forvis Mazars	
	2024	2023	2024	2023
Certification of accounts (1)	391	356	667	653
Certification of sustainability reporting	125	0	125	0
Other audit services (2)	157	0	242	159
Auditors’ fees	**673**	**356**	**1,034**	**812**

(1) these fees primarily include the review and certification of Dassault Aviation’s consolidated financial statements, certification of the financial statements of the parent company and its subsidiaries and compliance with local regulations.
(2) these fees are mainly for services related to certifications and technical consultations (including the sustainability statement).

Note 29 - Subsequent events

No events likely to have a material impact on the financial statements occurred between December 31, 2024 and the date the financial statements were approved by the board of directors.

Statutory auditors' report on the consolidated financial statements

Year ended December 31, 2024

To the General Meeting of Dassault Aviation,

Opinion

In compliance with the engagement entrusted to us by your general meeting, we have audited the accompanying consolidated financial statements of DASAULT AVIATION for the year ended December 31, 2024.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2024 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code and in the French Code of Ethics (Code de Déontologie) for statutory auditors, for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1 of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L.821-53 and R.821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Risk identified	*Our response*
Accounting for the revenue and the result to be recognized on Defense contracts *(Notes 1.7.12, 1.7.16, 12.2, 14 and 15 of the consolidated financial statements)* A significant share of Dassault Aviation's consolidated revenues is generated through Defense Contracts for which revenue and result are recognized in accordance with the principles set out in note 1.7.16 "Net sales and income" to the consolidated financial statements Defense contracts' analysis, which as of December 31 2024 represent 3,964.7 million i.e. 64% of the Group's activity, required judgement in order to identify the performance obligations under the contract, the allocation of the transaction price to each of the performance obligations, the existence or not of a financing component and a price variable component, and the determination of the revenue recognition method (over time or at a point in time). In addition, the results at completion on Defense contracts, as well as any provisions for loss on completion and provisions for risks and charges at the closing date depend on the capacity of the entity: • to measure the costs incurred on a contract, and • to reliably estimate the costs yet to be incurred until the end of the contract. The estimates of the costs to be incurred are based on a program monitoring process ensured by the Programs Department and Finance Department under the control of the Executive Management. The estimates of results at completion of the contracts are updated at each closing date. Accounting for the revenue and the result to be recognized of Defense contracts is seen as a key point of the audit because of the high level of judgment and of estimates required to determine the methods on the recognition of revenue and of results at completion of contracts, and consequently, their potentially significant impact on consolidated profit and loss and equity.	Based on discussions with the relevant Operational Departments, we took note of the procedures to identify the costs and valuation of margins at completion. We also tested the functioning of internal key controls that we considered relevant to our audit. Our work consisted of : • testing controls for net sales and cost to be incurred forecasts with respect to contracts; • conducting interviews with program monitoring managers and Financial Department and carry out tests on sampled documents for a selection of the contracts that contributed most to the results of the period, in order to: - assessing the adequacy of the analyses performed by the Group to determine the methods of revenue recognition, in particular the identification of performance obligations, the evaluation of the materiality or not of the financing components, the allocation of the transaction price between the performance obligations and the rate of revenue recognition - confirm the performance of the contract benefits when the revenue is recognized at a point in time; - test the costs incurred and thus corroborate the degree of progress as revenue is gradually recognized; - appreciate the reasonability significant assumptions used for the determination of results at completion, of provisions for risks and charges and test by survey observed data and costs retained for the valuation of provisions as well as the calculations made. • reconciling the accounting data with their operational analytical monitoring for these contracts; • verifying the correct analytical allocation of costs to contracts; • reconciling the basic data used to determine the impacts of IFRS 15 on the financial statements and backlog with accounting and contractual data. For a selection of contracts, for which there was a significant change in the estimated results at completion compared with previous estimates, we sought to explain the origin of the changes observed in order to corroborate these with technical and operational justifications for the basis of our experience and interviews with the relevant management.

Risk identified	*Our response*
Valuation of warranty provisions *(Note 1.7.12 and 12.2 of the notes to the consolidated financial statements)* Dassault Aviation provides warranties for its aircraft deliveries against hardware or software defects and is required to correct any regulatory non-compliance identified after the delivery of the equipment. These warranties therefore constitute a commitment for the Company. The costs of this commitment must be provisioned upon delivery of the airplane. The estimated amount of the provisions is based on the data and expenses recorded by airplane model and type of transactions warrantied and on estimated costs, in particular cost estimates for specialists, handling of malfunctions and regulatory non-compliance. Given the fleet in service and the variety of costs potentially incurred, provisions for warranties are determined by complex models that require judgments by several Operational Departments. Management's valuation of these commitments caused Dassault Aviation to recognize provisions for warranties of EUR 865.5 million as at December 31, 2024. The valuation of these provisions is a key point of the audit due to: • the high level of judgment required for their determination, • the complex nature of their valuation, • their significant amount, • and, consequently, the potentially significant impact on earnings and consolidated equity if their estimates vary.	On the basis of discussions with the relevant operational departments, we took note of the procedures to identify the risks to be guaranteed and the procedures put in place to determine the costs and other data used as a basis for the valuation of provisions for guarantees. We also tested the functioning of key controls that we considered relevant to our audit. In addition, our work consisted of: • assessing the adequacy of the funding methodology used by the Group's management and the judgments exercised by it, • assessing, through discussions with the relevant operational departments, the reasonableness of the main assumptions used to determine provisions for guarantees, • randomly testing the source data and observed costs used for the valuation of the provisions and the accuracy of the calculations made.

Specific Verifications

We have also verified, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the management report of the board of directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Other verification or information stipulated in Legal and Regulatory documents

Annual accounts lay-out to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Group Managing Director, complies with the single electronic format defined in the European Delegated Regulation n° 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of these consolidated financial statements complies with the format defined in the above delegated regulation.

Based on the work we have performed, we conclude that the presentation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limits inherent in the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the accompanying consolidated financial statements.

We have no responsibility to verify that the annual accounts that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Dassault Aviation Company by the General Meetings held on June 19, 1990 for FORVIS MAZARS (formerly MAZARS) and held on May 12, 2020 for PricewaterhouseCoopers Audit.

As at December 31 2024, audit firm Mazars and audit firm PricewaterhouseCoopers Audit were in the 35th year and 5th of total uninterrupted engagement respectively.

Responsibilities of Management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were closed by the board of directors

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 821-55 of the French Commercial Code (Code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N°537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.821-27 to L.821-34 of the French Commercial Code (Code de commerce) and in the French Code of Ethics (Code de déontologie) for statutory auditors. When appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, March 14, 2025

Statutory auditors

PricewaterhouseCoopers Audit	FORVIS MAZARS
Edouard Demarcq	Erwan Candau

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in the French language and is provided solely for the convenience of English speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes explanatory paragraphs discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.
This report also includes information relating to the specific verification of information given in the management report.
This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

Financial statements parent company as of December 31, 2024

Assets

(in EUR thousands)	Notes	12/31/2024			12/31/2023
		Gross	Depreciation, amortization and provisions	Net	Net
Intangible assets	2	159,876	-143,659	16,217	18,415
Property, plant and equipment	2	2,034,435	-969,561	1,064,874	940,414
Financial assets	3	2,793,856	-57,916	2,735,940	2,967,220
Total non-current assets		**4,988,167**	**-1,171,136**	**3,817,031**	**3,926,049**
Inventories and work-in-progress	4	6,562,225	-398,953	6,163,272	4,864,980
Advances and progress payments to suppliers		6,785,434	0	6,785,434	4,699,869
Trade receivables	6	1,605,303	-54,279	1,551,024	1,158,718
Other receivables and prepayments	6	746,134	0	746,134	651,859
Marketable securities and cash instruments	9	6,550,244	0	6,550,244	5,323,024
Cash at bank and in hand		484,795	0	484,795	522,026
Total current assets		**22,734,135**	**-453,232**	**22,280,903**	**17,220,476**
Total assets		**27,722,302**	**-1,624,368**	**26,097,934**	**21,146,525**

Equity and Liabilities

(in EUR thousands)	Notes	**12/31/2024**	**12/31/2023**
Capital	10, 13	62,876	64,642
Share premiums		0	0
Reserves	12	2,966,648	3,185,360
Net income for the year		684,862	434,959
Investment subsidies		431	645
Regulated provisions	14	176,644	159,827
Total equity	13	**3,891,461**	**3,845,433**
Provisions for contingenciesvand charges	14	**1,536,545**	**1,563,505**
Borrowings and financial debt (1)	15	51,720	77,305
Advances and progress payments received on orders		18,088,399	13,459,406
Trade payables	16	1,233,385	986,645
Other liabilities, cash instruments, accruals and deferred income	17	1,296,424	1,214,231
Total liabilities		**20,669,928**	**15,737,587**
Total equity and liabilities		**26,097,934**	**21,146,525**
(1) including bank overdrafts:		0	0

Income statement

(in EUR thousands)	Notes	2024	2023
Net Sales	20	**5,447,162**	**4,101,265**
Change in work-in-progress		873,886	902,177
Reversals of provisions, depreciation and amortization, charges transferred		758,747	729,670
Other income		136,105	106,520
Operating income		**7,215,900**	**5,839,632**
Purchases consumed		-4,151,651	-3,362,227
Personnel expenses		-1,012,026	-942,963
Other operating expenses		-478,045	-455,562
Taxes and other contributions		-58,401	-54,582
Depreciation and amortization	2	-106,647	-95,364
Allocations to provisions	14	-780,862	-653,706
Operating expenses		**-6,587,632**	**-5,564,404**
Net operating income		**628,268**	**275,228**
Net financial income	22	**417,838**	**364,319**
Current income		**1,046,106**	**639,547**
Non-recurring items	23	-17,338	-35,249
Employee profit-sharing and incentive schemes		-196,360	-134,455
Income tax	24	-147,546	-34,884
Net income		**684,862**	**434,959**

Cash flow statement

(in EUR thousands)	Notes	2024	2023
I – Net cash flows from operating activities			
Net income		684,862	434,959
Elimination of gains and losses from disposals of non-current assets	23	573	17,164
Net allocations to and reversals of depreciation, amortization and provisions (excluding those related to Working Capital Requirement)	2, 14	96,410	8,652
Net cash from operating activities before working capital changes		**781,845**	**460,775**
Change in inventories and work-in-progress (net)	4	-1,298,292	-1,256,165
Change in advances and progress payments to suppliers		-2,085,565	-1,704,840
Change in trade receivables (net)	6	-392,306	312,135
Change in other receivables, cash instruments and prepayments	6	-92,215	-91,190
Change in customer advances and progress payments received		4,628,993	1,603,115
Change in trade payables		246,740	-72,719
Change in other liabilities, cash instruments, accruals and deferred income	17	82,193	-43,945
Increase (-) or decrease (+) in working capital requirement		**1,089,548**	**-1,253,609**
Total I		**1,871,393**	**-792,834**
II – Net cash flows from investing activities			
Purchases of intangible assets and property, plant and equipment	2	-234,649	-221,828
Increase in financial assets	3	-164,427	-991,814
Change in investment subsidies		-214	-225
Disposals of or reductions in non-current assets	2, 3, 23	400,968	490,290
Total II		**1,678**	**-723,577**
III – Net cash flows from financing activities			
Change in capital	10, 13	-1,766	-2,148
Change in other equity items	13	-388,942	-439,809
Increase in financial debt	15	2,609	2,441
Repayment of financial debt	15	-28,194	-22,403
Dividends paid during the year	32	-264,729	-245,585
Total III		**-681,022**	**-707,504**
Change in net cash and cash equivalents (I + II + III)		**1,192,049**	**-2,223,915**

Opening net cash and cash equivalents (1)		5,842,733	8,066,648
Closing net cash and cash equivalents (1)		7,034,782	5,842,733

(1) cash comprises the following balance sheet items:
[cash at bank and in hand] + [gross marketable securities] – [bank overdrafts]

Notes to the parent company financial statements

DASSAULT AVIATION
9, Rond-Point des Champs-Élysées Marcel Dassault - 75008 Paris

A French société anonyme (Corp.) capitalized at EUR 62,876,448.80, listed and registered in France
Paris Trade Register number 712 042 456

Note 1 - Accounting rules and methods

1.1. General principles

1.1.1. General basis

The financial statements of the Parent Company as of December 31, 2024 were approved by the board of directors on March 4, 2025, and will be submitted for approval to the Annual General Meeting on May 16, 2025. The company financial statements are prepared in accordance with ANC Regulation 2014-03 on the French General Accounting Plan, which has since been updated by a series of amending regulations and by the subsequent opinions and recommendations of the French Accounting Standards Authority.

The methods used to present the financial statements are comparable year-on-year.

The general accounting conventions have been applied, in compliance with the principle of prudence, and in line with the following basic assumptions:

- going concern of operations,
- permanence of the accounting methods from one year to the next,
- independence of fiscal years,

and in line with the general rules for the establishment and presentation of annual financial statements. The individual financial statements have been prepared on the basis of historical cost.

The preparation of the Company’s financial statements requires management to make estimates and assumptions that could have an impact on the amounts reported in the balance sheet and in the income statement. Those estimates concern, in particular:

- the results of contracts in progress,
- the calculation of provisions for contingencies and charges and of impairments.

These estimations are calculated by taking into account past experience, items known at the closing date and any reasonable change assumptions. Subsequent results may therefore differ from such estimates.

1.2. Valuation principles

1.2.1. Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are recognized at acquisition or production cost, less accumulated depreciation or amortization and impairment. Interest expense is not capitalized.

Each identified component of an intangible asset or item of property, plant and equipment is recognized and depreciated or amortized separately.

Depreciation and amortization are calculated using the straight-line method. No residual value is taken into account, except for aircraft.

Depreciation and amortization periods depend on their estimated useful lives. Useful lives are reviewed at each year-end for material assets. The initial useful life of an asset is extended or reduced if the conditions in which the asset is used justify it.

Initial useful lives are determined as follows:

Software	3-4 years
Industrial buildings	20-25 years
Office buildings	20-25 years
Fixtures and fittings	7-15 years
Plant, equipment and machinery	3-10 years
Aircraft	10-15 years
Rolling stock	4 years
Other property, plant and equipment	3-10 years
Used property	on a case-by-case basis

1.2.2. Impairment of assets

The Company conducts an impairment test if an indication of loss of value has been detected. Indications of impairment come from significant long-term adverse changes that affect the economic environment or the assumptions or objectives used by the Company.

Intangible assets and property, plant and equipment are impaired by the Company when the net carrying amount exceeds their current value. The amount of impairment recognized in income is equal to the difference between the net carrying amount and current value. The current value of an asset is the higher of its market value (less selling costs) and its value in use.

The value in use is calculated using the discounted future cash flow method. Discount rates are reviewed each year. As of December 31, 2024, the after-tax discount rate was 9.2% (9.8% as of December 31, 2023). The value in use is determined on the basis of projected after-tax cash flows resulting from economic assumptions and estimated operating conditions used by Management and takes into account a terminal value.

1.2.3. Associates and other investment securities

Gross values are represented by the purchase cost excluding incidental charges, except in the case of those subject to the 1976 legal revaluation. An impairment is recognized when the book value is lower than the gross value. The book value is the higher of its market value and its value in use.

Dassault Aviation assesses the book value for listed investment securities on the basis of the average stock quote for the reporting month and for non-listed securities, in the absence of any external valuation elements, according to the share in net assets or the discounted cash flow method.

Concerning the equity investment in Thales, when an impairment test is carried out, the operational and financial assumptions used come directly from data provided by Thales management.

1.2.4. Inventories and work-in-progress

Incoming raw materials, semi-finished and finished goods inventories are measured at acquisition cost for items purchased and production cost for items produced. Outgoing inventories are valued at the weighted average cost, except for used aircraft which are stated at acquisition cost. Work-in-progress is stated at production cost and does not include abnormal production costs.

Inventories and work-in-progress are impaired when their net realizable value is less than their carrying amount.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs for completion and making the sale. It takes into account the technical or commercial obsolescence of articles and the risks associated with their low turnover.

1.2.5. Receivables

Receivables are stated at nominal value. A provision is recognized when the recoverable value is lower than the carrying amount. The Company did not have to recognize any significant provisions, since its military trade receivables are represented by government customers and the vast majority of Falcon's sales are in cash.

1.2.6. Borrowings

Borrowings are recorded at the amount received. Transaction costs are posted to expenses for the year.

1.2.7. Regulated provisions

Regulated tax provisions appearing on the balance sheet include provisions for price increases and depreciation by derogation.

1.2.8. Provisions for contingencies and charges

Warranty provisions and other contract risks

Dassault Aviation has formal obligations under sales or procurement contracts relating to the equipment, products and/or services delivered (software development, systems integration, etc.).

These obligations can be distinguished between:

- "current" warranty: repair of defective equipment during the contractual warranty period or based on a constructive obligation, correcting hardware or software malfunctions identified following qualification and handover to users, etc.,
- "regulatory" warranty: implementation by the manufacturer of any changes to the regulatory framework determined by the regulatory authorities or any regulatory non-compliance identified by the manufacturer or a user after delivery of equipment or products,
- other risks in connection with the performance of the contract.

The amount of the provisions is mainly determined as follows:
- on the basis of feedback on the costs incurred,
- on the basis of quotes provided by specialists in the relevant fields.

Retirement payments and related benefits

A provision for remaining obligations of commitments to employees for retirement payments and related benefits is recorded. The commitments are estimated for all employees on the basis of vested rights and a projection of current salaries, after taking into account the mortality risk, employee turnover, and a discounting assumption. The rates used have been determined based on the yield for top-ranking corporate long-term bonds, with maturity equivalent to the duration of the calculated liabilities.

Actuarial gains or losses, or those gains or losses that are analyzed as such, are fully recognized in operating income in the period during which they are incurred. The provision that appears in the balance sheet is the amount of the total commitment net of outsourced amounts.

1.2.9. Hedging instruments

The Company uses derivatives to hedge its exposure to the risk of changes in foreign exchange rates.

Exchange rate risks mainly arise from US dollar-denominated sales. The corresponding future cash flows are partially hedged using forward exchange contracts and currency options.

The Company reviewed the highly probable nature of the flows associated with financial instruments which qualify for hedge accounting and could find no evidence challenging this position at the end of December 2024.

The effects of the hedge, including the carrying forward/backwardation, are recorded at the rhythm of the hedged item and follow the same classification as the hedged item, i.e. the operating profit.

Premiums paid or received on the potential purchase or sale of options are recognized as income only at the expiration of these options.

Hedging instruments that hedge balance sheet positions are accounted for in cash instruments.

1.2.10. Foreign currency transactions

Expenses and income in foreign currencies are recognized at their equivalent value in euros on the date of the payment or settlement transaction, with the exception of the net flows associated with global foreign exchange hedging, which are recorded at the hedge rate for the year.

Currency receivables and payables outstanding at year-end are revalued into euros at the closing rate of exchange.

When the application of the translation rate on the closing date has the effect of modifying the amounts in euros previously recognized, the currency translation differences are booked to transitory accounts:

- under assets, when unrealized translation balance is a loss,
- under liabilities, when unrealized translation balance is a gain.

An overall foreign exchange position is calculated by maturity of unhedged receivables and payables. When an overall foreign exchange position by maturity is an unrealized loss, a provision is set up for that risk.

Translation gains and losses arising on cash at bank and in hand as of December 31 are recognized on the income statement.

1.2.11. Net sales and income

The results on completion are based on estimates of net sales and costs at completion (taking into account the program departments' forecasts). These are revised as the contracts progress and take into account the latest known events at the closing date. The potential losses on completion are recognized as soon as they are known.

Sales of goods and development contracts

Net sales and net income are recognized when Dassault Aviation has transferred the main risks and benefits of ownership to the buyer, and it is probable that the future economic benefits will benefit the Company.

As a general rule, net sales is recognized upon delivery of goods or development services. The corresponding costs are valued on the basis of net income at completion estimated in the contract. If the estimated costs are lower than the actual costs, the difference is classified as work-in-progress. If the estimated costs are higher than the actual costs, a provision for services and work still to be performed is recognized at closing.

Other service contracts

Income from sales of services is recognized under the percentage of completion method according to the milestones set forth in contracts. Income or loss is recognized at each stage of completion if it can be reliably measured.

Contracts involving co-contractors for which Dassault Aviation is the only signatory are recognized for the entire amount of net sales and related expenses (including the co-contractors' share).

1.2.12. Marketable securities and cash instruments

The item includes time deposits at more than three months and other investments which the Company does not intend to convert into cash in the short term for operational purposes. The item also includes cash investments in the form of marketable securities.

Unrealized capital gains on marketable securities are not recognized in the income statement until effectively realized. The tax charge relating to unrealized gains is recorded under prepayments until the gain is recognized in financial income.

This method, which constitutes an exception to the general principle of full recognition of deferred taxes, has been adopted to provide a fairer presentation of the Company's results.

Unrealized capital losses on marketable securities are subject to a provision.

1.2.13. Treasury shares

The book value of treasury shares at year-end is determined by the average market price in the month before closing. If the market price is lower than the purchase value, an impairment is recorded, with the exception of securities being canceled or shares held for allotment under a defined plan.

1.3. Tax consolidation

The Company opted for the tax consolidation scheme in 1999, pursuant to Articles 223-A and following of the French General Tax Code. The tax consolidation scope of the Group includes Dassault Aviation and Dassault Aviation Participations.

This tax consolidation arrangement is tacitly renewable per period of five fiscal years.

By agreement, it does not have an impact on the results of consolidated companies: tax liabilities are borne by the tax group companies as if no tax consolidation existed.

Note 2 - Intangible assets and property, plant and equipment

2.1. Intangible assets

(in EUR thousands)	12/31/2023	Acquisitions Allocations	Disposals Reversals	Other	12/31/2024
Gross value					
Software, patents, licenses and similar assets	151,575	6,719	-728	1,984	159,550
Assets in progress; advances and progress payments	1,984	326	0	-1,984	326
	153,559	**7,045**	**-728**	**0**	**159,876**
Depreciation, amortization					
Software, patents, licenses and similar assets	-135,144	-9,236	721	0	-143,659
	-135,144	**-9,236**	**721**	**0**	**-143,659**
Net value					
Software, patents, licenses and similar assets	16,431				15,891
Assets in progress; advances and progress payments	1,984				326
Total	**18,415**	**-2,191**	**-7**	**0**	**16,217**

2.2. Property, plant and equipment

(in EUR thousands)	12/31/2023	Acquisitions Allocations	Disposals Reversals	Other	12/31/2024
Gross value					
Land	147,212	858	-766	1,300	148,604
Buildings	707,659	37,461	-11,185	128,179	862,114
Plant, equipment and machinery	653,027	34,067	-26,634	49,075	709,535
Other property, plant and equipment	107,925	5,923	-1,856	2,255	114,247
Assets in progress; advances and progress payments	231,449	149,295	0	-180,809	199,935
	1,847,272	**227,604**	**-40,441**	**0**	**2,034,435**
Depreciation, amortization					
Land	-10,295	-1,369	495	0	-11,169
Buildings	-319,293	-42,694	6,596	0	-355,391
Plant, equipment and machinery	-494,130	-49,742	25,785	0	-518,087
Other property, plant and equipment	-83,140	-3,606	1,832	0	-84,914
	-906,858	**-97,411**	**34,708**	**0**	**-969,561**
Impairment					
Other property, plant and equipment	0	0	0	0	0
	0	**0**	**0**	**0**	**0**
Net value					
Land	136,917				137,435
Buildings	388,366				506,723
Plant, equipment and machinery	158,897				191,448
Other property, plant and equipment	24,785				29,333
Assets in progress; advances and progress payments	231,449				199,935
Total	**940,414**	**130,193**	**-5,733**	**0**	**1,064,874**

Note 3 - Financial assets

(in EUR thousands)	12/31/2023	Acquisitions Allocations	Disposals Reversals	Other	12/31/2024
Subsidiaries and associates (1)	2,687,112	0	-399	0	2,686,713
Receivables related to investments	19,530	1,107	-651	0	19,986
Other investment securities (2)	301,911	162,454	-394,121	0	70,244
Loans	1,255	0	-94	0	1,161
Other financial assets	15,422	866	-536	0	15,752
Total	**3,025,230**	**164,427**	**-395,801**	**0**	**2,793,856**
Impairment	-58,010	0	94	0	-57,916
Net value	**2,967,220**	**164,427**	**-395,707**	**0**	**2,735,940**

(1) inc. Thales: EUR 2,285,868 thousand.
(2) see Note 10.

Thales share price and impairment test
Based on the Thales share price as of December 31, 2024 (EUR 138.65 per share), Dassault Aviation's stake in Thales is valued at EUR 7,591 million.

In the absence of any objective evidence of impairment, the Thales investment had not been subject to an impairment test as of December 31, 2024.

Maturity of financial assets

(in EUR thousands)	Total	Within one year	In more than one year
Receivables related to investments	19,986	19,986	0
Loans	1,161	100	1,061
Other financial assets	15,752	14,235	1,517
Total	**36,899**	**34,321**	**2,578**

Information relating to subsidiaries, associates and other investment securities

Since the Company publishes consolidated financial statements, the table of subsidiaries, associates and other investment securities is presented in an aggregate form.

(in EUR thousands)	Book value of securities held		Loans and advances granted by the Company	Amount of deposits and guarantees provided by the Company	Dividends received by the Company during the fiscal year
	Gross	Net			
Subsidiaries					
French subsidiaries	119,156	119,156	0	0	0
Foreign subsidiaries	233,014	217,014	0	108,150	882
Total	**352,170**	**336,170**	**0**	**108,150**	**882**
Associates and other investment securities					
French companies	2,357,381	2,355,581	0	0	194,617
Foreign companies	47,406	7,444	19,986	0	0
Total	**2,404,787**	**2,363,025**	**19,986**	**0**	**194,617**
Grand total	**2,756,957**	**2,699,195**	**19,986**	**108,150**	**195,499**

Note 4 - Inventories and work-in-progress

(in EUR thousands)	12/31/2024			12/31/2023
	Gross	**Impairment**	**Net**	**Net**
Raw materials	524,147	-90,383	433,764	348,821
Work-in-progress	4,182,812	0	4,182,812	3,308,926
Semi-finished and finished goods	1,855,266	-308,570	1,546,696	1,207,233
Total	**6,562,225**	**-398,953**	**6,163,272**	**4,864,980**

The increase in inventories and work-in-progress is mainly linked to the performance of Defence contracts and the ramp-up of the Falcon 6X.

Note 5 - Interest on assets

No interest is included in the value of inventories and work-in-progress.

Note 6 - Trade and other receivables

6.1. Details

(in EUR thousands)	12/31/2024			12/31/2023
	Gross	**Impairment**	**Net**	**Net**
Trade receivables				
Trade receivables	1,605,303	-54,279	1,551,024	1,158,718
	1,605,303	**-54,279**	**1,551,024**	**1,158,718**
Other receivables and prepayments				
Other receivables	467,814	0	467,814	373,207
Prepaid expenses	266,509	0	266,509	271,167
Adjustment accounts	11,811	0	11,811	7,485
	746,134	**0**	**746,134**	**651,859**
Total	**2,351,437**	**-54,279**	**2,297,158**	**1,810,577**

The percentage of outstanding receivables not written-down at year-end is regularly monitored individually.

6.2. Aged debtor schedule

(in EUR thousands)	12/31/2024			12/31/2023		
	Total	**Within one year**	**In more than one year**	**Total**	**Within one year**	**In more than one year**
Trade receivables (1)	1,605,303	1,598,703	6,600	1,215,141	1,166,409	48,732
Other receivables	467,814	467,814	0	373,207	373,207	0
Prepaid expenses (2)	266,509	198,014	68,495	271,167	193,982	77,185
Adjustment accounts	11,811	11,811	0	7,485	7,485	0
Total	**2,351,437**	**2,276,342**	**75,095**	**1,867,000**	**1,741,083**	**125,917**

(1) including receivables represented by commercial paper: EUR 2,295 thousand as of December 31, 2024, and EUR 6,463 thousand as of December 31, 2023.
(2) see Note 8.

Note 7 - Accrued income

Accrued income included in the following balance sheet items (in EUR thousands)	**12/31/2024**	**12/31/2023**
Receivables from equity investments	79	92
Trade receivables	848,518	518,175
Marketable securities and cash instruments	119,893	59,561
Cash at bank and in hand	828	19
Total	**969,318**	**577,847**

Note 8 - Prepaid expenses and deferred income

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Operating income	649,081	723,021
Operating expenses (1)	266,509	271,167
(1) including income tax on unrealized capital gains	157,306	149,539

Note 9 - Difference in measurement of marketable securities

Marketable securities and cash instruments (in EUR thousands)	**12/31/2024**	**12/31/2023**
Marketable securities and cash instruments - gross balance sheet value (1)	6,530,788	5,299,302
Marketable securities and cash instruments - market value	6,968,948	5,707,371

(1) net of treasury shares recognized under marketable securities (see Note 10).

The item includes time deposits at more than three months and debt securities which the Company does not intend to convert into cash in the short term for operational purposes. The item also includes cash investments in the form of marketable securities.

Note 10 - Share capital and treasury shares

10.1. Share capital

Following the decision of the meetings of the board of directors of March 5, 2024, and July 23, 2024, the share capital was reduced through the cancellation of 2,206,805 treasury shares. The share capital stands at EUR 62,876 thousand and comprises 78,595,561 common shares with a par value of EUR 0.80 each as of December 31, 2024.

10.2. Treasury shares

Movements on treasury shares are detailed below:

(in number of shares)	2024	2023
Treasury shares as of January 1	**1,779,777**	**689,502**
Purchase of treasury shares	867,621	3,813,303
Cancellation of shares	-2,206,805	-2,684,664
Share-based payments	-43,531	-38,364
Treasury shares as of December 31	**397,062**	**1,779,777**

In 2024, Dassault Aviation acquired 867,621 shares for a total of EUR 154,925 thousand (average price of EUR 178.56 per share).

Of the remaining 397,062 shares held by the Company as of December 31, 2024, 198,527 shares were allocated for cancellation by the board of directors on March 4, 2025, in addition to 198,535 shares previously allocated to potential performance share awards and to a potential liquidity contract to stimulate the market for the shares.

10.3. Share-based payments

Performance shares were granted to corporate officers at the board of directors' meetings of March 8, 2023 and March 5, 2024 (the plan features are described in paragraph 5.5 of the Directors' report).

Shares granted and not yet vested are subject to performance conditions.

Grant date	Vesting period	Number of shares allocated	Number of shares delivered in 2024	Number of shares canceled (1)	Balance of performance shares as of 12/31/2024
03/08/2023	From 03/08/2023 to 03/07/2024	39,900	43,531	0	0
03/05/2024	From 03/05/2024 to 03/04/2025	21,000	0	0	21,000

(1) shares canceled in the event of partial or total non-achievement of performance conditions.

Note 11 - Identity of the consolidating Parent Company

	%
Groupe industriel Marcel Dassault (GIMD) 9, Rond-Point des Champs-Élysées - Marcel Dassault 75008 Paris	66.45%

Note 12 - Reserves

12.1. Reserves

(in EUR thousands)	12/31/2024	12/31/2023
Revaluation difference	3,969	4,121
Legal reserve	6,288	6,464
Retained earnings	2,956,391	3,174,775
Total	**2,966,648**	**3,185,360**

12.2. Revaluation reserves

(in EUR thousands)	Change in revaluation reserves			
	12/31/2023	2024 movements		12/31/2024
		Decreases due to disposals	Other changes	
Land	3,600	0	0	3,600
Equity investments	521	-152	0	369
Total	**4,121**	**-152**	**0**	**3,969**
Revaluation reserve (1976)	**4,121**	**-152**	**0**	**3,969**

Note 13 - Statement of changes in equity during the year

13.1. Net income for the year

	2024	2023
Net income		
In EUR thousands	684,862	434,959
In EUR per share	8.71	5.38
Change in equity excluding net income for the year		
In EUR thousands	-374,105	-424,135
In EUR per share	-4.76	-5.25
Dividends		
In EUR thousands	370,034 (1)	266,068 (2)
In EUR per share	4.72 (1)	3.37 (2)

(1) dividends were calculated on the basis of the number of shares making up the share capital as of December 31, 2024, less shares canceled pursuant to the decrease in capital decided by the board of directors' meeting on March 4, 2025.
(2) dividends of EUR 264,729 thousand were paid for the year ended December 31, 2023, net of dividends on treasury shares.

13.2. Statement of changes in equity excluding net income for the year (in EUR thousands)

	Before allocation of 2023 earnings 12/31/2024		After allocation of 2023 earnings 12/31/2024
A -			
1. 2023 closing equity excluding net income for the year	3,410,474		3,410,474
2. 2023 net income before appropriation	434,959		
3. Appropriation of 2023 net income to net equity by the AGM			170,230
4. 2024 equity at opening	3,845,433		3,580,704
B - Additional paid-in capital, effective retroactively to beginning of 2024			**0**
1. Change in capital		0	
2. Change in other items		0	
C - (= A4 + B) Equity at 2024 opening			**3,580,704**
D - Changes during the year excluding 2024 net income			**-374,105**
1. Change in capital		-1,766	
2. Change in additional paid-in capital, reserves, retained earnings		-388,790	
3. Revaluation offsetting entries – reserve		-152	
4. Change in tax provisions and investment subsidies		16,603	
5. Other changes		0	
E - 2024 closing equity excluding 2024 net income before AGM (= C + D)			**3,206,599**
F - Total change in equity in 2024 excluding 2024 net income (= E - C)			**-374,105**

Note 14 - Provisions

14.1. Provisions

(in EUR thousands)	12/31/2023	Allocations		Reversals		Other	12/31/2024
Regulated provisions							
For price increases	73,586	18,151	(3)	-9,237	(3)	0	82,500
Depreciation by derogation	86,223	22,765	(3)	-14,862	(3)	0	94,126
Realized gains reinvested	18	0	(3)	0	(3)	0	18
	159,827	**40,916**		**-24,099**		**0**	**176,644**
Provisions for contingencies and charges							
Operating	1,563,505	327,630	(1)	-354,590	(1)	0	1,536,545
Financial	0	0	(2)	0	(2)	0	0
Non-recurring	0	0	(3)	0	(3)	0	0
	1,563,505	**327,630**		**-354,590**		**0**	**1,536,545**
Provisions for impairment							
On intangible assets	0	0	(1)	0	(1)	0	0
On property, plant and equipment	0	0	(1)	0	(1)	0	0
On financial assets	58,010	0	(2)	-94	(2)	0	57,916
On inventories and work-in-progress	347,734	398,953	(1)	-347,734	(1)	0	398,953
On trade receivables	56,423	54,279	(1)	-56,423	(1)	0	54,279
On marketable securities	0	0	(2)	0	(2)	0	0
	462,167	**453,232**		**-404,251**		**0**	**511,148**
Total	**2,185,499**	**821,778**		**-782,940**		**0**	**2,224,337**

Allocations and reversals	{ - Operating	780,862	(1)	-758,747	(1)
	{ - Financial	0	(2)	-94	(2)
	{ - Non-recurring	40,916	(3)	-24,099	(3)
		821,778		**-782,940**	

14.2. Details of provisions for contingencies and charges

(in EUR thousands)	12/31/2023	Allocations	Reversals	Other	12/31/2024
Operating					
Retirement payments and related benefits (1)	97,003	72,210	-126,196	0	43,017
Early retirement	746	2,644	-402	0	2,988
Warranties (2)	839,200	97,800	-110,600	0	826,400
Other contract risks (2)	626,060	151,234	-116,896	0	660,398
Foreign exchange losses	496	3,742	-496	0	3,742
	1,563,505	**327,630**	**-354,590**	**0**	**1,536,545**
Financial					
Other	0	0	0	0	0
	0	**0**	**0**	**0**	**0**
Non-recurring					
Other	0	0	0	0	0
	0	**0**	**0**	**0**	**0**
Total provisions for contingencies and charges	**1,563,505**	**327,630**	**-354,590**	**0**	**1,536,545**

(1) provisions for retirement payments and related benefits:
Retirement payment commitments are calculated for all employees using the projected unit credit method. They are provisioned in full for the remaining obligations.
Employment projections are weighted using French insurance code mortality rates and the recorded employee turnover rate (this may vary according to age). The obligation depends on the employee's length of service at the end of the period relative to total career expectancy (see Note 1.2.8 of the valuation principles).
The calculation takes into account the following annual assumptions: discount rate of 3.3% and inflation rate of 2.1%.
As of December 31, 2024, the balance of the provision for long-service awards was EUR 3,024 thousand.
(2) provisions for warranties and other contract risks:
Provisions are updated to reflect changes to the fleet in service, deliveries during the period and contractual obligations induced by the execution of contracts.

Note 15 - Borrowings and financial debt

(in EUR thousands)	12/31/2024	12/31/2023
Bank borrowings	0	0
Other borrowings and financial debt (1)	51,720	77,305
Total	**51,720**	**77,305**

(1) as of December 31, 2024, and December 31, 2023, other financial debt mainly includes locked-in employee profit-sharing funds.

Note 16 - Maturity of borrowings

(in EUR thousands)	Total	Within one year	Between 1 and 5 years	More than 5 years
Bank borrowings (1)	0	0	0	0
Other borrowings and financial debt (1)	51,720	25,971	25,646	103
Trade payables (2)	1,233,385	1,233,385	0	0
Tax and social security liabilities	394,813	394,565	248	0
Liabilities on fixed assets and related accounts	21,877	21,877	0	0
Other liabilities	213,347	213,347	0	0
Total	**1,915,142**	**1,889,145**	**25,894**	**103**

(1) see Note 15.
(2) including liabilities represented by commercial paper: EUR 158,149 thousand.

Note 17 - Other liabilities, cash instruments, accruals and adjustments accounts

(in EUR thousands)	12/31/2024	12/31/2023
Tax and social security liabilities	394,813	314,738
Liabilities on fixed assets and related accounts	21,877	28,656
Other liabilities	213,347	136,946
Deferred income	649,081	723,021
Adjustments accounts	8,069	7,118
Cash instruments	9,237	3,752
Total	**1,296,424**	**1,214,231**

Note 18 - Accrued expenses

Accrued expenses included in the following balance sheet items (in EUR thousands)	12/31/2024	12/31/2023
Borrowings and financial debt	1,000	1,323
Trade payables	528,616	541,271
Other payables and deferred income	428,010	338,743
Total	**957,626**	**881,337**

Note 19 - Notes on affiliated companies

All affiliated company transactions were concluded under normal market conditions.

Note 20 - Net sales

(in EUR thousands)	2024	2023
A) By product:		
Finished goods	3,456,541	2,352,960
Services	1,990,621	1,748,305
Total	**5,447,162**	**4,101,265**
B) By geographic region:		
France	1,938,242	1,486,683
Export (1)	3,508,920	2,614,582
Total	**5,447,162**	**4,101,265**

(1) the net sales from Rafale Export contracts is recognized on a gross basis (including the co-contractors parts).

Note 21 - Research and development costs

Self-financed research and development costs are recognized as expenses for the fiscal year in which they are incurred and represent:

(in EUR thousands)	2024	2023
Research and development costs	-428,747	-498,592

The Company's research and development strategy and initiatives are described in the directors' report.

Note 22 - Net financial income

(in EUR thousands)	2024	2023
Equity investment income (1)	189,910	162,321
Income from other securities and assets	6,623	746
Other interest and similar income	207,889	187,668
Reversals of provisions for equity investments	0	44,962
Reversals of provisions for other investment securities	94	18,263
Reversals of provisions for marketable securities	0	0
Net income on sales of marketable securities	17,578	13,392
Financial income	**422,094**	**427,352**
Allocations to provisions for equity investments	0	-55,962
Allocations to provisions for other investment securities	0	-1,894
Allocations to provisions for marketable securities	0	0
Interest and similar expenses	-4,256	-5,177
Net losses on sales of marketable securities	0	0
Financial expenses	**-4,256**	**-63,033**
Net financial income	**417,838**	**364,319**

(1) in 2024, Thales paid the Company EUR 142,350 thousand in dividends for fiscal year 2023 and EUR 46,538 thousand in interim dividends for fiscal year 2024. In 2023, Thales paid EUR 43,616 thousand in interim dividends for fiscal year 2023 and EUR 117,670 thousand in dividends for fiscal year 2022.

Note 23 - Non-recurring items

(in EUR thousands)	2024	2023
Gains on sales of assets		
- Intangible assets	0	0
- Property, plant and equipment	2,117	6,921
- Financial assets	3,449	36,167
	5,566	**43,088**
Other non-recurring income	**198**	**52**
Reversals of regulated provisions		
- For price increases	9,237	7,582
- Depreciation by derogation	14,862	12,782
	24,099	**20,364**
Non-recurring income	**29,863**	**63,504**
Non-recurring expenses on operating activities	**-21**	**-90**
Carrying value of assets sold		
- Intangible assets	-7	0
- Property, plant and equipment	-5,733	-3,158
- Financial assets	-399	-57,094
	-6,139	**-60,252**
Other non-recurring expenses	**-125**	**0**
Allocations to regulated provisions		
- For price increases	-18,151	-17,978
- Depreciation by derogation	-22,765	-20,433
	-40,916	**-38,411**
Other non-recurring provisions	**0**	**0**
Non-recurring expenses	**-47,201**	**-98,753**
Non-recurring items	**-17,338**	**-35,249**

Note 24 - Analysis of corporate income tax

(in EUR thousands)	Income before tax	Corporate income tax	Income after tax
Current income	1,046,106	-187,465	858,641
Non-recurring items (including profit-sharing and incentive schemes)	-213,698	39,919	-173,779
Net income	832,408	-147,546 (1)	684,862

(1) including Research Tax Credit: EUR 33,887 thousand.

Note 25 - Off-balance sheet commitments

The Company's off-balance sheet commitments essentially concern its operating activities and break down as follows:

Commitments given (in EUR thousands)	12/31/2024	12/31/2023
Commitments in connection with the performance of operating contracts	23,784,818	18,712,224
Guarantees and deposits	108,150	188,244
Commitments secured by bank guarantees	4,273,250	4,381,718
Total	**28,166,218**	**23,282,186**

Commitments received (in EUR thousands)	12/31/2024	12/31/2023
Backlog	38,163,806	33,925,891
Other commitments in connection with the performance of operating agreements	3,170,600	2,358,680
Collateral	31,565	31,659
Bpifrance Assurance Export guarantees	2,180	6,140
Commitments secured by bank guarantees	132,914	81,012
Total	**41,501,065**	**36,403,382**

Operating leases (in EUR thousands)	Total	Within one year	In more than one year
Minimum future payments not subject to cancellation (not discounted)	**36,757**	19,375	17,382

The Company's main operating leases concern industrial office buildings.

Note 26 - Contingent assets and liabilities

There are no contingent assets or liabilities as of December 31, 2024.

Note 27 - Financial instruments: dollar foreign exchange transaction portfolio

Dassault Aviation is exposed to a foreign exchange risk on its Falcon sales that are almost all denominated in US dollars. This risk is partially hedged by using forward currency contracts and foreign exchange options.

The financial instruments held by Dassault Aviation are valued below at market value.

Market value represents the amounts received or paid in the event of total liquidation of the portfolio; the equivalent in euros is calculated on the basis of the closing US dollar/euro exchange rate. This is not representative of the actual gain/loss which will be recognized when hedging is carried out.

The market value of the portfolio is therefore provided for information only. All derivatives subscribed by the Company are for hedging purposes. The subscribed options are derivatives with an optimization component without additional risk taking.

	12/31/2024		**12/31/2023**	
Market value	In USD thousands	In EUR thousands	In USD thousands	In EUR thousands
Foreign exchange options	-8,199	-7,892	-10,789	-9,764
Forward transactions	-95,233	-91,667	43,115	39,018
Total	**-103,432**	**-99,559**	**32,326**	**29,254**

Sensitivity testing of foreign exchange derivatives
A sensitivity analysis was conducted to determine the impact of a 10 cent increase or decrease in the US dollar/euro exchange rate.

Market value of the portfolio (in EUR thousands)	**12/31/2024**	
Market value	-99,559	
Closing US dollar/euro exchange rate	$1.0389/€	
Closing US dollar/euro exchange rate +/-10 cents	$0.9389/€	$1.1389/€
Change in market value (1)	-186,181	+153,486

(1) data calculated based on existing market conditions on the balance sheet dates. They are not representative of the actual gain/loss to be recognized when hedging is carried out.

Note 28 - Impact of tax valuations by derogation

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Net income for the year	684,862	434,959
Income tax	147,546	34,884
Income before tax	**832,408**	**469,843**
Depreciation by derogation	7,903	7,651
Provision for price increases	8,914	10,396
Change in regulated provisions	**16,817**	**18,047**
Net income excluding tax valuations by derogation (before tax)	**849,225**	**487,890**

Note 29 - Increases and reductions in deferred tax

(in EUR thousands)	**12/31/2024**	**12/31/2023**
Regulated provisions:		
- For price increases	82,500	73,586
- Depreciation by derogation	94,126	86,223
- Realized gains reinvested	18	18
Basis for increases	**176,644**	**159,827**
Increases in deferred tax	***45,627***	***41,283***
Items not deductible in the current year:		
- Employee profit-sharing	176,360	114,455
- Retirement payments and related benefits	38,812	91,686
Other temporary timing differences	1,029,995	1,061,518
Basis for reductions	**1,245,167**	**1,267,659**
Reductions in deferred tax	***321,627***	***327,436***

Tax rate at December 31, 2024 and December 31, 2023 was 25.83%.

Note 30 - Compensation of corporate officers

Total compensation received by corporate officers amounted to EUR 8,148,726 for 2024.

Note 31 - Average headcount

The Company's average headcount was 10,123 in 2024. It was 9,481 in 2023.

Note 32 - Financial summary over the last five fiscal years

Nature of information (in EUR thousands except for point 3, stated in EUR/share)	2020	2021	2022	2023	2024
1/ Financial position at year-end					
a. Share capital	66,790	66,790	66,790	64,642	62,876
b. Number of shares outstanding	83,487,030	83,487,030	83,487,030	80,802,366	78,595,561
2/ Summary of operating results					
a. Net sales, excluding tax	4,816,505	6,357,665	6,305,411	4,101,265	5,447,162
b. Earnings before tax, depreciation, amortization and provisions	81,763	989,954	842,877	501,921	977,893
c. Corporate income tax	-34,285	139,883	127,415	34,884	147,546
d. Earnings after tax, depreciation, amortization and provisions	175,761	364,323	540,142	434,959	684,862
e. Dividends paid (1)	102,689	207,883	249,234	266,068	370,034 (2)
3/ Earnings per share in euros					
a. Earnings after tax, but before depreciation, amortization and provisions	1.39	10.18	8.57	5.78	10.56
b. Earnings after tax, depreciation, amortization and provisions	2.11	4.36	6.47	5.38	8.71
c. Dividend paid per share	1.23	2.49	3.00	3.37	4.72 (2)
4/ Personnel					
a. Average number of employees during the year	8,811	8,731	8,954	9,481	10,123
b. Total wages and salaries	514,106	539,291	556,323	604,529	642,416
c. Social security and other staff benefits	265,718	293,254	311,737	338,434	369,610
5/ Employee profit-sharing	**47,990**	**88,362**	**147,752**	**114,455**	**176,360**
6/ Incentive payments	**16,909**	**20,000**	**20,000**	**20,000**	**20,000**

(1) dividends of EUR 264,729 thousand were paid for the year ended December 31, 2023, of EUR 245,585 thousand for the year ended December 31, 2022, and of EUR 207,184 thousand for the year ended December 31, 2021, net of dividends on treasury shares.
(2) dividends were calculated on the basis of the number of shares making up the share capital as of December 31, 2024, less shares canceled pursuant to the decrease in capital decided by the board of directors' meeting on March 4, 2025.

Note 33 - Subsequent events

No other events likely to have a material impact on the financial statements occurred between December 31, 2024 and the date the financial statements were approved by the board of directors.

Statutory auditors' report on the financial statements

Year ended December 31, 2024

To the General Meeting of Dassault Aviation,

Opinion

In compliance with the engagement entrusted to us by the General Meetings of DASSAULT AVIATION, we have audited the accompanying financial statements of Dassault Aviation Company for the year ended December 31, 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules stipulated in the French Commercial Code and in the French Code of Ethics (Code de Déontologie) for statutory auditors, for the period from January 1, 2024 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 paragraph 1 of Regulation (EU) No 537/2014.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

<table>
<tr><th>Risk identified</th><th>Our response</th></tr>
<tr><td>
Accounting for net sales and the recognition of revenue on Defense contracts
(Notes 1.2 .8, 1.2.11, 14.2 and 20 to the annual financial statements)
As described in note 1.2.11, the profit or loss at completion on Defense contracts, as well as any provision for losses on completion and provisions for risks and charges at the closing date depend on the capacity of the entity:

to measure the costs incurred on a contract, and
to reliably estimate the costs yet to be incurred until the end of the contract.

The estimates of the costs to be incurred are based on a program monitoring process ensured by the Programs Department and Finance Department under the control of the Executive Management. The estimates of profit or loss at completion of the contracts are updated at each closing date.
Accounting of the net sales and recognition of revenue of Defense contracts is seen as a key point of the audit because of the high level of judgment and of estimates required to determine the methods on the recognition of net sales and profit or loss at completion of contracts, and consequently, their potentially significant impact on consolidated profit and loss and equity.
</td><td>
Based on discussions with the relevant Operational Departments, we took note of the procedures to identify the costs and valuation of results at completion. We also tested the functioning of internal key controls that we considered relevant to our audit
Our work consisted of:

testing controls relating to net sales and cost to be incurred forecasts with respect to contracts;
conducting interviews with program monitoring managers and Financial Management and carry out tests on sampled documents for a selection of the contracts that contributed most to the results of the period, in order to:

confirm the performance of the contract benefits when the revenue is recognized upon completion;
test the costs incurred and thus corroborate the applied degree of progress when the revenue is gradually recognized;
appreciate the reasonability of significant assumptions used for the determination of results at completion and of provision for risks and charges, then test by sampling observed data and costs retained for the valuation of provisions as well as for the calculations made.

reconciling the accounting data with their operational analytical monitoring for these contracts;
verifying the correct analytical allocation of costs to contracts;
For a selection of contracts, for which there was a significant change in the estimated results at completion compared with previous estimates, we sought to explain the origin of the changes observed in order to corroborate these with technical and operational justifications for the basis of our experience and interviews with the relevant management.

In addition, we assessed the adequacy of the information given in Notes 1.2.8, 1.2.11, 14.2 and 20 to the annual financial statements.
</td></tr>
</table>

Risk identified	*Our response*
Valuation of warranty provisions *(Note 1.2.8 and 14.2 to the annual financial statements)* Dassault Aviation provides warranties for its aircraft deliveries against hardware or software defects and is required to remedy any regulatory non-compliance identified after the delivery of the necessary equipment. These warranties therefore constitute a commitment for Dassault Aviation. The costs of this commitment must be accrued upon delivery of the airplane. The estimated amount of the provisions is based on the data and expenses recorded by airplane model and type of transactions taken as collateral and on estimated costs, in particular cost estimates for specialists, handling of malfunctions and regulatory non-compliance. Given the fleet in service and the variety of costs potentially incurred, warranty provisions are determined by complex models that involve the judgment of several Operational Managements. Management's valuation of these commitments caused Dassault Aviation to recognize warranty provisions of approximately EUR 826 million as at December 31, 2024. The valuation of these provisions is a key point of the audit due to: • the level of judgment required for their determination, • the complexity of their valuation, • their significant amount, • and, consequently, the potentially significant • impact on earnings and equity if their estimates vary.	Based on discussions with the relevant Operational Managements, we took note of the procedures to identify the risks to be guaranteed and the procedures put in place to determine the costs and other data used as a basis for the valuation of provisions for guarantees. We also tested the functioning of key internal controls that we considered relevant to our audit. In addition, our work consisted of: • assessing the adequacy of the accruing methodology used by the Dassault Aviation's Management and of the judgments exercised by it, • assessing, through discussions with the relevant Operational Managements, the reasonableness of the assumptions used to determine provisions for guarantees, • testing by sampling the observed data and costs used for the valuation of the provisions and the calculations made.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information given in the management report and in the other documents provided to shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the board of directors and in the other documents provided to shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-6 of the French Commercial Code.

Report on corporate governance

We attest that the board of directors report on corporate governance sets out the information required by Articles L. 225-37-4, L. 22-10-10 and L. 22-10-9 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 22-10-9 of the French Commercial Code relating to remunerations and benefits received or attributed to the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Concerning the information related to factors that your company have considered as likely to have an impact in case of a public takeover or swap bid, given in accordance with the requirements of Article L.22-10-11 of the French Commercial Code, we have verified its conformity with the source documents which we were provided. Based on this work, we have no remarks to make on this information.

Other Information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Other verification or information stipulated in Legal and Regulatory documents

Annual accounts lay-out to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by the statutory auditor relating to the annual and consolidated financial statements presented in European single electronic format, that the presentation of the financial statements intended to be included in the annual financial report mentioned in Article L.451-1-2, I of the French Monetary and Financial Code (Code monétaire et financier), prepared under the responsibility of the Group Managing Director, complies with the single electronic format defined in the European Delegated Regulation n° 2019/815 of 17 December 2018.

Based on the work we have performed, we conclude that the presentation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the financial statements that will ultimately be included by your company in the annual financial report filed with the AMF are in agreement with those on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of DASSAULT AVIATION by the General Meetings held on June 19, 1990 for FORVIS MAZARS (formerly MAZARS) and held on May 12, 2020 for PricewaterhouseCoopers Audit.

As at December 31, 2024, audit firm Mazars and audit firm PricewaterhouseCoopers Audit were in the 35th year and 5th of total uninterrupted engagement respectively.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the board of directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or taken together, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit. Furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or

conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee that includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement which, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N°537-2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 821-27 to L. 821-34 of the French Commercial Code and in the French Code of Ethics (Code de Déontologie) for statutory auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, March 14, 2025

Statutory auditors

PricewaterhouseCoopers Audit	FORVIS MAZARS
Edouard Demarcq	Erwan Candau

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements.
This report also includes information relating to the specific verifications of information given in the management report and in the documents addressed to shareholders.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France