



**MONTANA
AEROSPACE**



INTERIM FINANCIAL REPORT

Q1 2023



WE SHAPE THE FUTURE.
WITH EXPERIENCE, A SPIRIT
OF INNOVATION AND THE
HIGHEST STANDARDS,
WE ARE SETTING OUT FOR
NEW HORIZONS.



MONTANA AEROSPACE AG – SELECTED KEY FIGURES

(financial figures in M€)	For the three months ended 31 March		
	2023	2022	yoy change
Net Sales	353.1	243.3	109.8
EBITDA	21.4	14.4	7.0
Adjusted EBITDA*	23.6	15.9	7.7
Adjusted EBITDA margin (%)	6.7%	6.5%	0.2%
Operating Profit (EBIT)	-6.5	-4.8	-1.7
Result for the period	-17.5	-7.2	-10.3
Cash Flow from operating activities	-76.4	-37.4	-39.0
Cash Flow from investing activities	-25.9	-83.7	57.8
Cash Flow from financing activities	-28.0	1.9	-29.9
Free Cash Flow	-102.3	-121.2	18.9
CAPEX spent	-17.3	-21.9	4.5
Trade Working Capital	391.3	301.7*	89.6
Equity Ratio (%)	44.2%	43.1%*	1.1%
Net Debt (cash)	391.8	279.4*	112.4
Total Assets	2,120.4	2,220.6*	-100.2
Employees	6,695	6,830	-135

* comparison period is December 2022



2023 — REAPING THE REWARDS OF OUR COUNTER-CYCLICAL INVESTMENT PROGRAM

Major investment program completed (>EUR 650m)

While Montana Aerospace has invested more than EUR 650 million in new capacities in the past few years (2018 to 2022), starting in 2023 we will be reaping the rewards of our counter-cyclical investment strategy. We have moved ahead of our competitors, with the help of a strong order book, the acquisition of new market shares and the support of our highly dedicated team of experts around the world.

Encouraging our global talents

At Montana Aerospace, making our employees feel valued enjoys high priority. This includes helping them grow both as professionals and as individuals. To this end we have set up the Montana Aerospace Mentorship Program, which is a voluntary, global 6-month professional development program offered twice each year. Mentors and mentees from all divisions are paired to match mentees' goals with mentors' skills. Cross-cultural competence is promoted by bringing applicants across countries and divisions together. We are happy to announce that the first cohort of 2023 just started with 29 paired mentors and mentees.

Focus on net income and free cash flow

After completing the largest capital expenditure program in Montana Aerospace's history — a stress test for our financial KPIs — now the time has come to demonstrate that we can generate a positive and sustainable level of net income and free cash flow going forward. Additionally, as of 2023 we will focus only on sustainable capital expenditure and maintenance.

Streamlining our balance sheet

In 2023, we plan to strengthen our balance sheet and reduce dependence by lowering our debt positions and generating higher positive free cash flows. One defined goal is to reduce our ties with our majority shareholder Montana Tech Components AG (with respect to debt) and establish a more independent debt financing structure without its guarantees. This step will be a key focus of Montana Aerospace in 2023 with the aim of achieving a greater level of financial and operational independence.



Commodities

While 2022 was not an easy year, we do not expect smoother sailing in the first three quarters of 2023 either. We are countering any shortages caused by the war in Ukraine with a forward-looking commodities strategy:

- Price increases on world markets can be contained by contractual clauses regarding commodity costs, a common practice on markets.
- Our goal is to achieve a high level of recycling in our production processes — particularly regarding aluminum for which our alloys consist of 70% recycled materials.
- The high vertical integration of our value chain gives us greater independence from external commodity supply chains.

Montana Aerospace's new goals & 2027 segment strategy

We aim to achieve operational excellence in the Aerostructures segment in 2023. We will focus on three key areas:

- Execution: ensure a fast and smooth ramp-up
- Performance: achieve greater efficiency to improve operating margins, expand digitization capabilities and optimize internal as well as external supply chains
- Growth: expand sustainable and profitable business areas in specific segments and increase diversification

FINANCIALS:

EBITDA

Montana Aerospace estimates EBITDA for 2023 to be within the range of

EUR 130 TO 150 MILLION



**EUR >1.5 BILLION
IN NET SALES**



"Our strategy is based on performance, which means securing competitiveness, improving efficiency and operational margins and also improving overall profitability. The strategic measures to guarantee attainment of these goals include continuing efforts to ensure operational excellence and the use of our performance management toolkit."

Kai Arndt,
Co-CEO



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FINANCIAL OVERVIEW

Earnings

(in TEUR)	For the three months ended March 31			
	2023	2023 (adjustments)	2022	2022 (adjustments)
Net Sales	353,084		243,287	
Change in finished and unfinished goods	11,082		17,034	
Own work capitalized	3,450		6,676	
Other operating income	5,450		4,705	
Cost of materials, supplies and services	-234,434		-173,683	
Personnel expenses	-70,301		-50,052	
Other operating expenses	-46,972		-33,563	
EBITDA	21,359		14,404	
Legal costs (Arconic lawsuit)		785		267
M&A and PMI related expenses		925		0
Management stock option program related cost		541		1,230
Adjusted EBITDA		23,609		15,901
Adjusted EBITDA margin		6.7%		6.5%
Depreciation and amortization	-27,856		-19,220	
Operating Profit (EBIT)	-6,497		-4,816	
Financial result	-11,888		-1,566	
Result before tax	-18,385		-6,382	
Income tax expense	875		-805	
Result for the period	-17,510		-7,187	
Thereof attributable to:				
Owners of the company	-17,418		-7,108	
Non-controlling interests	-92		-79	



SOLID START INTO 2023

The results of the 1st quarter of 2023 are in line with our guidance in the Aerostructures and E-Mobility segment and exceeding our internal expectations in the Energy segment. Among the highlights of the financial results for Q1 2023 are the net sales figures of the Aerostructures segment, which amount to EUR 166.8 million (86% yoy growth), and the adj. EBITDA figures of the Energy segment, which amount to EUR 7.2 million (400% yoy growth).

Net Sales

In the first three months of 2023, Montana Aerospace generated consolidated Net Sales of EUR 353.1 million, which is 45.1% above the previous year's EUR 243.3 million. The greatest contribution to Net Sales was generated by the business segment Aerostructures, which achieved EUR 166.8 million, closely followed by the business segment Energy (EUR 139.8 million). In general, this positive development in net sales was supported by Montana Aerospace's acquisitions of ASCO in the Aerostructures business segment and Sao Marco in the Energy business segment in 2022.

EBITDA

Accounting for one-off and non-operative effects – most notably legal costs and post-merger integration (PMI) related expenses – the adjusted EBITDA reached EUR 23.6 million in the first three months in 2023, exceeding the level of EUR 15.9 million in the same period in 2022. This translates into an adjusted EBITDA margin of 6.7% as compared to the previous year's Q1 level of 6.5%. Overall adj. EBITDA performance is still impacted and diluted by external supply chain issues, ASCO is facing within the Aerostructures segment on its path to full integration.

On a non-adjusted level, reported Group EBITDA increased from EUR 14.4 million in the first three months of 2022 to EUR 21.4 million in 2023, which is a 48.3% increase, and which is in line with the increase in the adjusted EBITDA (increase of 48.5% as compared to the previous period).

This increase in EBITDA can largely be attributed to the substantial improvement in production output (net sales plus change in finished goods; +EUR 103.8 million as compared to 2022), which was supported by the gain in market share and higher build rates as well as the strengthening of the workforce to approximately 6,700 employees.

The cost of materials supplies and services (EUR 234.4 million in the first three months 2023 vs. EUR 173.7 million in the same period in 2022) is under-proportional to net sales development. Personnel expenses continued to rise (EUR 70.3 million for the period ended March 2023 vs. EUR 50.1 million in the same period 2022), although roughly EUR 21 million occurred out of the acquisition of ASCO. Thus, on a like for like basis, it remained almost the same. Montana Aerospace continues to see the access to skilled and qualified personnel and enough raw material as crucial milestones to achieve growth in the future.



The three adjustments to EBITDA in the first three months in 2023 were the costs related to PMI expenses related to the acquired ASCO group in 2022, amounting to EUR 0.9 million, followed by legal costs (EUR 0.8 million), as well as the management stock option program (MSOP) (EUR 0.5 million), which overall sum up to EUR 2.2 million.

Concerning trade working capital (TWC), we expect to reach significantly lower and more sustainable TWC levels in all segments as guided previously until end of 2023. End of 2022, we have seen some delayed payments due to optimization reasons. This will change going forward as payments will be made earlier, in line with previous first quarters of the respective business years. As net sales rose by ~45%, inventories only rose by roughly 4%, supporting the trend to effective trade working capital management.

The financial result was negatively impacted due to substantially higher interest expenses, which hiked from EUR -5.0 million at the end of Q1 2022 to EUR -9.7 million at the end of Q1 2023. Nonetheless, more than one third of the financial result is non-cash related (FX-topics). Positive changes in the financial result are expected within the next months, once the restructuring of the debt position has been achieved.

Net Sales and adj. EBITDA development per segment

in EURm	Aerostructures		E-Mobility		Energy	
	Q1 2022	Q1 2023	Q1 2022	Q1 2023	Q1 2022	Q1 2023
Net Sales	89.9	166.8	45.4	47.2	108.6	139.8
yoy growth	+85.5%		+3.9%		+28.7%	
Adj. EBITDA	12.0	15.2	4.2	3.3	1.4	7.2
yoy growth	+26.9%		-20.8%		+400%	

Segment sales and EBITDA performance in the first three months in 2023 show Aerostructures and Energy as the key drivers of Montana Aerospace's business expansion. Aerostructures posted growth of +85.5% with a total revenue of EUR 166.8 million, while Energy showed significant growth of +28.7% with a total revenue of EUR 139.8 million. The E-Mobility segment only shows a slight improvement in net sales (EUR 47.2 million in the first three months in 2023 vs. EUR 45.4 million in the same period in 2022) due to the decreased demand of billets in the external market.

Adj. EBITDA in the E-Mobility segment lies within our guidance, with good potential to overachieve in the quarters to come. The Energy segment achieved an adj. EBITDA of EUR 7.2 million, which is a +400.0% compared to Q1 2022, establishing itself as a business segment with strong growth and reflecting that the market is transforming from a pull towards a push market. Aerostructures also shows improvement of +26.9% as compared to the same period last year and posted an adj. EBITDA of EUR 15.2 million, although still dilutive on overall adj. EBITDA due to ongoing supply chain challenges within ASCO.



Operating Result (EBIT)

On a reported level, the operating result (EBIT) reached EUR –6.5 million as of 31 March 2023 compared to EUR –4.8 million in the first three months of 2022, on the back of the one-off and non-operative effects mentioned above. Taking these adjustments into account, the adjusted EBIT would amount to EUR –4.2 million.

Total expenses for depreciation and amortization aggregated to EUR 27.9 million in the first three months of 2022 as compared to EUR 19.2 million in the same period in 2022. This increase reflects the ongoing commitment to invest into new and improved production capacities as well as the additional asset base (ASCO) considered in 2023. No adjustments to depreciation and amortization (impairment) were made.

Cash flow statement

(in TEUR)	For the three months ended 31 March	
	2023	2022
Cash and cash equivalents at the beginning of the period	426,215	509,059
Net cash provided / used in operating activities	–76,404	–37,439
Net cash used in investing activities	–25,900	–83,719
Net cash used in / from financing activities	–27,999	1,861
+/- effect of exchange rate fluctuations on cash held	–1,066	784
Cash and cash equivalents at the end of the period	294,846	390,546

Balance sheet

(in TEUR)	31 March 2023	31 December 2022
ASSETS		
Non-current assets	1,161,921	1,167,650
Current assets	958,433	1,052,997
<i>o/w cash and cash equivalents</i>	294,846	426,215
Total Assets	2,120,354	2,220,647
EQUITY AND LIABILITIES		
Total equity	937,212	957,631
Non-current liabilities	792,187	789,995
Current liabilities	390,955	473,020
Total equity and liabilities	2,120,354	2,220,647



At 31 March 2023, total assets were at EUR 2,120.4 million (31 December 2022: EUR 2,220.6 million), with total non-current assets amounting to EUR 1,161.9 million (31 December 2022: EUR 1,167.7 million). Total non-current assets included mainly intangible assets and goodwill of EUR 301.0 million (31 December 2022: EUR 305.8 million) as well as property, plant and equipment of EUR 733.4 million (31 December 2022: EUR 745.0 million). Within total current assets of EUR 958.4 million (31 December 2022: EUR 1,053.0 million), inventories amounted to EUR 337.1 million (31 December 2022: EUR 324.0 million), trade receivables to EUR 196.4 million (31 December 2022: EUR 171.4 million), other receivables and assets to EUR 96.1 million (31 December 2022: EUR 69.7 million), and cash and cash equivalents to EUR 294.8 million (31 December 2022: EUR 426.2 million).

Total liabilities were at EUR 1,183.1 million at 31 March 2023 (31 December 2022: EUR 1,263.0 million), of which EUR 391.0 million refer to current liabilities (31 December 2022: EUR 473.0 million) and EUR 792.2 million to non-current liabilities (31 December 2022: EUR 790.0 million). Non-current liabilities include EUR 473.3 million in bank loans and borrowings (31 December 2022: EUR 466.4 million), EUR 103.0 million in other financial liabilities (31 December 2022: EUR 104.6 million) as well as EUR 92.6 million in other liabilities and accruals (31 December 2022: EUR 93.8 million). Total current liabilities include EUR 102.5 million in loans and borrowings (31 December 2022: EUR 122.9 million) as well as EUR 172.2 million in trade payables (31 December 2022: EUR 224.1 million). Total equity decreased to EUR 937.2 million (31 December 2022: EUR 957.6 million) and includes EUR 918.8 million of share premium (31 December 2022: EUR 918.2 million).

At 31 March 2023, Montana Aerospace's trade working capital amounted to EUR 391.3 million compared to EUR 409.7 million at Q1 2022.



Supplemental financial information

USAGE OF ALTERNATIVE PERFORMANCE MEASURES

Montana Aerospace AG is managed in accordance with internally defined financial and non-financial key figures in the interest of achieving a sustainable increase in value. The following key financial figures are used for the purpose of value-oriented management and in the context of the Interim Report Q1 – 2023:

- **Organic Growth** refers to increases in net sales (in %) excluding any contributions from acquired companies.
- **EBITDA** refers to operating profit before interest, taxes, depreciation and amortization.
- **Adjusted EBITDA** refers to operating profit before interest, taxes, depreciation and amortization adjusted for one-off effects.
- **Operating Cash Flow** is defined as net cash used / provided in operating activities.
- **Investing Cash Flow** is defined as net cash used / provided in investing activities.
- **Financing Cash Flow** is defined as net cash used / provided in financing activities.
- **Free Cash flow** is defined as the sum of operating cash flow and investing cash flow.
- **CAPEX** (capital expenditures) refers to payments made for purchase of PPE and intangible assets.
- **Equity Ratio** refers to total equity in % of total equity and liabilities.
- **Trade Working Capital** includes trade receivables and inventories less trade payables and advances received from customers.
- **Contracted Sales** is calculated as Contract period x shipset value x Montana Aerospace build-rate estimates.

Due to the Group's dynamic growth, the trend in the number of employees is also an important non-financial indicator.



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(unaudited)

31 MARCH 2023

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Consolidated statement of financial position

(unaudited)

(in TEUR)	Notes	31.03.2023	31.12.2022
ASSETS			
Intangible assets and goodwill		301,025	305,752
Property, plant and equipment		733,419	744,997
Investment properties		5,454	5,521
Joint ventures and shares in associates		31,125	30,125
Loans		20,404	10,870
Other financial assets		3,011	3,011
Other receivables and assets		60,329	60,458
Deferred tax assets		7,154	6,916
Non-current assets		1,161,921	1,167,650
Inventories		337,090	323,980
Contract assets		23,898	23,969
Trade receivables		196,372	171,413
Income tax receivables		5,554	6,140
Receivables from affiliated companies		1,484	1,525
Loans		3,060	3,058
Other receivables and assets		96,129	96,697
Cash and cash equivalents		294,846	426,215
Current assets		958,433	1,052,997
TOTAL ASSETS		2,120,354	2,220,647
EQUITY AND LIABILITIES			
Share capital	8	56,480	56,480
Share premium	8	918,787	918,245
Retained earnings	8	-36,587	-15,689
Equity attributable to owners of Montana Aerospace AG	8	938,680	959,036
Non-controlling interests	8	-1,468	-1,405
Total equity	8	937,212	957,631
Loans and borrowings		473,306	466,436
Other financial liabilities	7	103,025	104,641
Deferred tax liabilities		61,394	62,823
Provisions		39,672	39,548
Employee benefits		16,229	16,809
Contract liabilities		5,944	5,944
Other liabilities and accruals		92,617	93,794
Non-current liabilities		792,187	789,995
Loans and borrowings		102,491	122,913
Other financial liabilities	7	7,804	11,593
Tax liabilities		909	718
Provisions		8,536	7,781
Employee benefits		24,950	21,544
Trade payables		172,161	224,141
Contract liabilities		3,043	3,698
Liabilities from affiliated companies		176	989
Other liabilities and accruals		70,885	79,643
Current liabilities		390,955	473,020
TOTAL LIABILITIES		1,183,142	1,263,015
TOTAL EQUITY AND LIABILITIES		2,120,354	2,220,647



Consolidated statement of profit or loss (unaudited)

(in TEUR)	Notes	For the three months ended 31 March	
		2023	2022
Net sales	5	353,084	243,287
Change in finished and unfinished goods		11,082	17,034
Own work capitalised		3,450	6,676
Other operating income		5,450	4,705
Cost of materials, supplies and services		-234,434	-173,683
Personnel expenses		-70,301	-50,052
Other operating expenses	9	-46,972	-33,563
EBITDA*		21,359	14,404
Depreciation and amortization		-27,856	-19,220
OPERATING RESULT		-6,497	-4,816
Interest income		2,057	482
Interest expenses	10	-9,744	-5,008
Other financial income		764	3,961
Other financial expenses	11	-4,965	-1,001
FINANCIAL RESULT		-11,888	-1,566
RESULT BEFORE TAX		-18,385	-6,382
Income tax expense / income		875	-805
RESULT FOR THE PERIOD		-17,510	-7,187
Thereof attributable to:			
Owners of Montana Aerospace AG		-17,418	-7,108
Non-controlling interests		-92	-79
EARNINGS PER SHARE (IN EUR)			
Basic earnings per share		-0.28	-0.12
Diluted earnings per share		-0.28	-0.12

* EBITDA is calculated as result for the period before income tax expense, interest income, other financial income, interest expenses, other financial expenses and depreciation and amortization.

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.



Consolidated statement of profit or loss and other comprehensive income (OCI)

(unaudited)

(in TEUR)	Notes	For the three months ended 31 March	
		2023	2022
Result for the period		-17,510	-7,187
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Remeasurements of the defined benefit liability (asset)		-44	4,436
Related taxes		8	-825
		-36	3,611
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Effective portion of changes in fair value of cash flow hedges		4,473	-152
Foreign exchange differences		-7,806	6,162
Related taxes		-84	0
		-3,417	6,010
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		-3,453	9,621
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-20,963	2,434
Thereof attributable to:			
Owners of Montana Aerospace AG		-20,899	2,528
Non-controlling interests		-64	-94

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.



Consolidated statement of changes in equity 2023

(unaudited)

(in TEUR)	Notes	Attributable to owners of the Company						Total	Non-controlling interest	Total equity
		Share capital	Share premium	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings			
Balance as of January 1, 2023		56,480	918,245	40,276	-4,985	-50,978	-15,689	959,036	-1,405	957,631
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD										
Result for the period						-17,418	-17,418	-17,418	-92	-17,510
Other comprehensive income for the period, net of tax				-7,834	4,389	-36	-3,481	-3,481	28	-3,453
Total		0	0	-7,834	4,389	-17,454	-20,899	-20,899	-63	-20,961
TRANSACTIONS WITH OWNERS OF THE COMPANY										
Effect of share-based payments	8 / 12		541					541		541
Total		0	541	0	0	0	0	541	0	541
Balance as of March 31, 2023		56,480	918,787	32,442	-596	-68,432	-36,587	938,680	-1,468	937,212

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.



Consolidated statement of changes in equity 2022

(unaudited)

(in TEUR)	Attributable to owners of the Company							Total	Non-controlling interest	Total equity
	Share capital	Share premium	Non-redeemable loan	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings			
Balance as of January 1, 2022	52,164	849,076	15,195	16,308	-545	-26,642	-10,880	905,555	-704	904,851
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD										
Result for the period						-7,108	-7,108	-7,108	-79	-7,187
Other comprehensive income for the period, net of tax				6,177	-152	3,611	9,636	9,636	-15	9,621
Total	0	0	0	6,177	-152	-3,497	2,528	2,528	-94	2,434
TRANSACTIONS WITH OWNERS OF THE COMPANY										
Effect of share-based payments		1,230						1,230		1,230
Total	0	1,230	0	0	0	0	0	1,230	0	1,230
Balance as of March 31, 2022	52,164	850,306	15,195	22,485	-697	-30,139	-8,351	909,314	-798	908,516

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.



Consolidated statement of cash flows

(unaudited)

(in TEUR)	Notes	For the three months ended 31 March	
		2023	2022
CASH FLOW FROM OPERATING ACTIVITIES			
Result before tax		-18,385	-6,382
Net interest income		7,687	4,526
Depreciation and amortization		27,856	19,220
Gains and losses from disposals of property, plant and equipment and intangible assets		136	337
Other non-cash income and expenses		-1,245	-511
Subtotal		16,049	17,190
Changes in assets and liabilities:			
Inventories		-14,223	-34,330
Trade receivables and other current assets		-24,277	-37,860
Trade payables and other current liabilities		-53,774	18,713
Provisions and liabilities for employee benefits		-165	-842
Subtotal		-92,439	-54,319
Income taxes paid		-14	-310
NET CASH FROM OPERATING ACTIVITIES		-76,404	-37,439
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries less cash acquired		-168	-62,471
Acquisition of intangible assets and property, plant and equipment		-17,348	-21,757
Disposal of intangible assets and property, plant and equipment		73	23
Payments made for capital contribution to associates		-1,000	0
Loans to joint ventures		-9,400	0
Interest received		1,943	482
NET CASH FROM INVESTING ACTIVITIES		-25,900	-83,719
CASH FLOW FROM FINANCING ACTIVITIES			
Issuance of interest-bearing liabilities		21,745	26,518
Repayment of interest-bearing liabilities		-40,508	-18,426
Payment of lease liabilities		-2,349	-2,405
Interest paid		-6,887	-3,826
NET CASH FROM FINANCING ACTIVITIES		-27,999	1,861
NET CHANGE IN CASH AND CASH EQUIVALENTS		-130,303	-119,297
Cash and cash equivalents as at 1 January		426,215	509,059
Effect of exchange rate changes on cash and cash equivalents		-1,066	784
Cash and cash equivalents as at 31 March		294,846	390,546

The notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.



NOTES

to the condensed consolidated financial statements

1. Reporting entity

Montana Aerospace AG (“Montana Aerospace” or “the Company”) is a worldwide supplier of structural parts for the aerospace, e-mobility and energy industries and is incorporated on 25 November 2019 in Switzerland with its registered office in Reinach, Switzerland. These condensed consolidated interim financial statements as at and for the three months ended 31 March 2023 comprise the Company and its subsidiaries (collectively the ‘Group’ and individually ‘Group companies’).

The controlling parent company of Montana Aerospace is Montana Tech Components AG.

2. Basis of accounting

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting, and should be read in conjunction with the Group’s last annual consolidated financial statements as at and for the year ended 31 December 2022 (“last annual financial statements”). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year (last annual consolidated financial statements of Montana Aerospace as of 31 December 2022). The Group’s sales were not subject to seasonal variations during the reporting period.

The consolidated interim financial statements have been prepared under the historical cost convention, unless otherwise indicated. All amounts are in thousands of euros unless otherwise stated.

These interim financial statements were authorised for issue by the Board of Directors on 5 May 2023.



3. Use of judgements and estimates

In preparing these interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainties were the same as those described in the last annual financial statements of Montana Aerospace.

3.1. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.



4. Changes in significant accounting policies

The accounting policies applied in these consolidated interim financial statements are the same as those applied in the Group's consolidated financial statements as at and for the year ended 31 December 2022.

For these interim financial statements, no changes in significant accounting policies were identified compared to the Group's consolidated financial statements as at and for the year ended 31 December 2022.

5. Segment reporting

5.1. Basis for segmentation

Operating segments requiring to be reported are determined on the basis of a management approach. Accordingly, external segment reporting reflects the internal organizational and management structure used within the Group as well as internal financial reporting to the chief operating division maker. In the case of Montana Aerospace, the chief operating decision maker is the Board of Montana Aerospace AG.

The reporting is divided into the segment "Aerostructures", "E-mobility" and "Energy". In addition, unallocated costs are reported separately under "Reconciliation".



Aerostructures

The Aerostructures segment is a partner for aircraft manufacturers. The segment develops and manufactures aircraft parts. The Group's product portfolio ranges from structural components for fuselage, wings and landing gear to critical engine components subject to high thermal and mechanical loads, and functional components for the cabin interior.

E-Mobility

The E-mobility segment manufactures lightweight components for the e-mobility sector. The segment is specialized in the production of components and assemblies, such as crash management systems and battery boxes.

Energy

The Energy segment produces components for the energy infrastructure. The segment specializes in copper processing and has high-level expertise in copper refinement and insulation systems.

The accounting and measurement policies for the segment reporting are based on the IFRS used in the present consolidated financial statements. The Board of Directors (CODM) uses adjusted EBITDA for management purposes.

The adjustments are made to eliminate non-operational expenses and income not attributed to management performance. The following were incurred during the reporting and comparison period:

(in TEUR)	For the three months ended 31 March	
	2023	2022
EBITDA as reported	21,359	14,404
Legal costs	785	267
M&A and PMI related expenses	925	0
Stock option plans (share-based payment)	541	1,230
Adjusted EBITDA	23,609	15,901



5.2. Information according to reportable segments

The management variables, which are used to assess the performance of the operating segments, are shown below:

For the three months ended 31 March												
	Aerostructures		E-Mobility		Energy		Total		Reconciliation		Group	
(in TEUR)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External net sales	166,389	89,358	46,930	45,307	139,764	108,622	353,084	243,287			353,084	243,287
Net sales between segments	371	519	224	85			595	604	-595	-604	0	
Total net sales	166,760	89,877	47,154	45,392	139,764	108,622	353,678	243,891	-593	-604	353,084	243,287
Adjusted EBITDA	15,162	11,945	3,296	4,163	7,175	1,435	25,633	17,543	-2,024	-1,642	23,609	15,901
Non-operative income and expenses	-1,710	-267					-1,710	-267	-541	-1,230	-2,251	-1,497
EBITDA	13,452	11,678	3,296	4,163	7,175	1,435	23,923	17,276	-2,564	-2,872	21,359	14,404
Depreciation and amortization	-22,983	-14,970	-2,535	-2,444	-2,384	-1,841	-27,902	-19,255	46	35	-27,856	-19,220
Operating result											-6,497	-4,816
Financial result											-11,888	-1,566
Result before tax											-18,385	-6,382
Income tax expense											875	-805
Result for the period											-17,510	-7,187
Investments	12,492	16,369	2,105	2,479	2,227	1,128	16,824	19,976	129	-63	16,953	19,913

A summary of the elimination of intra-Group interdependencies between the segments is provided in the reconciliation column. The reconciliation column also contains facts that cannot be directly allocated to any segment, such as the effects of share-based payment.



5.3. Entity-wide disclosures

INFORMATION BY GEOGRAPHICAL SEGMENT

For the three months ended 31 March

(in TEUR)	2023		2022	
	Net sales*	Non-current assets**	Net sales*	Non-current assets**
Switzerland	6,131	38,504	5,505	38,709
Germany	52,551	5,295	47,111	12,969
Austria	8,468	35,123	11,258	84,701
UK	2,833		6,673	255
Poland	6,504		3,459	
Slovenia	5,385		8,332	
Turkey	3,436		2,794	
France	8,968	3,231	5,106	2,741
Spain	1,744		3,037	8
Italy	3,720		3,304	4,411
Finland	382		2,527	
Sweden	1,746		2,057	
Romania	2,509	393,494	3,462	404,021
Russia	422		2,299	
Belgium	37,724	196,846	582	213,399
Rest of Europe	19,726	6,075	10,376	4,686
USA	74,216	187,406	37,600	158,185
Canada	5,063	27,173	3,262	16,570
Mexico	5,096		5,848	
Brazil	47,835	37,420	22,506	18,373
Rest of America	10,144		9,236	
China	27,741	7,393	23,014	8,350
India	7,597	8,115	9,610	9,029
Vietnam	2,285	93,823	3,562	90,964
Rest of Asia	9,586		9,432	
Africa, Australia and New Zealand	1,272		1,335	
Total	353,084	1,039,898	243,287	1,067,371

* The geographic information on revenues in the table above is based on the customers' location.

** Non-current assets include in this respect real estate held as financial investment, property, plant and equipment and intangible assets.



PRODUCTS AND SERVICES

The Group's revenues and trade receivables are split into the following products and services:

(in TEUR)	For the three months ended 31 March			
	2023		2022	
	Net sales	Trade receivables	Net sales	Trade receivables
thereof product sales	352,987	196,343	241,306	226,951
thereof service sales	97	29	1,981	1,562
Total	353,084	196,372	243,287	228,513

KEY ACCOUNTS

For the three months ended 31 March 2023 – as for the three months ended 31 March 2022 – no transactions with a single external customer accounted for 10% or more of the Group sales.

6. Financial instruments – fair values and risk management

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair values for trade and other receivables, trade and other payables, bank loans and borrowings and loan liabilities from affiliated companies are not included in the table below. Their carrying amount is a reasonable approximation of fair value. Bank loans and borrowings are mainly bearing variable interest rates.

The put options granted to non-controlling shareholders that are presented in other financial liabilities are categorised as Level 3 within the fair value hierarchy.



31 March 2023	Carrying amount					Fair value				
	(in TEUR)	Measured at fair value – hedging instruments	Other assets and liabilities measured at fair value in profit or loss	Financial assets measured at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets – measured at fair value										
Forward exchange contracts (hedge accounting)	3,765					3,765		3,765		3,765
Commodity price contracts (hedge accounting)	62					62		62		62
Securities		803				803	0	803		803
	3,827	803	0	0	0	4,630				
Financial assets – not measured at fair value										
Escrow account			5,659			5,659				
Loans to joint ventures			23,464			23,464				
Contract assets			23,898			23,898				
Trade receivables			196,373			196,373				
Receivables from affiliated companies			1,484			1,484				
Other receivables and assets			100,667			100,667				
Cash and cash equivalents			294,846			294,846				
	0	0	646,391	0	0	646,391				
Financial liabilities – measured at fair value										
Forward exchange contracts (hedge accounting)	12,464					12,464		12,464		12,464
Commodity swaps (hedge accounting)	92					92		92		92
	12,556	0	0	0	0	12,556				
Financial liabilities – not measured at fair value										
Loans and borrowings				575,797		575,797				456,281
<i>thereof promissory notes</i>				465,250		465,250		456,281		456,281
Other financial liabilities*				81,835		81,835			300	
Lease liabilities				28,665		28,665				
Trade payables**				171,709		171,709				
Contract liabilities***				0		0				
Other liabilities from affiliated companies				176		176				
Other liabilities from joint ventures and from associated companies				8,673		8,673				
Accruals				22,562		22,562				
Other liabilities****				104,025		104,025				
	0	0	0	993,442	0	993,442				

* Does not include accrued interest TEUR 328.

** Does not include other payments received TEUR 453.

*** Does not include payments received from contracts with customers TEUR 8,987.

**** Does not include deferred income TEUR 6,068, derivatives TEUR 12,556 and liabilities from other taxes as well as in the context of social security TEUR 9,617.



31 December 2022	Carrying amount					Fair value				
	(in TEUR)	Measured at fair value – hedging instruments	Other assets and liabilities measured at fair value in profit or loss	Financial assets measured at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets – measured at fair value										
Forward exchange contracts (hedge accounting)	2,844				2,844		2,844			2,844
Commodity price contracts (hedge accounting)	57				57		57			57
Securities		785			785	0	785			785
	2,901	785	0	0	3,686					
Financial assets – not measured at fair value										
Escrow account			5,701		5,701					
Loans to joint ventures			13,928		13,928					
Contract assets			23,969		23,969					
Trade receivables			171,413		171,413					
Receivables from affiliated companies			1,525		1,525					
Other receivables and assets			105,758		105,758					
Cash and cash equivalents			426,215		426,215					
	0	0	748,509	0	748,509					
Financial liabilities – measured at fair value										
Forward exchange contracts (hedge accounting)	16,431				16,431		16,431			16,431
Commodity swaps (hedge accounting)	120				120		120			120
	16,551	0	0	0	16,551					
Financial liabilities – not measured at fair value										
Loans and borrowings				589,349	589,349					475,360
<i>thereof promissory notes</i>				483,763	483,763		475,360			475,360
Other financial liabilities*				85,066	85,066				300	
Lease liabilities				30,763	30,763					
Trade payables**				222,150	222,150					
Trade payables from affiliated companies				813	813					
Contract liabilities***				0	0					
Other liabilities from affiliated companies				176	176					
Other liabilities from joint ventures and from associated companies				19,991	19,991					
Accruals				18,114	18,114					
Other liabilities****				99,097	99,097					
	0	0	0	1,065,519	1,065,519					

* Does not include accrued interest TEUR 406.

** Does not include other payments received TEUR 1,993.

*** Does not include payments received from contracts with customers TEUR 9,642.

**** Does not include deferred income TEUR 6,658, derivatives TEUR 16,551 and liabilities from other taxes as well as in the context of social security TEUR 13,023.



7. Other financial liabilities

Other financial liabilities are composed as follows:

(in TEUR)	31.03.2023	31.12.2022
Lease liabilities	28,665	30,763
Other*	82,163	85,471
Other financial liabilities	110,829	116,234
Thereof non-current	103,025	104,641
Thereof current	7,804	11,593

* Item "Other" results mainly from profit certificates in the amount of TEUR 60,863 (including accrued dividends): The Belgian Federal Holding and Investment Company ("FPIM / SFPI") holds profit certificates in Asco, issued against a cash consideration in the amount of TEUR 54,312. These profit certificates were subscribed respectively in 2008, 2012 and 2020. A put option is granted to FPIM / SFPI, exercisable from 2027 (relating to the nominal value amounting to EUR 24.3 million) and 2035 (relating to the nominal value amounting to EUR 30.0 million), to be increased with any dividends related to the past financial year(s) that have not been paid. This put option is recognized as a financial liability.



8. Equity

8.1. Share capital

As of 31 March 2023, the total authorized and issued number of ordinary shares comprises 61,985,597 shares with a nominal value of CHF 1.00 each. The split of the capital stock is shown in the table below.

CAPITAL STOCK	31 March 2023
Nominal value per share (CHF)	1.00
Total number of shares	61,985,597
Total amount of share capital (CHF)	61,985,597
Total amount of share capital (EUR)	56,479,902

The Principal Shareholder (Montana Tech Components AG) holds 52.3% of the shares as of 31 March 2023.

8.2. Earnings per share

The calculation of earnings per share has been based on the profit or loss attributable to shareholders of Montana Aerospace AG as presented in the consolidated statement of profit or loss and the weighted average of shares in circulation as of 31 March 2023.

	2023	2022
Weighted average of ordinary shares in circulation as of 31 March	61,985,597	57,553,997

	For the three months ended 31 March	
(in EUR)	2023	2022
Result of the period attributable to owners of Montana Aerospace AG	-17,417,567	-7,107,889

	For the three months ended 31 March	
(in EUR)	2023	2022
Basic earnings per share	-0.28	-0.12
Diluted earnings per share	-0.28	-0.12



8.3. Share premium

As of 7 April 2022, 4,431,600 shares were newly issued from the authorized share capital of the Company – excluding the pre-emptive subscription rights of existing shareholders. As a result, share premium increased by TEUR 65,047.

For the current fiscal year, a total of TEUR 541 was recognized in equity as share-based remuneration (see note 12).

8.4. Nature and purpose of reserves

The translation reserves comprise all foreign currency differences arising from the translation of the financial statements of foreign operations.

Remeasurements of the net defined benefit liabilities are charged or credited to other comprehensive income in the period in which they arise.

8.5. Dividends

The Company has not paid any dividends in the periods presented.

9. Other operating expenses

As of 31 March 2023, the increase in other operating expenses mainly refers to energy costs as well as to maintenance costs.

10. Interest expenses

As of 31 March 2023, the increase in interest expenses mainly refers to interest expenses to financial institutions.



11. Other financial expenses

As of 31 March 2023, other financial expenses mainly refers to foreign currency exchange losses.

12. Share-based payment arrangements

Management stock option program (MSOP)

The management stock option program (MSOP) was launched by the parent company Montana Tech Components AG, Reinach, Switzerland, to allow employees to subscribe to ordinary shares in Montana Aerospace AG. The vesting period on which the program is based amounts to five years. The share-based payment arrangement requires employees to be in an active employment relationship with the company whenever options are exercised. The expense recognized in the income statement (personnel expenses) for share-based payment came to TEUR 541 in the current fiscal year. The effects in equity amounted to TEUR 541 (see note 8.3) and consisted of allocations from the forward projection of the MSOP.

As of 16 December 2022, Montana Tech Components AG and Montana Aerospace AG agreed to transfer all rights and obligations in relation to the options vesting from 2023, to Montana Aerospace AG.

13. Subsequent events

No events took place between 31 March 2023 and 5 May 2023 that would require adjustments to the carrying amounts of the assets or liabilities in these condensed consolidated interim financial statements or would need to be disclosed here.



THE MONTANA AEROSPACE EQUITY STORY

Boosting structural change and the energy transition

Montana Aerospace offers shareholders an investment opportunity in high-growth niche and promising markets. We pursue a clear goal with our worldwide highly integrated manufacturing operations: to play an active role in shaping the far-reaching structural changes in the aerospace and e-mobility industries as well as in the energy transition. At the same time, we also aim to improve our ecological performance by making a positive contribution to climate change mitigation. As a full-service provider with a global local-to-local strategy and ~6,700 highly-skilled employees at 22 locations worldwide, we are ideally positioned to serve our customers by providing forward-looking solutions.

Reasons to invest in Montana Aerospace

a. We create shareholder value

Our strategic focus on growth, EBITDA margins and free cash flows aims to increase value for our shareholders. To achieve this goal, we concentrate on the following core areas.

Positioning ourselves with the times

Over the long term, population growth and increasing prosperity will raise demand for energy and the need for sustainable mobility concepts both in the air and on the ground. Montana Aerospace's scalable business model supports the goal to increase its market shares in Europe, the US and the APAC region while strengthening its positioning as a technology leader in the megatrends.

Organic growth and inorganic growth

With long-term capital spending of more than EUR 650 million (CAPEX) from 2018 to 2022, most of which was invested in the expansion of capacities and know-how, we improved growth in a rapidly changing supplier environment. In recent years, Montana Aerospace has established a reputation as a buy-and-build partner of choice for well-known OEMs and tier-1 suppliers. This has led to a significant increase in sales based on long-term customer contracts (contracted sales).

Operational excellence

Our focus is on the continuous development and implementation of measures to achieve best-in-class efficiencies in all core processes of our value chain. Continually improving performance creates added value for our customers, increases our competitive advantage and enhances the motivation and team spirit of our employees.



b. Clear commitment to ESG goals

Montana Aerospace's business model is based on a commitment to the sustainable mitigation of environmental impacts. This commitment and the integration of ESG criteria into the company's philosophy is a key element of our strategy and long-term success. At Montana Aerospace, we focus on three sustainability priorities:

- a. Reduce our CO2 emissions by expanding the vertical integration of our value chain
- b. Promote the circular economy by implementing in-house recycling processes
- c. Establish sustainable, long-term working relationships with our employees and partners.

c. Strong positioning on the market

Vertical integration = high value creation

Montana Aerospace is a highly vertically integrated supplier of aerostructures with a solid best-cost country footprint, multi-material expertise in aluminum, titanium, composites, copper and steel. We are a leader in innovative product design, supported by our proprietary intellectual property solutions.

Key partner for customers

Montana Aerospace's market proximity, which is based on its local-to-local manufacturing and service strategy, and its solid best-cost country footprint, ensures strong long-term relationships with blue chip customers from the aerospace, e-mobility and energy sectors.

Resilience through diversification

As an industry group with a leading market position and strong brands, we specialize in the key technologies of three promising markets. With our strong industrial base with 22 locations and efficient overhead structures, we achieve optimal market coverage in the aerospace, e-mobility and energy industry. Diversification is carefully selected to strengthen our business model and helps balance the divergent business cycles. This resilience was successfully demonstrated during the pandemic by our highly engaged employees.

“Since our IPO in 2021, we have not only maintained earnings levels - even in the most challenging periods - but have also exceeded these in the past two years. This achievement was made possible by our business model with strong cash flows, our focus on high profitability, a stable balance sheet structure, and our high degree of efficiency on the shop floor, and, above all, by our dedicated management and team at all of our 22 locations.”

Dr. Michael Pistauer,
Co-CEO & CFO Montana Aerospace

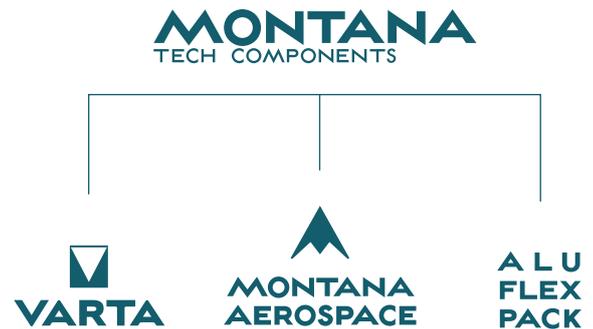


ABOUT MONTANA AEROSPACE

Montana Aerospace focus on key parts and technologies in the aerospace market with a global operational presence. Montana Aerospace manufactures state-of-the-art components for the aerospace industry due to its multi-material capabilities and outstanding technical expertise. As a customer-oriented company, Montana Aerospace drives the research and development of new parts and solutions together with its customers. Due to the high level of integration in the aerospace value chain and the unique business model, Montana Aerospace meets the needs of its customers and has built long-term relationships over decades. Montana Aerospace also produces high-quality, insulated winding material made of copper for electrical engineering in the high-energy sector, so-called twisted conductors for transformers, and Roebel bars for generators. Finally, Montana Aerospace develops, produces and sells special machines for product identification in the metallurgical sector. The marking and reading sub-areas enable the steel identification of metallurgical products, whereby the Group offers all common technologies. The marking by means of different solutions enables traceability to the end product. Montana Aerospace, headquartered in Reinach (AG), Switzerland, has production facilities in Switzerland, Austria, Bosnia, Germany, Italy, USA, Romania, Vietnam, Brazil, China, India, Canada, Belgium and France.

Organizational structure

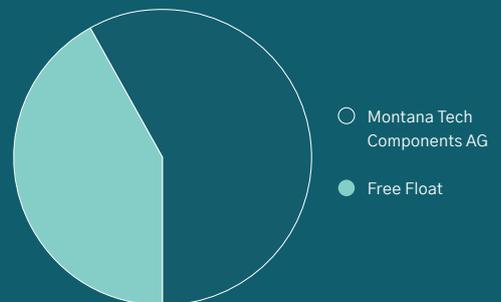
Alongside VARTA AG and Aluflexpack AG, Montana Aerospace AG is one of the three pillars of Montana Tech Components AG. The parent company Montana Tech Components AG, founded in 2006, is a global industrial group with headquarters in Reinach (Switzerland) that specializes in key technologies in future markets. All three business areas of the growth-oriented Group are among the market leaders in their fields of activity. These leadership positions are secured through continuous further development. At Montana Tech Components, a sustainable increase in corporate values has been taking place from an ecological, social and economic point of view since it was founded:



BASIC INFORMATION

ISIN	CH1110425654 /111 042 565
Ticker symbol	AERO
Initial listing	May 12th 2021
Number of shares	61,985,597
Stock Exchanges	International Reporting Standard at SIX Swiss Exchange in Zurich
Market capitalization (as per 31 March 2023)	~CHF 920m

SHAREHOLDER STRUCTURE





DISCLAIMER

Some of the information contained in this press release may be forward-looking statements. Montana Aerospace cautions that such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. Montana Aerospace undertakes no obligation to publicly update or revise any forward-looking statements.

All figures contained in this report are unaudited. This Q1 2023 report can be downloaded at www.montana-aerospace.com

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