MONTANA AEROSPACE

INTERIM FINANCIAL REPORT

FIRST HALF-YEAR 2022

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 six months ended 30 June 2022	2021	yoy change
Net Sales	578.8	359.4	+228.4
EBITDA	28.6	16.2	+12.4
Adjusted EBITDA	33.9	22.6	+11.3
Adjusted EBITDA margin (%)	5.9%	6.3%	–0.4%
Operating Profit (EBIT)	–18.0	–18.5	+0.5
Result for the period	–26.5	–25.7	–0.8
Cash Flow from operating activities	–52.2	–21.8	–40.3
Cash Flow from investing activities	–100.1	–54.3	–45.8
Cash Flow from financing activities	4.7	413.6	–408.9
Free Cash Flow	–152.3	–76.1	–76.2
CAPEX spent	–38.8	–59.9	+21.1
Trade Working Capital	455.5	265.2*	+190.3
Equity Ratio (%)	43.9%	50.5%*	–6.6%
Net Debt (cash)	408.4	81.8*	+326.6
Total Assets	2,210.1	1,792.4*	+417.7
Employees	6,829	5,554*	+1,275
Contracted Sales	> 5,000	3,900 **	

* comparison period is 31 December 2021.
** as of IPO in May 2021

"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

HIGHLIGHTS – FIRST HALF-YEAR 2022

- **Managing the impacts** of the Ukrainian war, energy cost inflation, disrupted supply chains as well as logistical issues through our unique positioning as the one-stop-shop in the aerospace industry.
- The **new and highly experienced management** team with **Co-CEO ('Aerostructures') Kai Arndt, Co-CEO ('E-Mobility' & 'Energy') and CFO Michael Pistauer and CHRO Silvia Buchinger** are forming the Board since July and will keep the company on its growth path.
- **Successful takeover and start of integration of ASCO Industries,** a world class supplier in design and manufacture of high lift structures, complex mechanical assemblies and major functional components in April 2022.
- **Successful acquisition of 100% of the shares of São Marco Industria y Comercio LTDA** in Brazil, to co-create further innovative and sustainable solutions with our customers in the growing energy and e-mobility markets.
- For the **serial production** of aircraft components, we **successfully commissioned and first tested our three newly established extrusion lines:** a large diameter extrusion press, a titanium extrusion and a drawn tube.
- **Successful placement of promissory notes** with a duration of up to five years and a volume of approximately EUR 80 million to further strengthen the group's financing of the growth over the next few years and replace the current short-term financing.
- **Fruitful first appearance of Montana Aerospace at the Farnborough Air Show 2022** in London, England and presentation of the one-stop shop concept to the international aircraft industry – besides customers, we met and welcomed investors and potential partners and suppliers at our booth.

MONTANA AEROSPACE WITH A STRONG NEW MANAGEMENT TEAM

The strong increase in build rates of the large aircraft manufacturers (OEMs) is creating an upswing in the aircraft industry. This is benefitting the Montana Aerospace Group, which has consistently stuck to its growth strategy even during the Covid-19 crisis. The 'Aerostructures' segment has grown strongly in recent years through the construction and ramp-up of new plants in Vietnam and Romania, as well as through strategic acquisitions, most recently through the acquisition of ASCO, and was not only able to expand its capacities, but also to greatly extend its range of services and expertise.

At the same time, the megatrend of e-mobility in the automotive sector opens up great growth opportunities in the coming years. Furthermore, the efforts to continuously replace fossil fuels with alternative renewable energy sources and the development towards decentralised energy generation (keyword prosumer households) are leading to a change in the energy infrastructure, through which new products and new markets are emerging.

For Montana Aerospace AG, these developments mean opportunities and great growth dynamics in all three segments ('Aerostructures', 'E-Mobility' and 'Energy').

In order to be able to fully exploit the potentials here, a dual leadership has been put at the head of the Group with the two Co-CEOs Kai Arndt and Michael Pistauer. The experienced aviation expert Kai Arndt took over the management of the 'Aerostructures' segment on 1 July, CFO Michael Pistauer was appointed as the second Co-CEO and has taken over the strategic development of the 'E-Mobility' and 'Energy' business segments, as well as retaining his agendas as Group CFO.

New to the management team is Silvia Buchinger, who is in charge of Human Resources, ESG, Corporate Communications and Marketing at Board level. As the first woman on the Management Board, she is driving forward the major topics of "Future Recruiting" and the sustainable orientation of Montana Aerospace in terms of corporate social responsibility across all segments and at Group level.

Kai Arndt

German citizen, born 1971
Mechanical Engineering Technician at Hochschule Hamburg
International Executive MBA at the University of St. Gallen

Kai Arndt has been responsible for the strategic and operational development of the 'Aerostructures' segment as Co-CEO of Montana Aerospace AG since July 2022. The experienced manager, with an International Executive MBA from the University of St. Gallen, has been successfully active in the aerospace industry for more than 30 years. From 1988 to 2019, Arndt worked for the aircraft manufacturer Airbus at the major Airbus sites in Hamburg and Stade. He can look back on more than 20 years of management experience in the aviation industry and complements the Management Board of Montana Aerospace with his many years of experience in order to further accelerate the growth course that the company has embarked upon.

Dipl.Ing. Silvia Buchinger

Austrian citizen, born 1964
Studied computer science at the Vienna University of Technology

Silvia Buchinger has been a member of the Group Executive Board since 1 July 2022. As Group Chief Human Resources Officer (CHRO) of Montana Aerospace AG, the experienced manager is responsible for Human Resources, Corporate Marketing of the industrial Group and ESG. The experienced manager looks back on a career of more than 30 years in international groups such as the Telekom Austria Group, Hewlett Packard and Alcatel Austria and complements the executive management of Montana Aerospace with her extensive operational and strategic experience.

Dr. Michael Pistauer

Austrian citizen, born 1969
Diploma in Business Administration at the Vienna University of Economics and Business Administration
Doctorate in business administration at the Vienna University of Economics and Business Administration

Dr. Michael Pistauer has been Co-CEO of Montana Aerospace AG since July 2022 and in this function responsible for the operational and strategic development of the business segments 'E-Mobility' and 'Energy'. In addition, he has been responsible for the financial agendas as well as for the areas of M&A, investor relations and IT as CFO since the company was founded. With a degree in business administration, he has a long track record in building efficient financial organisations and has been involved in the development of the globally active industrial group from the very beginning. In the process, he successfully implemented Montana Aerospace's strategic M&A transactions and growth projects and successfully floated the company on the Swiss stock exchange in 2021.

APRIL 2022 – CLOSING OF THE ACQUISITION OF ASCO INDUSTRIES

The acquisition of ASCO Industries, which was signed just a few months after the IPO, was a significant step forward for the entire Group and a highlight in our build-and-buy strategy.

Founded 68 years ago, the Asco Group is a leading supplier and development partner of high- end components and structures for the aerospace industry, operating four production facilities in Belgium, Germany, the United States and Canada with around 1,200 employees. In pre-pandemic years, Asco generated annual sales of up to EUR 260 million.

ASCO Industries seamlessly joins Montana Aerospace's manufacturing portfolio and complements the Montana Aerospace Group's scope of services with high lift mechanisms, movable wing structures, mission critical components such as landing gear and complex assemblies. ASCO's in-depth knowledge of aerospace technology is based on the company's long history that already started back in 1954.

The integration of ASCO into the Montana Aerospace family combines our materials know-how, our value chain competence and our best-cost-country footprint with ASCO's development and manufacturing expertise in the field of large components and complex assemblies especially within hard metals. All Asco facilities are going to be fully integrated into Montana Aerospace's global manufacturing network and will play a key role for Montana Aerospace being the one-stop-shop in the aerospace industry.

Additionally, early April 2022, Montana Aerospace shifted its headquarters of the 'Aerostructures' segment directly to Asco's main plant in Zaventem, Belgium. Kai Arndt, Co-CEO of Montana Aerospace and responsible for 'Aerostructures' segment. The former CEO and shareholder of Asco, Christian Boas, will remain associated with the Company in the coming years and supports the entire Group with his experience in an advisory capacity.

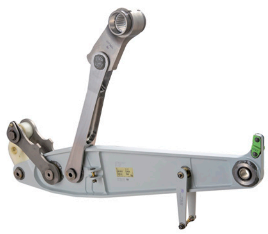
“With the integration of Asco into Montana Aerospace, we acquired a respected market and technology leader in the field of machining and single-parts production. Asco's product range fits perfectly into Montana Aerospace's current portfolio and is a valuable addition. In line with the philosophy of vertical integration, Asco will also benefit from Montana Aerospace.”

Kai Arndt,
Co-CEO

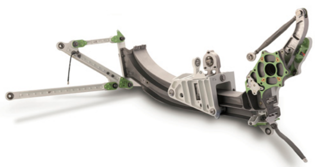
ASCO's selected core products

Landing Gear

Landing Gear Support



Droop nose for the Airbus A380
Length: 1,000 mm



Flap Track for the Bombardier C-Series regional jet
FLAPS are located on the trailing edge of the wing to generate more lift when the aircraft is flying at a lower speed.

Slat Track
SLATS are the aerodynamic surface on the leading edge of the wings of aircrafts which allow the wing to operate at a higher angle of attack, thereby increasing lift, which results from the combination of the angle of attack and speed.

TABLE OF CONTENTS

LETTER FROM THE MANAGEMENT BOARD

Dear fellow shareholders,

despite the challenges and uncertainties of the last few months, we at Montana Aerospace are proud to be able to publish today solid half-year figures for the first six months of 2022. With the right strategic decisions, we have been able to benefit from the current market environment and have secured further market share as an established player. Especially in times like these, where raw materials are scarce and many logistic chains are disrupted, our unique one-stop-shop approach is the answer to tomorrow's challenges. In addition, we have been able to set the course for a successful future by reorganising and reorienting the management, so that we can continue to have the right answers to the challenges and problems the future might hold. We want to thank you for being part of this exciting journey, and we are eager to continue our path of success together with you.

HIGHLIGHTS HY1 2022

- **Financials:** Net Sales grew by 61.1% YoY to EUR 578.8 million; adj. EBITDA performance in line with guidance, reaching EUR 33.9 million (+50.0% YoY) and emphasising the Groups strong position in the current market environment, especially in the 'Aerostructures' segment

- **Segment Net Sales:** 'Aerostructures' (+119.9%), 'E-Mobility' (+71.7%) and 'Energy' (+21.3%)

- **Segment adj. EBITDA:** 'Aerostructures' (+117.1%), 'E-Mobility' (+281.0%) and 'Energy' (-48.3%)

- **Guidance confirmed again/slightly increased:** with around EUR 1.16 billion of sales in 2022 (thereof ~85% organic- and ~15% inorganic growth) and an adj. EBITDA of a high euro double-digit figure in the millions, our guidance for 2022 is confirmed once again; the slight increase in sales guidance is due to the closing of ASCO Industries faster than expected, now contributing 9 months of sales rather than the initially expected 6 months

- **Contracted sales:** we have been able to significantly increase the contracted sales volume compared to the IPO, from EUR 3.9bn as of May 2021 to more than EUR 5.0bn end of June 2022; winning market share especially for the A320 family due to the acquisition of ASCO Industries and its unique positioning in that particular aircraft; contracted sales still based upon lower build rate estimates

- **Management team:** newly structured and highly experienced management team with Co-CEO Kai Arndt ('Aerostructures'), Co-CEO ('Energy' & 'E-Mobility') and CFO Michael Pistauer and CHRO Silvia Buchinger are forming the management board since July and will keep the Company on its growth path

- **Build rates:** strong increase in demand from airlines due to accelerated return of appetite from passengers for flights demanding narrowbody aircrafts; forward looking guidance still based on reduced build rate estimate compared to OEM announcements to account for supply chain uncertainty (i.e. taking a build rate of 63 for the A320 family in 2025 rather than the announced rate of 75); nonetheless full flexibility if demand comes quicker without any major CAPEX investments & hiring of new employees

- **M&A:** Successful closing of the acquisition of 100% of the shares of S.R.I.F. NV in Belgium ("Asco") on 31st March 2022; additionally, following approval by the relevant regulatory and antitrust authorities, the combination of São Marco with the company's current 'Energy' operations in Brazil can now be completed to co-create further innovative and sustainable solutions in close collaboration with our customers

- **Promissory Notes:** successful placement of promissory notes with a duration of up to five years and a volume of approximately EUR 80 million to further strengthen the group's financing of the growth over the next few years and replace the current short-term financing

- **Ramp-Up:** final steps of ramp-up of major CAPEX programme of the last years (> EUR 600 million of investments since 2018); besides finishing the ramp-up of our two large sites in Romania and Vietnam, successful commissioning and first testing for three new extrusion lines: large diameter extrusion press, titanium extrusion and drawn tube

- **Energy Costs:** energy costs remain stable at a high level (about 3x as much as in the previous year); able to pass through roughly two thirds of these costs, around one third of the additional costs need to be borne by ourselves

- **Inventory:** over proportional but strategically intended high inventory necessary to keep with the ramp-up in the 'Aerostructures' segment and to compensate any shortfalls of negative impacts on the supply chain (i.e. material constraints; potential of gas shortage)

- **Transportation Cost:** transportation costs have also doubled compared to the previous year; nevertheless, we are comparatively less affected by this development due to the high vertical integration

- **Covenants:** no covenants on Montana Aerospace AG level; guarantee on all promissory notes of Montana Aerospace through Montana Tech Components (which have covenants in place)

NET SALES AND EBITDA PER SEGMENT

	Aerostructures		E-Mobility		Energy	
in EURm	HY1 2021	HY1 2022	HY1 2021	HY1 2022	HY1 2021	HY1 2022
Net Sales	**117.1**	**257.5**	**55.0**	**94.6**	**187.5**	**227.4**
yoy growth	+119.9% ↗		+71.7% ↗		+21.3% ↗	
Adj. EBITDA	**12.3**	**26.7**	**2.1**	**8.0**	**6.0**	**3.1**
yoy growth	+117.1% ↗		+281.0% ↗		-48.3% ↘	

In the first six months 2022, Montana Aerospace generated consolidated Net Sales of EUR 578.8 million, which is 61.1% above the previous year's EUR 359.4 million, reversing on the Covid related decline and surpassing pre-Covid levels. Additionally, adj. EBITDA is up by 50.3% amounting to EUR 33.9 million.

Segment sales and EBITDA performance in 2022 show that we have mastered the key challenges: 'Aerostructures' as a key driver of our business expansion posted growth of 119.9% with a total revenue of EUR 257.5 million and an adj. EBITDA of EUR 26.7 million, leaving the hurdles of 2021 behind. 'E-Mobility' raised its Net Sales by 71.7%, further delivering a positive result after ramping up the third plant and generating total Net Sales of EUR 94.6 million at an adj. EBITDA of EUR 8.0

million. ‘Energy’, driven by the high demand by infrastructural projects, reported Net Sales of EUR 227.4 million at an adj. EBITDA of EUR 3.1 million, a slight decline from Q2 2021 adj. EBITDA of EUR 6 million as passing on energy price increases to customers is lagging 6 months. Positive impact of price increases should be shown from July 2022 onwards.

OUTLOOK 2022

Guidance
Currently, Montana Aerospace is able to materialize on the situation of the general market. Although there are some hurdles that need to be tackled (like energy cost inflation, disruption of supply chains or the fight for talent), Montana Aerospace remains confident to be able to leverage its strong position as a one-stop-shop in the aerospace industry and win a larger stake in the overall market through its ability to deliver when others can’t.

Updated full year sales guidance of around EUR ~1.16 billion for 2022 confirmed, with ‘Aerostructures’ as key driver of growth, expecting sales of around EUR ~550 million, ‘Energy’ sales of EUR ~420 million and ‘E-Mobility’ sales of EUR ~190 million (~85% growth organically and ~15% inorganically). Concerning profitability (adj. EBITDA), we continue to expect a high double-digit EUR million figure. CAPEX should decrease compared to 2021 to around EUR ~90.0 million in 2022, focusing more and more only on sustainable CAPEX over the mid- to long-term.

Inventory
Montana Aerospace has consequently built up inventories within the last months in order to safeguard production over the next quarters. Some are not able to deliver due to constraints in material availability, lack of manpower or supply chain constraints. In contrast to that, we are ready to jump into contracts where others for instance fail to deliver titanium or aluminum parts. Therefore, working capital remains over proportionally high this year, with our expectation of this being still the case until early 2023.

Ramp-Up
We are currently in the final stages of finalising the major investment programmes that we started in 2018 (> EUR 600 million). In addition to the ramp-up of the two large plants in Romania and Vietnam, a large part of this volume went into the construction of the three new extrusion lines, which have successfully completed their test phase and will make significant contributions to sales and earnings in the future. In addition to the commissioning of a drawn tube for special alloys and an extrusion line for titanium and carbide profiles, one of Europe’s largest and most efficient large-format extrusion lines for the production of aluminium wing structures was also put into operation. These lines are already in the qualification process with major OEMs and are expected to go into serial production by the end of 2022.

Integration of ASCO & Sao Marco
The integration of ASCO is fully on track. The balance sheet of Montana Aerospace already shows the complete transaction of Asco Industries whereas the income statement shows only 3 months of contribution. While Montana Aerospace offers a high vertically integrated value chain, ASCO focuses more on its Tier-2 to Tier-1 status as a system provider for the large OEMs. For this reason, ASCO’s value chain is also dependent on external suppliers in the preliminary stages of production. This is exactly where our integration strategy comes in and we believe that we can leverage accretive synergy potentials by replacing external suppliers with internal provision of resources. The challenge here currently lies in the fact that we need to integrate all external processes. However, we are already on the right track with the two major OEMs and the approval process.

Following approval by the relevant regulatory and antitrust authorities, the merger of São Marco with the Company's current 'Energy' operations in Brazil can now be completed. The synergies from the verticalisation, combined with a strong positioning in the Americas and a dedicated and capable team will enable us to continue to develop innovative and sustainable solutions with our customers in the growing energy and e-mobility markets.

Promissory Notes

In June, Montana Aerospace placed promissory notes in the amount of ~EUR 80 million on the capital markets via a bank consortium. The four tranches have a term of three or five years (the focus is on five years). Despite the current market volatility the tranches were heavily oversubscribed, partly due to international investor demand. The funds are available to the Company for general financing projects and will thus be used, among other things, to further accelerate the Company's growth following the acquisition of the Belgian ASCO Group.

Energy Costs & Raw Material

Current times are challenging on the utility markets. In the 1st quarter alone, Montana Aerospace had to digest already ~EUR 10m of energy costs, compared to only ~EUR 3m in the same period the year before. This remained the same for the second quarter 2022 and will also continue throughout the year. Montana Aerospace can pass through the majority of these price increases (with a time lag) but nonetheless needs to bear around one third of any additional incremental cost (already reflected in our guidance).

Raw material constraints are not a major issue for Montana Aerospace due to its high vertical integration and recycling capabilities (especially for aluminum but also titanium). Additionally, in recent weeks and months, we have consciously focused on building up inventories to ensure greater independence from current supply chain bottlenecks, including inventories that maintain production in certain areas for about 18 months.

Kai Arndt, Co-CEO of Montana Aerospace says: "Despite all the challenges and headwinds that have arisen in the aviation market in recent months, we are proud that we have been able to deliver on our ambitious targets in terms of revenue and profitability and secure further market share through our unique positioning as the one-stop-shop in the aerospace supply chain. We continue to work 24/7 to successfully develop the company and would like to thank all our employees for their dedication and hard work as well all our stakeholders once again for the trust they have placed in us."

Reinach, 08 August 2022

Kai Arndt, Co-CEO

Michael Pistauer, Co-CEO & CFO

FINANCIAL OVERVIEW

Earnings

(in TEUR)	2022	2022 (adjustments)	2021	2021 (adjustments)
	For the six months ended 30 June			
Net Sales	**578,811**		**359,352**	
Change in finished and unfinished goods	27,170		24,435	
Own work capitalized	10,806		5,920	
Other operating income	12,073		16,821	
Cost of materials, supplies and services	−393,255		−265,222	
Personnel expenses	−121,957		−78,940	
Other operating expenses	−85,015		−46,159	
EBITDA	**28,633**		**16,207**	
Legal costs (largely Arconic lawsuit)		1,556		2,340
IPO related cost				2,967
Management stock option program related cost		2,471		574
M&A and PMI related expenses		1,245		
Expected rental income from affiliated companies				471
Adjusted EBITDA		**33,904**		**22,560**
Adjusted EBITDA margin		5.9%		6.3%
Depreciation and amortization	−46,599		−34,678	
Operating Profit (EBIT)	**−17,966**		**−18,471**	
Financial result	−7,509		−6,947	
Result before tax	**−25,475**		**−25,418**	
Income tax expense	−1,010		−291	
Result for the period	**−26,485**		**−25,709**	
Thereof attributable to:				
Owners of the company	−26,167		−25,542	
Non-controlling interests	−318		−167	

OPERATIONALLY ON TRACK IN HY1 2022

Net Sales

In the first half-year of 2022, Montana Aerospace generated consolidated Net Sales of EUR 578.8 million, which is 61.1% above the previous year's EUR 359.4 million, reversing on the Covid related decline and greatly surpassing pre-Covid levels. While all sectors showed improvements, Q2 recovery versus 2021 numbers was strongest in 'Aerostructures', closely followed by 'E-Mobility'. This favorable development was aided by Montana Aerospace's acquisition of ASCO group, which contributed EUR 59.6 million to Net Sales in 2022.

EBITDA

Adjusted for one-off and non-operative effects – most notably the management stock option program (MSOP) and the acquisition of ASCO – the adjusted EBITDA reached EUR 33.9 million in the first six months in 2022, well above the level of EUR 22.6 million in the same period in 2021. This translates into an adjusted EBITDA margin of 5.9% as compared to the previous year's Q2 level of 6.3% and the full year level of 7.1%. On a non-adjusted level, reported Group EBITDA increased from EUR 16.2 million in the first half of 2021 to EUR 28.6 million in 2022, which is a 76.5% increase, and which is in line with the increase in the adjusted EBITDA (increase of 50.3% 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 222.2 million), which was supported by the gain in market share and higher build rates in 2022 as well as the strengthening of the workforce to approximately 6.829 employees (largely due to the newly acquired ASCO group). The cost of materials, supplies and services as well as personnel expenses were higher in comparison to Q1 2022 (EUR 393.3 million vs. EUR 265.2 million and EUR 122.0 million vs. EUR 78.9 million respectively), dampening the effect slightly. Yet, Montana Aerospace continues to see the access to qualified personnel and enough raw material as crucial milestones to achieve growth in the future.

The largest adjustments to EBITDA in 2022 were the costs related to the MSOP (EUR 2.5 million), followed by lawsuit expenses (EUR 1.6 million) as well as merger and acquisition (M&A) and post-merger Integration (PMI) expenses related to the acquired ASCO group, which sum up to EUR 1.2 million.

Operating Result (EBIT)

On reported level, the operating result (EBIT) reached EUR -18.0 million as of 30 June 2022 compared to EUR -18.5 million in the first six months of 2021, 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 -12.7 million.

Total expenses for depreciation and amortization aggregated to EUR 46.6 million in the first six months of 2022 as compared to EUR 34.7 million in the same period in 2021. This increase reflects the ongoing commitment to invest into new and improved production capacities. No adjustments to depreciation and amortization (impairment) were made.

Cash flow statement

(in TEUR)	For the six months ended 30 June 2022	2021
Cash and cash equivalents at the beginning of the period	**509,059**	**95,803**
Net cash provided / used in operating activities	–52,180	–21,830
o/w changes in assets and liabilities	*–70,599*	*–38,008*
Net cash used in investing activities	–100,066	–54,283
Net cash used in / from financing activities	4,740	413,578
+/– effect of exchange rate fluctuations on cash held	2,976	419
Cash and cash equivalents at the end of the period	**364,529**	**433,687**

Balance sheet

(in TEUR)	30 June 2022	31 December 2021
ASSETS		
Non–current assets	1,144,028	853,833
Current assets	1,066,067	938,547
o/w cash and cash equivalents	*364,529*	*509,059*
Total Assets	**2,210,095**	**1,792,380**
EQUITY AND LIABILITIES		
Total equity	970,890	904,851
Non–current liabilities	800,117	590,682
Current liabilities	439,088	296,847
Total equity and liabilities	**2,210,095**	**1,792,380**

As per 30 June 2022, total assets were at EUR 2,210.1 million (31 December 2021: EUR 1,792.4 million) reflecting an extended asset base due to the acquisition of ASCO group. At the end of the reporting period, total non–current assets amounted to EUR 1,144.0 million (31 December 2021: EUR 853.8 million) and included mainly intangible assets and goodwill of EUR 315.5 million (31 December 2021: EUR 193.5 million) as well as property, plant and equipment of EUR 764.3 million (31 December 2021: EUR 603.8 million). Within total current assets of EUR 1,066.1 million (31 December 2021: EUR 938.5 million), other receivables and assets amounted to EUR 58.5 million (31 December 2021: EUR 35.6 million), inventories to EUR 364.1 million (31 December 2021: EUR 245.4 million), trade receivables to EUR 244.1 million (31 December 2021: EUR 129.1 million) and cash and cash equivalents to EUR 364.5 million (31 December 2021: EUR 509.1 million). Inventories were deliberately built up to ensure a buffer for production over the next few months given the current challenges on the commodity markets.

Total liabilities were at EUR 1,239.2 million on 30 June 2022 (31 December 2021: EUR 887.5 million), of which EUR 439.1 million refer to current liabilities (31 December 2021: EUR 296.8 million) and EUR 800.1 million to non-current liabilities (31 December 2021: EUR 590.7 million). Non-current liabilities include EUR 141.6 million in bank loans and borrowings (31 December 2021: EUR 39.1 million) and EUR 489.3 million in other financial liabilities (31 December 2021: EUR 441.8 million).

Total equity increased to EUR 970.9 million (31 December 2021: EUR 904.9 million) and includes EUR 916.6 million of share premium (31 December 2021: EUR 849.1 million) and EUR 15.2 million of non-redeemable loan (31 December 2021: EUR 15.2 million).

As of 30 June 2022, Montana Aerospace's trade working capital amounted to EUR 455.5 million compared to EUR 265.2 million on 31 December 2021. With the help of our long value chain, the capabilities on recycling as well as higher raw material stock, we proactively intend to circumvent any shortages on the existing world-wide material supply chain constraints.

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 HY1 – 2022:

- **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, inventories and contract assets less trade payables (excluding liabilities from purchase of intangibles and PPE), advances received from customers and contract liabilities.
- **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)

30 JUNE 2022

Consolidated statement of financial position
(unaudited)

(in TEUR)	Notes	30.06.2022	31.12.2021
ASSETS			
Intangible assets and goodwill		315,543	193,504
Property, plant and equipment		764,269	603,843
Investment Properties		5,459	5,263
Other financial assets		1,761	271
Other receivables and assets		45,531	42,387
Deferred tax assets		11,465	8,565
Non-current assets		**1,144,028**	**853,833**
Inventories		364,131	245,429
Contract assets		29,281	13,469
Trade receivables		244,089	129,130
Income tax receivables		4,012	3,630
Receivables from affiliated companies		1,553	2,271
Other receivables and assets		58,472	35,559
Cash and cash equivalents		364,529	509,059
Current assets		**1,066,067**	**938,547**
TOTAL ASSETS		**2,210,095**	**1,792,380**
EQUITY AND LIABILITIES			
Share capital	10	56,480	52,164
Share premium	10	916,594	849,076
Non-redeemable loan	10	15,195	15,195
Retained earnings	10	-16,276	-10,880
Equity attributable to owners of Montana Aerospace AG	10	**971,993**	**905,555**
Non-controlling interests	10	-1,103	-704
Total equity	10	**970,890**	**904,851**
Bank loans and borrowings		141,635	39,131
Other financial liabilities	9	489,313	441,753
Deferred tax liabilities		44,689	21,270
Provisions		15,601	8,377
Employee benefits		24,313	21,712
Contract liabilities		5,091	0
Accruals		379	272
Other liabilities		79,096	58,167
Non-current liabilities		**800,117**	**590,682**
Bank loans and borrowings		85,968	57,727
Other financial liabilities	9	56,033	52,202
Current tax liabilities		1,328	708
Provisions		5,018	4,625
Employee benefits		25,639	15,128
Trade payables		167,872	110,789
Contract liabilities		19,769	19,626
Accruals		21,357	13,332
Liabilities from affiliated companies		1,264	1,991
Other liabilities		54,840	20,719
Current liabilities		**439,088**	**296,847**
TOTAL LIABILITIES		**1,239,205**	**887,529**
TOTAL EQUITY AND LIABILITIES		**2,210,095**	**1,792,380**

The notes on pages 27 to 41 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of profit or loss
(unaudited)

(in TEUR)	Notes	For the six months ended 30 June 2022	2021
Gross sales**		**585,072**	**360,639**
Sales deductions		–6,261	–1,287
Net sales	**6**	**578,811**	**359,352**
Change in finished and unfinished goods		27,170	24,435
Own work capitalised		10,806	5,920
Other operating income**		12,073	16,821
Cost of materials, supplies and services		–393,255	–265,222
Personnel expenses	13	–121,957	–78,940
Other operating expenses		–85,015	–46,159
EBITDA*		**28,633**	**16,207**
Depreciation and amortization		–46,599	–34,678
OPERATING RESULT		**–17,966**	**–18,471**
Interest income		1,215	740
Interest expenses		–12,304	–9,944
Other financial income	11	11,031	5,489
Other financial expenses	12	–7,451	–3,232
FINANCIAL RESULT		**–7,509**	**–6,947**
RESULT BEFORE TAX		**–25,475**	**–25,418**
Income tax expense		–1,010	–291
RESULT FOR THE PERIOD		**–26,485**	**–25,709**
Thereof attributable to:			
Owners of Montana Aerospace AG		–26,167	–25,542
Non-controlling interests		–318	–167
EARNINGS PER SHARE (IN EUR)			
Basic earnings per share		–0.44	–0.76***
Diluted earnings per share		–0.44	–0.76***

* 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.
** Reclassification related to income from sales of recycling products in the comparative period 2021 between the items gross sales and other operating income in the amount of TEUR 10,956.
*** See note 10.2

The notes on pages 27 to 41 are an integral part of these condensed consolidated interim financial statements.

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

		For the six months ended 30 June	
(in TEUR)	**Notes**	**2022**	**2021**
Result for the period		**−26,485**	**−25,709**
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS			
Remeasurements of the defined benefit liability (asset)		4,511	5,452
Related taxes		−839	−1,014
		3,672	**4,438**
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS			
Effective portion of changes in fair value of cash flow hedges		−9,478	966
Foreign exchange differences		26,542	10,752
Related taxes		−44	1
		17,020	**11,719**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**20,692**	**16,157**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**−5,793**	**−9,552**
Thereof attributable to:			
Owners of Montana Aerospace AG		−5,395	−9,374
Non-controlling interests		−398	−178

The notes on pages 27 to 41 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity 2022
(unaudited)

		Attributable to owners of the Company									
(in TEUR)	Notes	Share capital	Share premium	Non-redeemable loan	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings	Total	Non-controlling interest	Total equity
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							−26,167	−26,167	−26,167	−318	−26,485
Other comprehensive income for the period, net of tax					26,622	−9,522	3,672	20,772	20,772	−80	20,692
Total		**0**	**0**	**0**	**26,622**	**−9,522**	**−22,495**	**−5,395**	**−5,395**	**−398**	**−5,793**
TRANSACTIONS WITH OWNERS OF THE COMPANY											
Capital increase*	**10**	4,316	65,047						69,363		69,363
Effect of share-based payments	**10/13**		2,471						2,471		2,471
Total		**4,316**	**67,518**	**0**	**0**	**0**	**0**	**0**	**71,834**	**0**	**71,834**
Movement in non-controlling interest									0		0
Balance as of June 30, 2022		**56,480**	**916,594**	**15,195**	**42,930**	**−10,067**	**−49,137**	**−16,276**	**971,993**	**−1,103**	**970,890**

* The capital increase relates to 4,431,600 newly issued shares from the authorized share capital of the Company (see note 10) in connection with the acquisition of Asco group (see note 7). This capital increase did not result in any cash inflow.

The notes on pages 27 to 41 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of changes in equity 2021

(unaudited)

(in TEUR)	Attributable to owners of the Company										
	Share capital	Share premium	Non-redeemable loan	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings	Equity (net assets attributable to MTC Group)	Total	Non-controlling interest	Total equity
Balance as of January 1, 2021	**0**	**0**	**0**	**–12,160**	**–1,341**	**0**	**–13,501**	**224,377**	**210,876**	**–293**	**210,583**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD											
Result for the period						–25,542	–25,542		–25,542	–167	–25,709
Other comprehensive income for the period, net of tax				10,763	967	4,438	16,168		16,168	–11	16,157
Total	**0**	**0**	**0**	**10,763**	**967**	**–21,104**	**–9,374**	**0**	**–9,374**	**–178**	**–9,552**
TRANSACTIONS WITH OWNERS OF THE COMPANY											
Share issuance and formation of Montana Aerospace	90	226,728				–2,441	–2,441	–224,377	0		0
Issue of ordinary shares	42,197	379,200							421,397		421,397
Transaction costs from the IPO		–29,252							–29,252		–29,252
Issue of non-redeemable loan			153,803						153,803		153,803
Effect of share-based payment		574							574		574
Capital contribution		3,046				15,020	15,020		18,066		18,066
Total	**42,287**	**580,295**	**153,803**	**0**	**0**	**12,579**	**12,579**	**–224,377**	**564,588**	**0**	**564,588**
Balance as of June 30, 2021	**42,287**	**580,295**	**153,803**	**–1,397**	**–374**	**–8,525**	**–10,295**	**0**	**766,090**	**–471**	**765,619**

The notes on pages 27 to 41 are an integral part of these condensed consolidated interim financial statements.

Consolidated statement of cash flows
(unaudited)

		For the six months ended 30 June	
(in TEUR)	**Notes**	**2022**	**2021***
CASH FLOW FROM OPERATING ACTIVITIES			
Result before tax		–25,475	–25,418
Net interest income		11,089	9,204
Depreciation and amortization		46,599	34,678
Measurement of financial assets		0	–445
Gains and losses from disposals of property, plant and equipment and intangible assets		413	87
Badwill		0	–3,440
Other non–cash income and expenses	14	–12,665	3,125
Subtotal		19,961	17,791
Changes in assets and liabilities:			
Inventories		–52,648	–33,267
Trade receivables and other current assets		–70,093	–20,546
Trade payables and other current liabilities		53,649	15,737
Provisions and liabilities for employee benefits		–1,507	68
Subtotal		–70,599	–38,008
Income taxes paid		–1,542	–1,613
NET CASH FROM OPERATING ACTIVITIES		**–52,180**	**–21,830**
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries less cash acquired	7	–62,475	–4,321
Acquisition of intangible assets and property, plant and equipment		–38,835	–59,860
Disposal of intangible assets and property, plant and equipment		25	446
Repayments of loans granted to affiliates		0	6
Other payments received for disposal of financial assets		4	0
Other payments received from affiliates for disposal of financial assets		0	8,452
Dividends received		0	319
Interest received		1,215	675
NET CASH FROM INVESTING ACTIVITIES		**–100,066**	**–54,283**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		0	421,397
Payments for the costs of initial public offering		0	–25,307
Capital contribution		0	15,020
Issuance of interest–bearing liabilities		51,824	161,447
Repayment of interest–bearing liabilities		–32,958	–89,885
Repayment of interest–bearing liabilties from affiliates		0	–58,135
Payment of lease liabilities		–4,654	–3,363
Interest paid		–9,472	–7,595
NET CASH FROM FINANCING ACTIVITIES		**4,740**	**413,578**
NET CHANGE IN CASH AND CASH EQUIVALENTS		**–147,506**	**337,465**
Cash and cash equivalents as at 1 January		509,059	95,803
Effect of exchange rate changes on cash and cash equivalents		2,976	419
Cash and cash equivalents as at 30 June		**364,529**	**433,687**

* There were insignificant changes in presentation within operating cash flow, cash flow from financing activities and cash flow from investing activities. The comparatives have been restated.

The notes on pages 27 to 41 are an integral part of these condensed consolidated interim financial statements.

NOTES

to the 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 in Switzerland with it's registered office in Reinach, Switzerland. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2022 comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies').

Montana Aerospace AG is a leading producer of system components and complex assemblies for the aerospace industry, with worldwide engineering and manufacturing operations. The Company has approximately 6.800 highly skilled employees at 32 locations on four continents – designing, developing and producing ground-breaking technologies for tomorrow's aerospace, e-mobility and energy industries out of aluminium, titanium, composite, copper and steel.

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

2. Significant changes in the reporting periods

On 31 March 2022, the Group acquired 100% interest in S.R.I.F. NV (the "Asco Group" or "Asco"; see note 7).

3. 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 2021 ("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 2021). 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 Aug 2022.

4. 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.

4.1. 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.

5. 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 2021.

New standards or amendments to existing standards applicable from 1 January 2022 have no material effect on the Group's interim financial statements.

6. Segment reporting

The segment "Aerospace" has been renamed "Aerostructures" without any change in content. From this report onwards, the segment reporting will use the following wording: Aerostructures, E-mobility and Energy.

6.1. 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 decision 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 segments '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:

	For the six months ended 30 June	
(in TEUR)	2022	2021
EBITDA as reported	**28,633**	**16,207**
Legal costs	-1,556	-2,340
Stock option plans (share-based payment)	-2,471	-574
M&A and PMI related expenses	-1,245	
IPO expenses		-2,967
Expected rental income from affiliated companies		-471
Adjusted EBITDA	**33,904**	**22,560**

6.2. Information according to reportable segments

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

	For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June		For the six months ended 30 June	
	Aerostructures		E-Mobility		Energy		Total		Reconciliation		Group	
(in TEUR)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External net sales	256,935	116,818	94,443	55,043	227,434	187,491	578,812	359,352	−1		578,811	359,352
Net sales between segments	572	329	163	1			735	330	−735	−330	0	
Total net sales	**257,507**	**117,147**	**94,606**	**55,044**	**227,434**	**187,491**	**579,547**	**359,682**	**−736**	**−330**	**578,811**	**359,352**
Adjusted EBITDA	**26,651**	**12,282**	**8,040**	**2,097**	**3,149**	**6,048**	**37,840**	**20,427**	**−3,936**	**2,133**	**33,904**	**22,560**
Non-operative income and expenses	−2,065	−2,812					−2,065	−2,812	−3,206	−3,541	−5,271	−6,353
EBITDA	**24,586**	**9,470**	**8,040**	**2,097**	**3,149**	**6,048**	**35,775**	**17,615**	**−7,142**	**−1,408**	**28,633**	**16,207**
Depreciation and amortization	−37,801	−26,325	−4,926	−4,778	−3,827	−3,416	−46,554	−34,519	−45	−159	−46,599	−34,678
Operating result											**−17,966**	**−18,471**
Financial result											**−7,509**	**−6,947**
Result before tax											**−25,475**	**−25,418**
Income tax income (expense)											−1,010	−291
Result for the period											**−26,485**	**−25,709**
Investments	**30,538**	**37,164**	**4,622**	**2,726**	**3,101**	**2,944**	**38,261**	**42,834**	**−79**	**−285**	**38,182**	**42,549**

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.

6.3. Entity-wide disclosures

INFORMATION BY GEOGRAPHICAL SEGMENT

	For the six months ended 30 June		For the six months ended 30 June	
	2022		2021	
(in TEUR)	Net sales*	Non-current assets**	Net sales*	Non-current assets**
Switzerland	13,515	39,440	7,961	37,053
Germany	102,034	12,781	63,178	9,478
Austria	20,803	65,590	13,952	66,009
UK	14,031	431	6,736	368
Poland	7,465		13,556	
Slovenia	15,197		9,181	
Turkey	8,159		7,367	
France	10,484	2,667	6,673	2,944
Spain	6,280	7	3,325	10
Italy	9,174	4,161	8,768	5,254
Finland	3,906		2,949	
Sweden	6,698		3,938	
Romania	4,859	402,538	2,729	378,991
Russia	1,319		4,212	
Belgium	35,209	182,161	1,280	
Rest of Europe	25,358	4,746	15,486	2,669
USA	104,529	210,694	47,001	159,672
Canada	6,283	29,217	6,336	
Mexico	9,372		3,846	
Brazil	53,727	17,932	40,498	16,755
Rest of America	18,612		10,152	
China	52,687	8,238	45,999	8,240
India	19,208	9,212	15,515	9,238
Vietnam	6,456	95,456	4,036	73,504
Rest of Asia	21,102		12,479	
Africa, Australia and New Zealand	2,345		2,199	
Total	**578,811**	**1,085,271**	**359,352**	**770,185**

* 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:

	For the six months ended 30 June		For the six months ended 30 June	
	2022		2021	
(in TEUR)	Net sales	Trade receivables	Net sales	Trade receivables
thereof product sales	575,456	243,205	356,616	112,610
thereof service sales	3,355	884	2,736	1,536
Total	**578,811**	**244,089**	**359,352**	**114,146**

KEY ACCOUNTS

For the six months ended 30 June 2022 – as for the six months ended 30 June 2021 – no transactions with a single external customer accounted for 10% or more of the Group sales.

7. Significant changes to the scope of consolidation

ASCO

On 31 March 2022, the Group acquired 100% interest in S.R.I.F. NV (the ”Asco Group” or ”Asco”). The fair values of the identified net assets have been determined on a provisional basis. The intangible assets (brand and customer relationships) and buildings have been measured provisionally, pending completion of an independent valuation.

The preliminary figures are summarized as follows:

a) Consideration transferred (preliminary)

The fair value of the consideration applicable on the date of the acquisition is shown below:

(in TEUR)	
Cash and cash equivalents	115,986
Equity instruments	70,270
Deferred consideration	25,474
Total consideration transferred	**211,730**

The acquisition of the Asco Group was closed by effectuating a payment payable in cash, and, as the sellers also had a strong interest in being a shareholder of Montana Aerospace – believing and participating in the long-term and sustainable development of the Group including Asco – by a share consideration of 4,431,600 ordinary shares of Montana Aerospace AG. The fair value of the ordinary shares issued was based on the listed share price of the Company at 31 March 2022 of CHF 16.28 (EUR 15.86) per share. The payment has been paid upon closing and the aggregate purchase price is subject to customary price adjustments. In addition to the purchase price, an earn-out of up to EUR 30 million based on the attainment of certain performance indicators by the Company has been agreed, that will be paid by 30 June 2025 at the earliest. The shares to be newly issued from the authorized share capital of the Company – excluding the pre-emptive subscription rights of existing shareholders – were issued to the sellers on 7 April 2022.

b) Costs associated with the business combination (preliminary)

Costs of TEUR 1,248 were incurred in the consolidated financial statements for financial year 2021 in connection with the business combination. These costs were recognized in other operating expenses in the previous year's income statement. In the consolidated financial statements for the current fiscal year 2022, costs of TEUR 1,064 were incurred in connection with the business combination. Furthermore, PMI related expenses of TEUR 181 were incurred. These costs were recognized in other operating expenses.

c) Identifiable assets acquired and liabilities assumed (preliminary)

The amounts recognized for the main groups of assets acquired and liabilities assumed at the acquisition date are summarized below:

(in TEUR)	ASCO
Intangible assets	45,194
Property, plant and equipment	147,351
Financial assets	1,494
Other non-current assets	13,165
Inventories	55,723
Trade receivables	72,439
Other current receivables	4,094
Cash and Cash equivalents	53,511
Non-current financial liabilities	–124,678
Other non-current liabilities	–58,887
Current financial liabilities	–4,889
Other current liabilities	–63,899
Total identifiable net assets acquired	**140,617**

d) Goodwill (preliminary)

The goodwill resulting from the acquisition was recognized as follows

(in TEUR)	
Total consideration transferred	211,730
Fair value of identifiable net assets	–140,617
Goodwill	**71,113**

Goodwill results primarily from the synergies arising from Asco's product portfolio with a focus on hard metals (titanium) and Montana Aerospace's material competence with a focus on aluminum as well as its best-cost-country footprint, which will accelerate growth and reinforce the Group's standing as a strong and diversified industrial company.

The resulting goodwill is completely allocated to the Aerostructures segment.

The resulting goodwill is not expected to be deductible for tax purposes.

e) Contributions to revenue and financial results

The company acquired contributed revenue of TEUR 59,578 and a loss for the period of TEUR –3,128 to the Group's results for the three months to 30 June 2022. If the acquisition had occurred on 1 January 2022, management estimates that revenue would have been EUR 120 million, and loss for the year would have been EUR –6 million.

8. 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.

30 June 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				2		2		2
Commodityswaps (hedge accounting)	878				878		878		878
Securities		771			771	0	771		771
	880	**771**	**0**	**0**	**1,651**				
Financial assets – not measured at fair value									
Contract assets			29,281		29,281				
Trade receivables			244,089		244,089				
Trade receivables vs. affiliated companies			51		51				
Other receivables from affiliated companies			1,502		1,502				
Other receivables and assets			59,240		59,240				
Cash and cash equivalents			364,529		364,529				
	0	**0**	**698,692**	**0**	**698,692**				
Financial liabilities – measured at fair value									
Forward exchange contracts (hedge accounting)	24,802				24,802		24,802		24,802
Commodityswaps (hedge accounting)	66				66		66		66
Other financial liabilities		28,932			28,932		28,632	300	28,932
	24,868	**28,932**	**0**	**0**	**53,800**				
Financial liabilities – not measured at fair value									
Bank loans and borrowings				227,603	227,603				
Other financial liabilities*				480,371	480,371		454,638	20,028	474,666
Lease liabilities				35,851	35,851				
Trade payables**				166,220	166,220				
Contract liabilities***				0	0				
Other Liabilities vs. affiliated companies				1,264	1,264				
Accruals				21,736	21,736				
Other liabilities****				76,179	76,179				
	0	**0**	**0**	**1,009,224**	**1,009,224**				

* Does not include accrued interest TEUR 191.
** Does not include other payments received TEUR 1,654.
*** Does not include payments received from contracts with customers TEUR 24,860.
**** Does not include deferred income TEUR 5,774, derivatives TEUR 24,868 and liabilities from other taxes as well as in the context of social security TEUR 14,752.

31 December 2021			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)	181				181		181		181
Commodityswaps (hedge accounting)	6				6		6		6
Securities		596			596	3	593		596
	187	**596**	**0**	**0**	**783**				
Financial assets – not measured at fair value									
Contract assets			13,469		13,469				
Trade receivables			129,130		129,130				
Trade receivables vs. affiliated companies			749		749				
Other receivables from affiliated companies			1,522		1,522				
Other receivables and assets			52,531		52,531				
Cash and cash equivalents			509,059		509,059				
	0	**0**	**706,460**	**0**	**706,460**				
Financial liabilities – measured at fair value									
Forward exchange contracts (hedge accounting)	164				164		164		164
Commodityswaps (hedge accounting)	244				244		244		244
Other financial liabilities		300			300			300	300
	408	**300**	**0**	**0**	**708**				
Financial liabilities – not measured at fair value									
Bank loans and borrowings				96,858	96,858				
Other financial liabilities*				461,141	461,141		460,814		460,814
Lease liabilities				32,497	32,497				
Trade payables**				110,155	110,155				
Trade payables vs. affiliated companies				735	735				
Contract liabilities***				0	0				
Other Liabilities vs. affiliated companies				1,256	1,256				
Accruals				13,604	13,604				
Other liabilities****				67,293	67,293				
	0	**0**	**0**	**783,539**	**783,539**				

* Does not include accrued interest TEUR 17.
** Does not include other payments received TEUR 637.
*** Does not include payments received from contracts with customers TEUR 19,626.
**** Does not include deferred income TEUR 1,572, derivatives TEUR 408 and liabilities from other taxes as well as in the context of social security TEUR 9,609.

9. Other financial liabilities

Other financial liabilities are composed as follows:

(in TEUR)	30.06.2022	31.12.2021
Promissory notes (Schuldscheindarlehen)	460,343	459,344
Lease liabilities	35,851	32,497
Deferred consideration*	28,632	0
Other	20,520	2,114
Other financial liabilities	**545,346**	**493,956**
Thereof current	56,033	52,202
Thereof non-current	489,313	441,753

* In connection with the acquisition of ASCO group, an earn-out of up to EUR 30 million based on the attainment of certain performance indicators by Montana Aerospace AG has been agreed, that will be paid by 30 June 2025 at the earliest. This earn-out has the payoff structure of an exotic derivative which is valued by performing a Monte Carlo simulation of the 30-day VWAP of Montana Aerospace AG. See note 7 for further explanations relating to the acquisition of ASCO group.

In accordance with the shareholder agreement of 29 April 2021 between Montana Aerospace and one existing shareholder of Cefival, a put option is granted to the non-controlling shareholder that conveys the right to sell their 10% interest in Cefival to Montana Aerospace. In addition, a call option is granted to Montana Aerospace to buy the remaining 10% interest in Cefival. The option price for the share options (10% of the entire share capital) is calculated as the higher of 1) the equity value for 10% of shares or 2) minimum transfer price amounting to TEUR 300 for 10% of shares. The written put option is recognized as a financial liability and no interest of non-controlling shareholders is presented since it is deemed to have acquired the 10% interest at the date of acquisition. The liability is recognized at the present value of the exercise price of the option which amounts to TEUR 300 as of 30 June 2022.

10. Equity

10.1. Share capital

The company Montana Aerospace AG was incorporated on 25 November 2019 with 100,000 shares and a fully paid-in share capital of CHF 100,000 (EUR 89,896).

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 capital increased by TEUR 4,316.

As of 30 June 2022, 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	30 June 2022
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 30 June 2022.

10.2. 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 30 June 2022.

	2022	2021
Weighted average of ordinary shares in circulation as of 30 June	59,610,651	33,793,557

	For the six months ended 30 June	
(in EUR)	2022	2021
Result of the period attributable to owners of Montana Aerospace AG	-26,167,402	-25,542,074

	For the six months ended 30 June	
(in EUR)	2022	2021
Basic earnings per share	-0.44	-0.76
Diluted earnings per share	-0.44	-0.76

The number of ordinary shares outstanding is adjusted for the capital increase as of 16 April 2021 as if the event had occurred as of 1 January 2020 in accordance with IAS 33.27(b). The adjusted amount of ordinary shares outstanding is included in the calculation of the weighted average of ordinary shares for the periods before the rights issue). Therefore, the comparative earnings per share for the six months ended 30 June 2021 have been adjusted.

10.3. Share premium

TCHF 422,846 (TEUR 379,200) were allocated to the share premium from the proceeds of the initial public offering.

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, at total of TEUR 2,471 was recognized in equity as share-based remuneration (see note 13).

10.4. Non-redeemable loan

As of 16 April 2021, equity increased due to a perpetual loan from Montana Tech Components AG to Montana Aerospace AG amounting to TCHF 169,353 (TEUR 153,803).

In connection with the share placement in November 2021, Montana Tech Components AG as the lender of this perpetual loan, converted the major part of its outstanding perpetual loan in the amount of TCHF 141,000 (TEUR 133,903) into 5,000,000 new shares by way of a separate capital increase from conditional capital, with exclusion of advanced subscription rights of existing shareholders and at the same time waiving part of the repayment amount in favour of the Company. Following such conversion, an amount of TCHF 16,000 (TEUR 15,195) remains outstanding under the perpetual loan.

10.5. 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.

10.6. Dividends

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

11. Other financial income

As of 30 June 2022, other financial income results mainly from foreign currency exchange gains.

12. Other financial expenses

As of 30 June 2022, other financial expenses result mainly from foreign currency exchange losses as well as from subsequent measurement of the earn-out component in connection to the acquisition of Asco group.

13. 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 2,471 in the current fiscal year. The effects in equity amounted to TEUR 2,471 (see note 10.3) and consisted of allocations from the forward projection of the MSOP.

14. Consolidated statement of cash flow

Other non-cash income and expenses result mainly from hedging effects (TEUR −9,478), effects of share-based payments (TEUR 2,471) as well as the valuation of foreign exchange effects (TEUR −4,732).

15. Subsequent events

Acquisition of São Marco

As of 22 July 2022, Montana Aerospace AG ("the company") announced the acquisition of 100% ownership of São Marco Industria y Comercio LTDA in Brazil ("São Marco").

Following approval by the relevant regulatory and antitrust authorities, the combination of São Marco with the company's current 'Energy' operations in Brazil can now be completed, consolidating the ASTA brand.

16. Standards issued but not yet effective

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted. The Group has not early adopted any of the forthcoming new or amended standards in preparing these condensed consolidated interim financial statements.

THE MONTANA AEROSPACE EQUITY STORY

Montana Aerospace offers shareholders an investment opportunity in high-growth niche markets, by manufacturing system components and complex assemblies for aerospace, e-mobility and energy industries based on its many years of experience with multi-material components and its extensive development and production know-how. The company pursues a clear goal with its worldwide engineering and manufacturing operations: to play an active role in shaping the structural changes taking place in the aerospace industry. As a vertically integrated full-service provider with a global local-to-local approach, the company is a game changer and sustainably shaping and improving its performance and that of its customers. With ~6,800 employees, the company manufactures parts and innovative lightweight design solutions at 32 locations worldwide, thus making an important contribution to climate protection and the future of aerospace.

Reasons to invest in Montana Aerospace

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, composite, copper and steel. We are 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 prominent customers from the aerospace, e-mobility and energy sectors.

Game chancer when it comes to structural change

With long-term capital spending of more than EUR 580 million (CAPEX) from 2018 to 2021, most of which was invested in the expansion of production capacities and facilities, the company has improved growth in a rapidly changing supplier environment. In recent years, Montana Aerospace has established a reputation as a build-and-buy partner of choice for well-known OEMs and Tier-1 suppliers. This has led to a significant increase in sales calculated and long-term customer contracts (contracted sales).

Clear commitment to ESG

Montana Aearospace's business model is based on a commitment to sustainable reduction 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 and three sustainability priorities:
a) reducing our CO2 emissions by expanding the vertical integration of our value chain
b) promoting the circular economy by implementing the necessary tools in our production process and **c)** establishing sustainable, long-term working relationships with our employees and partners.

Achieving stability through diversification

As an industry group with global operations, we specialize in key technologies within three promising markets. Apart from the aerostructures segment, we also aim to achieve technology and market leadership in e-mobility as well as in energy. Diversification is carefully selected to strengthen our business model and offset the effects of the different economic cycles. This strategy has also proved successful during the pandemic.

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.

Proven business model

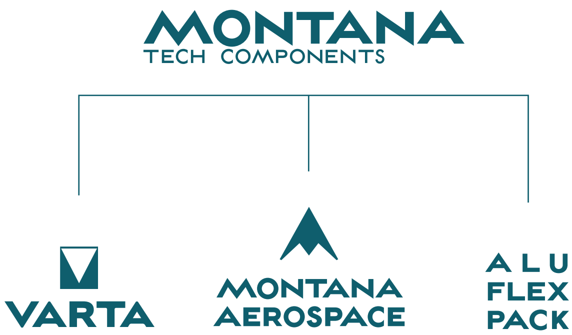
Over the long term, population growth and increasing prosperity will raise demand for mobility service, and the need for sustainable mobility concepts. Montana Aerospace is confident that its scalable business model will allow it to achieve its long-term growth goals in line with the megatrends in Europe, the U.S. and the APAC region.

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.

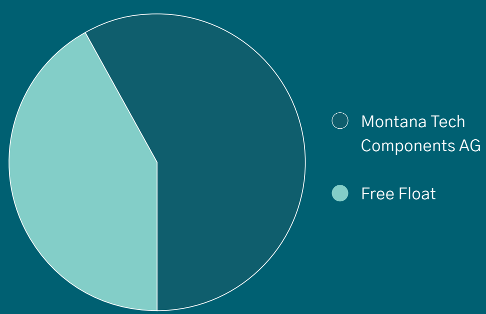
Organizational structure

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 30 June 2022)	~CHF 914m

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 HY1 2022 report can be downloaded at www.montana–aerospace.com

CONTACT

Marc Vesely recte Riha, MSc (WU)
Head of M&A and Investor Relations
Montana Aerospace AG
ir@montana–aerospace.com
M: +43 664 61 26 261
T: +43 1 961 0692 189

PUBLISHED AND EDITED BY

Montana Aerospace AG, Reinach, Switzerland

DESIGN

Peter Rieder, flammen.at
Büro X Wien, buerox.at

MONTANA
AEROSPACE