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CORPORATE NEWS

Reinach (Aargau), 04 April 2022

[Ad hoc announcement pursuant to art. 53 SIX Listing Rules]

MONTANA AEROSPACE AG REPORTS STRONG FY 2021 FINANCIALS AT 25% SALES GROWTH AND SOLID ADJ. EBITDA PERFORMANCE (+25%), UNDERPINNING THE POSITIVE OUTLOOK AMIDST RECOVERY AND CONSOLIDATION OF THE GLOBAL AEROSPACE INDUSTRY

Montana Aerospace AG (the “Company”) and its operating subsidiaries (the “Group” or “Montana Aerospace”), a leading, highly-vertically integrated manufacturer and supplier of system components and complex assemblies for the aerospace-, e-mobility- and energy industry with worldwide engineering and manufacturing operations, publishes its first annual report today, announcing further growth.

HIGHLIGHTS 2021

- **Capital Markets:** Successful IPO in May 2021, providing financial flexibility for organic and inorganic growth opportunities
- **Financials:** Sales grew by 24.9% YoY to EUR 790.1 million¹, adj. EBITDA² performance in line, reaching EUR 56.1 million (+25.2% YoY) and underpinning the Groups strong and sustainable recovery from the Covid-19 crisis
- **Balance Sheet:** Strong balance sheet position with EUR 81.8m of net debt (representing a 1,45x net debt / EBITDA ratio), EUR 509.1 of cash and cash equivalents as well as an equity ratio of 50.5%

¹ The increase of EUR 22.6 million compared to unaudited sales of EUR 767.5 million are due to the inclusion of scrap sales (previously recognized under “other operating income”), triggered by KPMG

² Adjusted for one-off and non-operative effects – most notably the listing on the stock exchange, legal cost for the Arconic lawsuit as well as Management stock option program related cost



- **Financials:** CAPEX investments of EUR 121.4 million in 2021; total amount invested since 2018 >EUR 580 million, giving us a significant head start and strengthening our resilience against market turbulence amidst current market uncertainties
- **Guidance:** With around EUR 1.1 billion of sales (thereof ~87% organic– and ~13% inorganic growth) and an adj. EBITDA of a high euro double–digit figure in the millions, guidance confirmed for 2022
- **Production:** Ramp–up of new plants in Baia Mare / RO, DaNang / VN and Mediescu Aurit / RO on schedule; final ramp–up steps to be taken; construction start of new plant in Bosnia–Herzegovina (Energy segment)
- **M&A:** Executed on M&A strategy with 5 signed deals – Belgian ASCO Industries, Brazilian copper wire expert São Marco, French titanium specialist Cefival, Austrian Industry 4.0 innovator IH Tech and the acquisition of the remaining 25% of our Brazilian subsidiary in the Energy segment
- **ESG:** More investments into solar panels at production sites to reduce dependence on commodity prices and increase percentage of green electricity
- **HR:** Kai Arndt joined the Management board of Montana Aerospace as COO in 2021. He has extensive know–how and experience in the aerostructures industry and will take over the management of our ‘Aerospace/Aerostructures’ segment as well as the position of CEO of ASCO Industries
- **HR:** Silvia Buchinger joined Montana Aerospace as Global CHRO, and will focus on further talent acquisition initiatives and workplace development

2021: A YEAR OF RECOVERY & INDUSTRY RAMP-UP PREPARATION

With sales of EUR 790.1 million, Montana Aerospace increased revenues by 25% compared to the preceding year and is now almost back to pre–crisis levels. We also made substantial gains in earnings with adj. EBITDA growing by 25% to EUR 56.1 million. All three business segments – Aerospace, E–Mobility and Energy – contributed to this highly gratifying development.

The management of Montana Aerospace perceived the crisis as an opportunity. We continued to develop the M&A strategy announced at the time of the IPO and this helped us achieve great progress. With the acquisition of the Belgian ASCO Group, Montana Aerospace is now well–positioned as a leading provider of high–lift mechanisms and considerably enhanced its expertise in hard–metal machining and the production of complex and large structural components. In the future, a good portion of the basic materials for hard–metal will come from our own extrusion plants – like from Cefival, which was acquired in May 2021 and integrated into Montana Aerospace, and from the new titanium extrusion plant in Baia Mare, Romania.

Our new plants in Baia Mare, Romania, and in Da Nang, Vietnam, started operations right on schedule. Starting out from a situation of steeply dropping demand in 2020 due to the pandemic, the new plants are now benefiting from the broad recovery of the aerospace



industry. More than 90% of the machinery and equipment have been installed and commissioned for operation, we have obtained the necessary process qualifications required by customers, we have manufactured sample parts successfully, and over 90% of the more than 6,000 new parts have already been approved by the customer for serial production. At sales revenues in the double-digit millions range, the two new plants started contributing to growth already in 2021. In 2022, actual serial production will start, again increasing sales.

In accordance with our long-term strategy, we made our next planned investment and erected the new heavy press plant in Mediescu Aurit, Romania. The 8,300-ton press equipped for horizontal heat treatment represents the technological high-end in the production of high-stress resistant profiles for the aerospace industry. With the construction of the adjacent recycling and extrusion billet foundry planned for 2022, we will have one of the most productive, environmentally friendly and cost-effective plants of its kind in the world. It took less than eight months from the ground breaking at the greenfield site for the plant to the shipment of the first sample parts to our customers – an incredible achievement by our employees and suppliers that clearly demonstrates the capabilities of the Montana Aerospace Group.

FINANCIALS

With our IPO in May, where we raised approximately EUR 400 million and with our successful capital increase in November (approx. EUR 150 million) we are fully equipped to execute the M&A plans we presented during the IPO. We have already proven our capabilities with recent acquisitions in a turbulent market environment and expect to see initial benefits of aerospace supply chain consolidation not only from M&A synergies, but also due to the possibility of taking over the contracts of less resilient competitors. Additionally, our strong equity base (50.5%) and our low net debt of less than 5% (EUR 81.8 million) of total balance sheet are a guarantee for stability, thus reassuring our customers, partners and shareholders.

The solid financial position and the re-installation of the Aerospace segment as our largest segment and driver of growth after the acquisition of ASCO, additionally boosts our financial performance as a Group. We also managed to actively built up inventories on materials, to mitigate the current commodity price uncertainties. With the help of our long value chain, recycling capabilities as well as higher raw materials stock, we proactively reduce the risk from shortages or price fluctuations in the global materials supply chain. While this has increased our trade working capital, we are already seeing the benefit of this measure in our improved day-to-day operations resilience.

2021 also showed that greatly improved production output (net sales plus change in finished goods) was achieved with personnel expenses (EUR 173.6 million vs. EUR 157.0 million) increasing in line with the larger workforce and other operating expenses (EUR 102.4 million vs. EUR 93.7 million). In preparation for higher shipset value due to market share gains and



higher build rates in 2022, Montana Aerospace increased its workforce in 2021 to approximately 5,550 employees (excl. ~1,100 new colleagues from the ASCO acquisition). We believe access to qualified personnel is a crucial milestone to achieving growth in the future.

FULL YEAR NET SALES DEVELOPMENT AND ADJ. EBITDA PER SEGMENT

<i>in EURm</i>	Aerospace		E-Mobility		Energy	
	2021	2020	2021	2020	2021	2020
Net Sales	284.9	264.6	122.5	89.2	383.0	278.9
Adj. EBITDA	42.9	43.3	6.5	-4.9	8.6	8.2

Starting with this annual results, Montana Aerospace reports financial results accordingly to its three segments – Aerospace, E-mobility and Energy. Segment sales and EBITDA performance in 2021 show that we have mastered the key challenges: Aerospace as a key driver of our business expansion posted stable growth of 7.7% with a total revenue of EUR 284.9 million and an adj. EBITDA of EUR 42.9 million, even though the whole aerospace industry was still confronted with several hurdles in 2021 (like low build rates of OEMs). E-Mobility raised its revenues by 37.3%, now returning a positive result after ramping up the third plant and generating total sales of EUR 122.5 million at an adj. EBITDA of EUR 6.5 million. Energy, driven by the high material prices on the commodity markets and the high demand by infrastructural projects, reported sales of EUR 383.0 million at an adj. EBITDA of EUR 8.6 million.

The trend reversal and the ramp-up seen in the industry are driving growth. This is seen in the development of year-on-year figures in all three of our segments: Aerospace will expand with a high double-digit growth rate in 2022, restoring Aerospace to the rank as the largest segment in terms of absolute sales ahead of Energy and E-Mobility, both of which also will increase sales to double-digit growth rates this year. Adj. EBITDA for the Group will more than double compared to the 2020 result, driven by operational performance and synergy effects.

OUTLOOK 2022

Financial Performance:

Our higher revenues of around EUR 1.1 billion for 2022 (thereof ~87% organic growth and ~13% inorganic growth) are driving our Group's sustainable development. As regards profitability, we expect to reach a high euro double-digit figure in the millions.

Ramp-Up:

With steep increases in demand from major aircraft manufacturers, whose build rates are approaching pre-pandemic levels, we are gradually ramping up our production. Thanks to the high level of investment in capacity expansions with new plants in Romania and Vietnam, we are now in a position to support our customers even where our competitors – due to the



recent years of crisis – are having difficulties meeting the surge in demand. As a highly vertically integrated supplier, we are not only able to significantly reduce complexities in project execution, but also to significantly reduce delivery time.

Integration of ASCO Industries:

With ASCO, we now have another hidden champion from the aerostructures industry on board. The integration of ASCO into the ‘Aerospace / Aerostructures’ business segment under the leadership of our COO, Kai Arndt, will create significant efficiency gains and synergy effects. The integration will enable us to expand our market presence and, above all, our engineering know-how and manufacturing competencies.

ASCO capitalizes on its worldwide recognition and knowledge as an industry benchmark in the design, development, manufacture, treatment, and assembly of complex high-lift assemblies and critical structural (sub-)assemblies to position itself as an industry leader in technology development within the aerospace industry. ASCO’s product portfolio is focused on large and complex fuselage, wing and landing gear components. Combined with Montana Aerospace’s material competence and best-cost-country footprint, this will accelerate our growth as a leading industrial company best-positioned to meet the customer needs of tomorrow.

Kai Arndt, COO of the Group and CEO of the newly acquired ASCO Industries adds: “I strongly believe that with the backing of our experienced employees, their drive for innovation and high standards, we will continue to be a game changer in the aerospace supply chain and play a key role in shaping the future. We are proud to have such incredibly motivated and talented people at Montana Aerospace.”

Commodities:

As raw material prices are soaring on the markets right now, we want to reaffirm that for most materials, Montana Aerospace is able to deal with price inflation based on the pass-through clauses in its contracts. Besides cost inflation, the availability of certain materials and alloys plays an important role. Montana Aerospace can mitigate sourcing and supply risk through its high recycling capabilities and usage of scrap material (especially aluminum, where up to 70% of the material used come from recycled materials). Apart from this, we have focused on building up inventory over the last few weeks and months to ensure higher independence from current supply chain shortages, including stock to keep production going for around 18 months in certain areas. Therefore, there is no active, direct risk for Montana Aerospace from raw materials, and we even have opportunities to swiftly enter into new contracts.

Energy:

Energy costs in Europe quadrupled in early 2022. In 2021, Montana Aerospace had around EUR 16.6 million of energy costs. Even though we are able to (directly and indirectly) pass through the majority of any incremental cost, we still have to absorb a minority of any additional costs. Energy costs increases are covered in our guidance. However, over the



medium term, we have very ambitious plans to become more independent from external energy supplies. We are therefore investing significant amounts into solar panels at our Romanian facilities.

Talent Acquisition:

In 2022, we will sharpen our focus on recruiting new employees for our production sites. We have already stepped up our efforts to address the issue of ‘chasing for talents’ in 2021 by appointing Silvia Buchinger to a staff unit position to develop a central recruiting strategy and monitor its operational execution.

Transportation:

Transport costs have multiplied in recent years and pose various challenges for global supply chains. We are prepared for high transport costs, as outbound logistics ex works are either organised by our customers themselves or the costs directly borne by them. Only the higher inbound transport costs have to be borne by us, nonetheless playing a minor role for Montana Aerospace compared to our peers due to our high-vertical integration and one-stop-shop concept. Based on current price developments, we expect transport costs to increase by a maximum of a low single-digit EUR million amount for the whole Group in 2022, which has already been reflected in the guidance.

ESG:

We are well aware of the fact, that we operate in an industry with a high environmental impact. While we acknowledge that we still have a long way to go to reach net zero emissions as a Group, we are more than determined to fulfil our promise as a game changer in the aerospace supply chain and achieve improvements throughout all of our industries.

To achieve this goal, we are currently commencing the process of working with an international ESG advisory firm to help us improve our long-term ESG strategy and standards for the entire Group. The process will begin this year and will consist of several stages. As many of our Group companies are located in the European Union, we will also expand our reporting system to meet the non-financial disclosure requirements of the European Union for corporate sustainability reporting and the taxonomy for sustainable activities. These will apply to our Group as of the end of the financial year 2023.

Montana Aerospace has prepared for the future in recent years by investing in state-of-the-art production facilities with an attractive cost base. Our operational efforts are clearly focused on ramping up our new investments and on the integration of our acquisitions, above all, ASCO. We expect the higher efficiency and synergy effects to boost sales revenues and earnings in the coming years.

“With an ambitious growth and development strategy, we are shaping structural change in the Aerospace-, E-mobility- and Energy industry. We are actively contributing to the fight against climate change through continuous product innovation, our deep development know-how and by breaking new ground in the global Aerospace supply chain. Acting as



a market leading center of excellence in Europe, the USA and Asia, we set new standards in terms of quality, delivery reliability and sustainability”, says **Michael Tojner**, Co-Board President of Montana Aerospace.

ANNUAL GENERAL MEETING:

Montana Aerospace’s Annual General Meeting of shareholders will take place in Zurich on 18 May 2022. In accordance with the Swiss Federal Council’s Covid-19 Ordinance 3 and as a precautionary measure, the Board of Directors has decided that shareholders will not be permitted to attend the meeting in person. However, they will be able to exercise their voting rights through an independent voting rights representative in writing or via the electronic shareholder portal. Further information regarding the Annual General Meeting will be provided at a later date.

Michael Pistauer, CFO of Montana Aerospace: “If we were to create a slogan for each of the past two years, the slogan for 2020 slogan would be ‘Managing the Crisis’, while for 2021 it would be ‘Basis for Growth’. For the coming year, the motto will be ‘Execution’, considering the significant increase in production, the market shares acquired by taking over contracts from competitors, and the integration of our recent acquisitions.”

FY 2021 – SELECTED KEY FIGURES

(in M€)	2021	2020	yoy change
Net sales	790.1	632.4	157.7
EBITDA	46.1	33.3	12.8
Adjusted EBITDA	56.1	44.8	11.3
Adjusted EBITDA margin (%)	7.1%	7.1%	0.0%
Operating result	-25.8	-39.9	14.1
Operating result margin (%)	-3.3%	-6.3%	3.0%
Result for the period	-49.4	-57.7	8.3
Cash Flow from operating activities	-27.8	9.3	-37.1
Cash Flow from investing activities	-86.1	-35.1	-51.0
Cash Flow from financing activities	521.8	-10.7	532.5
Free Cash Flow	-113.9	-25.8	-88.1
CAPEX spent	-121.4	-133.3	11.9
Trade Working Capital	265.2	188.4	75.2
Equity ratio (%)	50.5%	17.0%	33.5%
Net debt (cash)	81.8	639.9	-558.1
Total Assets	1,792.4	1,235.7	556.7
Employees	5,554	4,788	766

You can find the full report on FY 2021 at www.montana-aerospace.com/en



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About Montana Aerospace AG

Montana Aerospace AG is a leading manufacturer of system components and complex assemblies for the aerospace industry, with worldwide engineering and manufacturing operations. The Company has approximately 6.600 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 made of aluminium, titanium, composite, copper and steel.

Disclaimer

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