



**MONTANA
AEROSPACE**

INTERIM FINANCIAL REPORT

Q3 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 nine months ended 30 September		
	2022	2021	yoy change
Net Sales	922.6	568.3	+354.3
EBITDA	46.8	33.4	+13.4
Adjusted EBITDA	55.1	43.0	+12.1
Adjusted EBITDA margin (%)	6.0%	7.6%	-1.6%
Operating Profit (EBIT)	-29.1	-19.2	-9.9
Result for the period	-54.6	-25.1	-29.5
Cash Flow from operating activities	-60.4	-20.1	-40.3
Cash Flow from investing activities	-144.3	-86.3	-58.0
Cash Flow from financing activities	6.8	352.0	-345.2
Free Cash Flow	-204.7	-106.4	-98.3
CAPEX spent	-59.7	-92.3	+32.6
Trade Working Capital	503.7	265.2*	+238.5
Equity Ratio (%)	41.7%	50.5%*	-8.8%
Net Debt (cash)	468.8	81.8*	+387.0
Total Assets	2,285.1	1,792.4*	+492.7
Employees	7,210	5,554*	+1,656
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



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LETTER TO THE SHAREHOLDERS

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 Q3 figures for the first nine 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, benefitting from high resilience to current turbulences, based on vertical integration and raw material stock as well as anticyclical investment program and high order intake and backlog.

HIGHLIGHTS Q3 2022

- **Financials:** Net Sales grew by 62.3% YoY to EUR 922.6 million; adj. EBITDA performance in line with guidance, reaching EUR 55.1 million (+28.3% YoY), benefitting from high resilience to current turbulences, based on vertical integration and raw material stock as well as anticyclical investment program and high order intake and backlog
- **Segment Net Sales (YTD):** 'Aerostructures' (+120.1%), 'E-Mobility' (+68.3%) and 'Energy' (+21.1%)
- **Segment adj. EBITDA (YTD):** 'Aerostructures' (+31.6%), 'E-Mobility' (+163.6%) and 'Energy' (+14.9%)
- **Guidance confirmed again:** with around EUR ~1.16 billion of Net Sales in 2022 (thereof ~85% organic- and ~15% inorganic growth) and an adj. EBITDA of a high double-digit EUR million amount, our guidance for 2022 is confirmed once again; clear focus on FCF generation + deleveraging from 2023 onwards
- **Energy Costs:** energy costs rose again in the 3rd quarter but seem to show less volatility at a high level since then (about 3-4x as much as in the previous year); estimated FY 2022 energy costs (gas + electricity) of over EUR 70 million (vs. EUR 17 million in FY 2021) with the ability to pass through roughly two thirds (with a time lag)



- **Inventory / Trade Working Capital:** working capital has been over proportional but strategically intended high and peaked with EUR 504 million in Q3; increase of working capital from Q2 to Q3 mostly triggered by acquisition of Sao Marco (transaction was priced on a percentage of the taken over working capital); clear commitment that working capital should normalise to more sustainable levels over the coming quarters and already in Q4 as most programs are ramped up and focus is on achieving normal levels of working capital again; high levels of inventory and herewith of raw material together with the long value chain of Montana Aerospace helped to materialize and increase over proportional Net Sales while many competitors and industries struggle to keep up with the ramp up
- **Free Cash Flow / Net Income:** FCF generation has been negative in the past years, as we have invested into new capacities massively; working capital reduction in combination with higher benefits from operating leverage as well as finishing the current CAPEX programme should sustainably drive FCF generation over the next quarters; clear commitment to be FCF & Net Income positive from 2023 onwards and further strengthen the balance sheet through debt reduction by own means
- **Balance Sheet / Covenants:** consciously stressed balance sheet in FY 2022 (mainly due to ASCO & Sao Marco transaction as well as working capital financing) with a peak per Q3 2022; clear target of swiftly deleveraging already this year to a more sustainable level through monetizing on working capital as well as the consumption or sale of excess raw material stock and more efforts on cash collection; forward looking (mid-term) Net Debt / EBITDA level should be at a maximum of 2,5x; no covenants on Montana Aerospace AG level in place; majority of Promissory Notes (major part of debt position) based on fixed interest rate; additionally, no further cap raise planned
- **Contracted Sales:** ramp-up of our operational performance and proof-of-concept of ability to execute large work packages; particularly acquisition of ASCO Industries pushed our positioning in the highly demanded A320 aircraft (family); total contracted sales volume reached more than EUR 5bn as of end of September 2022, reflecting a growth of more than 30% compared to the EUR 3.9bn from the time of the IPO (May 2021); total volume based on reduced/risk-adjusted build rate estimates; unique vertical integration and 'one-stop-shop' concept in combination with local-to-local production, push market share gains in the coming years
- **Build Rates:** continued growth in demand from airline operators for narrowbody aircrafts as a result of passengers' accelerated return to traveling; forward-looking guidance still based on lower/risk adjusted build rate expectation than OEM's planned announcements to take risen level of global supply chain uncertainty and other facts into account (e.g. Montana Aerospace estimate of low 60s for the A320 family in 2025); full flexibility if demand rises faster without any (significant) CAPEX investment



- **Raw Materials:** raw material availability risk relatively minor for Montana Aerospace due to high recycling capability / vertical integration in aluminium (100% of internal scrap is recycled; 70% of all aluminium used is recycled material) as well as strong inventory and secured supply for titanium demand; for major materials 100% pass-through mechanisms of any price increases in place
- **Labour:** wage cost inflation in line with budgeted inflation rates of 10–12% on overall Group perspective, keeping in mind that 90% of European workers work in best-cost-country environments; personnel costs under proportional to Net Sales CAGR; for 2022, no shortfall of people foreseeable; for future ramp-up – especially in Romania (after finishing CAPEX projects this year) – the Group is planning to hire an additional 500 people over the next years; strong collaborations and attractive conditions within its global approach shall secure talent sourcing in difficult environment
- **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; roughly EUR 150 million of Net Sales contribution for FY 2022 (9 months contribution) and no EBITDA contribution due to post-merger integration costs; sticking to long-term guidance of EUR 300m of Net Sales with an EBITDA margin potential of 15% (+ additional 5% of synergy potential through removal of external suppliers of prefabricated products and internalisation of work); high expertise in automatization capabilities as well as strong exposure to A320 including a strong sales pipeline for the narrowbody with an engineering development / design office that has recognized competences in Wing movables engineering and is already active on the 'Wing of Tomorrow' together with Airbus; successful closing in September 2022 of the acquisition of 100% of the shares of Sao Marco in Brazil; purchase price based on a percentage of the Trade Working Capital taken over; further strengthening our capabilities in recycling and so-called 'green copper'
- **CAPEX:** finishing steps of ramp-up of major CAPEX programme of the last years (> EUR 600 million of investments since 2018 especially in our two large greenfield sites in Romania and Vietnam); from 2023 onwards, only sustainable CAPEX in the amount of a bit more than half of yearly D&A, as installed capacity allows to further grow massively without large new investments
- **Transportation Costs:** comparatively less affected by increasing transportation costs as Montana Aerospace only relies on certain inbound logistics due to our vertical integration and one-stop-shop approach; extra costs of low single-digit EUR million amount for FY 2022, already reflected in full year guidance



OUTLOOK 2022/23 – FOCUS ON FCF GENERATION & DELEVERAGING

Guidance

Montana Aerospace is able to materialize the potential it has built up in recent years through the current general market situation. While challenges such as energy cost price hikes, broken global supply chains and the general fight for talent also impact us, we are convinced that due to our unique positioning – strengthened specifically by our one-stop-shop concept, high vertical integration and the local-to-local approach – we will be able to deliver when others can not.

‘Aerostructures’ is expected to be the main driver of growth in 2022 and the coming years, with Net Sales of roughly EUR 550 million, followed by our ‘Energy’ segment with Net Sales of EUR 420 million, and ‘E-mobility’ with Net Sales of EUR 190 million. Our adj. EBITDA will reach a high double-digit EUR million figure, representing significant profitability growth and confirming that we are on the right track. In line with our strategy, CAPEX will decrease compared to the previous year, amounting only to EUR ~80 million in 2022, with the mid- to long term focus to only spend sustainable CAPEX (machine maintenance and repair) in the amount of a bit more than half of yearly D&A, as installed capacity allows to further grow massively without large new investments.

Net Debt peaked in Q3 2022 but will be reduced to a level of maximum 2.5x Net Debt / EBITDA mid-term.

Free Cash Flow

As Montana Aerospace has invested more than EUR 600 million (2018–today) into new capacities and capabilities in the last years, Free Cash Flow (FCF) generation and Net Income have been negative in the past years. Nonetheless, FCF will reflect our positive trajectory as well, which is particularly driven by the increased visibility on industry development, allowing us to – more and more – slowly reduce the raw material stock to a normal level, while keeping us prepared for potential additional work packages we might be able to take over from weaker competitors. In combination with the strong performance on the operating side, synergy effects from the ASCO acquisition and normalizing CAPEX, this will produce a positive FCF from FY 2023 onwards.



Energy Costs & Raw Material

Energy cost inflation is still the hot topic in the industry and overall market environment. In a normal year, Montana Aerospace has around EUR 17m of energy costs (FY 2021). For this year we calculate with a quadrupling of energy prices, amounting to EUR 70m of energy costs. We are able to pass through around two thirds of the increase in energy cost, however, this is connected to a lot of discussions with our customers and happens with some time-lag. That implies, that of the additional costs, Montana Aerospace has to bear roughly EUR 20m on its own. Although levels are stabilizing at a higher level, this trend will continue at least for the first half-year 2023.

Concerning raw material, risks for Montana Aerospace are relatively minor due to our high recycling capability / vertical integration in aluminium (100% of internal scrap is recycled; 70% of all aluminium used is recycled material) as well as strong inventory and secured supply for titanium. Additionally, pass-through mechanisms for all major materials (100%) of any price increase are in place.

Inventory

The level of working capital has been over proportional, but strategically intended high within 2022 and reached the peak per Q3 2022. Montana Aerospace initiated in the last weeks and months a clear commitment, to normalise the working capital on to more sustainable levels within the coming months and quarters as more visibility on material availability and slow easing of supply chain issues is visible.

Ramp-Up

We are now finalizing the last ramp-up steps of our major CAPEX programmes, which consisted of over EUR 600 million investments since 2018, particularly in our Romanian- and Vietnam-based greenfield sites. After the finalization of the tremendous CAPEX programmes, we will focus on sustainable CAPEX (machine maintenance and repair) in the amount of of a bit more than half of yearly D&A.



Integration of ASCO & Sao Marco

With the acquisition of ASCO (closing on 31st March 2022) Montana Aerospace estimates roughly EUR 150 million of Net Sales contribution for FY 2022 (9 months contribution) and no major EBITDA contribution due to post-merger integration costs. Additionally, we are sticking to our long-term guidance, bringing ASCO back to EUR 300m of Net Sales with an EBITDA margin of 15% (+ additional 5% of synergy potential, through removal of external suppliers and internalisation of work). With its engineering development / design office, ASCO has recognized competences in Wing movables engineering and is already active on the 'Wing of Tomorrow' together with Airbus. Integration is fully on track and first synergies with Montana are being put in place with the elimination of external pre-suppliers and internalizing and thus providing the prefabricated products internally. Certification of internalizing work packages is currently ongoing as processes need to get recertified by the OEMs.

Following the closing of the merger of São Marco in September 2022 with our current 'Energy' operations in Brazil, the synergies from the verticalization, 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. Sao Marco will provide Net Sales contribution in the amount of ~EUR 20m for FY 2022 (3 months contribution).

Kai Arndt, Co-CEO

Michael Pistauer, Co-CEO & CFO



FINANCIAL OVERVIEW

Earnings

(in TEUR)	For the nine months ended 30 September			
	2022	2022 (adjustments)	2021	2021 (adjustments)
Net Sales	922,600		568,345	
Change in finished and unfinished goods	29,167		22,164	
Own work capitalized	17,392		23,154	
Other operating income	38,740		23,049	
Cost of materials, supplies and services	-620,843		-408,160	
Personnel expenses	-195,112		-123,462	
Other operating expenses	-145,189		-71,657	
EBITDA	46,755		33,433	
Legal costs (largely Arconic lawsuit)		3,007		3,848
IPO related cost				3,348
Management stock option program related cost		3,574		1,870
M&A and PMI related expenses		1,793		
Expected rental income from affiliated companies				475
Adjusted EBITDA		55,129		42,975
Adjusted EBITDA margin		6.0%		7.6%
Depreciation and amortization	-75,816		-52,605	
Operating Profit (EBIT)	-29,061		-19,172	
Financial result	-19,509		-7,337	
Result before tax	-48,570		-26,509	
Income tax expense	-6,066		1,369	
Result for the period	-54,636		-25,140	
Thereof attributable to:				
Owners of the company	-54,033		-24,884	
Non-controlling interests	-603		-256	



OPERATIONALLY ON TRACK IN Q3 2022

Net Sales

In the third quarter of 2022, Montana Aerospace generated consolidated Net Sales of EUR 922.6 million, which is 62.3% above the previous year's EUR 568.2 million, by far surpassing any pre-Covid levels. The greatest contribution to Net Sales is by the business segment 'Aerostructures', which also shows the strongest Q3 recovery versus 2021, closely followed by 'E-Mobility'. In general, the positive development was supported by Montana Aerospace's acquisitions of ASCO and Sao Marco, contributing slightly more than EUR 120 million to Net Sales in 2022.

EBITDA

Accounting for one-off and non-operative effects – most notably the management stock option program (MSOP) – the adjusted EBITDA reached EUR 55.1 million in the first nine months in 2022, exceeding the level of EUR 43.0 million in the same period in 2021. This translates into an adjusted EBITDA margin of 6.0% as compared to Q2's 5.9% and the previous year's Q3 level of 7.3%. On a non-adjusted level, reported Group EBITDA increased from EUR 33.4 million in the first nine months of 2021 to EUR 46.8 million in 2022, which is a 39.8% increase, and which is in line with the increase in the adjusted EBITDA (increase of 28.3% as compared to the previous period).

Acquisition of ASCO in 2022 is dilutive to the margin with a slightly positive EBITDA of ~EUR 0 million and consolidated Net Sales of ~EUR 120 million in Q3.

This increase in EBITDA can largely be attributed to the substantial improvement in Production Output (Net Sales plus Change in Finished Goods; + EUR 361.3 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 7,210 employees. The cost of materials, supplies and services (EUR 620.8 million in the first nine months 2022 vs. EUR 408.2 million in the same period in 2021) as well as personnel expenses (EUR 195.1 million for the period ended September 2022 vs. EUR 123.5 million in the same period 2021) continued to rise, which slightly dampened the effect. However, Montana Aerospace continues to see the access to skilled and qualified personnel and enough raw material as crucial milestones to achieve growth in the future.

The largest adjustments to EBITDA in 2022 were the costs related to the management stock option program (MSOP) (EUR 3.6 million), followed by lawsuit expenses (EUR 3.0 million) as well as merger and acquisition (M&A) and post-merger Integration (PMI) expenses related to the acquired ASCO group and the acquired São Marco, which sum up to EUR 1.8 million.



Net Sales and adj. EBITDA development per segment

in EURm (figures YTD)	Aerostructures		E-Mobility		Energy	
	Q3 2021	Q3 2022	Q3 2021	Q3 2022	Q3 2021	Q3 2022
Net Sales	197.1	433.8	83.7	140.8	288.0	348.6
yoy growth	+120.1% ↗		+68.3% ↗		+21.1% ↗	
Adj. EBITDA	27.6	36.4	4.8	12.7	8.7	10.0
yoy growth	+31.6% ↗		+163.6% ↗		+14.9% ↗	

Segment sales and EBITDA performance in the first nine months in 2022 show that while some challenges may still lie ahead, many key challenges have already been mastered: Aerostructures as a key driver of Montana Aerospace's business expansion posted growth of 120.1% with a total revenue of EUR 433.8 million and an adj. EBITDA of EUR 36.4 million, leaving many hurdles of 2021 behind (like low build rates of OEMs). E-Mobility also continues to raise its sales on a year-on-year comparison by 68.3%, which translates into EUR 140.8 million sales in the first nine months of 2022. The adj. EBITDA further grew by 163.6% as compared to the same period in 2021. Energy reported revenues of EUR 348.6 million and an adj. EBITDA of EUR 10.0 million, driven mainly by the Chinese and American markets.

The trend reversal and the ramp-up seen in the industry continue to drive growth. This is seen in the development of year-on-year figures in all three of our segments: Aerostructures will further expand with a high double-digit growth rate in 2022, restoring Aerospace to the rank as the largest segment in terms of absolute sales by the end of 2022 ahead of Energy and E-Mobility, both of which also will keep increasing sales at double-digit growth rates this year.

Operating Result (EBIT)

On a reported level, the operating result (EBIT) reached EUR -29.1 million as of 30 September 2022 compared to EUR -19.2 million in the first nine 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 -20.7 million.

Total expenses for depreciation and amortization aggregated to EUR 75.8 million in the first nine months of 2022 as compared to EUR 52.6 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 nine months ended 30 September	
	2022	2021
Cash and cash equivalents at the beginning of the period	509,059	95,803
Net cash provided / used in operating activities	-60,447	-20,106
<i>o/w changes in assets and liabilities</i>	-90,150	-52,565
Net cash used in investing activities	-144,256	-86,316
Net cash used in / from financing activities	6,813	352,018
+/- effect of exchange rate fluctuations on cash held	5,629	1,313
Cash and cash equivalents at the end of the period	316,798	342,712

Balance sheet

(in TEUR)	30 September 2022	31 December 2021
ASSETS		
Non-current assets	1,187,979	853,833
Current assets	1,097,123	938,547
<i>o/w cash and cash equivalents</i>	316,798	509,059
Total Assets	2,285,102	1,792,380
EQUITY AND LIABILITIES		
Total equity	952,956	904,851
Non-current liabilities	908,164	590,682
Current liabilities	423,982	296,847
Total equity and liabilities	2,285,102	1,792,380



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 Q3 – 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 SEPTEMBER 2022

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Consolidated statement of financial position (unaudited)

(in TEUR)	Notes	30.09.2022	31.12.2021
ASSETS			
Intangible assets and goodwill	7	334,910	193,504
Property, plant and equipment		776,297	603,843
Investment Properties		5,687	5,263
Other financial assets		4,762	271
Other receivables and assets		51,428	42,387
Deferred tax assets		14,895	8,565
Non-current assets		1,187,979	853,833
Inventories		392,895	245,429
Contract assets		29,594	13,469
Trade receivables		264,434	129,130
Income tax receivables		3,776	3,630
Receivables from affiliated companies		1,851	2,271
Other receivables and assets		87,775	35,559
Cash and cash equivalents		316,798	509,059
Current assets		1,097,123	938,547
TOTAL ASSETS		2,285,102	1,792,380
EQUITY AND LIABILITIES			
Share capital	10	56,480	52,164
Share premium	10	917,697	849,076
Non-redeemable loan	10	15,195	15,195
Retained earnings	10	-34,940	-10,880
Equity attributable to owners of Montana Aerospace AG	10	954,432	905,555
Non-controlling interests	10	-1,476	-704
Total equity	10	952,956	904,851
Bank loans and borrowings		86,565	39,131
Other financial liabilities	9	600,369	441,753
Deferred tax liabilities		47,721	21,270
Provisions	7	44,515	8,377
Employee benefits		25,549	21,712
Contract liabilities		6,488	0
Accruals		540	272
Other liabilities		96,417	58,167
Non-current liabilities		908,164	590,682
Bank loans and borrowings		68,804	57,727
Other financial liabilities	9	29,860	52,202
Current tax liabilities		5,775	708
Provisions		6,653	4,625
Employee benefits		28,491	15,128
Trade payables		170,928	110,789
Contract liabilities		24,856	19,626
Accruals		31,990	13,332
Liabilities from affiliated companies		1,987	1,991
Other liabilities		54,638	20,719
Current liabilities		423,982	296,847
TOTAL LIABILITIES		1,332,146	887,529
TOTAL EQUITY AND LIABILITIES		2,285,102	1,792,380

The notes on pages 24 to 41 are an integral part of these condensed consolidated interim financial statements.



Consolidated statement of profit or loss (unaudited)

(in TEUR)	Notes	2022		2021	
		07-09/2022	01-09/2022	07-09/2021	01-09/2021
Gross sales**		349,516	934,588	209,457	570,096
Sales deductions		-5,727	-11,988	-464	-1,751
Net sales	6	343,789	922,600	208,993	568,345
Change in finished and unfinished goods		1,997	29,167	-2,271	22,164
Own work capitalised		6,586	17,392	17,234	23,154
Other operating income**	11	26,667	38,740	6,228	23,049
Cost of materials, supplies and services		-227,588	-620,843	-142,938	-408,160
Personnel expenses	16	-73,155	-195,112	-44,522	-123,462
Other operating expenses	12	-60,174	-145,189	-25,498	-71,657
EBITDA*		18,122	46,755	17,226	33,433
Depreciation and amortization		-29,217	-75,816	-17,927	-52,605
OPERATING RESULT		-11,095	-29,061	-701	-19,172
Interest income		5,165	6,380	367	1,107
Interest expenses	13	-12,865	-25,169	-4,432	-14,376
Other financial income	14	2,731	13,762	4,137	9,626
Other financial expenses	15	-7,031	-14,482	-462	-3,694
FINANCIAL RESULT		-12,000	-19,509	-390	-7,337
RESULT BEFORE TAX		-23,095	-48,570	-1,091	-26,509
Income tax income (expenses)		-5,056	-6,066	1,660	1,369
RESULT FOR THE PERIOD		-28,151	-54,636	569	-25,140
Thereof attributable to:					
Owners of Montana Aerospace AG		-27,866	-54,033	658	-24,884
Non-controlling interests		-285	-603	-89	-256
EARNINGS PER SHARE (IN EUR)					
Basic earnings per share		-0.45	-0.89	0.11	-0.65***
Diluted earnings per share		-0.45	-0.89	0.11	-0.65***

* 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 20,009.

*** See note 10.2

The notes on pages 24 to 41 are an integral part of these condensed consolidated interim financial statements.



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

(in TEUR)	Notes	2022		2021	
		07-09/2022	01-09/2022	07-09/2021	01-09/2021
Result for the period		-28,151	-54,636	569	-25,140
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
Remeasurements of the defined benefit liability (asset)		146	4,657	2,197	7,649
Related taxes		-27	-866	-409	-1,423
		119	3,791	1,788	6,226
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Effective portion of changes in fair value of cash flow hedges		-13,590	-23,068	-72	894
Foreign exchange differences		22,170	48,712	3,850	14,602
Related taxes		412	368	-80	-79
		8,992	26,012	3,698	15,417
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		9,111	29,803	5,486	21,643
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		-19,040	-24,833	6,055	-3,497
Thereof attributable to:					
Owners of Montana Aerospace AG		-18,666	-24,061	6,159	-3,215
Non-controlling interests		-374	-772	-104	-282

The notes on pages 24 to 41 are an integral part of these condensed consolidated interim financial statements.



Consolidated statement of changes in equity 2022

(unaudited)

(in TEUR)	Notes	Attributable to owners of the Company							Total	Non-controlling interest	Total equity
		Share capital	Share premium	Non-redeemable loan	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings			
Balance as of January 1, 2022		52,164	849,076	15,195	16,308	-545	-26,642	-10,880	905,555	-704	904,851
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD											
Result for the period							-54,033	-54,033	-54,033	-603	-54,636
Other comprehensive income for the period, net of tax					48,881	-22,700	3,791	29,972	29,972	-169	29,803
Total		0	0	0	48,881	-22,700	-50,242	-24,061	-24,061	-772	-24,833
TRANSACTIONS WITH OWNERS OF THE COMPANY											
Capital increase*	10	4,316	65,954						70,270		70,270
Transaction costs from capital increase	10		-907						-907		-907
Effect of share-based payments	10/16		3,574						3,574		3,574
Total		4,316	68,621	0	0	0	0	0	72,937	0	72,937
Balance as of September 30, 2022		56,480	917,697	15,195	65,189	-23,245	-76,884	-34,940	954,432	-1,476	952,956

* 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 24 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							Total	Non-controlling interest	Total equity
	Share capital	Share premium	Non-redeemable loan	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings			
Balance as of January 1, 2021, as reported in the combined financial statements of Montana Aerospace business	0	0	0	-12,160	-1,341	0	224,377	210,876	-293	210,583
Share issuance and formation of Montana Aerospace	90	226,728				-2,441	-224,377	0		0
Balance as of January 1, 2021	90	226,728	0	-12,160	-1,341	-2,441	0	210,876	-293	210,583
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD										
Result for the period						-24,884		-24,884	-256	-25,140
Other comprehensive income for the period, net of tax				14,628	815	6,226		21,669	-26	21,643
Total	0	0	0	14,628	815	-18,658	0	-3,215	-282	-3,497
TRANSACTIONS WITH OWNERS OF THE COMPANY										
Issue of ordinary shares	42,197	379,200						421,397		421,397
Transaction costs from the IPO		-29,147						-29,147		-29,147
Issue of non-redeemable loan			153,803					153,803		153,803
Effect of share-based payment		1,870						1,870		1,870
Capital contribution		3,046				15,020		18,066		18,066
Total	42,197	354,968	153,803	0	0	15,020	0	565,989	0	565,989
Balance as of September 30, 2021	42,287	581,696	153,803	2,468	-526	-6,079	0	773,650	-575	773,075

The notes on pages 24 to 41 are an integral part of these condensed consolidated interim financial statements.



Consolidated statement of cash flows (unaudited)

(in TEUR)	Notes	For the nine months ended 30 September	
		2022	2021*
CASH FLOW FROM OPERATING ACTIVITIES			
Result before tax		-48,570	-26,509
Net interest income		18,789	13,269
Depreciation and amortization		75,816	52,605
Measurement of financial assets		0	-445
Gains and losses from disposals of property, plant and equipment and intangible assets		392	161
Badwill		0	-3,440
Other non-cash income and expenses	17	-14,848	-400
Subtotal		31,579	35,241
Changes in assets and liabilities:			
Inventories		-58,353	-41,184
Trade receivables and other current assets		-90,508	-33,746
Trade payables and other current liabilities		47,529	22,275
Provisions and liabilities for employee benefits		11,182	90
Subtotal		-90,150	-52,565
Income taxes paid		-1,876	-2,782
NET CASH FROM OPERATING ACTIVITIES		-60,447	-20,106
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of subsidiaries less cash acquired	7/17	-91,990	-4,431
Disposal of subsidiaries less cash disposed of		1,002	0
Acquisition of intangible assets and property, plant and equipment		-59,733	-92,306
Disposal of intangible assets and property, plant and equipment		81	104
Repayments of loans granted to affiliates		0	503
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		6,380	1,043
NET CASH FROM INVESTING ACTIVITIES		-144,256	-86,316
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of ordinary shares		0	421,397
Payments for the costs of initial public offering		0	-29,147
Capital contribution		0	15,020
Issuance of interest-bearing liabilities		146,193	163,738
Repayment of interest-bearing liabilities		-109,994	-141,975
Repayment of interest-bearing liabilities from affiliates		0	-58,135
Payment of lease liabilities		-7,306	-5,015
Interest paid		-22,080	-13,864
NET CASH FROM FINANCING ACTIVITIES		6,813	352,018
NET CHANGE IN CASH AND CASH EQUIVALENTS		-197,890	245,596
Cash and cash equivalents as at 1 January		509,059	95,803
Effect of exchange rate changes on cash and cash equivalents		5,629	1,313
Cash and cash equivalents as at 30 September		316,798	342,712

* 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 24 to 41 are an integral part of these condensed consolidated interim financial statements.



NOTES

to the condensed consolidated financial statements

1. Reporting entity

Montana Aerospace AG (“Montana Aerospace” or “the Company”) is a worldwide supplier of structural parts for the aerospace, e-mobility and energy industries and is incorporated in Switzerland with its registered office in Reinach, Switzerland. These condensed consolidated interim financial statements as at and for the nine months ended 30 September 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 7,200 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).

On 1 September 2022, the Group acquired 100% interest in São Marco Industria y Comercio LTDA (“São Marco”; see note 7).

3. Basis of accounting

These condensed consolidated 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 consolidated 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.



These condensed 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 condensed consolidated interim financial statements were authorised for issue by the Board of Directors on 8 November 2022.

4. Use of judgements and estimates

In preparing these condensed consolidated 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 condensed 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 condensed consolidated interim financial statements.

6. Segment reporting

PLEASE NOTE:

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 condensed consolidated interim financial statements. The Board of Directors (CODM) uses adjusted EBITDA for management purposes.

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

(in TEUR)	For the nine months ended 30 September	
	2022	2021
EBITDA as reported	46,755	33,433
Legal costs	3,007	3,848
Stock option plans (share-based payment)	3,574	1,870
M&A and PMI related expenses	1,793	
IPO expenses		3,348
Expected rental income from affiliated companies		475
Adjusted EBITDA	55,129	42,975



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 nine months ended 30 September		For the nine months ended 30 September		For the nine months ended 30 September		For the nine months ended 30 September		For the nine months ended 30 September		For the nine months ended 30 September	
	Aerostructures		E-Mobility		Energy		Total		Reconciliation		Group	
(in TEUR)	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
External net sales	433,174	196,776	140,817	83,608	348,609	287,962	922,600	568,345			922,600	568,345
Net sales between segments	648	352		47			648	399	-648	-399	0	
Total net sales	433,822	197,128	140,817	83,655	348,609	287,962	923,248	568,745	-648	-400	922,600	568,345
Adjusted EBITDA	36,355	27,623	12,675	4,809	10,030	8,731	59,060	41,163	-3,931	1,812	55,129	42,975
Non-operative income and expenses	-3,653	-4,323			-201		-3,854	-4,323	-4,520	-5,218	-8,374	-9,541
EBITDA	32,702	23,300	12,675	4,809	9,829	8,731	55,206	36,840	-8,451	-3,407	46,755	33,433
Depreciation and amortization	-62,307	-39,875	-7,489	-7,246	-5,893	-5,247	-75,689	-52,368	-127	-237	-75,816	-52,605
Operating result											-29,061	-19,172
Financial result											-19,509	-7,337
Result before tax											-48,570	-26,509
Income tax income (expense)											-6,066	1,369
Result for the period											-54,636	-25,140
Investments	49,043	66,867	5,174	3,550	6,080	5,223	60,297	75,640	-77	-392	60,220	75,248

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 are not directly allocated to any segment, such as the effects of share-based payment.



6.3. Entity-wide disclosures

INFORMATION BY GEOGRAPHICAL SEGMENT

(in TEUR)	For the nine months ended 30 September		For the nine months ended 30 September	
	2022		2021	
	Net sales*	Non-current assets**	Net sales*	Non-current assets**
Switzerland	22,554	40,666	14,110	36,938
Germany	156,073	12,689	98,133	9,342
Austria	29,467	64,791	23,613	65,636
UK	20,176	465	12,035	325
Poland	12,029		19,733	
Slovenia	20,184		12,286	
Turkey	11,530		13,680	
France	17,647	2,850	9,937	2,712
Spain	8,593	6	4,911	9
Italy	13,272	3,984	14,792	5,036
Finland	5,197		4,180	
Sweden	6,722		5,034	
Romania	8,710	402,303	4,291	391,596
Russia	6,196		4,375	
Belgium	67,568	196,167	1,378	
Rest of Europe	42,183	5,945	23,326	3,890
USA	176,190	218,370	78,773	161,399
Canada	10,355	28,930	8,868	
Mexico	12,375		6,643	
Brazil	95,000	21,236	65,696	15,983
Rest of America	25,837		15,309	
China	77,049	8,175	72,509	8,188
India	29,479	9,266	26,428	9,248
Vietnam	7,919	101,051	4,887	82,488
Rest of Asia	36,352		18,904	
Africa, Australia and New Zealand	3,943		4,514	
Total	922,600	1,116,894	568,345	792,790

* 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 nine months ended 30 September		For the nine months ended 30 September	
	2022		2021	
(in TEUR)	Net sales	Trade receivables	Net sales	Trade receivables
thereof product sales	918,259	263,145	564,159	128,370
thereof service sales	4,341	1,289	4,186	1,153
Total	922,600	264,434	568,345	129,523

KEY ACCOUNTS

For the nine months ended 30 September 2022 – as for the nine months ended 30 September 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 condensed consolidated financial statements for the current fiscal year 2022, costs of TEUR 1,078 were incurred in connection with the business combination. Furthermore, PMI related expenses of TEUR 514 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	-71,158
Current financial liabilities	-4,889
Other current liabilities	-68,389
Total identifiable net assets acquired	123,856



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	-123,856
Goodwill	87,874

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 121,341 and a loss for the period of TEUR -7,402 to the Group's results for the six months to 30 September 2022. If the acquisition had occurred on 1 January 2022, management estimates that revenue would have been EUR 181 million, and loss for the year would have been EUR -10 million.

f) Cashflow (preliminary)

(in TEUR)	
Cash	115,986
Less acquired cash	-53,511
Total cash outflow (+), cash inflow (-)	62,475



SÃO MARCO

On 1 September 2022, the Group acquired 100% interest in São Marco Industria y Comercio LTDA (“São Marco”).

The purchase price allocation (PPA) has not yet been completed. A reasonable estimate was also not possible because the final valuation of the assets and liabilities is still in progress.

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

The preliminary figures are summarized as follows:

a) Consideration transferred (preliminary)

(in TEUR)	
Cash and cash equivalents	30,229
Deferred consideration	6,314
Total consideration transferred	36,543

b) Costs associated with the business combination (preliminary)

Costs of TEUR 47 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 condensed consolidated financial statements for the current fiscal year 2022, costs of TEUR 165 were incurred in connection with the business combination. Furthermore, PMI related expenses of TEUR 37 were incurred. These costs were recognized in other operating expenses.

c) Cashflow (preliminary):

(in TEUR)	
Cash	30,229
Less acquired cash	-1,215
Total cash outflow (+), cash inflow (-)	29,014



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. For measurement please refer to note 9 below.



30 September 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									
Commodityswaps (hedge accounting)	272				272		272		272
Securities		7,389			7,389	0	7,389		7,389
	272	7,389	0	0	7,661				
Financial assets – not measured at fair value									
Contract assets			29,594		29,594				
Trade receivables			264,434		264,434				
Trade receivables vs. affiliated companies			261		261				
Other receivables from affiliated companies			1,590		1,590				
Other receivables and assets			63,082		63,082				
Cash and cash equivalents			316,798		316,798				
	0	0	675,759	0	675,759				
Financial liabilities – measured at fair value									
Forward exchange contracts (hedge accounting)	39,271				39,271		39,271		39,271
Commodityswaps (hedge accounting)	269				269		269		269
Other financial liabilities		29,061			29,061		28,761	300	29,061
	39,540	29,061	0	0	68,601				
Financial liabilities – not measured at fair value									
Bank loans and borrowings				155,370	155,370				
Other financial liabilities*				565,132	565,132		479,332	78,406	557,738
Lease liabilities				35,600	35,600				
Trade payables**				169,512	169,512				
Trade payables vs. affiliated companies				246	246				
Contract liabilities***				0	0				
Other Liabilities vs. affiliated companies				1,741	1,741				
Accruals				32,530	32,530				
Other liabilities****				77,355	77,355				
	0	0	0	1,037,486	1,037,486				

* Does not include accrued interest TEUR 436.

** Does not include other payments received TEUR 1,419.

*** Does not include payments received from contracts with customers TEUR 31,344.

**** Does not include deferred income TEUR 5,888, derivatives TEUR 39,540 and liabilities from other taxes as well as in the context of social security TEUR 11,549.



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)	30.09.2022	31.12.2021
Promissory notes (Schuldscheindarlehen)***	486,726	459,344
Lease liabilities	35,600	32,497
Deferred consideration*	28,761	0
Other**	79,142	2,114
Other financial liabilities	630,229	493,956
Thereof current	29,860	52,202
Thereof non-current	600,369	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.

** Item "Other" results mainly from profit certificates in the amount of TEUR 59,733 (including accrued dividends): The Belgian Federal Holding and Investment Company ("FPIM / SFPI") holds profit certificates in Asco, issued against a cash consideration in the amount of TEUR 54,312. These profit certificates were subscribed respectively in 2008, 2012 and 2020. A put option is granted to FPIM / SFPI, exercisable from 2027 (relating to the nominal value amounting to EUR 24.3m) and 2035 (relating to the nominal value amounting to EUR 30.0m), to be increased with any dividends related to the past financial year(s) that have not been paid. This put option is recognized as a financial liability.

*** In the current fiscal year, new promissory notes in the amount of TEUR 80,000 were taken out. These are divided into fixed and variable as well as three- and five-year tranches. The effective interest rate – depending on maturity – ranges between 1.00% and 3.50%.



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 September 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 September 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 September 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 September 2022.

	2022	2021
Weighted average of ordinary shares in circulation as of 30 September	60,410,999	38,295,976

	For the nine months ended 30 September	
(in EUR)	2022	2021
Result of the period attributable to owners of Montana Aerospace AG	-54,032,647	-24,884,322

	For the nine months ended 30 September	
(in EUR)	2022	2021
Basic earnings per share	-0.89	-0.65
Diluted earnings per share	-0.89	-0.65



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 nine months ended 30 September 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 65,954. The relating transaction costs amounted to TEUR 907 and were recognized in equity.

For the current fiscal year, at total of TEUR 3,574 was recognized in equity as share-based remuneration (see note 16).

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 operating income

As of 30 September 2022, other operating income results mainly from tax credits as well as from grants.

12. Other operating expenses

As of 30 September 2022, the increase in other operating expenses in comparison with the previous year results mainly from energy costs as well as from contributions of acquired companies.

13. Interest expenses

As of 30 September 2022, interest expenses result mainly from interest expenses to financial institutions as well as interest expenses in connection with non-current provisions.

14. Other financial income

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

15. Other financial expenses

As of 30 September 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.

16. 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 3,574 in the current fiscal year. The effects in equity amounted to TEUR 3,574 (see note 10.3) and consisted of allocations from the forward projection of the MSOP.



17. Consolidated statement of cash flow

Other non-cash income and expenses result mainly from effects of share-based payments (TEUR 3,574) as well as the valuation of foreign exchange effects (TEUR -17,467).

The item “Acquisition of subsidiaries less cash acquired” includes payments amounting to TEUR 500 relating to previous years’ acquisition.

18. Subsequent events

No events took place between 30 September 2022 and 8 November 2022 that would require adjustments to the carrying amounts of the assets or liabilities in these condensed consolidated interim financial statements or would need to be disclosed here.

19. 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 ~7,200 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 changer when it comes to structural change



With long-term capital spending of more than EUR 600 million (CAPEX) from 2018 to today, 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).



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.

Clear commitment to ESG



Montana Aerospace’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 on 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.

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.

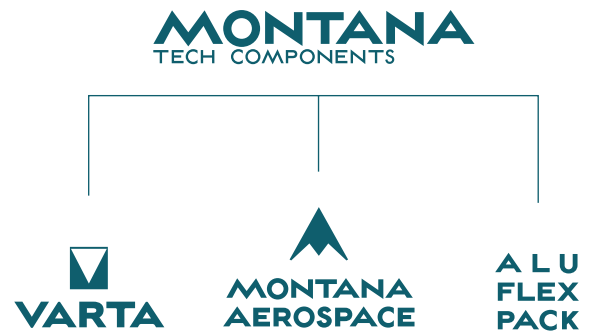


ABOUT MONTANA AEROSPACE

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

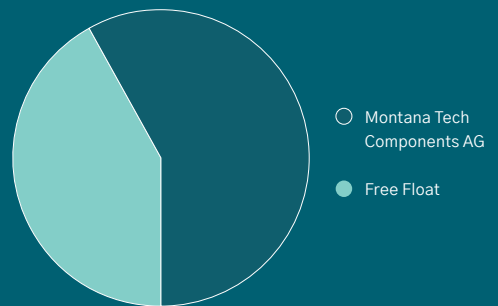
Alongside VARTA AG and Aluflexpack AG, Montana Aerospace AG is one of the three pillars of Montana Tech Components AG. The parent company Montana Tech Components AG, founded in 2006, is a global industrial group with headquarters in Reinach (Switzerland) that specializes in key technologies in future 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 September 2022)	~CHF 646m

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 Q3 2022 report can be downloaded at www.montana-aerospace.com

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PUBLISHED AND EDITED BY

Montana Aerospace AG, Reinach, Switzerland

DESIGN

Peter Rieder, flammen.at

Büro X Wien, buerox.at

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