



**MONTANA  
AEROSPACE**



# INTERIM FINANCIAL REPORT

FIRST HALF-YEAR 2023



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



# MONTANA AEROSPACE AG – SELECTED KEY FIGURES

(financial figures in M€)	For the six months ended 30 June 2023		
	2023	2022	yoy change
Net Sales	704.0	578.8	125.2
EBITDA	55.7	28.6	27.0
Adjusted EBITDA	59.3	33.9	25.4
Adjusted EBITDA margin (%)	8.4%	5.9%	2.5%
Operating Profit (EBIT)	3.6	-18.0	21.5
Result for the period	-23.1	-26.5	3.4
Cash Flow from operating activities	-37.0	-52.2	15.2
Cash Flow from investing activities	-38.3	-100.1	61.7
Cash Flow from financing activities	-45.3	4.7	-50.0
Free Cash Flow	-75.3	-152.2	76.9
CAPEX spent	-31.8	-38.8	7.0
Trade Working Capital	372.0	301.7*	+70.3
Equity Ratio (%)	44.0%	43.1%	0.9%
Net Debt (cash)	376.4	279.4*	97.0
Total Assets	2,137.7	2,220.6	-82.9
Employees	6,848	6,829	19

\* comparison period is December 2022



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

## Major investment program completed (>EUR 650m)

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

## Encouraging our global talents

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

## Focus on net income and free cash flow

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

## Ongoing streamlining of our balance sheet

We are fully committed and stick to the plan of further strengthening our balance sheet and increasing independency in 2023 by lowering our debt positions and generating a positive free cash flow. The clear goal of loosening our ties with the majority shareholder Montana Tech Components AG (with respect to debt) and establish a more independent debt financing structure without its guarantees remains intact and is currently being implemented. This step will be a key focus of Montana Aerospace in H2 2023.



## Commodities

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

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

## Montana Aerospace's new goals & 2027 segment strategy

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

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

### FINANCIALS:

**EBITDA**

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

**EUR 130 TO 150 MILLION**



**EUR >1.5 BILLION**  
IN NET SALES



# HIGHLIGHTS – FIRST HALF-YEAR 2023

- **Persistent tailwind in the Energy and Aerostructures segments** – customer demand already significantly exceeds our capacities in the Energy segment.
- **Signing of a multi-year contract with a new customer** in the fast-growing commercial space market for the supply of highly complex aluminum components from the new production facility in Baia Mare, Romania.
- **Commencing the serial production of our new product line, the "Airbus Section 11 Floor Grid"**, with great success at our state-of-the-art one-stop-shop production facility in Baia Mare, Romania.
- **Signing a new contract from Boeing for the manufacturing of aircraft fuselage components** and commencing the qualification process for Europe's largest extrusion press for the aerospace industry.
- **Fruitful appearance at Paris Air Show 2022** with an innovative booth and a stronger digital presentation of our unique one-stop-shop concept tailored to the global aerospace industry.
- **Successful signing of a multi-year supply agreement** with Japanese companies Kawasaki Heavy Industries (KHI), a Tier-1 supplier to Boeing, and Fuji Industries, a specialized trading company in the aerospace industry.
- **Groundbreaking ceremony for our new state-of-the-art e-mobility plant and research laboratory** in Baoying, China, which will enable us to meet the high demands of the automotive and e-mobility industries.
- **Jury renders verdict in US trial** Arconic Corporation against Universal Alloy Corporation, Montana Aerospace AG's subsidiary, **and rejects alleged misappropriation.**

**ESG** Inauguration of our photovoltaic plant in Vietnam with 662 panels and another 6,510 panels to follow, generating a remarkable 5,906.91 MWh of clean energy annually at full expansion stage.

**ESG** Marking the successful conclusion of the inaugural Montana Aerospace Talent Program, a comprehensive employee development initiative designed to nurture exceptional talents from all business units and diverse departments across the Montana Aerospace organization.

**ESG** Awards such as the Airbus D2P Supplier Award and the Airbus SQIP Recognition Award demonstrating the trust placed in us as a professional partner.



# TABLE OF CONTENTS

MONTANA AEROSPACE AG – SELECTED KEY FIGURES	3
2023 – REAPING THE REWARDS OF OUR COUNTER-CYCLICAL INVESTMENT PROGRAM	4
HIGHLIGHTS – FIRST HALF-YEAR 2023	6
FINANCIAL OVERVIEW	8
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS	14
THE MONTANA AEROSPACE EQUITY STORY	34
ABOUT MONTANA AEROSPACE	36
DISCLAIMER	37



# FINANCIAL OVERVIEW

## Earnings

For the six months ended 30 June 2023

(in TEUR)	2023	2023 (adjustments)	2022	2022 (adjustments)
<b>Net Sales</b>	<b>704,007</b>		<b>578,811</b>	
Change in finished and unfinished goods	5,207		27,170	
Own work capitalized	6,189		10,806	
Other operating income	15,553		12,073	
Cost of materials, supplies and services	-441,306		-393,255	
Personnel expenses	-141,169		-121,957	
Other operating expenses	-92,822		-85,015	
<b>EBITDA</b>	<b>55,659</b>		<b>28,633</b>	
Legal costs		1,656		1,556
M&A and PMI related expenses		925		1,245
Stock option plans (share-based payment)		1,091		2,471
<b>Adjusted EBITDA</b>		<b>59,330</b>		<b>33,904</b>
Adjusted EBITDA margin		8.4%		5.9%
Depreciation and amortization	-52,096		-46,599	
<b>Operating Profit (EBIT)</b>	<b>3,563</b>		<b>-17,966</b>	
Financial result	-27,578		-7,509	
<b>Result before tax</b>	<b>-24,098</b>		<b>-25,475</b>	
Income tax income (expenses)	1,004		-1,010	
<b>Result for the period</b>	<b>-23,094</b>		<b>-26,485</b>	
Thereof attributable to:				
Owners of the company	-22,888		-26,167	
Non-controlling interests	-206		-318	





## CONTINUOUS IMPROVEMENTS THROUGH H1 2023

The results of the first six months of 2023 are in line with our guidance in the Aerostructures and E-Mobility segment and exceeding our internal expectations in the Energy segment. Among the highlights of the financial results for H1 2023 are the Net Sales figures of the Aerostructures segment, which amount to EUR 332.7 million (29% yoy growth), and the adj. EBITDA figures of the Energy segment, which amount to EUR 13.5 million (336% yoy growth).

### Net Sales

In the first six months of 2023, Montana Aerospace generated consolidated Net Sales of EUR 704.0 million, which is 21.6% above the previous year's EUR 578.8 million. The greatest contribution to Net Sales was generated by the business segment Aerostructures, which achieved EUR 332.7 million, closely followed by the business segment Energy (EUR 282.0 million). In general, this positive development in Net Sales was supported by Montana Aerospace's acquisitions of ASCO in the Aerostructures business segment and Sao Marco in the Energy business segment in 2022.

### EBITDA

Accounting for one-off and non-operative effects – most notably legal costs and post-merger integration (PMI) related expenses – the adjusted EBITDA reached EUR 59.3 million in the first six months in 2023, exceeding the level of EUR 33.9 million in the same period in 2022. This translates into an adjusted EBITDA margin of 8.4% as compared to the previous year's H1 level of 5.9%. Overall adj. EBITDA performance is still impacted and diluted by external supply chain issues, ASCO is facing within the Aerostructures segment on its path to full integration.

On a non-adjusted level, reported Group EBITDA increased from EUR 28.6 million in the first six months of 2022 to EUR 55.7 million in 2023, which is a 94.8% increase, which is in line with the increase in the adjusted EBITDA (increase of 75.0% as compared to the previous period).

This increase in EBITDA can largely be attributed to the substantial improvement in production output (Net Sales plus change in finished goods; +EUR 103.2 million as compared to 2022), which was supported by the gain in market share and higher build rates as well as the strengthening of the workforce to approximately 6,800 employees.

The cost of materials supplies and services (EUR 441.3 million in the first six months 2023 vs. EUR 393.3 million in the same period in 2022) is under-proportional to Net Sales development. Personnel expenses continued to rise (EUR 141.2 million for the period ended June 2023 vs. EUR 122.0 million in the same period 2022), although roughly EUR 21 million occurred out of the acquisition of ASCO. Thus, on a like for like basis, it remained almost the same. Montana Aerospace continues to see access to skilled and qualified personnel as well as enough raw material as crucial milestones to achieve growth in the future.



The three adjustments to EBITDA in the first six months in 2023 were the costs related to PMI expenses related to the acquired ASCO group in 2022, amounting to EUR 0.9 million, followed by legal costs (EUR 1.7 million), as well as the management stock option program (MSOP) of EUR 1.1 million, which overall sum up to EUR 3.7 million.

Concerning trade working capital (TWC), we expect to reach significantly lower and more sustainable TWC levels in all segments as guided previously until the end of 2023. At the end of 2022, we have seen some delayed payments due to optimization reasons. This will change going forward as payments will be made earlier, in line with previous quarters of the respective business years. As Net Sales rose by ~22%, inventories only rose by roughly 3%, supporting the trend to effective trade working capital management.

The financial result was negatively impacted due to substantially higher interest expenses and hiked from EUR -7.5 million to EUR -27.6 million at the end of H1 2023. Nonetheless, within the financial result, more than half of the amount relates to non-cash related items (Foreign exchange (FX) positions). Changes in the financial result are expected within the next months once the ongoing reduction of the debt positions has been achieved.

#### Net Sales and adj. EBITDA development per segment

in EURm	Aerostructures		E-Mobility		Energy	
	H1 2022	H1 2023	H1 2022	H1 2023	H1 2022	H1 2023
<b>Net Sales</b>	<b>257.5</b>	<b>332.7</b>	<b>94.6</b>	<b>90.3</b>	<b>227.4</b>	<b>282.0</b>
yoy growth	+29.2%		-4.5%		+24.0%	
<b>Adj. EBITDA</b>	<b>26.7</b>	<b>37.8</b>	<b>8.0</b>	<b>7.2</b>	<b>3.1</b>	<b>13.5</b>
yoy growth	+41.6%		-10.0%		+335.5%	

Segment sales and EBITDA performance in the first six months in 2023 show Aerostructures and Energy as the key drivers of Montana Aerospace's business expansion. Aerostructures posted growth of +29.2% with a total revenue of EUR 332.7 million, while Energy showed significant growth of +24.0% with a total revenue of EUR 282.0 million. The E-Mobility segment only shows flattish Net Sales (EUR 90.3 million in the first six months in 2023 vs. EUR 94.6 million in the same period in 2022) due to the decreased demand of billets (recycling of aluminum) in the external market.

Adj. EBITDA in the E-Mobility segment lies within our guidance, with good potential to overachieve in the next quarters to come. The Energy segment achieved an impressive adj. EBITDA of EUR 13.5 million, which is +335.5% compared to H1 2022, establishing itself as a business segment with strong growth and reflecting that the market is transforming from a pull towards a push market. Aerostructures also shows improvement of +41.6% compared to the same period last year and posted an adj. EBITDA of EUR 37.8 million, although still dilutive on overall adj. EBITDA due to ongoing supply chain challenges within ASCO, as well as still high costs coming along with the ramp up of new long term contracts.



## Operating Result (EBIT)

On a reported level, the operating result (EBIT) reached EUR 3.6 million as of 30 June 2023 compared to EUR –18.0 million in the first six months of 2022, on the back of the one-off and non-operative effects mentioned above. Taking these adjustments into account, the adjusted EBIT would amount to EUR 7.3 million.

Total expenses for depreciation and amortization aggregated to EUR 52.1 million in the first six months of 2023 compared to EUR 46.6 million in the same period in 2022. This increase reflects the ongoing commitment to invest into new and improved production capacities as well as the additional asset base (ASCO) considered in 2023. No adjustments to depreciation and amortization (impairment) were made.

## Cash flow statement

(in TEUR)	For the six months ended 30 June 2023	
	2023	2022
<b>Cash and cash equivalents at the beginning of the period</b>	<b>426,215</b>	<b>509,059</b>
Net cash provided / used in operating activities	–36,978	–52,180
Net cash used in investing activities	–38,339	–100,066
Net cash used in / from financing activities	–45,283	4,740
+/- effect of exchange rate fluctuations on cash held	–740	2,976
<b>Cash and cash equivalents at the end of the period</b>	<b>304,875</b>	<b>364,529</b>

## Balance sheet

(in TEUR)	30 June 2023	31 December 2022
<b>ASSETS</b>		
Non-current assets	1,156,545	1,167,650
Current assets	981,161	1,052,997
<i>o/w cash and cash equivalents</i>	<i>304,875</i>	<i>426,215</i>
<b>Total Assets</b>	<b>2,137,705</b>	<b>2,220,647</b>
<b>EQUITY AND LIABILITIES</b>		
Total equity	941,143	957,631
Non-current liabilities	614,065	789,995
Current liabilities	582,497	473,020
<b>Total equity and liabilities</b>	<b>2,137,705</b>	<b>2,220,647</b>



On 30 June 2023, total assets were at EUR 2,137.7 million (31 December 2022: EUR 2,220.6 million), with total non-current assets amounting to EUR 1,156.5 million (31 December 2022: EUR 1,167.7 million). Total non-current assets included mainly intangible assets and goodwill of EUR 297.2 million (31 December 2022: EUR 305.8 million) as well as property, plant and equipment of EUR 730.0 million (31 December 2022: EUR 745.0 million). Within total current assets of EUR 981.2 million (31 December 2022: EUR 1,053.0 million), inventories amounted to EUR 333.2 million (31 December 2022: EUR 324.0 million), trade receivables to EUR 193.6 million (31 December 2022: EUR 171.4 million), other receivables and assets to EUR 113.2 million (31 December 2022: EUR 96.7 million), and cash and cash equivalents to EUR 304.9 million (31 December 2022: EUR 426.2 million).

Total liabilities were at EUR 1,196.6 million on 30 June 2023 (31 December 2022: EUR 1,263.0 million), of which EUR 582.5 million refer to current liabilities (31 December 2022: EUR 473.0 million) and EUR 614.1 million to non-current liabilities (31 December 2022: EUR 790.0 million). Non-current liabilities include EUR 296.7 million in bank loans and borrowings (31 December 2022: EUR 466.4 million), EUR 102.6 million in other financial liabilities (31 December 2022: EUR 104.6 million) as well as EUR 92.0 million in other liabilities and accruals (31 December 2022: EUR 93.8 million). Total current liabilities include EUR 272.8 million in loans and borrowings (31 December 2022: EUR 122.9 million) as well as EUR 187.9 million in trade payables (31 December 2022: EUR 224.1 million). Total equity decreased to EUR 941.1 million (31 December 2022: EUR 957.6 million) and includes EUR 919.3 million of share premium (31 December 2022: EUR 918.2 million).



## Supplemental financial information

### USAGE OF ALTERNATIVE PERFORMANCE MEASURES

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

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

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 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION	15
CONSOLIDATED STATEMENT OF PROFIT OR LOSS	16
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	17
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2023	18
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2022	19
CONSOLIDATED STATEMENT OF CASH FLOWS	20
REPORTING ENTITY	21
BASIS OF ACCOUNTING	21
USE OF JUDGEMENTS AND ESTIMATES	22
CHANGES IN SIGNIFICANT ACCOUNTING POLICIES	23
SEGMENT REPORTING	23
FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT	27
OTHER FINANCIAL LIABILITIES	30
EQUITY	31
OTHER OPERATING EXPENSES	32
INTEREST EXPENSES	32
OTHER FINANCIAL EXPENSES	33
SHARE-BASED PAYMENT ARRANGEMENTS	33
SUBSEQUENT EVENTS	33



## Consolidated statement of financial position

(unaudited)

(in TEUR)	Notes	30.06.2023	31.12.2022
<b>ASSETS</b>			
Intangible assets and goodwill		297,172	305,752
Property, plant and equipment		730,040	744,997
Investment properties		5,555	5,521
Joint ventures and shares in associates		31,442	30,125
Loans		20,580	10,870
Other financial assets		3,011	3,011
Other receivables and assets		62,222	60,458
Deferred tax assets		6,523	6,916
<b>Non-current assets</b>		<b>1,156,545</b>	<b>1,167,650</b>
Inventories		333,215	323,980
Contract assets		25,911	23,969
Trade receivables		193,632	171,413
Income tax receivables		5,725	6,140
Receivables from affiliated companies		1,589	1,525
Loans		3,062	3,058
Other receivables and assets		113,152	96,697
Cash and cash equivalents		304,875	426,215
<b>Current assets</b>		<b>981,161</b>	<b>1,052,997</b>
<b>TOTAL ASSETS</b>		<b>2,137,705</b>	<b>2,220,647</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8	56,480	56,480
Share premium	8	919,336	918,245
Retained earnings	8	-33,089	-15,689
<b>Equity attributable to owners of Montana Aerospace AG</b>	<b>8</b>	<b>942,727</b>	<b>959,036</b>
Non-controlling interests	8	-1,584	-1,405
<b>Total equity</b>	<b>8</b>	<b>941,143</b>	<b>957,631</b>
Loans and borrowings		296,739	466,436
Other financial liabilities	7	102,598	104,641
Deferred tax liabilities		60,554	62,823
Provisions		39,563	39,548
Employee benefits		16,235	16,809
Contract liabilities		6,422	5,944
Other liabilities and accruals		91,954	93,794
<b>Non-current liabilities</b>		<b>614,065</b>	<b>789,995</b>
Loans and borrowings		272,847	122,913
Other financial liabilities	7	9,104	11,593
Tax liabilities		965	718
Provisions		8,310	7,781
Employee benefits		23,329	21,544
Trade payables		187,933	224,141
Contract liabilities		3,153	3,698
Liabilities from affiliated companies		296	989
Other liabilities and accruals		76,560	79,643
<b>Current liabilities</b>		<b>582,497</b>	<b>473,020</b>
<b>TOTAL LIABILITIES</b>		<b>1,196,562</b>	<b>1,263,015</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,137,705</b>	<b>2,220,647</b>



## Consolidated statement of profit or loss (unaudited)

(in TEUR)	Notes	2023		2022	
		04-06/2023	01-06/2023	04-06/2022	01-06/2022
<b>Net Sales</b>	<b>5</b>	<b>350,923</b>	<b>704,007</b>	<b>335,524</b>	<b>578,811</b>
Change in finished and unfinished goods		-5,875	5,207	10,136	27,170
Own work capitalised		2,739	6,189	4,130	10,806
Other operating income		10,103	15,553	7,368	12,073
Cost of materials, supplies and services		-206,872	-441,306	-219,572	-393,255
Personnel expenses		-70,868	-141,169	-71,905	-121,957
Other operating expenses	9	-45,850	-92,822	-51,452	-85,015
<b>EBITDA*</b>		<b>34,300</b>	<b>55,659</b>	<b>14,229</b>	<b>28,633</b>
Depreciation and amortization		-24,240	-52,096	-27,379	-46,599
<b>OPERATING RESULT</b>		<b>10,060</b>	<b>3,563</b>	<b>-13,150</b>	<b>-17,966</b>
Interest income		2,686	4,743	733	1,215
Interest expenses	10	-11,613	-21,357	-7,296	-12,304
Other financial income		467	1,231	7,070	11,031
Other financial expenses	11	-7,230	-12,195	-6,450	-7,451
<b>FINANCIAL RESULT</b>		<b>-15,690</b>	<b>-27,578</b>	<b>-5,943</b>	<b>-7,509</b>
Result from joint ventures		-83	-83	0	0
<b>RESULT BEFORE TAX</b>		<b>-5,713</b>	<b>-24,098</b>	<b>-19,093</b>	<b>-25,475</b>
Income tax expense / income		129	1,004	-205	-1,010
<b>RESULT FOR THE PERIOD</b>		<b>-5,584</b>	<b>-23,094</b>	<b>-19,298</b>	<b>-26,485</b>
Thereof attributable to:					
Owners of Montana Aerospace AG		-5,470	-22,888	-19,059	-26,167
Non-controlling interests		-114	-206	-239	-318
<b>EARNINGS PER SHARE (IN EUR)</b>					
Basic earnings per share		-0.09	-0.37	-0.32	-0.44
Diluted earnings per share		-0.09	-0.37	-0.32	-0.44

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

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





## Consolidated statement of profit or loss and other comprehensive income

(unaudited)

(in TEUR)	Notes	2023		2022	
		04-06/2023	01-06/2023	04-06/2022	01-06/2022
Result for the period		-5,584	-23,094	-19,298	-26,485
ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS					
Remeasurements of the defined benefit liability (asset)		-47	-91	75	4,511
Related taxes		8	16	-14	-839
		-39	-75	61	3,672
ITEMS THAT ARE OR MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS					
Effective portion of changes in fair value of cash flow hedges		3,097	7,570	-9,326	-9,478
Foreign exchange differences		6,104	-1,702	20,380	26,542
Related taxes		-194	-278	-44	-44
		9,007	5,590	11,010	17,020
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		8,968	5,515	11,071	20,692
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		3,384	-17,579	-8,227	-5,793
Thereof attributable to:					
Owners of Montana Aerospace AG		3,499	-17,400	-7,923	-5,395
Non-controlling interests		-115	-179	-304	-398

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



## Consolidated statement of changes in equity 2023

(unaudited)

(in TEUR)	Notes	Attributable to owners of the Company						Total	Non-controlling interest	Total equity
		Share capital	Share premium	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings			
Balance as of January 1, 2023		56,480	918,245	40,276	-4,985	-50,978	-15,689	959,036	-1,405	957,631
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>										
Result for the period						-22,888	-22,888	-22,888	-206	-23,094
Other comprehensive income for the period, net of tax				-1,729	7,292	-75	5,488	5,488	27	5,515
<b>Total</b>		<b>0</b>	<b>0</b>	<b>-1,729</b>	<b>7,292</b>	<b>-22,963</b>	<b>-17,400</b>	<b>-17,400</b>	<b>-179</b>	<b>-17,579</b>
<b>TRANSACTIONS WITH OWNERS OF THE COMPANY</b>										
Effect of share-based payments	8 / 12		1,091					1,091		1,091
<b>Total</b>		<b>0</b>	<b>1,091</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,091</b>	<b>0</b>	<b>1,091</b>
Balance as of June 30, 2023		56,480	919,336	38,547	2,307	-73,941	-33,089	942,727	-1,584	941,143

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



## Consolidated statement of changes in equity 2022

(unaudited)

(in TEUR)	Attributable to owners of the Company							Total	Non-controlling interest	Total equity
	Share capital	Share premium	Non-redeemable loan	Foreign Exchange Differences	Fair Value Reserve	Other retained earnings	Total Retained earnings			
Balance as of January 1, 2022	52,164	849,076	15,195	16,308	-545	-26,642	-10,880	905,555	-704	904,851
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>										
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
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,622</b>	<b>-9,522</b>	<b>-22,495</b>	<b>-5,395</b>	<b>-5,395</b>	<b>-398</b>	<b>-5,793</b>
<b>TRANSACTIONS WITH OWNERS OF THE COMPANY</b>										
Capital increase	4,316	65,047						69,363		69,363
Effect of share-based payments		2,471						2,471		2,471
<b>Total</b>	<b>4,316</b>	<b>67,518</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>71,834</b>	<b>0</b>	<b>71,834</b>
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 notes on pages 21 to 33 are an integral part of these condensed consolidated interim financial statements.



## Consolidated statement of cash flows

(unaudited)

(in TEUR)	Notes	For the six months ended 30 June	
		2023	2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Result before tax		-24,098	-25,475
Net interest income		16,614	11,089
Result from joint ventures and shares in associates		83	0
Depreciation and amortization		52,096	46,599
Gains and losses from disposals of property, plant and equipment and intangible assets		470	413
Other non-cash income and expenses		2,672	-12,665
Subtotal		47,837	19,961
Changes in assets and liabilities:			
Inventories		-8,562	-52,648
Trade receivables and other current assets		-40,532	-70,093
Trade payables and other current liabilities		-33,216	53,649
Provisions and liabilities for employee benefits		-1,549	-1,507
Subtotal		-83,859	-70,599
Income taxes paid		-956	-1,542
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>-36,978</b>	<b>-52,180</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Acquisition of subsidiaries less cash acquired		-170	-62,475
Acquisition of intangible assets and property, plant and equipment		-31,843	-38,835
Disposal of intangible assets and property, plant and equipment		82	25
Payments made for capital contribution to associates		-1,400	0
Loans to joint ventures		-9,400	0
Other payments received for disposal of financial assets		0	4
Interest received		4,392	1,215
<b>NET CASH FROM INVESTING ACTIVITIES</b>		<b>-38,339</b>	<b>-100,066</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issuance of interest-bearing liabilities		31,660	51,824
Repayment of interest-bearing liabilities		-55,766	-32,958
Payment of lease liabilities		-4,837	-4,654
Interest paid		-16,340	-9,472
<b>NET CASH FROM FINANCING ACTIVITIES</b>		<b>-45,283</b>	<b>4,740</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		<b>-120,600</b>	<b>-147,506</b>
Cash and cash equivalents as at 1 January		426,215	509,059
Effect of exchange rate changes on cash and cash equivalents		-740	2,976
Cash and cash equivalents as at 30 June		<b>304,875</b>	<b>364,529</b>

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



# NOTES

to the condensed consolidated interim financial statements (unaudited)

## 1. Reporting entity

Montana Aerospace AG (“Montana Aerospace” or “the Company”) is a worldwide supplier of structural parts for the aerospace, e-mobility and energy industries and is incorporated on 25 November 2019 in Switzerland with its registered office in Reinach, Switzerland. These condensed consolidated interim financial statements as at and for the six months ended 30 June 2023 comprise the Company and its subsidiaries (collectively the ‘Group’ and individually ‘Group companies’).

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

## 2. Basis of accounting

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

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

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

These interim financial statements were authorised for issue by the Board of Directors on 10 August 2023.

### 3. Use of judgements and estimates

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

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

#### 3.1. Measurement of fair values

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

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

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

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

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



## 4. Changes in significant accounting policies

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

The Group has adopted the amendments to IAS 12 'Income Taxes' relating to 'International Tax Reform – Pillar Two Model Rules' issued by the International Accounting Standards Board (IASB) in May 2023. The Group has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

## 5. Segment reporting

### 5.1. Basis for segmentation

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

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



## Aerostructures

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

## E-Mobility

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

## Energy

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

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

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

(in TEUR)	For the six months ended 30 June	
	2023	2022
<b>EBITDA as reported</b>	<b>55,659</b>	<b>28,633</b>
Legal costs	1,656	1,556
M&A and PMI related expenses	925	1,245
Stock option plans (share-based payment)	1,091	2,471
<b>Adjusted EBITDA</b>	<b>59,330</b>	<b>33,904</b>





## 5.2. Information according to reportable segments

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

For the six months ended 30 June												
	Aerostructures		E-Mobility		Energy		Total		Reconciliation		Group	
(in TEUR)	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
External Net Sales	332,024	256,935	89,997	94,443	281,986	227,434	704,007	578,811			704,007	578,811
Net Sales between segments	695	572	310	163			1,005	735	-1,005	-735	0	
<b>Total Net Sales</b>	<b>332,719</b>	<b>257,507</b>	<b>90,307</b>	<b>94,606</b>	<b>281,986</b>	<b>227,434</b>	<b>705,012</b>	<b>579,547</b>	<b>-1,005</b>	<b>-735</b>	<b>704,007</b>	<b>578,811</b>
<b>Adjusted EBITDA</b>	<b>37,752</b>	<b>26,651</b>	<b>7,191</b>	<b>8,040</b>	<b>13,465</b>	<b>3,149</b>	<b>58,408</b>	<b>37,840</b>	<b>922</b>	<b>-3,936</b>	<b>59,330</b>	<b>33,904</b>
Non-operative income and expenses	-2,581	-2,065					-2,581	-2,065	-1,091	-3,206	-3,672	-5,271
<b>EBITDA</b>	<b>35,171</b>	<b>24,586</b>	<b>7,191</b>	<b>8,040</b>	<b>13,465</b>	<b>3,149</b>	<b>55,827</b>	<b>35,775</b>	<b>-168</b>	<b>-7,142</b>	<b>55,659</b>	<b>28,633</b>
Depreciation and amortization	-42,109	-37,801	-5,089	-4,926	-4,869	-3,827	-52,067	-46,554	-29	-45	-52,096	-46,599
<b>Operating result</b>											<b>3,563</b>	<b>-17,966</b>
<b>Financial result</b>											<b>-27,578</b>	<b>-7,509</b>
Result from joint ventures											-83	
<b>Result before tax</b>											<b>-24,098</b>	<b>-25,475</b>
Income tax expense / income											1,004	-1,010
<b>Result for the period</b>											<b>-23,094</b>	<b>-26,485</b>
<b>Investments</b>	<b>24,312</b>	<b>30,538</b>	<b>3,510</b>	<b>4,622</b>	<b>4,559</b>	<b>3,101</b>	<b>32,381</b>	<b>38,261</b>	<b>147</b>	<b>-79</b>	<b>32,528</b>	<b>38,182</b>

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.



## 5.3. Entity-wide disclosures

## INFORMATION BY GEOGRAPHICAL SEGMENT

For the six months ended 30 June				
(in TEUR)	2023		2022	
	Net Sales*	Non-current assets**	Net Sales*	Non-current assets**
Switzerland	12,848	39,091	13,515	39,440
Germany	102,004	5,366	102,034	12,781
Austria	17,310	35,164	20,803	65,590
UK	7,592		14,031	431
Poland	14,001		7,465	
Slovenia	10,331		15,197	
Turkey	6,527		8,159	
France	16,237	3,092	10,484	2,667
Spain	4,230		6,280	7
Italy	6,533		9,174	4,161
Finland	1,524		3,906	
Sweden	4,472		6,698	
Romania	3,622	392,216	4,859	402,538
Russia	414		1,319	
Belgium	67,895	194,092	35,209	182,161
Rest of Europe	40,910	5,995	25,358	4,746
USA	152,291	184,879	104,529	210,694
Canada	9,828	27,188	6,283	29,217
Mexico	9,569		9,372	
Brazil	93,659	38,486	53,727	17,932
Rest of America	22,364		18,612	
China	54,137	7,146	52,687	8,238
India	14,262	8,136	19,208	9,212
Vietnam	3,581	91,916	6,456	95,456
Rest of Asia	23,776		21,102	
Africa, Australia and New Zealand	4,090		2,345	
<b>Total</b>	<b>704,007</b>	<b>1,032,767</b>	<b>578,811</b>	<b>1,085,271</b>

\* 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				
(in TEUR)	2023		2022	
	Net Sales	Trade receivables	Net Sales	Trade receivables
thereof product sales	703,570	193,535	575,456	243,205
thereof service sales	437	97	3,355	884
<b>Total</b>	<b>704,007</b>	<b>193,632</b>	<b>578,811</b>	<b>244,089</b>

## KEY ACCOUNTS

For the six months ended 30 June 2023 – as for the six months ended 30 June 2022 – no transactions with a single external customer accounted for 10% or more of the Group sales.

## 6. Financial instruments – fair values and risk management

### Accounting classifications and fair values

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

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

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



30 June 2023		Carrying amount				Fair value			
(in TEUR)	Measured at fair value – hedging instruments	Other assets and liabilities measured at fair value in profit or loss	Financial assets measured at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets – measured at fair value</b>									
Forward exchange contracts (hedge accounting)	3,447				3,447		3,447		3,447
Commodity price contracts (hedge accounting)	53				53		53		53
Securities		875			875	0	875		875
	3,500	875	0	0	4,375				
<b>Financial assets – not measured at fair value</b>									
Escrow account			6,079		6,079				
Loans to joint ventures			23,642		23,642				
Contract assets			25,911		25,911				
Trade receivables			193,632		193,632				
Receivables from affiliated companies			1,589		1,589				
Other receivables and assets			114,397		114,397				
Cash and cash equivalents			304,875		304,875				
	0	0	670,125	0	670,125				
<b>Financial liabilities – measured at fair value</b>									
Forward exchange contracts (hedge accounting)	8,577				8,577		8,577		8,577
Commodity swaps (hedge accounting)	1,245				1,245		1,245		1,245
	9,822	0	0	0	9,822				
<b>Financial liabilities – not measured at fair value</b>									
Loans and borrowings				569,586	569,586				
<i>thereof promissory notes</i>				461,904	461,904		452,867		452,867
Other financial liabilities*				84,375	84,375			300	
Lease liabilities				26,917	26,917				
Trade payables**				187,483	187,483				
Trade payables from affiliated companies				120	120				
Contract liabilities***				0	0				
Other liabilities from affiliated companies				176	176				
Other liabilities from joint ventures and from associated companies				11,964	11,964				
Accruals				26,928	26,928				
Other liabilities****				101,167	101,167				
	0	0	0	1,008,716	1,008,716				

\* Does not include accrued interest TEUR 410.

\*\* Does not include other payments received TEUR 453.

\*\*\* Does not include payments received from contracts with customers TEUR 9,575

\*\*\*\* Does not include deferred income TEUR 5,741, derivatives TEUR 9,822 and liabilities from other taxes as well as in the context of social security TEUR 12,889.



31 December 2022	Carrying amount					Fair value			
(in TEUR)	Measured at fair value – hedging instruments	Other assets and liabilities measured at fair value in profit or loss	Financial assets measured at amortised cost	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets – measured at fair value</b>									
Forward exchange contracts (hedge accounting)	2,844				2,844		2,844		2,844
Commodity price contracts (hedge accounting)	57				57		57		57
Securities		785			785	0	785		785
	2,901	785	0	0	3,686				
<b>Financial assets – not measured at fair value</b>									
Escrow account			5,701		5,701				
Loans to joint ventures			13,928		13,928				
Contract assets			23,969		23,969				
Trade receivables			171,413		171,413				
Receivables from affiliated companies			1,525		1,525				
Other receivables and assets			105,758		105,758				
Cash and cash equivalents			426,215		426,215				
	0	0	748,509	0	748,509				
<b>Financial liabilities – measured at fair value</b>									
Forward exchange contracts (hedge accounting)	16,431				16,431		16,431		16,431
Commodity swaps (hedge accounting)	120				120		120		120
	16,551	0	0	0	16,551				
<b>Financial liabilities – not measured at fair value</b>									
Loans and borrowings				589,349	589,349				
<i>thereof promissory notes</i>				483,763	483,763		475,360		475,360
Other financial liabilities*				85,066	85,066			300	
Lease liabilities				30,763	30,763				
Trade payables**				222,150	222,150				
Trade payables from affiliated companies				813	813				
Contract liabilities***				0	0				
Other liabilities from affiliated companies				176	176				
Other liabilities from joint ventures and from associated companies				19,991	19,991				
Accruals				18,114	18,114				
Other liabilities****				99,097	99,097				
	0	0	0	1,549,282	1,549,282				

\* Does not include accrued interest TEUR 406.

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

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

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



## 7. Other financial liabilities

Other financial liabilities are composed as follows:

(in TEUR)	30.06.2023	31.12.2022
Lease liabilities	26,917	30,763
Other*	84,785	85,471
<b>Other financial liabilities</b>	<b>111,702</b>	<b>116,234</b>
Thereof non-current	102,598	104,641
Thereof current	9,104	11,593

\* Item "Other" results mainly from profit certificates in the amount of TEUR 61,428 (including accrued dividends): The Belgian Federal Holding and Investment Company ("FPIM / SFPI") holds profit certificates in Asco, issued against a cash consideration in the amount of TEUR 54,312. These profit certificates were subscribed respectively in 2008, 2012 and 2020. A put option is granted to FPIM / SFPI, exercisable from 2027 (relating to the nominal value amounting to EUR 24.3 million) and 2035 (relating to the nominal value amounting to EUR 30.0 million), to be increased with any dividends related to the past financial year(s) that have not been paid. This put option is recognized as a financial liability.



## 8. Equity

### 8.1. Share capital

As of 30 June 2023, the total authorized and issued number of ordinary shares comprises 61,985,597 shares with a nominal value of CHF 1.00 each. The split of the capital stock is shown in the table below.

CAPITAL STOCK	30 June 2023	31 December 2022
Nominal value per share (CHF)	1.00	1.00
Total number of shares	61,985,597	61,985,597
Total amount of share capital (CHF)	61,985,597	61,985,597
Total amount of share capital (EUR)	56,479,902	56,479,902

The Principal Shareholder (Montana Tech Components AG) holds 52.3% of the shares as of 30 June 2023.

### 8.2. Earnings per share

The calculation of earnings per share has been based on the profit or loss attributable to shareholders of Montana Aerospace AG as presented in the consolidated statement of profit or loss and the weighted average of shares in circulation as of 30 June 2023.

	2023	2022
Weighted average of ordinary shares in circulation as of 30 June	61,985,597	59,610,651

	For the six months ended 30 June	
(in EUR)	2023	2022
Result of the period attributable to owners of Montana Aerospace AG	-22,888,259	-26,167,402

	For the six months ended 30 June	
(in EUR)	2023	2022
Basic earnings per share	-0.37	-0.44
Diluted earnings per share	-0.37	-0.44



### 8.3. Share premium

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

For the current fiscal year, at total of TEUR 1,091 was recognized in equity as share-based remuneration (see note 12).

### 8.4. Nature and purpose of reserves

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

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

### 8.5. Dividends

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

## 9. Other operating expenses

As of 30 June 2023, the increase in other operating expenses mainly refers to energy costs as well as to maintenance costs.

## 10. Interest expenses

As of 30 June 2023, the increase in interest expenses mainly refers to interest expenses to financial institutions.





## 11. Other financial expenses

As of 30 June 2023, other financial expenses mainly refers to foreign currency exchange losses.

## 12. Share-based payment arrangements

### 12.1. Management stock option program 2021 (MSOP 2021)

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 994 in the current fiscal period. The effects in equity amounted to TEUR 994 (see note 8.3) and consisted of allocations from the forward projection of the MSOP.

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

### 12.2. Management stock option program 2022 (MSOP 2022)

In 2022, a further management stock option program (MSOP) was launched by the companies Montana Tech Components AG, Reinach, Switzerland (300,000 options; exercise price CHF 25.65), and Montana Aerospace AG, Reinach, Switzerland (150,080 options; exercise price CHF 18.00), to allow employees to subscribe to ordinary shares in Montana Aerospace AG. The vesting period on which the program is based amounts to three 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 96 in the current fiscal period. The effects in equity amounted to TEUR 96 (see note 8.3) and consisted of allocations from the forward projection of the MSOP.

## 13. Subsequent events

No events took place between 30 June 2023 and 10 August 2023 that would require adjustments to the carrying amounts of the assets or liabilities in these condensed consolidated interim financial statements or would need to be disclosed here.



# THE MONTANA AEROSPACE EQUITY STORY

## Boosting structural change and the energy transition

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

## Reasons to invest in Montana Aerospace

### a. We create shareholder value

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

#### **Positioning ourselves with the times**

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

#### **Organic growth and inorganic growth**

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

#### **Operational excellence**

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



## b. Clear commitment to ESG goals

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

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

## c. Strong positioning on the market

### **Vertical integration = high value creation**

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

### **Key partner for customers**

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

### **Resilience through diversification**

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

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

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



# ABOUT MONTANA AEROSPACE

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

## Organizational structure

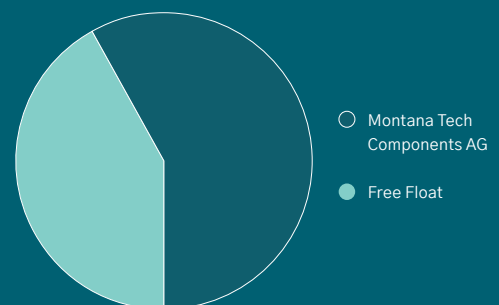
Alongside VARTA AG and Aluflexpack AG, Montana Aerospace AG is one of the three pillars of Montana Tech Components AG. The parent company Montana Tech Components AG, founded in 2006, is a global industrial group with headquarters in Reinach (Switzerland) that specializes in key technologies in future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



### BASIC INFORMATION

ISIN	CH1110425654 / 111 042 565
Ticker symbol	AERO
Initial listing	May 12th 2021
Number of shares	61,985,597
Stock Exchanges	International Reporting Standard at SIX Swiss Exchange in Zurich
Market capitalization (as per 30 June 2023)	~CHF 895m

### 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 H1 2023 report can be downloaded at [www.montana-aerospace.com](http://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](mailto: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](http://flammen.at)

Büro X Wien, [buerox.at](http://buerox.at)

© Montana Aerospace AG 2023



**MONTANA  
AEROSPACE**