

COBHAM

**Update for the six months ended
30 June 2022**

September 2022

AI Convoy (Luxembourg) S.à r.l.

Introduction

AI Convoy (Luxembourg) S.à r.l. (the **Company**) presents this half-year update in relation to the operations of the Company and its subsidiaries (the **Group**).

The update covers some of the highlights of the first half of 2022 including details of the Group's performance and other major developments across the Group.

Performance update

Revenue for the ongoing Group continued the strong trajectory with which we exited 2021. Despite the challenging macro-economic environment, revenue grew by 8% and EBITDA before one-offs by 7% in the first half of 2022, which shows the fundamental resilience of the Group's businesses and their end-markets.

Underlying cash generation from ordinary activities was positive, although we expect cash generation over the year will be weighted towards H2 as a result of the phasing of key contract milestones. The Group has continued to secure its long-term future through investment in R&D and high-tech manufacturing assets.

COVID-19

The Group's businesses proved themselves resilient to the impact of the COVID-19 pandemic. A significant proportion of the Group's revenue comprises relatively protected defence and government-based revenue where the impact of COVID-19 has been minimal, if any. For that part of the business with exposure to commercial aerospace, which was impacted by COVID-19, we have seen a strong recovery and have capitalised on this with successful new products launches.

Business highlights

CAES

CAES (formerly Cobham Advanced Electronic Solutions), has continued to win high-profile work during the first half of the year, including a production contract with Raytheon to provide units for the U.S. Navy's SPY-6 radar platform, and a contract in support of Lockheed Martin's Advanced Off-Board Electronic Warfare ship defence system.

CAES has also continued to expand its product offerings for space markets, being selected along with its partner organisation, SWISSto12, by Lockheed Martin Space to develop advanced, 3D printed, phased array antennas for upcoming satellite missions.

CAES welcomed Martha McSally to its board in the first half of the year. McSally is a decorated combat veteran who has served as both a U.S. Senator and a member of the United States House. Prior to serving in Congress, McSally was a pioneer in the United States Air Force as an A-10 pilot, reaching the rank of Colonel and becoming the first woman to fly a fighter jet in combat in U.S. history, as well as the first woman to command a fighter squadron.

Cobham SATCOM

Cobham SATCOM, our market-leading provider of radio and satellite communications solutions to the maritime and land markets, entered into partnership with Inmarsat on its next generation of antennas, the new SAILOR XTR GX-R2 series. Developed with future satellite constellations in mind, the SAILOR XTR antenna series combines the best of Cobham SATCOM's SAILOR VSAT and Inmarsat's satellite technology. As geographical coverage evolves with new Inmarsat GX satellites in geostationary but also non-geosynchronous orbits, such as High- and Low Earth Orbits, the SAILOR XTR will provide seamless connection in remote locations such as the Arctic.

Cobham SATCOM also entered into a partnership with Mangata to provide a scalable ground station tracker platform for Mangata's satellite constellations. The ground stations are equipped with protective radomes which allow operation in the harshest environments while ensuring accurate tracking at all times, with optimum signal quality, uninterrupted passes, low power consumption, and high reliability.

Aero Communications

Our Aero Comms business has benefitted from a strong recovery in the commercial aerospace market and increasing customer momentum for new products including the Aviator-S system, the next gen audio-radio cockpit system for pilots.

Aero Comms has also won a number of orders with military customers for specialist radio communications equipment, a market segment with scope for significant future growth.

Corporate transactions

Acquisition of Ultra Electronics Holdings plc

Although not covered by the period to which this half-year update relates, on 16 August 2021 Cobham Ultra Acquisitions Limited, a newly-incorporated company which is an indirect subsidiary of Cobham Group Holdings Limited (the indirect parent company of the Company), announced a recommended all cash offer for Ultra Electronics Holdings plc (the **Acquisition**). Completion of the Acquisition took place on 1 August 2022.

Further information regarding the Acquisition is available at:

<https://www.cobham.com/about-us/news/>.

Business disposals

The Group completed the disposal of its Microwave Business to an entity owned by French private equity fund FCDE on 24 May 2022, following the signing of an option agreement in relation to that business on 9 March 2022.

Although not covered by the period to which this update relates, two further disposal transactions are in progress:

The Group entered into a sale and purchase agreement in relation to the sale of its Regional Services business in Australia with Rex Freight & Charter Pty Ltd, a subsidiary of the Australian listed airline group Regional Express Holdings Limited, on 15 July 2022. Completion of this transaction is expected to take place in H2 2022.

On 29 July 2022 the Group signed a sale and purchase agreement for the sale of its Special Mission business in Australia to Leidos SM Pty Ltd, a subsidiary of Leidos, Inc., the US-listed Fortune 500 technology, engineering, and science solutions and services business. Completion of this transaction is expected to occur in H2 2022.