

COBHAM

**Update for the six months ended
30 June 2021**

September 2021

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 2021 including details of the Group's performance, response to the COVID-19 pandemic, and other major developments across the Group.

Performance update

Revenue for the ongoing Group continued the strong trajectory with which we exited 2020, growing by 13% in the first half of 2021. EBITDA before one-offs grew by 23%, reflecting our strengthened management teams' sharp focus on delivering value.

Operating cash generation was good and in line with the growth in business performance. Cash generation and the proceeds from the sale of our Mission Systems and Aero Connectivity businesses has enabled us to significantly reduce the Group's debt in the first half of the year.

COVID-19

The Group's businesses have proven 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 those businesses that do have exposure to areas that have been impacted by COVID-19, such as commercial aerospace, there has been some drop in demand and knock-on effects, but this has generally been limited and towards the end of the reporting period there were encouraging signs of improvement in these areas.

Throughout the COVID-19 pandemic, we have monitored employee health and safety, introduced social distancing at our sites as well as other health protection measures, in each case in accordance with government guidelines and local requirements. We have also regularly monitored customer demand and supplier availability. These actions have helped ensure that we have not suffered any major disruption across our operations.

Business highlights

CAES

CAES (formerly Cobham Advanced Electronic Solutions), a leading provider of Radio Frequency (**RF**) technologies and related mission critical electronic solutions, together with SWISSto12, the leading provider of 3D printed technology in the defence sector, launched a strategic alliance on 6 April 2021 to enable CAES to bring additive manufacturing and 3D printing technology to US customers. The alliance granted CAES exclusive license to SWISSto12's patents and product designs for the US market. CAES and SWISSto12 will work together with US customers on new designs to meet the high performance requirements of future missions.

[Cobham SATCOM](#)

Cobham SATCOM, the market-leading provider of radio and satellite communications solutions to the maritime industry, announced on 15 June 2021 the launch of its new SAILOR XTRTM antenna platform. The SAILOR 1000 XTR Ku is the first of a new generation of software-controlled antenna systems designed for quick deployment, operational reliability, simplicity, and best-in-class RF performance.

Developed and designed by Cobham SATCOM, SAILOR XTRTM integrates the best of the SAILOR VSAT technology into a new platform with cutting-edge software and electronic capabilities that prepare it to operate in future satellite constellations in various orbits. The one-metre antenna has a new simplified and robust pedestal for better antenna performance and easier and simpler conversion between Ku- and Ka-bands.



The new Cobham SATCOM Sailor 1000 XTR KU

[Aviation Services](#)

Cobham Aviation Services Australia welcomed a new Bombardier Q400 twin turboprop aircraft to its fleet in April 2021 and, in May 2021, its latest Embraer E190 jet joined the family.

The E190 provides increased passenger comfort with more space and a wider aisle. It also offers substantially better operational uplift performance, particularly in hot weather at regional ports such as in the Pilbara in the north of Western Australia, as well as being able to fly further distances compared to aircraft of a similar size. This reduces the need for additional fuel uplift in remote locations and also cuts CO2 emissions by up to 15 per cent per trip.



Our latest E190 arrives at Perth Airport

Corporate transactions

[Offer for Ultra Electronics Holdings plc](#)

On 25 June 2021 the Group confirmed that it was considering a possible combination with Ultra Electronics Holdings plc (**Ultra**). At that time, there was no certainty that any combination would result or that an offer would be made for Ultra.

Although not covered by the period to which this half-year update relates, on 16 August 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 (the **Acquisition**). Completion of the Acquisition is subject to various shareholder, regulatory and other approvals and the Acquisition is expected to become effective in Q1 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 Aero Connectivity business to Transdigm Group Inc. in two tranches, on 6 January 2021 and 12 February 2021, following the signing of sale and purchase agreement in relation to that business on 24 November 2020.

The Group entered into a sale and purchase agreement with Eaton Corporation plc (**Eaton**) on 31 January 2021 for the sale of its Mission Systems business for a base consideration of \$2,830,000,000 (subject to customary adjustments). Completion of the transaction occurred on 1 June 2021.

On 7 June 2021, the Group entered into a sale and purchase agreement with Naxicap Opportunities XV FPCI and Naxicap Investment Opportunities II S.L.P. FPS (**Naxicap**) for the sale of its Slip Rings business to Naxicap subject to the satisfaction of certain conditions and for base cash consideration of approximately €186,000,000 (subject to customary adjustments). Completion of the transaction is expected to take place in Q3 2021.