UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 under the Securities Exchange Act of 1934

For the month of September, 2024.

Commission File Number 001-40736

Lilium N.V.

(Translation of registrant's name into English)

Galileotraße 335
82131 Gauting, Germany
Telephone: +49 160 9704 6857
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.
Form 20-F ☒ Form 40-F ☐

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Explanatory Note

On September 30, 2024, Lilium N.V. (the "Company") issued (i) its Unaudited Condensed Interim Financial Statements as of and for the six months ended June 30, 2024 and (ii) its Management's Discussion & Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2024, which are furnished as Exhibits 99.1 and 99.2 to this Report on Form 6-K, respectively.

Incorporation by Reference

The contents of this Report on Form 6-K (including Exhibits 99.1 and 99.2) are hereby incorporated by reference into the Company's registration statements on Form F-3 filed with the U.S. Securities and Exchange Commission ("SEC") on July 29, 2024 (File No. 333-281082), July 29, 2024, as amended or supplemented (File No. 333-281066), June 14, 2024 (File No. 333-280219), May 3, 2024 (File No. 333-279113), November 24, 2023 (File No. 333-275742), September 18, 2023 (File No. 333-274550), June 9, 2023 (File No. 333-272571), November 25, 2022, as amended or supplemented (File No. 333-268562), and October 3, 2022, as amended or supplemented (File Nos. 333-267718 and 333-267719), and the Company's registration statements on Form S-8 filed with the SEC on November 18, 2021 (File No. 333-261175) and March 21, 2024 (File No. 333-278148).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: September 30, 2024	Lilium N.V.
	By: */s/ Klaus Roewe*
	Name: Klaus Roewe
	Title: Chief Executive Officer and Executive Director

EXHIBIT INDEX

Exhibit Number	Description of Document
99.1	Unaudited Condensed Interim Financial Statements of Lilium N.V. as of and for the six months ended June 30, 2024
99.2	Management's Discussion & Analysis of Financial Condition and Results of Operations of Lilium N.V. for the six months ended June 30, 2024

Exhibit 99.1

INTERIM CONDENSED

CONSOLIDATED FINANCIAL STATEMENTS

As of and for the six month period ended June 30, 2024

Interim Condensed Consolidated Statements of Operations and Other Comprehensive Income for the six month period ended June 30, 2024

in € thousand	Note	June 30, 2024	June 30, 2023
Research and development expenses	[5]	(130,657)	(84,295)
General and administrative expenses	[6]	(49,350)	(40,192)
Selling expenses	[7]	(6,340)	(4,252)
Other income		721	1,435
Other expenses		(262)	(1,222)
Operating loss		**(185,888)**	**(128,526)**
Finance income	[8]	108,806	3,021
Finance expenses	[8]	(8,488)	(258,739)
Financial result	[8]	**100,318**	**(255,718)**
Share of loss in a joint venture		(1,356)	(1,165)
Loss before income tax		**(86,926)**	**(385,409)**
Income tax expense	[9]	(23)	(83)
Net loss for the period		**(86,949)**	**(385,492)**

Other comprehensive income

in € thousand (except per share data)	Note	June 30, 2024	June 30, 2023
Other comprehensive income that may be reclassified to profit or loss		217	45
Exchange differences on translation of foreign business units		217	45
Items that will not be subsequently reclassified to profit or loss		43	10
Remeasurement of defined pension benefit obligation		43	10
Other comprehensive income		**260**	**55**
Total consolidated comprehensive loss for the period		**(86,689)**	**(385,437)**
Loss per share (basic and diluted) in €		**(0.12)**	**(0.89)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements (IFRS).

Lilium Group
IFRS INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Interim Condensed Consolidated Statement of Financial Position as of June 30, 2024

in € thousand	Note	06/30/2024	12/31/2023
ASSETS			
Intangible assets		406	494
Property, plant and equipment	[10]	81,488	63,991
Investment in a joint venture		9,684	11,040
Other financial assets	[11]	9,176	7,991
Non-financial assets	[12]	17,705	9,769
Non-current assets		**118,459**	**93,285**
Other financial assets	[11]	8	111,616
Non-financial assets	[12]	21,229	22,781
Income tax receivable		1,406	751
Cash and cash equivalents		108,985	83,508
Current assets		**131,628**	**218,656**
Total Assets		**250,087**	**311,941**
SHAREHOLDERS’ (DEFICIT) / EQUITY AND LIABILITIES			
Subscribed capital	[13]	6,646	5,728
Share premium	[13]	1,022,690	1,008,759
Other capital reserves	[13]	386,153	381,778
Accumulated loss		(1,446,266)	(1,359,317)
Accumulated other comprehensive income		370	110
Shareholders’ (deficit) / equity		**(30,407)**	**37,058**
Other financial liabilities		15	17
Lease liabilities		7,439	8,224
Provisions		1,300	1,264
Trade and other payables	[16]	6,112	3,362
Other non-financial liabilities	[17]	3,184	2,000
Non-current liabilities		**18,050**	**14,867**
Other financial liabilities		4	4
Lease liabilities		3,221	2,943
Provisions		194	311
Income tax payable		498	435
Warrants and other derivative financial liabilities	[15]	195,783	205,013
Trade and other payables	[16]	54,366	44,601
Other non-financial liabilities	[17]	8,378	6,709
Current liabilities		**262,444**	**260,016**
Total Shareholders’ (Deficit) / Equity and Liabilities		**250,087**	**311,941**

The accompanying notes are an integral part of these interim condensed consolidated financial statements (IFRS).

Interim Condensed Consolidated Statement of Changes in Shareholders' (Deficit) / Equity for the six month period ended June 30, 2024

in € thousand	Note	Subscribed capital	Share premium	Other capital reserves	Treasury shares	Accumulated loss	Accumulated other comprehensive income: Currency translation reserve	Accumulated other comprehensive income: Remeasurement of defined pension benefit obligation	Total
January 1, 2023		**53,104**	**843,074**	**277,654**	**(279)**	**(970,198)**	**116**	**32**	**203,503**
Loss for the period		—	—	—	—	(385,492)	—	—	(385,492)
Other comprehensive income		—	—	—	—	—	45	10	55
Total comprehensive (loss)/income		—	—	—	—	(385,492)	45	10	(385,437)
Share-based payment awards	[14]	—	—	14,399	—	—	—	—	14,399
Conversion share-based payment awards into shares	[14]	1,270	—	(1,117)	—	—	—	—	153
Conversion of Class B shares	[13]	—	84	—	(84)	—	—	—	—
Cancellation of issued shares	[13]	(178)	—	—	178	—	—	—	—
Initial recognition of May 2023 Warrants		—	—	82,829	—	—	—	—	82,829
June 30, 2023		**54,196**	**843,158**	**373,765**	**(185)**	**(1,355,690)**	**161**	**42**	**(84,553)**
January 1, 2024		**5,728**	**1,008,759**	**381,778**	**—**	**(1,359,317)**	**56**	**54**	**37,058**
Loss for the period		—	—	—	—	(86,949)	—	—	(86,949)
Other comprehensive income		—	—	—	—	—	217	43	260
Total comprehensive (loss)/income		—	—	—	—	(86,949)	217	43	(86,689)
Share-based payment awards	[14]	—	—	4,409	—	—	—	—	4,409
Conversion share-based payment awards into shares	[14]	54	—	(34)	—	—	—	—	20
Share capital increase - SEPA	[13]	20	2,018	—	—	—	—	—	2,038
Share capital increase - 2024 Public Offering	[13]	381	3,353	—	—	—	—	—	3,734
Share capital increase - 2024 PIPE	[13]	463	8,560	—	—	—	—	—	9,023
June 30, 2024		**6,646**	**1,022,690**	**386,153**	**—**	**(1,446,266)**	**273**	**97**	**(30,407)**

The accompanying notes are an integral part of these interim condensed consolidated financial statements (IFRS).

Interim Condensed Consolidated Statement of Cash Flows for the six month period ended June 30, 2024

in € thousand	June 30, 2024	June 30, 2023
Net loss for the period	(86,949)	(385,492)
Adjustments to reconcile consolidated net loss to net cash flows:		
Income tax expense	23	83
Net interest	(1,163)	(1,106)
Depreciation, amortization and impairment	7,964	4,854
Expenses for share-based payments	5,568	14,517
Share of loss in a joint venture	1,356	1,165
Changes in fair value, foreign exchange and expected credit losses (ECL) of financial instruments	(99,159)	256,824
Foreign exchange gains / losses (net)	(308)	—
Income taxes (paid) / received	(625)	100
Change in provisions	(63)	(12)
Working capital adjustments:		
Changes in trade and other payables	9,664	5,279
Changes in other assets and liabilities	4,969	1,766
Cash flow used in operating activities	**(158,723)**	**(102,022)**
Purchases of intangible assets	(57)	(26)
Purchases of and advance payments on property, plant and equipment	(31,652)	(8,238)
Proceeds from short-term investments	110,000	20,000
Payments for short-term investments	—	(60,000)
Interest received	3,030	1,275
Cash flow from / (used in) investing activities	**81,321**	**(46,989)**
Proceeds from share capital increase - SEPA	1,070	—
Proceeds from share capital increase and issue of warrants - 2024 Public Offering	36,758	—
Proceeds from share capital increase and issue of warrants - 2024 PIPE	45,137	—
Proceeds from issue of May 2024 Prefunded Warrants and accompanying 2024 PIPE Warrants	22,477	—
Proceeds from other share capital increase and capital contribution	20	153
Payment of transaction costs for capital contributions	(804)	—
Proceeds from issue of May 2023 Warrants	—	91,811
Principal elements of lease payments	(1,756)	(1,813)
Interest paid	(301)	(348)
Cash flow from financing activities	**102,601**	**89,803**
Cash-based changes in cash and cash equivalents	**25,199**	**(59,208)**
Effect of foreign exchange rate changes on cash and cash equivalents	278	(33)
Effect of change in expected credit loss provisions	—	47
Net increase / (decrease) in cash and cash equivalents	**25,477**	**(59,194)**
Cash and cash equivalents at the beginning of the period	83,508	179,581
Cash and cash equivalents at the end of the period	**108,985**	**120,387**

The accompanying notes are an integral part of these interim condensed consolidated financial statements (IFRS).

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1. Corporate Information

Lilium N.V. ("the Company"), together with its consolidated entities ("Lilium" or the "Group"), is a start-up in the field of urban air mobility and intends to make regional air mobility a reality. Since its founding, Lilium has primarily engaged in research and development of a self-developed electric Vertical Takeoff and Landing (eVTOL) jet (the "Lilium Jet") for production, and sale of the eVTOL jets and related aftermarket services as well as a turnkey enterprise solution to private and commercial customers including aircraft operators.

Lilium N.V. is a public company under Dutch law and is registered under the Dutch trade register number 82165874. Lilium N.V. has its activities exclusively in Germany. On February 1, 2024, the address, but not the physical location, of the Company's principal executive office changed from Claude-Dornier Straße 1, Bldg. 335, 82234, Wessling, Germany to Galileostraße 335, 82131 Gauting, Germany. The Company is publicly listed and traded on Nasdaq under the symbols "LILM" for its Class A ordinary shares and "LILMW" for its listed redeemable warrants since September 15, 2021.

The interim condensed consolidated financial statements of the Group for the six month period ended June 30, 2024, were authorized for issue by the Board of Directors on September 29, 2024.

2. Basis of Preparation and Changes to the Group's Accounting Policies

The Group's interim condensed consolidated financial statements for the six month periods ended June 30, 2024 and 2023 are prepared in accordance with IAS 34 *Interim Financial Reporting.*

The interim condensed consolidated financial statements have been prepared on a going concern basis, applying a historical cost convention, unless otherwise indicated. They are prepared and reported in thousands of Euro ("€ thousand") except where otherwise stated. Due to rounding, numbers presented may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's audited annual consolidated financial statements as of December 31, 2023.

Consolidated entities are as follows:

Name	Seat of incorporation	Date of incorporation	equity interest owned in % June 30, 2024	equity interest owned in % Dec 31, 2023
Lilium N.V.	Amsterdam, Netherlands	March 11, 2021	n/a	n/a
Lilium GmbH	Munich, Germany	February 11, 2015	100.0 %	100.0 %
Lilium Schweiz GmbH	Lucerne, Switzerland	December 8, 2017	100.0 %	100.0 %
Lilium Aviation UK Ltd.	London, England	December 20, 2017	100.0 %	100.0 %
Lilium Aviation Inc.	Delaware, United States	July 1, 2020	100.0 %	100.0 %
Lilium eAircraft GmbH	Munich, Germany	August 17, 2020	100.0 %	100.0 %
Stichting JSOP	Amsterdam, Netherlands	September 10, 2021	0.0 %	0.0 %
Lilium Aviation Spain SLU	Madrid, Spain	April 7, 2022	100.0 %	100.0 %
Lilium Aviation France SAS	Paris, France	December 29, 2023	100.0 %	100.0 %
Lilium (Shenzen) Aviation Co., Limited	Shenzen, China	April 2, 2024	100.0 %	n/a

Going Concern

The financial statements have been prepared on a basis that assumes the Group will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business. Management assessed the Group’s ability to continue as a going concern and evaluated whether there are conditions and events, that considered individually or in the aggregate, raise substantial doubt about the Group’s ability to continue as a going concern. Management used all information available about the future, focusing on the twelve-month period after the issuance date of the financial statements.

Historically, the Group has funded its operations primarily through capital raises and loans from shareholders. Since its inception, the Group has incurred recurring losses and negative cash flows from operations (accumulated losses of €1,446.3 million as of June 30, 2024). The Group expects to continue generating operating losses and negative cash flow from operations for the foreseeable future. The warrants are settled upon exercise by warrant holders via issuance of Class A shares against the applicable exercise price without negatively impacting the liquidity of the Group.

Lilium’s financing plan indicates that the Group requires additional capital immediately to continue to fund its ongoing operations. Lilium is in advanced discussions regarding the provision of guarantees by the Federal Government of Germany and the Free State of Bavaria to allow for a €100 million convertible loan from a German state development bank (the “Government Convertible Loan”). The provision of such guarantees and the Government Convertible Loan are subject to an ongoing governmental approval process, which approval is expected to be obtained within the next few weeks. It is expected that a further three to five weeks would be required to complete and sign definitive documents and for Lilium to receive the first of two tranches of the Government Convertible Loan. Based on the progress made to date, management believes that the approval process will be finalized within the next few weeks and will have a positive outcome. The funding of each of the two tranches of the Government Convertible Loan is expected to be subject to certain conditions precedent, including requirements that Lilium has received minimum commitments for additional funding from other investors (each, a “Minimum Funding Requirement”). Management expects that such financing will contain various operating covenants and governance rights.

As of the date of this report, existing investors have committed to provide additional funds in the aggregate amount of approximately €32 million to meet the immediate liquidity requirements of the Group and to contribute to the Minimum Funding Requirement. The receipt of some of these additional funds is contingent upon a positive decision from the Federal Government of Germany to approve the provision of the guarantees required for the Government Convertible Loan. Management is currently in discussions with existing shareholders, prospective investors and finance partners to secure further funding, which is contemplated to involve the issuance of equity, equity-linked securities (such as warrants) and secured convertible debt securities to satisfy the Minimum Funding Requirement for the first tranche of the Government Convertible Loan, and to meet the capital requirements for the Group’s ongoing operations until the funds from the first tranche are received by Lilium.

Should the Federal Government of Germany not approve the guarantee for the Government Convertible Loan, or should it fail to complete the approval process in the anticipated timeline, or should Lilium not receive sufficient capital to meet the Minimum Funding Requirement or otherwise satisfy any other conditions precedent to cause the distribution of the first tranche of the Government Convertible Loan, management will be forced to implement significant cost containment measures, materially reduce the scope of operations, and/or make filings with respect to the financial condition as may be required under applicable insolvency laws with respect to Lilium and its subsidiaries.

Further, the Group’s financing plan shows substantial financing needs for the foreseeable future thereafter (i.e beyond 2024). These financing needs are anticipated to be partially met by the distribution of the second tranche of the Government Convertible Loan, which is also expected to be subject to certain conditions precedent, including the requirement for additional funding from other investors. Based on its business plan, and in addition to the funding of the second tranche of the Government Convertible Loan, the Group will continue to depend on substantial future financing for development activities and operations which is not yet secured.

Additionally, the Group must reach several milestones, including completion of its research and development program, and obtaining regulatory approvals, which will have increased importance as the Group progresses towards commercialization.

Consequently, the Group’s ability to continue as a going concern is highly dependent on its ability to obtain the Government Convertible Loan and satisfy the conditions precedent to the funding of both tranches thereof and to raise additional funds to finance development activities, ongoing operations and to successfully progress the regulatory certification program. As stated above, Management is committed to continue to seek and raise additional funds.

There is no certainty that the Group will be successful in obtaining sufficient funding through any or a combination of the aforementioned financing measures being pursued. If the Group is unsuccessful in raising sufficient capital, the Group's management will be required to undertake, and is committed to undertaking, additional significant cost-cutting measures including significant headcount reductions that could mean that it would be forced to curtail or discontinue its operations.

Based on its recurring losses from operations since inception, expectation of continuing operating losses for the foreseeable future and the need to raise additional capital to finance its future operations, which is not assured, the Group has concluded that there is substantial doubt about its ability to continue as a going concern, and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Despite this uncertainty, management is continuing to take actions to secure sufficient financing, and thus believe that the application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's audited annual consolidated financial statements for the year ended December 31, 2023, except for the adoption of new standards effective as of January 1, 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group.

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the interim condensed consolidated financial statements. In preparing these interim condensed consolidated financial statements, management exercises its best judgement based upon its experience and the circumstances prevailing at that time. The estimates and assumptions are based on available information and conditions at the end of the financial period presented and are reviewed on an ongoing basis. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or the financial position reported in future periods.

Assumptions and estimates relating to the Group's ability to continue as a going concern are described in note 2.

The Group operates its business as a single operating segment, which is also its reporting segment. An operating segment is defined as a component of an entity for which discrete financial information is available and whose results of operations are regularly reviewed by the chief operating decision maker. The Group's chief operating decision maker is the Chief Executive Officer, who reviews results of operations to make decisions about allocating resources and assessing performance based on consolidated financial information.

4. War in Ukraine and Geopolitical Conflicts

The Board is actively monitoring the impact on the Group from the war in Ukraine. The Group does not and does not intend to have any operations in Ukraine, Belarus or Russia, or engage with direct suppliers located in Ukraine, Belarus or Russia. There is currently no direct impact on the Group from the war in Ukraine and sanctions imposed on Russia and Belarus as the Group does not have any operations or direct suppliers located in these jurisdictions.

Finally, the Board is also actively monitoring other geopolitical conflicts and tension, including the imposition of and changes in foreign investment, economic sanctions and trade control regulations that could adversely impact our business. There is currently no material impact on the Group's operations from applicable foreign investment, economic sanctions and trade control regulations. However, the imposition of and changes in such regulations in the future could adversely impact our business. The Group continues to closely monitor the impact on general economic factors from the war in Ukraine, including the impact of inflation, changing interest rate environment, and the access to capital or debt at a favorable cost, as such puts pressure on the Group's costs for employees, raw materials and other parts provided by suppliers.

5. Research and Development Expenses

For the six month period ended June 30, 2024, research and development expenses consisted of €44,954 thousand (June 30, 2023: €40,003 thousand) in personnel expenses, including share-based payment expenses; €46,046 thousand (June 30, 2023: €24,509 thousand) expenses incurred by suppliers on behalf of the Group in preparation for certification and serial production of the Lilium Jet; €11,266 thousand (June 30, 2023: €6,762 thousand) of contractor and consulting expenses; €12,466 thousand (June 30, 2023: €2,195 thousand) in testing component and material costs; €6,816 thousand (June 30, 2023: €3,912 thousand) on amortization and depreciation expenses; €3,833 thousand (June 30, 2023: €2,818 thousand) of IT and communication expense and €5,276 thousand (June 30, 2023: €4,096 thousand) on other miscellaneous expenses.

6. General and Administrative Expenses

For the six month period ended June 30, 2024, general and administrative expenses included €16,960 thousand (June 30, 2023: €16,705 thousand) of personnel expenses, including share-based payment expenses; €17,309 thousand (June 30, 2023: €9,291 thousand) of contractor and consulting expenses; €9,857 thousand (June 30, 2023: €8,642 thousand) of IT costs; €1,484 thousand (June 30, 2023: €1,667 thousand) in insurance premiums; and €3,740 thousand (June 30, 2023: €2,981 thousand) of other miscellaneous expenses.

7. Selling Expenses

For the six month period ended June 30, 2024, selling expenses consisted of €3,725 thousand (June 30, 2023: €3,100 thousand) of personnel expenses, including share-based payment expenses; €1,144 thousand (June 30, 2023: €599 thousand) of marketing costs and €1,471 thousand (June 30, 2023: €553 thousand) miscellaneous other expenses.

8. Financial Result

Financial result is comprised of the following for the six month periods ended June 30, 2024 and 2023:

In € thousand	June 30, 2024	June 30, 2023
Finance income	**108,806**	**3,021**
thereof: fair value changes	106,587	—
thereof: foreign currency exchange gains on financial instruments	290	1,542
thereof: impairment losses net of reversal	57	—
thereof: interest income	1,872	1,479
Finance expenses	**(8,488)**	**(258,739)**
thereof: fair value changes	(968)	(258,337)
thereof: foreign currency exchange losses on financial instruments	(6,812)	—
thereof: interest portion of lease payments	(297)	(292)
thereof: impairment losses net of reversal	—	(29)
thereof: other interest expenses	(411)	(81)
Financial result	**100,318**	**(255,718)**

Finance income

Fair value changes mainly resulted from fair value changes of warrants of €101,933 thousand (June 30, 2023 finance expense: €258,377 thousand). As part of the 2024 Public Offering financing transaction described in note 15, the underwriter had an over-allotment option to purchase additional shares and warrants within 30 days of the underwriting agreement. The option expired without being exercised, resulting in fair value changes of €4,640 thousand (June 30, 2023: nil) being recognized in finance income.

Other interest income of €1,872 thousand (June 30, 2023: €1,479 thousand) primarily consists of interest on fixed-term deposits and cash at bank.

Finance expense

Foreign currency exchange losses on financial instruments mainly resulted from the loss from the foreign exchange translation of warrants of €6,788 thousand (June 30, 2023: nil).

9. Income Taxes

The Group recorded consolidated income tax expense in the period of €23 thousand (June 30, 2023: €83 thousand). These income taxes mainly relate to foreign subsidiaries.

Major deferred income taxes have not been recorded. The netting of deferred tax liabilities and deferred tax assets results in a net deferred tax asset. The net deferred tax asset has been valued at zero. Deferred tax assets on the tax losses carried forward are not recognized either given the tax losses carried forward relate to entities with a history of losses.

10. Property, Plant and Equipment

During the six month period ended June 30, 2024, the Group acquired assets with a cost of €24,773 thousand (June 30, 2023: €11,476 thousand):

In € thousand	June 30, 2024	December 31, 2023
Right to land and buildings and leasehold improvements	18,176	16,163
Vehicles	52	65
Technical equipment and machinery	36,224	25,903
Office and other equipment	4,592	3,304
Assets under construction	22,444	18,556
Carrying amount	**81,488**	**63,991**

No indicators of impairment were identified which would have required items of property, plant and equipment to be tested for impairment in the six month periods ended June 30, 2024 and 2023.

11. Other Financial Assets

Other financial assets are as follows:

In € thousand	June 30, 2024	December 31, 2023
Security deposits measured at AC	3,325	3,350
Security deposits measured at FVTPL	1,210	—
Investment in equity instrument	4,641	4,641
Total non-current financial assets	**9,176**	**7,991**
Fixed term deposits	—	111,498
Security deposits measured at AC	8	118
Total current other financial assets	**8**	**111,616**
Total other financial assets	**9,184**	**119,607**

During the six month period ended June 30, 2024, the Group recognized €695 thousand (June 30, 2023: €338 thousand) interest income on fixed-term deposits. Proceeds of €112,254 thousand were received due to maturity of the fixed-term deposits and as of June 30, 2024, no further fixed-term deposits were held.

12. Non-Financial Assets

Non-financial assets are as follows:

In € thousand	June 30, 2024	December 31, 2023
Advance payments	16,110	7,998
Prepaid expenses	1,262	1,771
Other non-current non-financial assets	333	—
Total non-current non-financial assets	**17,705**	**9,769**
Value added tax claims	5,224	6,072
Prepaid expenses	15,603	16,299
Other current non-financial assets	402	410
Total current non-financial assets	**21,229**	**22,781**
Total non-financial assets	**38,934**	**32,550**

Advance payments are payments made for the acquisition of fixed assets amounting to €16,110 thousand (2023: €7,998 thousand).

13. Shareholders' (deficit) / equity

The movements of the shares issued during the six month periods ended June 30, 2024 and 2023, are as follows:

(in units)	Common shares (Class A)	Supervoting shares (Class B)	Ordinary shares (Class C)	Total
Issued at January 1, 2024	**503,466,142**	**23,113,065**	**—**	**526,579,207**
Issued shares for share-based payments exercised	5,385,107	—	—	5,385,107
Issued shares – SEPA	2,000,000	—	—	2,000,000
Issued shares – 2024 Public Offering	38,095,238	—	—	38,095,238
Issued shares – 2024 PIPE	46,338,225	—	—	46,338,225
Issued as of June 30, 2024	**595,284,712**	**23,113,065**	**—**	**618,397,777**
Treasury shares	—	—	—	—
Outstanding as of June 30, 2024	**595,284,712**	**23,113,065**	**—**	**618,397,777**

(in units)	Common shares (Class A)	Supervoting shares (Class B)	Ordinary shares (Class C)	Total
Issued at January 1, 2023	**369,820,821**	**23,888,065**	**525,000**	**394,233,886**
Issued shares for share-based payments exercised	10,585,912	—	—	10,585,912
Conversion of Class B shares	350,000	(350,000)	350,000	350,000
Cancellation of issued shares	—	(425,000)	(105,000)	(530,000)
Issued as of June 30, 2023	**380,756,733**	**23,113,065**	**770,000**	**404,639,798**
Treasury shares	—	—	(770,000)	(770,000)
Outstanding as of June 30, 2023	**380,756,733**	**23,113,065**	**—**	**403,869,798**

During the six month period ended June 30, 2024, in total 5,385,107 shares (June 30, 2023: 10,585,912 shares) have been issued due to the execution of vested share-based payments; €54 thousand (June 30, 2023: €1,270 thousand) have been added to subscribed capital, thereof €34 thousand (June 30, 2023: €1,117 thousand) are transferred from other capital reserves.

Standby equity purchase agreement (SEPA)

In May 2024, the Company entered into a standby equity purchase agreement ("SEPA") with YA II PN, Ltd ("Yorkville") which allowed the Company the right, but not the obligation, to issue and sell to Yorkville up to US$150 million of its Class A shares with a nominal value of €0.01 per share from time to time over a term of three years. Pursuant to the SEPA, the Company was required to issue to Yorkville a commitment fee of 1,000,000 Class A shares.

The Group determined that the right to issue Class A shares represents a freestanding purchased put option, and the purchased put option was classified as a derivative asset with a fair value at the inception of €968 thousand equal to the market value of the Commitment Shares paid as consideration. The issuance of the Commitment Shares resulted in a €10 thousand increase in subscribed capital and a €958 thousand increase in share premium.

Under the agreement the shares are always issued at a discount to the market price. The put option was immediately considered to have a fair value of nil and a €968 thousand fair value loss was recognized in financial expenses.

The agreement was terminated at the end of May 2024. Prior to termination, the Group sold 1,000,000 Class A shares under the agreement for total cash proceeds of €1,070 thousand, recognizing €10 thousand increase in subscribed capital and €1,060 thousand increase in share premium.

2024 Public Offering

In May 2024, the Group entered into an underwriting agreement with B. Riley Securities, Inc., which acted as the sole underwriter for the purchase and sale, in a public offering (the "2024 Public Offering") of 38,095,238 Class A shares at a price of US$1.05 per share, together with warrants to purchase 38,095,238 Class A shares at an exercise price of US$1.50 per warrant ("2024 Public Offering Warrants"). The 2024 Public Offering Warrants expire 5 years from the date of issuance.

The transaction includes an over-allotment option to purchase additional 5,714,285 Class A shares of Lilium at a purchase price of US$1.05 per share, together with warrants to purchase 5,714,285 Class A shares at an exercise price of US$1.50 per warrant. The over-allotment option is exercisable within 30-days from the date of the underwriting agreement. The option expired without being exercised.

Gross proceeds of €36,758 thousand were received from the transaction, which were allocated to the initial fair value of 2024 Public Offering Warrants of €27,887 thousand, the initial fair value of the over-allotment derivative financial liability of €4,617 thousand and the remaining amount to the Class A shares issued of €4,254 thousand. The valuation of the 2024 Public Offering Warrants and the over-allotment derivative financial liability is described in note 18.

The transaction costs, including a 6% underwriter's fee, are allocated in the same proportion as the gross proceeds, resulting in €521 thousand deduction from share premium in relation to the Class A shares issued, and €3,892 thousand recognized in general and administrative expenses in relation to the warrants and the over-allotment option issued.

The transaction resulted in an increase in subscribed capital of €381 thousand and a net increase in share premium of €3,353 thousand.

2024 Private Placement

Concurrently to the 2024 Public Offering, the Group entered into securities purchase agreements ("2024 PIPE") with certain investors for the purchase and sale of 46,338,225 Class A shares of Lilium at a purchase price of US$1.05 per share, together with warrants to purchase 46,338,225 Class A shares at an exercise price of US$1.50 per warrant ("2024 PIPE Warrants"). The 2024 PIPE Warrants expire 6 years from the date of issuance. The 2024 PIPE closed in May 2024, and for certain investors in June 2024.

Gross proceeds of €45,137 thousand were received from the transaction, which were allocated to the initial fair value of 2024 PIPE Warrants of €35,831 thousand and the remaining amount to the Class A shares issued of €9,306 thousand. The valuation of the 2024 PIPE Warrants is described in note 18.

The transaction costs are allocated in the same proportion as the gross proceeds, resulting in €283 thousand deduction from share premium in relation to the Class A shares issued, and €1,127 thousand recognized in general and administrative expenses in relation to the warrants issued.

The transaction resulted in an increase in subscribed capital of €463 thousand and a net increase in share premium of €8,560 thousand.

14. Share-based Payments

Overview

Lilium offers several share-based plans as summarized in the table below. A full listing and description of all share-based plans are available in the year end financial statements. All new plans in the six month period ending June 30, 2024, are detailed in this note.

The table below summarizes the expense/(income) recorded for share-based payments in the six month period ended June 30, 2024:

In € thousand	June 30, 2024	June 30, 2023
Equity-settled		
General population and executives – Employee Stock Option Program (ESOP)	400	3,684
General population - Restricted Stock Units (RSU)	1,198	2,312
General population and executives - Retention and Recognition (RNR)	(18)	—
Executives – Employee Stock Option Program (ESOP) special vesting	230	504
Executives – Restricted Stock Units (RSU)	1,762	1,845
Executives - Performance-based stock awards	(1,040)	1,058
Executives - Time-based stock options (TSO)	294	553
Share-based payment – Vendors	2,190	4,561
Executives – Equity-based annual bonus	(90)	—
Cash-settled		
Executives – Cash-based annual bonus	642	—
Total expense	**5,568**	**14,517**

During the period a credit of €2,407 thousand was recognized in relation to the forfeiture of executive awards due to the termination of employment.

Executives – annual bonus

In 2023 the Group operated an Executive Bonus Plan that provided a bonus award to participants for meeting specified performance targets. At the discretion of the Group the participants could be offered a settlement choice between cash or Lilium N.V. Class A shares of equivalent market value. As it was the first year of operating this award and there was no history of past settlement choice, the Group accounted for the award as an equity-settled share-based payment in other capital reserves. A credit of €90 thousand was recognized in the period to June 30, 2024, upon final settlement of the 2023 Executive Bonus Plan.

During the period to June 30, 2024, the Group entered into the 2024 Executive Bonus Plan with similar terms and conditions to the prior year. Due to past practice of settling the 2023 awards primarily in cash, the Group has recognized a cash-settled share-based payment liability of €642 thousand as of June 30, 2024.

Share-based payment – Vendor

The Group is party to a multi-year contract with a provider of a cloud subscription data analytics service. During the six month period ended June 30, 2024, the Group entered an agreement with the provider to partially settle the Year 4 subscription fee by issuance of 3,000,000 Class A shares. Further, the Group has the choice to settle a further €5,138 thousand payable on the contract by either cash payment or the issuance of Class A shares. The agreement is accounted for an equity-settled share-based payment as the Group has a history of settling such obligations by issuance of Class A shares.

As of June 30, 2024, an increase of €2,800 thousand is recognized in other capital reserves, of which €2,190 thousand was recognized in general and administrative costs in the period and €610 thousand as a prepaid expense in current non-financial assets.

15. Warrants and other derivative financial liabilities

Warrants and other derivative financial liabilities are as follows:

in € thousand	June 30, 2024	December 31, 2023
Reorganization Warrants	1,510	2,854
RDO & 2022 PIPE Warrants	17,980	29,590
May 2023 Warrants	118,562	170,505
2023 PIPE Warrants	464	2,064
2024 Public Offering Warrants	20,081	—
2024 PIPE Warrants[1]	39,703	—
2024 PIPE Warrants – Day one loss	(8,996)	—
May 2024 Prefunded Warrants	17,791	—
May 2024 Prefunded Warrants – Day one loss	(11,312)	—
Warrants	**195,783**	**205,013**

The movements of the warrants and other derivative financial liabilities were as follows:

in € thousand	2024	2023
At January 1	**205,013**	**26,267**
Initial recognition of May 2023 Warrants	—	(82,829)
Settlement of Initial Funding Amount on May 2023 Warrants	—	91,811
Initial recognition of 2024 Public Offering Warrants	27,887	—
Initial recognition of 2024 Public Offering over-allotment option	4,617	—
Initial recognition of 2024 PIPE Warrants[1]	44,703	—
Initial recognition of 2024 PIPE Warrants – Day one loss	(8,873)	
Initial recognition of May 2024 Prefunded Warrants	11,157	—
Initial recognition of May 2024 Prefunded Warrants – Day one loss	(11,157)	—
Settlement of May 2024 Prefunded Warrant Agreement proceeds	22,477	—
Foreign currency translation	6,533	(1,542)
Fair value changes to profit or loss	(106,574)	258,337
At June 30	**195,783**	**292,044**

[1]Includes 46,338,225 warrants issued in the 2024 PIPE, and 24,025,208 warrants issued attached to the May 2024 Prefunded Warrants. The warrants in both issues have identical terms and are referred to together as the “2024 PIPE Warrants”.

During the period ended June 30, 2024, no warrants were exercised (June 30, 2023: nil). The valuation methodology is described in note 18.

Fair value changes include €56,857 thousand from May 2023 Warrants and €12,436 thousand from RDO & 2022 PIPE Warrants recognized in finance income.

2024 Public Offering

2024 Public Offering Warrants

As part of the 2024 Public Offering described in note 13, the Group issued warrants to purchase 38,095,238 Class A shares with an exercise price of US$1.50 per warrant, expiring 5 years from the date of issuance (the “2024 Public Offering Warrants”).

The 2024 Public Offering Warrants are derivative financial liabilities at FVTPL measured at Level 3 on the fair value hierarchy. The initial fair value is €27,887 thousand, with fair value changes of €8,135 thousand that were subsequently recognized in finance income and a foreign exchange loss of €330 thousand subsequently recognized in finance expense.

Over-allotment option

Further, a derivative financial liability at FVTPL was recognized for the 2024 Public Offering over-allotment option to purchase additional 5,714,285 Class A shares of Lilium at US$1.05 per share, together with warrants to purchase 5,714,285 Class A shares at an exercise price of US$1.50 per warrant. The over-allotment option was exercisable within 30-days from the date of the underwriting agreement.

The over-allotment option is measured at Level 3 in the fair value hierarchy and had an initial fair value of €4,617 thousand. Fair value changes of €4,641 thousand were subsequently recognized in finance income, with a foreign exchange loss of €24 thousand recognized in finance expense. The option expired without being exercised.

2024 PIPE

As part of the 2024 PIPE described in note 13, the Group issued warrants to purchase 46,338,225 Class A shares with an exercise price of US$1.50 per warrant, expiring 6 years from the date of issuance (the “2024 PIPE Warrants”).

The 2024 PIPE Warrants are derivative financial liabilities at FVTPL measured at Level 3 on the fair value hierarchy. The initial fair value is €35,830 thousand, with fair value changes of €10,134 thousand that were subsequently recognized in finance income and a foreign exchange loss of €426 thousand subsequently recognized in finance expense.

May 2024 Prefunded Warrant Agreement

In May 2024 the Group entered into a securities purchase agreement with Aceville Pte. Limited (“Aceville”) to issue 24,025,208 warrants to purchase one Class A share per warrant for an initial exercise price of US$1.05 per warrant (the “May 2024 Prefunded Warrants”). The warrants were issued in June 2024 in exchange for prefunding US$1.00 per warrant of the aggregate exercise price of US$1.05 per warrant, generating total gross proceeds of €22,477 thousand. No further consideration was paid. Subsequently the warrants can be exercised by cash payment of the remaining US$0.05 exercise price per warrant, or otherwise by cashless net settlement of the outstanding warrants against the aggregate prefunding received. The warrants expire 10 years from the date of issuance, with an automatic extension for 5 years, at which point any remaining warrants will automatically be exercised by cashless net settlement. The automatic extension can be waived by mutual agreement between both Lilium and the investor.

Further, in the same agreement the Group issued 24,025,208 additional 2024 PIPE Warrants to Aceville. The 2024 PIPE Warrants are a contractually separable financial instrument from the May 2024 Prefunded Warrants.

The prefunding of €22,477 thousand is considered to be the transaction price paid for the issue of both the May 2024 Prefunded Warrants and the 2024 PIPE Warrants together. The transaction was concluded at arms length as it is entered into on the same day and with similar terms to the 2024 Public Offering and the 2024 PIPE. The proceeds are allocated based on the relative fair values between the 2024 PIPE Warrants and to the May 2024 Prefunded Warrants at the point of settlement, please see note 18 for the valuation methods employed.

As of the date of initial recognition, the combined valuations of the two instruments exceed the discounted proceeds receivable, resulting in a day one loss of €20,030 thousand, of which €8,873 thousand is allocated to the 2024 PIPE Warrants and €11,157 thousand to the May 2024 Prefunded Warrants. The day one loss will be deferred and recognized in finance expenses upon either exercise or expiry of the relevant warrants.

Aceville is an affiliate of Tencent Holdings Limited, a major shareholder and related party of the Group.

Both the May 2024 Prefunded Warrants and the 2024 PIPE Warrants are financial liabilities at FVTPL measured at Level 3 on the fair value hierarchy. May 2024 Prefunded Warrants had fair value movements of €6,205 thousand subsequently recognized in finance income and a foreign exchange loss of €91 thousand that were subsequently recognized in finance expense. The additional 2024 PIPE Warrants from the May 2024 Prefunded Warrant Agreement had fair value movements of €5,094 thousand subsequently recognized in finance income and a foreign exchange loss of €72 thousand subsequently recognized in finance expense.

Transaction costs of €556 thousand are recognized in general and administrative expenses in relation to the warrants issued.

16. Trade and other payables

Trade and other payables are as follows:

In € thousand	June 30, 2024	December 31, 2023
Long term accruals	6,112	3,362
Non-current trade and other payables	**6,112**	**3,362**
Trade payables	33,184	22,540
Accruals for outstanding invoices	21,182	22,061
Current trade and other payables	**54,366**	**44,601**
Total trade and other payables	**60,478**	**47,963**

Long-term accruals consist of non-recurring cost (NRC) arrangements with suppliers. These costs relate to industrialization at suppliers including research and development costs and development of tooling. The payment will be due upon delivery of future shipments or services.

17. Other Non-Financial Liabilities

In € thousand	June 30, 2024	December 31, 2023
Non-current other non-financial liabilities		
Non-current contract liabilities	3,184	2,000
Total non-current other non-financial liabilities	**3,184**	**2,000**
Current other non-financial liabilities		
Vacation accruals	2,929	2,010
Payroll tax and social security	2,560	2,816
Share-based payment liabilities	642	—
Miscellaneous other current non-financial liabilities	2,247	1,883
Total current other non-financial liabilities	**8,378**	**6,709**
Total other non-financial liabilities	**11,562**	**8,709**

As of June 30, 2024, share-based payment liabilities consist of €642 thousand in relation to the 2024 Executive Bonus Scheme. The share-based payment schemes are described in note 14.

18. Additional Disclosures on Financial Instruments

The following tables disclose the carrying amounts of each class of financial instruments held by the Group together with its corresponding fair value:

Financial instruments, analyzed by classes and categories

In € thousand	Category	Carrying amount	June 30, 2024 Fair value
Financial assets, by class			
Cash and cash equivalents	AC	108,985	n/a
Non-current security deposits	AC	3,325	3,228
Non-current security deposits	FVTPL	1,210	1,210
Current security deposits	AC	8	n/a
Investment in equity instrument	FVTPL	4,641	4,641
Total financial assets		**118,169**	
Financial liabilities, by class			
Non-current trade and other payables	AC	6,112	6,461
Current trade and other payables	AC	54,366	n/a
Non-current other financial liabilities	AC	15	15
Current other financial liabilities	AC	4	n/a
Warrants:			
Level 1	FVTPL	969	969
Level 2	FVTPL	541	541
Level 3	FVTPL	214,581	214,581
Day one loss	n/a	(20,308)	n/a
Total financial liabilities		**256,280**	

Financial instruments, analyzed by classes and categories

In € thousand	Category	Carrying amount	December 31, 2023 Fair value
Financial assets, by class			
Cash and cash equivalents	AC	83,508	n/a
Fixed-term deposits	AC	111,498	n/a
Non-current security deposits	AC	3,350	3,276
Non-current security deposits	FVTPL	—	—
Current security deposits	AC	118	n/a
Investment in equity instrument	FVTPL	4,641	4,641
Total financial assets		**203,115**	
Financial liabilities, by class			
Non-current trade and other payables	AC	3,362	3,679
Current trade and other payables	AC	44,601	n/a
Non-current other financial liabilities	AC	17	17
Current other financial liabilities	AC	4	n/a
Warrants:			
Level 1	FVTPL	1,832	1,832
Level 2	FVTPL	1,022	1,022
Level 3	FVTPL	202,159	202,159
Day one loss	n/a	—	n/a
Total financial liabilities		**252,997**	

The group's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There were no transfers between levels 1, 2 and 3 for recurring fair value measurements during the period.

Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

i. Non-current security deposits measured at AC - the principal balance discounted using market-based credit risk adjusted interest rate curves that are applicable for the counterparties. (Level 2).
ii. Non-current security deposits measured at FVTPL – the expected present value of all future cash flows discounted using market-based credit risk adjusted interest rate curves that are applicable for the counterparty. (Level 3).
iii. Non-current financial liabilities measured at AC - expected cash flows discounted using market-based credit risk adjusted interest rate curves that are applicable for the Group and specific for the residual term of each financial instrument. (Level 3).
iv. Investment in equity instruments – Fair value is determined by considering the price of a recent market transaction. (Level 3).
v. Reorganization Warrants – the use of quoted market prices. Public warrants (Level 1) are traded on an active market. Private warrants (Level 2) are not traded on an active market; however, they have the same characteristics as the Public warrants, hence quoted market price has been used.
vi. Level 3 Warrants – determined using an appropriate option pricing model such as:
    i. Black-Scholes model
    ii. Monte Carlo simulation in a risk neutral framework for instruments with features which cannot be modelled using a Black-Scholes model

Further information on the inputs and valuation of Level 3 instruments that are measured at fair value are detailed below.

Fair value measurements using significant unobservable inputs (level 3)

The Group engages external, independent, valuation specialists to determine the fair value of the Group's RDO & 2022 PIPE Warrants, May 2023 Warrants, 2023 PIPE Warrants, 2024 PIPE Warrants, 2024 Public Offering Warrants and May 2024 Prefunded Warrants. The Group has internal processes in place to review the qualifications of the valuation specialists and the results from the valuation.

The main inputs used by the Company in measuring the fair value of level 3 financial instruments are derived as follows:

Level 3 Warrant inputs:

i. The expected stock price volatility was based on Lilium N.V. implied volatilities. For those instruments with maturities greater than 10 years a reduction of 10 percentage points is made to the expected stock price volatility to reflect the long-term maturity of the instrument.
ii. The risk-free interest rate is based on USD SOFR swap rates for maturity equal to the remaining life of the warrants.
iii. The term input used is equal to the time from issuance until expiry, less time since issuance.
iv. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

Investment in equity instruments:

i. Recent market transaction: In June 2024 a market transaction took place which provides the best indicator of the fair value of the investment in equity instrument as the instrument is not publicly traded.

Non-current security deposits measured at FVTPL:

i. Estimated timing of future cash receipts: Repayment of deposit is based on performance obligations being met over time.
ii. Risk-adjusted discount rate: Determined taking the appropriate market rate of interest, US dollar interest rate swap curves, and adjusting for counterparty credit risk and uncertainty inherent in the cash flows.

iii. Cash receipts probability: Probability of the performance obligations not being met and cash not being refunded.

The following table summarizes the quantitative information about the significant unobservable inputs used in level 3 fair value measurements as of June 30, 2024 and December 31, 2023:

Financial Instruments In € thousand	**Fair Value at June 30, 2024**	**Unobservable input***	**Range of Inputs**	**Sensitivity analysis**
Level 3 Warrants	(214,581)	Stock price volatility	97% - 107%	An absolute increase/decrease of 10 percentage points would result in a fair value change of (€5,648) / €6,397
Investment in equity instrument	4,641	Price of recent market transaction	n/a	An absolute increase/decrease of 10 percent of the transaction price would result in a fair value change of €464/(€464)

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Financial Instruments In € thousand	**Fair Value at December 31, 2023**	**Unobservable input***	**Range of Inputs**	**Sensitivity analysis**
Level 3 Warrants	(202,159)	Stock price volatility	87% - 97%	An absolute increase/decrease of 10 percentage points would result in a fair value change of (€2,095) / €2,293
Investment in equity instrument	4,641	Price of recent market transaction	n/a	An absolute increase/decrease of 10 percent of the transaction price would result in a fair value change of €464/(€464)

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The following table summarizes the quantitative information about the significant unobservable inputs used in the initial valuation of level 3 fair value measurements for financial instruments recognized for the first time during the period:

Financial Instruments In € thousand	**Fair Value at initial recognition date**	**Unobservable input***	**Range of inputs**	**Sensitivity analysis**
Level 3 Warrants	(83,747)	Stock price volatility	96% - 106%	An absolute increase/decrease of 10 percentage points would result in a fair value change of (€4,430) / €5,154
2024 Public Offering over-allotment option	(4,617)	Stock price volatility	106%	An absolute increase/decrease of 10 percentage points would result in a fair value change of (€257) / €289

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

The movements in level 3 fair values are as follows:

In € thousand	Equity instruments	Security deposits measured at FVTPL	Warrants and other derivative financial instruments
January 1, 2024	**4,641**	**—**	**(202,159)**
Initial recognition of 2024 PIPE Warrants[1]	—	—	(44,703)
Initial recognition of 2024 Public Offering Warrants	—	—	(27,887)
Initial recognition of May 2024 Prefunded Warrants	—	—	(11,157)
Settlement of May 2024 Prefunded Warrant Agreement proceeds	—	—	(22,477)
Initial recognition of 2024 Public Offering over-allotment option	—	—	(4,617)
Initial recognition of security deposits measured at FVTPL	—	1,185	—
Realized gains/losses:			
Changes in fair value - Finance income	—	—	4,640
Changes in fair value - Finance expense	—	—	—
Foreign exchange effects - Finance income	—	—	—
Foreign exchange effects - Finance expense	—	—	(23)
Unrealized gains/losses:			
Changes in fair value - Finance income	—	13	100,513
Changes in fair value - Finance expense	—	—	—
Foreign exchange effects - Finance income	—	12	—
Foreign exchange effects - Finance expense	—	—	(6,711)
June 30, 2024	**4,641**	**1,210**	**(214,581)**

[1] Includes 46,338,225 warrants issued in the 2024 PIPE, and 24,025,208 warrants issued attached to the May 2024 Prefunded Warrants. The warrants in both issues have identical terms and are referred to together as the “2024 PIPE Warrants”.

In € thousand	Equity instruments	Security deposits measured at FVTPL	Warrants and other derivative financial instruments
January 1, 2023	**—**	**—**	**(24,456)**
Initial recognition of May 2023 Warrants	—	—	82,829
Settlement of Initial Funding Amount on May 2023 Warrants	—	—	(91,811)
Realized gains/losses:			
Changes in fair value - Finance income	—	—	—
Changes in fair value - Finance expense	—	—	—
Foreign exchange effects - Finance income	—	—	—
Foreign exchange effects - Finance expense	—	—	—
Unrealized gains/losses:			
Changes in fair value - Finance income	—	—	—
Changes in fair value - Finance expense	—	—	(255,292)
Foreign exchange effects - Finance income	—	—	1,493
Foreign exchange effects - Finance expense	—	—	—
June 30, 2023	**—**	**—**	**287,237**

19. Commitments and Contingencies

The Group has commitments under operating contracts. The future payments for the operating contracts are €82,694 thousand (December 31, 2023: €82,690 thousand) within one year, €94,275 thousand (December 31, 2023: €100,805 thousand) between one and five years and €5,624 thousand (December 31, 2023: €194 thousand) thereafter.

Further, the Group has commitments of €14,995 thousand (December 31, 2023: €5,376 thousand) to acquire items of property, plant & equipment.

The Group has commitments of €2,589 thousand to pay a performance security deposit to a supplier.

The Group is required to issue, subject to the execution of definitive agreements, Azul Additional Warrants, which are expected to vest in three tranches upon achieving certain performance and market conditions.

On April 18, 2022, a putative class action was filed against Lilium N.V., Daniel Wiegand, Geoffrey Richardson and Barry Engle for purported violations of United States securities laws (the "Lawsuit"). The Lawsuit was filed in the U.S. District Court for the Central District of California, but was later transferred to the U.S. District Court for the Southern District of Florida. The Lawsuit is presently captioned as: Maniraj Ashirwad Gnanaraj v. Lilium N.V. et al., 23-CV-80232-Rosenberg/Reinhart. The complaint, as amended, alleged that the Defendants made public statements regarding Lilium's battery technology, jet specifications, and timeline to certification and commercialization that were false or misleading and/or omitted material information. On August 23, 2024 the Court entered an order dismissing all claims with prejudice. Plaintiff has until October 30, 2024, to file a notice of appeal. Given that the lawsuit has been dismissed and the Company cannot predict whether the plaintiffs will file an appeal, the Company cannot determine the likelihood of loss or estimate a range of possible loss.

The Group has entered into contracts with third-party partners that entitle the contractual party to a percentage of gross fundraising proceeds raised from certain transactions until December 2024. These arrangements also include minimum fees, of which €3,705 thousand remains committed as of June 30, 2024 (December 31, 2023: €181 thousand).

20. Related Party Disclosures

2024 PIPE

Aceville, an affiliate of Tencent Holdings Limited, a major shareholder of the Group, participated in the 2024 PIPE (refer to note 13). The Group issued 19,258,850 Class A shares and 19,258,850 2024 PIPE Warrants to Aceville in exchange for gross proceeds of €18,918 thousand.

Certain members of Key Management Personnel also participated in the 2024 PIPE. These members received 333,333 Class A shares and 333,333 2024 PIPE Warrants in exchange for gross proceeds of €323 thousand.

All related parties participating in the 2024 PIPE received the same terms and conditions as non-related parties.

May 2024 Prefunded Warrant Agreement

On the same date as the conclusion of the 2024 PIPE agreement, Aceville concluded a further securities purchase agreement with the Group to purchase 24,025,208 May 2024 Prefunded Warrants and 24,025,208 accompanying 2024 PIPE Warrants, in exchange for prefunding US$1.00 of the US$1.05 exercise price of the May 2024 Prefunded Warrants for total gross proceeds of €22,477 thousand. No further consideration was paid. The agreement is described in note 15.

Remuneration of Key Management Personnel

The Group recognized a share-based payment liability of €642 thousand as of June 30, 2024, in relation to the 2024 Executive Bonus Plan, as described in note 14.

21. Events after the Reporting Period

At-The-Market (“ATM”) Equity Offering

In July 2024, the Board of Directors of the Company authorized an At Market Issuance Sales Agreement (the “Sales Agreement”) with B. Riley Securities, Inc. (“B. Riley”) for the sale of Class A ordinary shares, nominal value €0.01 per Class A share, with an aggregate offering price of up to US$100 million.

Sales of the shares will be conducted as an “at the market offering” and B. Riley will act as sales agent or principal, with commissions of 3.0% for agency transactions and 5.0% for principal transactions. The Sales Agreement allows for agency or principal sales, subject to certain quarterly and monthly limits.

As of September 29, 2024, the Company has issued a total of 5,364,559 Class A ordinary shares through multiple transactions under the ATM, generating net proceeds of €3,670 thousand.

May 2023 Warrants and May 2024 Prefunded Warrants dilutive issuance

Under the ATM equity offering Class A ordinary shares have been sold for a price below the aggregate exercise price agreed in the May 2023 Warrant agreement and the May 2024 Prefunded Warrant agreement, this is considered a dilutive issuance per the warrant agreements. Given current restrictions in place, this has resulted in an increase in warrant shares with respect to each warrant of 32% and 39% respectively.

Liquidation of Stichting JSOP

In September 2024 the Group began proceedings to liquidate Stichting JSOP. The entity had no material operations in the period ended June 30, 2024.

September 2024 funding commitment

In September 2024, the Group agreed to issue equity securities (including equity linked securities) and secured convertible debt securities for total proceeds of approximately €32 million, to be received in October 2024. For further details on the Group’s current funding and liquidity position, please refer to the disclosures on going concern in note 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis provides information that our management believes is relevant to an assessment and understanding of Lilium N.V.'s and its subsidiaries' consolidated results of operations and financial condition. The discussion should be read together with the unaudited condensed interim financial statements as of and for the six months ended June 30, 2024, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (the "IASB") and related interpretations issued by the IFRS Interpretations Committee. Some of the information contained in this discussion and analysis, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the section titled "— Cautionary Note Regarding Forward-Looking Statements" for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. For additional information relating to our management's discussion and analysis of financial condition and results of operations, please see our annual report on Form 20-F for the year ended December 31, 2023 filed with the U.S. Securities and Exchange Commission (the "SEC") on March 15, 2024 (the "Annual Report"). For additional information relating to the risks and uncertainties applicable to us, please see Exhibit 99.2 attached to our report on Form 6-K furnished to the SEC on July 17, 2024, as well as similarly titled sections in the documents we furnish or file with the SEC from time to time. Capitalized terms used but not defined herein are as defined in the Annual Report.

Overview

Lilium is a next-generation aviation company. We are focused on developing an electric vertical take-off and landing ("eVTOL") aircraft for use in a new type of high-speed air transport system for people and goods — one that would (i) offer increased connectivity for communities around the world as well as generate time savings to travelers, (ii) be easily accessible from Vertiports close to homes and workplaces, (iii) be affordable for a large part of the population and (iv) be more environmentally sustainable than current regional air transportation.

The products we are developing are fully electric jet aircraft that can take off and land vertically with low noise. Our objective is for the Lilium Jet to be the basis for sustainable, high-speed regional air mobility ("RAM") networks, which refers to networks that will connect communities and locales within a region directly with one another. We believe such networks will require less infrastructure than traditional airports or railway lines and a fully electric jet aircraft would produce minimal operating emissions. We expect our Lilium Jets will generate zero operating emissions during flight. A single trip might save hours for a traveler; in aggregate, these networks could save our societies millions of travel hours—and significant carbon emissions—each year.

Currently, our development efforts are focused on finalizing the detailed design for the Lilium Jet, completing the ongoing certification process for the Lilium Jet with EASA and the FAA, focusing on quality, compliant and on time deliveries from suppliers, and building out our manufacturing capacity. We plan to rely on two business models. First, we intend to target general business aviation customers as a business line that we intend to deploy in tailored offerings primarily with our four-seater Lilium Jet aircraft through Private or Fractional Ownership sales along with related aftermarket services. Second, we plan to provide a Turnkey Enterprise solution by selling fleets of four- and six-seater Lilium Jet models, and related aftermarket services, directly to aircraft operators and other commercial customers.

Trends and Other Factors Affecting Results of Operations

Continuing Development and Commercialization Activities

We expect continued substantial operating expenses in connection with our ongoing activities, particularly as we continue to advance the development and certification of our Lilium Jets and the commercialization of our Private and Fractional Sales and Turnkey Enterprise business solutions.

Given our development stage and operating structure, most of our expenses to date are tied to headcount and the development of our prototypes. We expect to continue to incur significant expenses in the foreseeable future, and we expect substantial cash burn in connection with our ongoing activities, particularly for completing the Type Certification process, building our serial production factory, launching commercial operations and ensuring all infrastructure and talent resources are in place. In addition, we incur costs associated with operating as a U.S. public company.

We currently estimate that we will require substantial additional cash to fund our operations until type certification and entry into service. We expect to fund our ongoing operations until type certification and entry into service with existing cash on hand, dilutive methods of financing such as the issuance of additional equity (including pursuant to facilities such as a standby equity purchase agreement or an equity line of credit) and equity-linked securities (such as warrants and pre-funded warrants) and potentially additional investments by existing shareholders, as well as non-dilutive methods of financing such as debt instruments, government support (including, as previously announced, potentially from the German and French governments) and pre-delivery payments from customers, among other non-dilutive methods. Any future financing is subject to market conditions and other factors, and our anticipated receipt of pre-delivery payments is subject to several risks and uncertainties, many of which are outside of our control. See "— *Liquidity and Capital Resources*" and "— *Substantial Doubt about the Company's Ability to Continue as a Going Concern*."

Aircraft Certification

We are designing and producing the Lilium Jet to industry aeronautical standards and applicable regulatory requirements. EASA, which is our primary airworthiness authority, has been a pioneer of eVTOL standards, being the first aviation safety agency worldwide to develop and communicate a comprehensive ruleset for eVTOL aircraft. In July 2019, EASA published a novel set of rules for the certification of eVTOL aircraft, "Special Conditions for Small-Category VTOL Aircraft" ("SC-VTOL"), applicable to aircraft with a maximum of nine passenger seats and a maximum certificated take-off mass of 3,175kg or less. In August 2023, in Opinion No. 03/2023, EASA announced that SC-VTOL would be extended to maximum certificated take-off mass of 5,700kg or less and this was followed up in June 2024 with SC-VTOL Issue 2 which specified this 5,700kg mass for eVTOL aircraft certification. We intend that the Lilium Jet will be first certified by EASA under SC-VTOL, which currently represent the highest safety objectives globally for eVTOL aircraft.

Once certified by EASA, we expect that the Lilium Jet Type Certification will be recognized by national civil aviation authorities around the world, since many countries' national civil aviation authorities have bilateral agreements, working arrangements or other collaboration activities with EASA (examples may, but are not guaranteed to include, certain countries within the Middle East, China, Southeast Asia, and major parts of Central and South America). As a result, we believe that our Lilium Jet will be allowed to operate in any country that recognizes and accepts the EASA regulatory standard, which would potentially enable wide-spread access to markets around the world. While there is no guarantee that regulatory authorities in any other country will accept these standards, airlines regularly rely on bilateral agreements to operate internationally. Further, to help ensure the Lilium Jet will be able to operate in key regions, in 2022, we started concurrent certification of the Lilium Jet through validation with Brazil's National Civil Aviation Agency, and, in 2023, with the United Kingdom's Civil Aviation Authority and the UAE's General Civil Aviation Authority. We have also started discussions with the Kingdom of Saudi Arabia's General Authority of Civil Aviation for certification of the Lilium Jet.

We are also pursuing concurrent certification of the Lilium Jet through validation of the Lilium Jet by the FAA under the provisions of the Bilateral Aviation Safety Agreement between the EU and U.S. ("BASA"). We applied for the Type Certification in 2017 and for concurrent FAA Type Certification validation in 2018 through provisions provided by the BASA. In 2018, both EASA and the FAA accepted our application for certification, and we have been in frequent interaction with both authorities since then. A multitude of general and technical familiarization activities have been performed to engage EASA and the FAA in the development of the Lilium Jet. The FAA issued their certification basis for the Lilium Jet in June 2023 and further updated it in August 2024 to reference the DRAFT FAA Advisory Circular, AC 21.17-4 for Type Certification of Powered Lift. This AC specifies the airworthiness requirements applicable for the Lilium Jet for Type Certificate validation under the BASA.

See also "*Risks Related to our Business and Financial Position — We have a limited operating history and face significant challenges to develop, certify, manufacture and launch our products and services in a new industry—urban and regional air transportation services. Our Lilium Jet remains in development and is not yet type certified, and there can be no guarantee it will ever be type certified*" in Exhibit 99.2 attached to our report on Form 6-K furnished to the SEC on July 17, 2024.

Preliminary Design Review & Critical Design Review

Between November 2023 and April 2024 we completed our Critical Design Review ("CDR") process. CDR means locking in the detailed design ahead of first production of the type conforming aircraft, making key technical trade-off decisions and understanding how these will impact the key attributes of the aircraft program, such as timeline, cost, performance and weight. CDR demonstrates that the design is mature enough to be manufactured, assembled, integrated and tested with Type Certification as a goal. Following CDR, we have begun assembling the first set of type conforming aircraft. The first two of these aircraft (MSN1 and MSN2) are already in production, with a third (MSN3) scheduled to begin production later this year and a fourth (MSN4) planned in the first half of 2025.

MSN1 is a vehicle intended for integration and testing of aircraft systems on ground only. This ground testing is planned to commence in 2024. MSN2 is intended to be our first flying aircraft. MSN2 will also undergo ground testing from year end until its first flight expected to occur in early 2025. First flight is a critical milestone indicating the commencement of our flight test campaign. In support of this we also have a comprehensive and rigorous component and system testing program which will provide data and support analysis used to underpin a safety of flight justification which EASA and the local airworthiness authority (LBA) will assess in order to grant a permit to fly.

We continue to evaluate our overall program and launch timeline according to the outcomes of the CDR and progress towards first flight. With CDR completed, we also continue to work in close alignment with EASA toward the next major milestone on the Lilium Jet's path to certification, agreement of the certification program.

See also "*Risks Related to our Business and Financial Position — Any delays in the development, certification, manufacture and commercialization of the Lilium Jets and related technology, such as battery technology or electric motors, may adversely impact our business, financial condition and results of operations*" in Exhibit 99.2 attached to our report on Form 6-K furnished to the SEC on July 17, 2024.

Impact of the War in Ukraine and Other Regional Conflicts

Although we do not have any operations or direct suppliers located in Ukraine, Belarus or Russia and have not experienced any direct impacts from the conflict, we believe our continuing design and development activities, regulatory certification processes and ability to contract with prospective customers, suppliers and other counterparties, as well as to progress to the production, manufacturing and commercialization of the Lilium Jets, could be adversely affected by the conflict between Russia and Ukraine as well as by other regional conflicts. For example, the continuance or any escalation of regional conflicts around the globe could result in disruptions to our business and operations, increase inflationary pressures and adversely affect our anticipated unit and production costs, increase raw material costs and cause further disruption to supply chains, impacting our ability to successfully contract with suppliers and could have other adverse impacts on our anticipated costs and commercialization timeline.

Existing or additional government actions, including economic sanctions and trade controls, taken in response to the regional conflicts could also adversely impact the commercial and regulatory environment in which we operate. Such disruptions could similarly impact our data protection and design efforts, including if there are any increased cyberattacks or data security incidents as a result of the conflict, and negatively impact our corporate, research and development and production efforts and result in us incurring increased cybersecurity costs.

We continue to closely monitor the possible effects of the conflict in Europe and other regional conflicts around the world and general economic factors, including the impact of inflation, on our business and planning. These factors put pressure on our costs for employees and materials and services we procure from our suppliers, as well as affect other stakeholders and regulatory agencies.

For additional information on risks posed by the conflict in Europe and general economic factors, see "*Risks Related to Our Business and Financial Position — We face risks related to natural disasters, health epidemics and other outbreaks, wars and geopolitical conflicts, any of which could significantly disrupt our operations,*" "*Risks Related to Our Reliance on Third Parties — Any disruptions to our supply chain, significant increase in component costs or shortages of critical components could adversely affect our business and result in increased costs*" and *Risks Related to the Regulatory Environment in which Lilium Operates — We are or will be subject to anti-corruption, anti-bribery, anti-money laundering, financial and economic sanctions and similar laws, and non-compliance with such laws can subject us to administrative, civil and criminal fines and penalties, collateral consequences, remedial measures and legal expenses, all of which could adversely affect our business, results of operations, financial condition and reputation*" in Exhibit 99.2 attached to our report on Form 6-K furnished to the SEC on July 17, 2024.

Going Concern

Our financial statements for the six months ended June 30, 2024, have been prepared assuming that Lilium will continue as a going concern. See "*— Liquidity and Capital Resources*" and "*— Substantial Doubt about the Company's Ability to Continue as a Going Concern*" below.

Fundraising Activities

In May and June 2024, we consummated an underwritten public offering, a concurrent private placement and the issuance of partially pre-funded warrants resulting in aggregate gross proceeds of approximately $113 million. We entered into an underwriting agreement with B. Riley Securities, Inc. (“B. Riley”) (the “Underwriting Agreement”), which acted as the sole underwriter for the purchase and sale, in an underwritten public offering (the “2024 Public Offering”), of 38,095,238 Class A Shares and accompanying warrants to purchase 38,095,238 Class A Shares for gross proceeds of approximately $40 million. The 2024 Public Offering included an over-allotment option to purchase 5,714,285 Class A shares at $1.05 per share, together with warrants to purchase 5,714,285 Class A shares at an exercise price of $1.50 per warrant. The over-allotment option was exercisable within 30-days of the Underwriting Agreement and it was not exercised throughout the period.

Additionally, Lilium issued to qualified investors, in a concurrent private placement (the “2024 PIPE”), 46,338,225 Class A Shares and accompanying warrants to purchase 46,338,225 Class A Shares (the “2024 PIPE Warrants”) for gross proceeds of approximately $49 million pursuant to securities purchase agreements entered into by and among Lilium and the purchasers named therein on May 23, 2024 (collectively, the “2024 PIPE SPAs”).

In May 2024 we also entered into a securities purchase agreement with Aceville Pte. Limited (“Aceville”) (the “Pre-Funded Warrant SPA”) regarding the issuance of (i) warrants to purchase up to 24,025,208 Class A Shares at an exercise price of $1.05 per Class A Share (the “2024 Pre-Funded Warrant”), for which Aceville partially prepaid $1.00 per Class A Share for an aggregate prepaid price of approximately $24 million against the total exercise price of the warrants (the “Aceville Pre-Funding”), and (ii) warrants to purchase 24,025,208 Class A Shares with terms identical to the 2024 PIPE Warrants (the “Accompanying Warrant”).

On May 3, 2024, we entered into a Standby Equity Purchase Agreement (the “SEPA”) with YA II PN, Ltd. (“Yorkville”), pursuant to which we had the right from time to time, but not the obligation, to issue and sell to Yorkville up to $150.0 million of our Class A Shares. We issued 1,000,000 Class A Shares to Yorkville as a commitment fee (the “Commitment Shares”). The SEPA was terminated on May 29, 2024. As of May 29, 2024, we had received gross proceeds of approximately $1,154,420 from our aggregate sales of 1,000,000 Class A Shares (exclusive of the issuance of the Commitment Shares) to Yorkville at a weighted average purchase price of approximately $1.15 per Class A Share under the SEPA.

On July 26, 2024, we entered into an At Market Issuance Sales Agreement (the “Sales Agreement”) with B. Riley, as sales agent, whereby the Company may, from time to time, offer and sell Class A Shares having an aggregate offering price of up to $100 million, of which up to $33 million worth of Class A Shares is being offered from time to time pursuant to the Company’s shelf registration statement on Form F-3 (File No. 333-267719), which was filed with SEC on October 3, 2023 and declared effective on October 12, 2022, and a prospectus supplement dated July 26, 2024, which was filed with the SEC pursuant to Rule 424(b) under the Securities Act. We expect that the remaining $67 million of the Class A Shares that may be offered from time to time in the future under the Sales Agreement will be offered pursuant to the Company’s shelf registration statement on Form F-3 (File No. 333-281066), which was filed with the SEC on July 29, 2024 and declared effective on August 6, 2024 (subject to the Company filing a related prospectus supplement). As of September 29, 2024, we had received gross proceeds of approximately $4.2 million from our aggregate sales of 5,364,559 Class A Shares at an average purchase price of approximately $0.78 per Class A Share under the Sales Agreement. See “— *Current Sources of Liquidity and Capital Resources*” for more information.

See “— *Liquidity and Capital Resources — Current Sources of Liquidity and Capital Resources*” and “— *Substantial Doubt about the Company’s Ability to Continue as a Going Concern*” for more information.

Key Components of Operating Results

Research and Development Expense

Research and development activities are primarily in the fields of engineering, prototyping (including our Phoenix demonstrator aircraft), production, testing and certification. In addition to overall aircraft architecture and configuration, we are undertaking research activities relating to energy systems and propulsion systems, including acoustic characteristics and core engine design, as well as software and control systems. We are continuing to invest in the development of our Lilium Jet, including production, testing, spare parts and maintenance.

The costs for internally generated research and development are expensed when incurred. Some costs for internally generated development may be capitalized if the relevant conditions under International Accounting Standard (“IAS”) 38 are met. To date, we have not capitalized any research and developments costs.

Research and development activities primarily include the following expenses:

- personnel-related expenses for research and development activities, including salaries, benefits, social security expenses, travel and share-based compensation;

- fees paid to third parties, such as consultants and contractors, for outsourced engineering services;

- expenses related to materials, including various components used in development of the Lilium Jet, supplies, software costs and licenses and third-party services; and

- depreciation for equipment used in research and development activities.

We expect our research and development costs to increase for the foreseeable future as we continue to invest in research and development activities to achieve our operational and commercial goals.

General and Administrative Expense

General and administrative expenses consist of personnel-related expenses for our corporate, executive, finance and other administrative functions and expenses for outside professional services, including legal, audit and accounting services, as well as expenses for facilities, software costs and licenses, depreciation, amortization and travel. Personnel-related expenses consist of salaries, benefits, social security expenses and share-based compensation.

Selling Expense

Selling expenses consist of personnel expenses, including salaries, benefits and share-based compensation, for all personnel directly involved in business development and marketing activities. Such expenses are incurred for roadshows, exhibitions, marketing and external communications. Our sales and marketing efforts are conducted through a highly specialized sales team related to the commercialization of our service. Our investment in sales and marketing will continue to grow as we continue to expand our team globally.

Finance Income

Finance income for the six months ended June 30, 2024 mainly resulted from the change in fair value of our outstanding warrants. Finance income for the six months ended June 30, 2023 resulted from interest income and foreign currency gain on warrant liabilities.

Finance Expense

Finance expense for the six months ended June 30, 2024 mainly resulted from foreign currency losses on our outstanding warrants. Finance expense for the six months ended June 30, 2023 mainly resulted from the change in the fair value of our outstanding warrants.

Results of Operations

Comparison of the six months ended June 30, 2024 to the six months ended June 30, 2023

(thousand €)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change (Absolute)	Change (%)
Research and development expenses	(130,657)	(84,295)	(46,362)	55.0 %
General and administrative expenses	(49,350)	(40,192)	(9,158)	22.8 %
Selling expenses	(6,340)	(4,252)	(2,088)	*n.m.
Other income	721	1,435	(714)	*n.m.
Other expenses	(262)	(1,222)	960	*n.m.
Operating loss	**(185,888)**	**(128,526)**	**(57,362)**	**44.6 %**
Finance income	108,806	3,021	105,785	3,501.7 %
Finance expenses	(8,488)	(258,739)	250,251	(96.7)%
Financial result	**100,318**	**(255,718)**	**356,036**	**(139.2)%**
Share of loss in a joint venture	(1,356)	(1,165)	(191)	*n.m.
Loss before income taxes	**(86,926)**	**(385,409)**	**298,483**	**(77.4)%**
Income tax (expense) / benefits	(23)	(83)	60	*n.m.
Net loss for the period	**(86,949)**	**(385,492)**	**298,543**	**(77.4)%**

*n.m. marks changes that are not meaningful for further discussion

Research and Development Expenses

Research and development expenses increased by approximately €46.4 million, or 55% to approximately €130.7 million during the six months ended June 30, 2024, from approximately €84.3 million for the six months ended June 30, 2023. The increase was primarily attributable to an increase in purchased services of approximately €21.5 million and an increase in testing component and material costs of approximately €10.3 million as Lilium prepares for certification and serial production of the Lilium Jet. There was also an increase in personnel expense of approximately €5.0 million primarily due to an increase in employee headcount. The remaining increase is mainly due to an increase in contractor and consulting expenses of approximately €4.5 million and amortization and depreciation expenses of approximately €2.9 million.

General and Administrative Expenses

General and administrative expenses increased by approximately €9.2 million, or 22.8% to approximately €49.4 million during the six months ended June 30, 2024, from approximately €40.2 million during the six months ended June 30, 2023. This increase was primarily attributable to an increase in contractor and consulting expenses of approximately €8 million and an increase in IT and communication expense of approximately €1.2 million.

Financial Result

The financial result increased by approximately €356.0 million to a profit of approximately €100.3 million for the six months ended June 30, 2024 compared to a loss of approximately €255.7 million for the six months ended June 30, 2023, primarily due to positive fair value changes of approximately €106.6 million in our warrants and other derivative financial liabilities during the six months ended June 30, 2024, compared to fair value losses in our warrants within finance expenses of approximately €258.3 million during the six months ended June 30, 2023. The increase in financial result is also slightly offset by a net negative swing in foreign exchange movements on financial instruments of approximately €8.1 million.

Liquidity and Capital Resources

Current Sources of Liquidity and Capital Resources

Since our inception in 2016, we have been primarily engaged in research and development of eVTOL aircraft and have consequently incurred significant operating losses. Operating losses were approximately €185.9 million and approximately €128.5 million for the six-month periods ended June 30, 2024 and 2023, respectively. We expect to continue to incur losses and negative operating cash flows during 2024 and for the foreseeable future, until we successfully commence sustainable commercial operations.

Since inception, we have financed our operations primarily from the issuance of our ordinary equity, convertible loans and warrants and partially pre-funded warrants. Since our founding, we have relied on external financing for our research and development activities, as well as to the organizational processes and resources required for these activities.

In May 2023, we entered into a securities purchase agreement with Aceville for the issuance and partial pre-funding, in a private placement, of warrants to purchase up to 184,210,526 Class A Shares for $1.00 per share (the "May 2023 Warrants"). Upon issuance, Aceville pre-funded $100 million of the aggregate exercise price of the May 2023 Warrants. Following the Company's successful securing of $75 million in additional third-party funding, Aceville fulfilled its pre-funding commitment by providing an additional $75 million of the aggregate exercise price.

On July 13, 2023, we entered into an underwriting agreement for the purchase and sale of 57,692,308 Class A Shares at a public offering price of $1.30 per share for gross proceeds of approximately $75 million (the "2023 Public Offering"). B. Riley Securities, Inc. acted as sole underwriter with respect to the 2023 Public Offering. The 2023 Public Offering closed on July 18, 2023.

On July 13, 2023, we entered into a securities purchase agreement with a number of new and existing investors, as well as a number of Lilium directors and senior executives (the "2023 PIPE SPA"), for the purchase and sale of an aggregate of 32,146,147 Class A Shares for $1.30 per share and warrants to purchase up to 8,036,528 Class A Shares at an exercise price of $2.00 per share for gross proceeds of approximately $42 million (the "2023 PIPE"). The 2023 PIPE was closed in two tranches on July 18, 2023 and August 1, 2023. Each warrant was immediately exercisable, with only whole Class A Share issuable upon exercise. The warrants will expire 18 months from the applicable date of issuance. The 2023 PIPE SPA contains customary registration rights in respect of the securities purchased in the 2023 PIPE.

The gross proceeds resulting from the Public Offering and 2023 PIPE satisfied the condition precedent to the warrant pre-funding commitment and as a result, in July 2023, Aceville funded an additional $75 million to partially prepay against the aggregate exercise price of the May 2023 Warrants. Following satisfaction of the warrant pre-funding commitment, the remaining unpaid exercise price of the May 2023 Warrants was $0.05 per Class A Share.

On May 3, 2024, we entered into the SEPA with Yorkville, pursuant to which we had the right from time to time, but not the obligation, to issue and sell to Yorkville up to $150.0 million of our Class A Shares. We issued 1,000,000 Class A Shares to Yorkville as a commitment fee. The SEPA was terminated on May 29, 2024. As of May 29, 2024, we had received gross proceeds of approximately $1.15 million from the aggregate sales of 1,000,000 Class A Shares (exclusive of the issuance of the Commitment Shares) to Yorkville at a weighted average purchase price of approximately $1.15 per Class A Share under the SEPA.

On May 23, 2024, we entered into the Underwriting Agreement for the purchase and sale of 38,095,238 Class A Shares at a public offering price of $1.05 per share and accompanying warrants to purchase 38,095,238 Class A Shares at an exercise price of $1.50 per share for gross proceeds of approximately $40 million. The warrants will expire five years after the date of issuance. B. Riley Securities, Inc. acted as sole underwriter with respect to the 2024 Public Offering. The 2024 Public Offering closed on May 29, 2024.

On May 23, 2024, we entered into the 2024 PIPE SPAs for the purchase and sale of 46,338,225 Class A Shares for $1.05 per share and accompanying warrants to purchase 46,338,225 Class A Shares at an exercise price of $1.50 per share for gross proceeds of approximately $49 million. The warrants will expire six years after the applicable date of issuance. The 2024 PIPE closed in two tranches on May 31, 2024 and June 28, 2024. The 2024 PIPE SPA contains customary registration rights in respect of the securities purchased in the 2024 PIPE.

On May 23, 2024, we entered into the Pre-Funded Warrant SPA regarding the issuance in a private placement of (i) the 2024 Pre-Funded Warrant to purchase up to 24,025,208 Class A Shares at an exercise price of $1.05 per Class A Share, for which Aceville partially prepaid $1.00 per Class A Share for an aggregate prepaid price of approximately $24 million against the total exercise price of this warrant, and (ii) the Accompanying Warrant to purchase up to 24,025,208 Class A Shares with terms identical to the 2024 PIPE Warrants. The Aceville Pre-Funding and the issuance of the 2024 Pre-Funded Warrant and Accompanying Warrant closed on June 28, 2024. The Pre-Funded Warrant SPA contains customary registration rights in respect of 2024 Pre-Funded Warrant, Accompanying Warrant and the Class A Shares issuable upon exercise thereof.

On July 26, 2024, we entered into a Sales Agreement with B. Riley, as sales agent, whereby the Company may, from time to time, offer and sell Class A Shares having an aggregate offering price of up to $100 million, of which up to $33 million worth of Class A Shares is being offered from time to time pursuant to the Company's shelf registration statement on Form F-3 (File No. 333-267719), which was filed with SEC on October 3, 2023 and declared effective on October 12, 2022, and a prospectus supplement dated July 26, 2024, which was filed with the SEC pursuant to Rule 424(b) under the Securities Act. We expect that the remaining $67 million of the Class A Shares that may be offered from time to time in the future under the Sales Agreement will be offered pursuant to the Company's shelf registration statement on Form F-3 (File No. 333-281066), which was filed with the SEC on July 29, 2024 and declared effective on August 6, 2024 (subject to the Company filing a related prospectus supplement). Sales of Class A Shares under the Sales Agreement have been, and in the future may be, made by any method that is deemed an "at the market offering" as defined in Rule 415 promulgated under the Securities Act. The Class A Shares sold in this manner will be offered through or to B. Riley, acting as agent in connection with agency transactions or as principal in connection with principal transactions. We have the right, but not the obligation, from time to time to direct B. Riley on any trading day to purchase Class A Shares on a principal basis. Notwithstanding the foregoing, the aggregate amount of Class A Shares that we may direct B. Riley to purchase as principal in principal transactions (inclusive of any shares sold by B. Riley in agency transactions) in any quarter shall not exceed $30 million and in any month shall not exceed $10 million. Only one principal sale may be requested per day. The market capitalization of the Company shall not be below $200 million at the time of issuance of any agency placement notice or commitment advance notice. For more information see our report on Form 6-K and the exhibits thereto furnished to the SEC on July 29, 2024. As of September 29, 2024, we had received gross proceeds of approximately $4.2 million from our aggregate sales of 5,364,559 Class A Shares at an average purchase price of approximately $0.78 per Class A Share under the Sales Agreement.

As of June 30, 2024 and December 31, 2023, we had cash and cash equivalents and other financial assets of approximately €118.2 million and €203.1 million, respectively, and no substantial debt. Our cash is mainly held at banks, on hand, or invested in short-term deposits or similar liquid assets. As of June 30, 2024 and December 31, 2023, other financial assets included our approximately €4.6 million investment in equity instrument.

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The financial statements have been prepared on a basis that assumes the Company and its consolidated subsidiaries (the "Lilium Group") will continue as a going concern and which contemplates the realization of assets and satisfaction of liabilities and commitments in the ordinary course of business. Management assessed the Lilium Group's ability to continue as a going concern and evaluated whether there are conditions and events, that considered individually or in the aggregate, raise substantial doubt about the Lilium Group's ability to continue as a going concern. Management used all information available about the future, focusing on the twelve-month period after the issuance date of the financial statements.

Historically, the Lilium Group has funded its operations primarily through capital raises and loans from shareholders. Since its inception, the Lilium Group has incurred recurring losses and negative cash flows from operations (accumulated losses of approximately €1,446.3 million as of June 30, 2024). The Lilium Group expects to continue generating operating losses and negative cash flow from operations for the foreseeable future. The warrants are settled upon exercise by warrant holders via issuance of Class A Shares against the applicable exercise price without negatively impacting the liquidity of the Lilium Group.

Lilium's financing plan indicates that the Lilium Group requires additional capital immediately to continue to fund its ongoing operations. Lilium is in advanced discussions regarding the provision of guarantees by the Federal Government of Germany and the Free State of Bavaria to allow for a €100 million convertible loan from a German state development bank (the "Government Convertible Loan"). The provision of such guarantees and the Government Convertible Loan are subject to an ongoing governmental approval process, which approval is expected to be obtained within the next few weeks. It is expected that a further three to five weeks would be required to complete and sign definitive documents and for Lilium to receive the first of two tranches of the Government Convertible Loan. Based on the progress made to date, management believes that the approval process will be finalized within the next few weeks and will have a positive outcome. The funding of each of the two tranches of the Government Convertible Loan is expected to be subject to certain conditions precedent, including requirements that Lilium has received minimum commitments for additional funding from other investors (each, a “Minimum Funding Requirement”). Management expects that such financing will contain various operating covenants and governance rights.

As of the date of this report, existing investors have committed to provide additional funds in the aggregate amount of approximately €32 million to meet the immediate liquidity requirements of the Group and to contribute to the Minimum Funding Requirement. The receipt of some of these additional funds is contingent upon a positive decision from the Federal Government of Germany to approve the provision of the guarantees required for the Government Convertible Loan. Management is currently in discussions with existing shareholders, prospective investors and finance partners to secure further funding, which is contemplated to involve the issuance of equity, equity-linked securities (such as warrants) and secured convertible debt securities to satisfy the Minimum Funding Requirement for the first tranche of the Government Convertible Loan, and to meet the capital requirements for the Group’s ongoing operations until the funds from the first tranche are received by Lilium.

Should the Federal Government of Germany not approve the guarantee for the Government Convertible Loan, or should it fail to complete the approval process in the anticipated timeline, or should Lilium not receive sufficient capital to meet the Minimum Funding Requirement or otherwise satisfy any other conditions precedent to cause the distribution of the first tranche of the Government Convertible Loan, management will be forced to implement significant cost containment measures, materially reduce the scope of our operations, and/or make filings with respect to our financial condition as may be required under applicable insolvency laws with respect to Lilium and its subsidiaries.

Further, the Group’s financing plan shows substantial financing needs for the foreseeable future thereafter (i.e. beyond 2024). These financing needs are anticipated to be partially met by the distribution of the second tranche of the Government Convertible Loan, which is also expected to be subject to certain conditions precedent, including the requirement for additional funding from other investors. Based on its business plan, and in addition to the funding of the second tranche of the Government Convertible Loan, the Lilium Group will continue to depend on substantial future financing for development activities and operations, which is not yet secured.

Additionally, the Lilium Group must reach several milestones, including completion of our research and development program, and obtaining regulatory approvals, which will have increased importance as the Company progresses towards commercialization.

Consequently, the Lilium Group’s ability to continue as a going concern is highly dependent on our ability to obtain the Government Convertible Loan and satisfy the conditions precedent to the funding of both tranches thereof and to raise additional funds to finance development activities, ongoing operations and to successfully progress the regulatory certification program. As stated above, Management is committed to continue to seek and raise additional funds.

There is no certainty that the Lilium Group will be successful in obtaining sufficient funding through any or a combination of the aforementioned financing measures being pursued. If the Lilium Group is unsuccessful in raising sufficient capital, the Lilium Group’s management will be required to undertake, and is committed to undertaking, additional significant cost-cutting measures, including significant headcount reductions that could mean that it would be forced to curtail or discontinue its operations.

Based on its recurring losses from operations since inception, expectation of continuing operating losses for the foreseeable future and the need to raise additional capital to finance our future operations, which is not assured, the Lilium Group has concluded that there is substantial doubt about its ability to continue as a going concern, and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Despite this uncertainty, management is continuing to take actions to secure sufficient financing and thus believe that the application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

Cash Flows

The following table summarizes the cash flows for each period presented:

(in € thousands)	Six Months Ended June 30, 2024	2023
Net cash provided by / (used in):		
Operating activities	(158,723)	(102,022)
Investing activities	81,321	(46,989)
Financing activities	102,601	89,803
Cash-based changes in cash and cash equivalents	**25,199**	**(59,208)**
Effect of foreign exchange rate changes on cash and cash equivalents	278	(33)
Effect of change in expected credit loss provisions	—	47
Net increase / (decrease) in cash and cash equivalents	25,477	(59,194)

Cash flow used in operating activities

Net cash used in operating activities for the six months ended June 30, 2024, was approximately €158.7 million, consisting primarily of a net loss for the period of approximately €86.9 million and non-cash adjustments of approximately €99.2 million in fair value and foreign exchange changes of financial instruments and expected credit losses. This was offset by approximately €8.0 million in depreciation, amortization and impairment expenses, approximately €5.6 million of share-based compensation expense and approximately €1.4 million of share of loss in a joint venture. The net cash used in operating activities was also offset by the decrease in net working capital of approximately €14.6 million arising from changes in trade and other payables and changes in other assets and liabilities.

Cash flow provided by investing activities

Our recurring capital expenditures have historically consisted primarily of investments in leasehold improvements, technical equipment and machinery and office and other equipment. Net cash provided by investing activities for the six months ended June 30, 2024, was approximately €81.3 million primarily due to €110.0 million of proceeds from short-term investments and approximately €3.0 million of interest received offset by purchases of and advance payments on property, plant and equipment of approximately €31.7 million.

Cash flow provided by financing activities

Net cash provided by financing activities for the six months ended June 30, 2024 was approximately €102.6 million primarily due to the receipt of approximately €45.1 million from the issuance of the 2024 PIPE shares and warrants, approximately €36.8 million from the issuance of the 2024 Public Offering shares and warrants, approximately €22.5 million from the issuance of the 2024 Pre-Funded Warrants and the Accompanying Warrants and approximately €1.1 million from the issuance of shares under the SEPA arrangement, all of which is partially offset by approximately €1.8 million of principal elements of lease payments and approximately €0.8 million in transaction costs relating to capital contributions.

Material Cash Requirements

We expect our operating expenses to increase in connection with our ongoing activities, particularly as we continue to advance the development and certification of our Lilium Jets and the commercialization of our Private and Fractional Sales and Turnkey Enterprise solutions.

Given our development stage and operating structure, most of our expenses to date are tied to headcount and our Lilium Jet prototypes. We expect to continue to incur significant expenses in the foreseeable future, and we expect substantial cash burn in connection with our ongoing activities, particularly for completing the Type Certification process, building our serial production factory, launching commercial operations and ensuring all infrastructure and talent resources are in place. In addition, we incur costs associated with operating as a U.S. public company.

We are subject to risks related to the development and commercialization of our Lilium Jets and our services, as further discussed in "*Risk Factors*" in Exhibit 99.2 of our report on Form 6-K furnished to the SEC on July 17, 2024, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business.

We currently estimate that we will require substantial additional cash to fund our operations until type certification and entry into service. We expect to fund our ongoing operations until type certification and entry into service with existing cash on hand, dilutive methods of financing such as the issuance of additional equity (including pursuant to facilities such as a standby equity purchase agreement or an equity line of credit) and equity-linked securities (such as warrants and pre-funded warrants) and potentially additional investments by existing shareholders, as well as non-dilutive methods of financing such as debt instruments, government support (including, as previously announced, potentially from the French government) and pre-delivery payments from customers, among other non-dilutive methods. Any future financing is subject to market conditions and other factors, and our anticipated receipt of substantial pre-delivery payments is subject to several risks and uncertainties, many of which are outside of our control.

As part of our business strategy, we continue to evaluate capital raising and strategic opportunities from and with a number of sources, including private investors, strategic partners, business counterparties and government sources. Such opportunities could include joint ventures and strategic partnerships. We may enter into non-binding letters of intent as we assess the commercial appeal of potential transactions. Any potential transactions could be material to our business, financial condition and operating results and may involve the issuance of additional Class A Shares, securities convertible into or exercisable for additional Class A Shares and other securities.

Our level of expenses and capital expenditures will be significantly affected by customer demand for our Lilium Jets and services. The fact that we have a limited operating history and are entering a new industry means we have no historical data on the demand for our services. As a result, our future capital requirements may be uncertain, and actual capital requirements may be different from those we currently anticipate. However, we expect our expenses and capital expenditures to continue to be significant in the foreseeable future as we expand our development, certification, production and commercial launch, and expand our existing facilities for technology prototyping and production. We expect our principal cash demands, and our results in the medium-term, to be driven by:

- Ongoing design and development of the Lilium Jet in house and at our partners, completing Type Certification of the Lilium Jet, continuing to build a factory for serial production of the Lilium Jet, which includes purchasing manufacturing equipment, tools, raw materials and components as well as ramp-up to serial aircraft production.

- Go-to-market activities, which includes expanding the commercial team and operations, increasing marketing efforts, extending relationships for our Vertiport infrastructure and commercial operations and developing our digital platform.

- Organizational build-up, which, among other costs, includes establishing the right infrastructure, processes and human resources required to launch a global revenue generating business.

Many of these costs are unpredictable over the long-term, and there may be other substantial costs that we are currently unable to anticipate. Our targeted timeframe for achieving our objectives is also subject to known and unknown risks and uncertainties. As of the date of this report, we continue to evaluate our overall program, including our launch timeline and continuing design and certification efforts. Any delays in the successful completion of the Lilium Jets may impact our ability to generate revenue. See "*Risk Factors*" in Exhibit 99.2 attached to our report on Form 6-K furnished to the SEC on July 17, 2024. Additionally, changing circumstances may cause us to consume capital significantly faster than we currently anticipate, and we may need to spend more money than currently expected because of circumstances beyond our control. The commercial launch of sales has unpredictable costs and is subject to significant risks, uncertainties and contingencies, many of which are beyond our control, that may affect the timing and magnitude of these anticipated expenditures. Some of these risks and uncertainties are described in more detail in "*Risk Factors*" in Exhibit 99.2 attached to our report on Form 6-K furnished to the SEC on July 17, 2024. In the event that we incur higher costs than expected or determine that it may be beneficial to create additional capital buffer, we may raise additional funds to finance our series aircraft production. Until we can generate material revenue to finance our cash requirements, we expect to finance our future cash needs through a combination of equity offerings, debt financings and partnerships, as well as potentially grant funding, which funding may in any such case have certain covenants or restrictions on our business.

The development and commercialization of our products will continue to require substantial expenditures, and we are reliant upon continued investments and capital raises to fund operations.

Other Commitments and Contingencies

We have commitments under operating contracts. As of June 30, 2024, the future payments for the operating contracts were approximately €82.7 million within one year, approximately €94.3 million between one and five years and approximately €5.6 million thereafter. Further, as of June 30, 2024, we had commitments of approximately €15.0 million to acquire items of property, plant and equipment.

We also have entered into contracts with third-party partners that entitle the contractual party to a percentage of gross fundraising proceeds raised from certain transactions until December 2024. These arrangements also include minimum fees, of which approximately €3.7 million remains committed as of June 30, 2024.

Anticipated Sources of Funds

We currently estimate that we will require substantial additional cash to fund our operations until type certification and entry into service. We expect to fund our ongoing operations until type certification and entry into service with existing cash on hand, dilutive methods of financing such as the issuance of additional equity (including pursuant to facilities such as a standby equity purchase agreement or an equity line of credit) and equity-linked securities (such as warrants and pre-funded warrants) and potentially additional investments by existing shareholders, as well as non-dilutive methods of financing such as debt instruments, government support (including, as previously announced, potentially from the French government) and pre-delivery payments from customers, among other non-dilutive methods. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise funds through partnerships, collaborations or other similar arrangements with third parties, we may have to relinquish valuable rights to our Lilium Jet. In addition, the current economic environment could limit our ability to raise capital by issuing new equity or debt securities on acceptable terms or at all, and lenders may be unwilling to lend funds on acceptable terms or at all in the amounts that would be required to supplement cash flows to support operations.

If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or, in the worst case, terminate our research and development and commercialization efforts and may not be able to fund our continuing operations.

Critical Accounting Estimates

A discussion of our critical accounting estimates can be found in our audited annual financial statements as of December 31, 2023 and 2022 and for each of the three years in the year ended December 31, 2023, as well as in our unaudited condensed consolidated interim financial statements as of and for the six months ended June 30, 2024 and 2023.

Material Weaknesses in Internal Control Over Financial Reporting

In connection with the preparation and audit of our consolidated annual financial statements, we identified material weaknesses in our internal control over financial reporting. The Company is currently working to remediate the material weaknesses. See the discussion in our Annual Report.

Cautionary Note Regarding Forward-Looking Statements

This discussion and analysis contains forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act. Forward-looking statements provide our current expectations or forecasts of future events and include, but are not limited to, statements regarding Lilium’s proposed business and business model, the markets and industry in which Lilium operates or intends to operate, and the anticipated timing of the commercialization and launch of Lilium’s business.

Forward-looking statements include statements about our expectations, beliefs, plans, objectives, intentions, assumptions and other statements that are not historical facts. Words or phrases such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “future,” “intend,” “may,” “might,” “objective,” “ongoing,” “opportunity,” “plan,” “potential,” “predict,” “project,” “result,” “should,” “strategy,” “target,” “will” and “would,” or similar words or phrases, or the negatives of those words or phrases, may identify forward-looking statements, but the absence of these words does not necessarily mean that a statement is not forward-looking. Examples of forward-looking statements in this discussion and analysis include, but are not limited to, statements regarding our business plan, operations, cash flows, financial position and dividend policy.

Lilium operates and will continue to operate in a rapidly changing emerging industry. New risks emerge daily. Given these risks and uncertainties, you should not rely on or place undue reliance on these forward-looking statements, including any statements regarding Lilium’s expected funding sources, when or whether any strategic collaboration between Lilium and the respective collaborator will be effected, the number, price or timing of any Lilium Jets to be sold (or if any such Lilium Jets will be sold at all), the price to be paid therefor and the timing of launch or manner in which any proposed eVTOL network or anticipated commercial activities will operate, Lilium’s business and product development strategies or certification program, or Lilium’s funding requirements.

Forward-looking statements are subject to known and unknown risks and uncertainties and may be based on potentially inaccurate assumptions, any of which could cause actual events or results to differ materially from those contained in or implied by our forward-looking statements. Many factors could cause actual future events and operating results to differ materially from the forward-looking statements contained herein, including, but not limited to, the following risks:

- Lilium’s future funding requirements and any inability to raise necessary capital on favorable terms (if at all);
- the eVTOL market may not continue to develop, or eVTOL aircraft may not be adopted by the transportation market;
- the Lilium Jet may not be certified by transportation and aviation authorities, including EASA or the FAA;
- the Lilium Jet may not deliver the expected reduction in operating costs or time savings that Lilium anticipates;
- adverse developments regarding the perceived safety and positive perception of the Lilium Jets, the convenience of expected future Vertiports and Lilium’s ability to effectively market and sell regional air mobility services and aircraft;
- challenges in developing, certifying, manufacturing and launching Lilium’s services in a new industry (urban and regional air transportation services);
- a delay in or failure to launch commercial services as anticipated;
- the RAM market for eVTOL passenger and goods transport services does not exist, whether and how it develops is based on assumptions, and the RAM market may not achieve the growth potential Lilium’s management expects or may grow more slowly than expected;
- if Lilium is unable to adequately control the costs associated with pre-launch operations and/or its costs when operations are commenced (if ever);
- difficulties in managing growth and commercializing operations;
- failure to commercialize Lilium’s strategic plans;
- any delay in completing testing and certification, and any design changes that may be required to be implemented in order to receive Type Certification for the Lilium Jet;
- any delays in the development, certification, manufacture and commercialization of our Lilium Jets and related technology, such as battery technology or electric motors;
- any failure of the Lilium Jets to perform as expected or an inability to market and sell the Lilium Jets;

- any failure of suppliers to achieve serial production of the proprietary and/or novel software, battery technology and other technology systems still in development;

- reliance on third-party suppliers for the provision and development of key emerging technologies, components and materials used in the Lilium Jet, such as the lithium-ion batteries that will power the jets, a significant number of which may be single or limited source suppliers, and the related risk that any of these prospective suppliers or strategic partners may choose not to do business with us at all, or may insist on terms that are commercially disadvantageous, and as a result we may have significant difficulty procuring and producing our jets;

- if any of Lilium's suppliers become financially distressed or go bankrupt, Lilium may be required to provide substantial financial support or take other measures to ensure supplies of components or materials, which could increase costs, adversely affect liquidity and/or cause production disruptions;

- any inability to operate network services after commercial launch at the anticipated flight rate, on the anticipated routes or with the anticipated Vertiports could adversely impact Lilium's business, financial condition and results of operations;

- potential customers may not generally accept the RAM industry or Lilium's passenger or goods transport services;

- any adverse publicity stemming from any incident involving Lilium or its competitors, or an incident involving any air travel service or unmanned flight based on autonomous technology;

- if competitors obtain certification and commercialize their eVTOL vehicles before Lilium;

- business disruptions and other risks arising from geopolitical events, including the war in Ukraine and other regional conflicts, and including related inflationary pressures, may impact Lilium's ability to successfully contract with its supply chain and have adverse impacts on its anticipated costs and commercialization timeline; and/or

- Lilium's inability to deliver Lilium Jets with the specifications and on the timelines anticipated in any non-binding memorandums of understanding or binding contractual agreements with customers or suppliers we have entered into or may enter into in the future.

The foregoing list of factors is not exhaustive. You should also consider carefully the statements set forth in the section entitled "*Risk Factors*" in Exhibit 99.2 attached to our report on Form 6-K filed with the SEC on July 17, 2024. You should not rely on these forward-looking statements, which speak only as of the filing date of this discussion and analysis unless the context requires otherwise. We undertake no obligation to publicly revise any forward-looking statement to reflect new information, changed circumstances or events after the filing date of this discussion and analysis or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we will file periodically with the SEC after the filing date of this discussion and analysis.

Additionally, statements that "Lilium believes" or "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the filing date of this discussion and analysis, and while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and you are cautioned not to unduly rely on these statements.

Although we believe the expectations reflected in the forward-looking statements are reasonable as of the filing date of this discussion and analysis, we cannot guarantee future results, level of activity, performance or achievements. Moreover, neither Lilium nor any other person assumes responsibility for the accuracy or completeness of any of these forward-looking statements. You should carefully consider the cautionary statements contained or referred to in this section in connection with the forward-looking statements contained in this discussion and analysis and any subsequent written or oral forward-looking statements that may be issued by Lilium or persons acting on our behalf.