

FREQUENTIS acquires parts of the ATM product segment from L3Harris Technologies

- **The acquisition underpins Frequentis' strong capabilities in voice communication solutions for civil and military Air Traffic Management ("ATM")**
- **The transaction is expected to be completed in the second half of the year 2021 and is subject to competition clearance and regulatory approvals**
- **The transaction will complement Frequentis' ATM product portfolio and is expected to contribute revenues of some EUR 30 million p.a. to Frequentis in the first full FY after closing**
- **Customers will benefit from an even broader ATM solution portfolio delivering greater capabilities and digitalisation**

Frequentis AG, a leading international supplier of communication and information solutions for safety-critical applications, has announced today that it had signed an agreement to acquire the ATM voice communications and arrival management product business from the US company L3Harris Technologies for a purchase price of USD 20.1 million (about EUR 16,58 million) subject to customary net debt and working capital based purchase price adjustments at Closing.

The transaction comprises the acquisition of

- the ATM voice communication systems product line of L3Harris, USA;
- the Harris ATC Solutions business unit of Harris Canada Systems Inc., Gatineau, Canada;
- 100% of the shares in Harris C4i Pty. Ltd., Melbourne, Australia; and
- 100% of the shares in Harris Orthogon GmbH, Bremen, Germany.

In addition to such acquisitions, L3Harris and Frequentis have entered into cooperation agreements under which Frequentis as an L3Harris' technology partner will provide voice communication products for use in L3Harris' large-scale solutions and services business.

This transaction marks a significant step in Frequentis' growth strategy and will complement Frequentis' portfolio for the civil and defence ATM sector. Moreover, Frequentis adds the leading arrival and

departure management solutions from L3Harris Orthogon to its offering. This is a next stage in Frequentis' strategy for ATM, in line with the previous acquisitions of Comsoft and ATRiCS.

Strong Strategic Rationale

“Even in the currently challenging times we are committed to advance and to continuously innovate. We want to serve our customers with the best solutions and accompany them in their digitalisation journey. The acquisition enables us to grow our global customer base. Traffic optimisation is crucial, even and above all, in times of low traffic. It is our commitment to an efficient and environmentally sustainable air traffic management environment, driven by digitalisation and automation“, says Norbert Haslacher, CEO of Frequentis. “This acquisition, as well as the strong cooperation agreed with L3Harris is perfectly in line with our corporate strategy and achieves a key step in the evolution of Frequentis as a global supplier of mission critical solutions.”

Benefits of the deal

Frequentis expects to benefit from significant enhancements in its ATM portfolio and market access:

- Australian-based C4i will be complementing the Frequentis ATM defence portfolio by its high secure interoperable communications solutions for mission-critical environments.
- Frequentis will continue to market Germany-based Orthogon's leading products for traffic synchronisation for ATC en-route, approach and airport ATC centres, including them in their offering for digital towers and centres.
- By acquiring the Harris ATC Solutions business unit of Harris Canada Systems, Frequentis will expand its technical solutions and add an even wider range of solutions to its already extensive portfolio. This will further strengthen Frequentis' capabilities as a global supplier of ATM communications solutions, particularly in the stream of large-scale IT based systems.

“This acquisition and the cooperation with L3Harris make us competitively stronger, with a greater scale. We are expanding in a market where we have a track record of success and a dedicated workforce serving customers around the world, in providing solutions that have to be outstanding in terms of reliability, security and efficiency.” Haslacher says.

Transaction Details

The transaction is expected to be completed in the second half of the year 2021 and is subject to competition clearance and regulatory approvals. The transaction consideration will be financed from

Frequentis' cash resources and existing credit lines. Following completion of the acquisition, Frequentis AG will retain a strong balance sheet and liquidity position.

About FREQUENTIS

Frequentis, headquartered in Vienna, is an international supplier of communication and information systems for control centres with safety-critical tasks. Such 'control centre solutions' are developed and marketed by Frequentis in the business sectors Air Traffic Management (civil and military air traffic control, air defence) and Public Safety & Transport (police, fire brigade, ambulance services, shipping, railways). As a global player, Frequentis operates a worldwide network of branches, subsidiaries, and local representatives in more than 50 countries.

Products and solutions from Frequentis can be found in over 30,000 operator working positions and in approximately 140 countries. Founded in 1947, Frequentis considers itself to be the global market leader in voice communication systems for air traffic control with a market share of around 30%. In addition, the Frequentis Group's AIM (aeronautical information management) and AMHS (aeronautical message handling) systems, as well as GSM-R systems for Public Transport are industry leading global solutions.

The shares of Frequentis AG are traded on the Vienna and Frankfurt Stock Exchange under the ticker symbol FQT (ISIN: ATFREQUENT09). In 2019, the Frequentis Group had about 1,850 employees worldwide and generated revenues of EUR 303.6 million and EBIT of EUR 17.2 million.

For more information, please visit www.frequentis.com

About L3 Harris

L3Harris Technologies is an agile global aerospace and defence technology innovator, delivering end-to-end solutions that meet customers' mission-critical needs. The company provides advanced defence and commercial technologies across air, land, sea, space and cyber domains. L3Harris has approximately \$18 billion in annual revenue, with customers in more than 100 countries.

More information: www.l3harris.com

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