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<td>Financial performance (p.8)</td>
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<td>Outlook (p.17)</td>
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## Strong increase in revenues and high orders on hand

<table>
<thead>
<tr>
<th>Revenues +7.0% to € 132.4m</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA positive at € 2.4m</td>
</tr>
<tr>
<td>EBIT improved to € -3.9m</td>
</tr>
<tr>
<td>Net profit increased to € -2.4m</td>
</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Order intake € 133.4m / -10.0%, second best intake for first half ever</th>
</tr>
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<tbody>
<tr>
<td>Orders on hand € 351.8m / -1.0%, about 15 months visibility</td>
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<table>
<thead>
<tr>
<th>Net cash € 64.7m, thereof € 26.9m advance payments</th>
</tr>
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<tbody>
<tr>
<td>Equity ratio 40.3%</td>
</tr>
<tr>
<td>Dividend proposal of € 0.10 for FY 2018</td>
</tr>
</tbody>
</table>
Order intake overview

Comments

- Order intake in H1 2019 below very strong H1 2018 level
- Majority of orders usually received in second half year
- Different annual order intake splits of segments prove resilience of growth path
- Increase in order intake expected for FY 2019
  - Order intake of € 306m for FY 2018 as reference base
  - Customer orders influenced by budgetary cycles of governments/govt. agencies

1) Orders > € 10m qualify as large order.
### Order intake highlights H1 2019

<table>
<thead>
<tr>
<th>Air Traffic Management / civil</th>
<th>Air Traffic Management / defence</th>
<th>Public Safety</th>
<th>Public Transport</th>
<th>Maritime</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Digital (remote) towers for …</td>
<td>• Comprehensive defence</td>
<td>• Multimedia control room solutions for …</td>
<td>• Numerous orders from installed base in Europe and overseas</td>
<td>• Global Maritime Distress and Safety System (GMDSS) for Greenland</td>
</tr>
<tr>
<td>• New Zealand</td>
<td>modernisation programmes for</td>
<td>• Scottish police authority</td>
<td>• Roll-out of new systems</td>
<td>• As of now, 18 countries use GMDSS from Frequentis</td>
</tr>
<tr>
<td>• Argentina</td>
<td>Slovak and Czech air forces</td>
<td>• Germany: police authorities in North Rhine-Westphalia and Rhineland-Palatinate</td>
<td>• Installation of new releases and upgrades</td>
<td></td>
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<tr>
<td>• Brazil</td>
<td>• US Navy (July): voice and data communication system for unmanned aerial vehicles (UAVs)</td>
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<td></td>
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<tr>
<td>Project highlights H1 2019</td>
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<tr>
<td><strong>Air Traffic Management / civil</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>- Amsterdam Schiphol airport: Two towers equipped with digital smartStrips as part of the modernisation programme by the Dutch air navigation service provider LVNL</td>
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</tr>
<tr>
<td><strong>Air Traffic Management / defence</strong></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>- Swiss Airforce: replacement of voice communication systems at seven military airfields - commissioning of the first two sites</td>
<td></td>
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<tr>
<td><strong>Public Safety</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>- Liechtenstein state police: Implementation of multimedia communication / dispatcher platform</td>
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<tr>
<td>- Continuous work for Norwegian safety net ‘Nødnett’</td>
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<tr>
<td><strong>Public Transport</strong></td>
<td></td>
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<tr>
<td>- Unified Railway Communication and Application (URCA): Implementation of a state-of-the-art communication solution for the Finnish transport infrastructure authority</td>
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<tr>
<td><strong>Maritime</strong></td>
<td></td>
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<tr>
<td>- Maritime communication system for South Korea: Acceptance passed</td>
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</tbody>
</table>
Comments

- Significant seasonality of profitability
  - Half-year results usually negative
  - Revenues and EBIT highest in H2 due to completion of site acceptance tests and finalisation of projects
  - Expenses (fixed costs like staff, raw materials etc.) incurred almost evenly in each quarter
Key figures for the Frequentis Group

<table>
<thead>
<tr>
<th>in EUR m</th>
<th>H1 2019</th>
<th>H1 2018</th>
<th>+/- in %</th>
<th>+/- in EUR m</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>133.4</td>
<td>148.3</td>
<td>-10.0%</td>
<td>-14.9</td>
<td>306.3</td>
</tr>
<tr>
<td>Orders on hand (as of end of period)</td>
<td>351.8</td>
<td>355.2</td>
<td>-1.0%</td>
<td>-3.4</td>
<td>355.2</td>
</tr>
<tr>
<td>Revenues</td>
<td>132.4</td>
<td>123.8</td>
<td>+7.0%</td>
<td>+8.6</td>
<td>285.8</td>
</tr>
<tr>
<td>EBITDA</td>
<td>2.4</td>
<td>-2.5</td>
<td>–</td>
<td>+4.9</td>
<td>21.6</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>1.8%</td>
<td>-2.0%</td>
<td>+3.8 PP</td>
<td>–</td>
<td>7.6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-3.9</td>
<td>-5.5</td>
<td>+29.1%</td>
<td>+1.6</td>
<td>15.6</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>-2.9%</td>
<td>-4.4%</td>
<td>+1.5 PP</td>
<td>–</td>
<td>5.5%</td>
</tr>
<tr>
<td>Net profit</td>
<td>-2.4</td>
<td>-3.8</td>
<td>+36.1%</td>
<td>+1.4</td>
<td>11.8</td>
</tr>
<tr>
<td>Net cash flow from operations</td>
<td>1.7</td>
<td>-5.9</td>
<td>–</td>
<td>+7.6</td>
<td>16.5</td>
</tr>
<tr>
<td>Net cash flow from operating activities</td>
<td>-6.1</td>
<td>2.8</td>
<td>–</td>
<td>-9.0</td>
<td>4.6</td>
</tr>
<tr>
<td>Total assets</td>
<td>30.06.2019</td>
<td>30.06.2018</td>
<td>+/- in %</td>
<td>+/- in EUR m</td>
<td>31.12.2018</td>
</tr>
<tr>
<td>Net cash</td>
<td>255.5</td>
<td>191.1</td>
<td>+33.7%</td>
<td>+64.4</td>
<td>198.0</td>
</tr>
<tr>
<td>Equity</td>
<td>64.7</td>
<td>55.6</td>
<td>+16.3%</td>
<td>+9.1</td>
<td>55.4</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>103.1</td>
<td>70.1</td>
<td>+46.9%</td>
<td>+32.9</td>
<td>85.6</td>
</tr>
<tr>
<td>Employees (average)</td>
<td>40.3%</td>
<td>36.7%</td>
<td>+3.6 PP</td>
<td>–</td>
<td>43.3%</td>
</tr>
<tr>
<td>Employees (average)</td>
<td>1.853</td>
<td>1.712</td>
<td>+8.2%</td>
<td>–</td>
<td>1.763</td>
</tr>
</tbody>
</table>
Continuous strong top-line growth and well-filled order books

Comments

- Strong increase in revenues
  - Air Traffic Management +6.4%
  - Public Safety & Transport +8.4%
- Revenue split:
  70% ATM and 30% PST (unchanged vs. previous period)
- Orders on hand almost at same level as last year
  - Strong growth at PST almost mitigated decline in ATM
  - Split of orders on hand:
    56% ATM, 44% PST (June 2019)
    64% ATM, 36% PST (June 2018)
Regional revenue split

**Comments**

- Europe dominates revenue split
- Deviation between regions mostly caused by revenue shift from award of larger orders
- Asia plus Australia / Pacific at same level as Americas (North and South America)

---

1) Including small orders (not allocated).
Improvements in EBITDA and EBIT

Note: IFRS 16 (Leases) applied from 01.01.2019 onwards / H1 2018 not restated

Comments

- Comparability of half-year and full-year data limited due to seasonality
- EBITDA with € +4.9m vs. H1’18
  - Thereof € +3.7m due to initial application of IFRS 16 (Leases)
- Depreciation increased to € 6.3m due to IFRS 16 in H1’19 (H1 2018: € 3.0m)
- EBIT improved by € +1.6m vs. H1’18
  - Thereof € +0.2m due to initial application of IFRS 16 in H1’19
- Some projects with higher margins contributed positively to the EBITDA and EBIT improvement
**Working capital overview**

**Components of working capital**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Net working capital in % of LTM (last twelve months) revenues</strong></td>
<td>16.0%</td>
<td>12.7%</td>
<td>13.2%</td>
<td>15.4%</td>
</tr>
<tr>
<td>in € m</td>
<td>38.7</td>
<td>34.0</td>
<td>37.6</td>
<td>45.2</td>
</tr>
<tr>
<td><strong>Inventories</strong></td>
<td>11.0</td>
<td>10.2</td>
<td>13.1</td>
<td>16.0</td>
</tr>
<tr>
<td><strong>Trade accounts receivable</strong></td>
<td>40.6</td>
<td>39.1</td>
<td>44.4</td>
<td>47.7</td>
</tr>
<tr>
<td><strong>Contract assets from contracts with customers</strong></td>
<td>29.9</td>
<td>33.5</td>
<td>40.9</td>
<td>43.6</td>
</tr>
<tr>
<td><strong>Contract costs</strong></td>
<td>0.0</td>
<td>0.0</td>
<td>1.7</td>
<td>1.5</td>
</tr>
<tr>
<td><strong>Contract liabilities from contracts with customers</strong></td>
<td>-33.6</td>
<td>-38.6</td>
<td>-48.6</td>
<td>-47.0</td>
</tr>
<tr>
<td><strong>Trade accounts payable</strong></td>
<td>-9.2</td>
<td>-10.3</td>
<td>-13.8</td>
<td>-16.6</td>
</tr>
</tbody>
</table>

**Comments**

- Net working capital in percent of last twelve months revenues at or below 16% in the past 3 ½ years
- Overall working capital increases as revenues increase, weighing on cash flow from operating activities
Financial policy framework

Maintain net cash position.

Equity ratio of >35%.

Capex of about € 5-6m per year.

Dividend policy
Payout of 20-30% of Frequentis Group net profits with a cap of 40% of net profits of Frequentis AG.
R&D – an important part of the Frequentis success story

Diverse R&D activities:
- research
- platform development
- product enhancements
- development for customer projects
- lifecycle and product management

R&D costs comprise both internal and customer-financed activities with the latter mostly taking place in the second half of the year.

R&D activities are fully expensed and not capitalised.
Some of the R&D expenses are covered by grants and subsidies (accounted for in other operating income).

R&D expenses:
€ 11.2m vs. € 10.6m in H1 2018, data based on IAS 38 (that is internal, not customer-financed R&D activities).
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<td>Outlook</td>
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</tbody>
</table>
Outlook 2019

Orders as at June 2019 secure >80% of revenues for FY 2019.

Order intake to increase in FY 2019 compared with € 306m in FY 2018.

R&D strategy pays off, remote / digital towers are just one example. Drones and 5G as additional R&D area.
Contact / Financial Calendar

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www.frequentis.com/en/ir
Innovationsstrasse 1
1100 Vienna, Austria

Financial Calendar 2019

28.08.2019  Half-year financial report 2019
10.09.2019  Record date for General Meeting
20.09.2019  Extraordinary general meeting, Vienna
15.10.2019  Last day on which shares can be bought with dividend entitlement
16.10.2019  Ex-dividend day
17.10.2019  Record date for dividend
18.10.2019  Dividend payment

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