

FREQUENTIS

FOR A SAFER WORLD



Exceptional | year
customers
stable revenue
operating profit
net cash situation
employees

Full year results 2020
7 April 2021

Highlights FY'20

Measures taken to tackle impact from COVID-19 paid off

Order intake
€ 314.6m

-5.7% vs. FY'19

Orders on hand
€ 427.6m

+9.2% vs. FY'19,
approx. 1 ½
years visibility

Revenue
€ 299.4m

-1.4% vs.
FY'19

EBITDA
€ 41.9m

+11.7m vs. FY'19

EBIT
€ 26.8m

+9.6m vs. FY'19

Net result
€ -3.4m /

€ 19.8m¹⁾

Equity ratio
40.7%

Net cash
€ 85.0m¹⁾

+9.4% vs. Dec.'19

¹⁾ Net result was € 19.8m without impairment of deposits at Commerzialbank Mattersburg (total € 30.9m, impact on net result was € 23.2m including tax effect).

²⁾ Net cash included € 50.2m advance payments from customers. Cash and cash equivalents amounted to € 91.3m, liabilities to banks were € 6.2m.

Resilient business model (9/11, financial crisis, COVID-19 pandemic)

Frequentis products are part of the safety-critical national infrastructure

- Infrastructure has to be available and ready for operation
- Demand for products not dependent on # of flights / flight movements, # of deployments of police / fire / emergency rescue services
- Budget behaviour of customers cannot be reliably estimated due to COVID-19

Note: ATM = Air Traffic Management.

¹⁾ Closing expected in second half 2021, FY 2022 first full year.

3 | Investor Presentation FY 2020

Investor Relations | © Frequentis Group April 2021

M&A strategy: we walk the talk

51% stake in ATRiCS



Software solutions to improve safety and digitalisation at airports

15% stake in Nemergent



Better exploitation of opportunities in safety-critical broadband communication

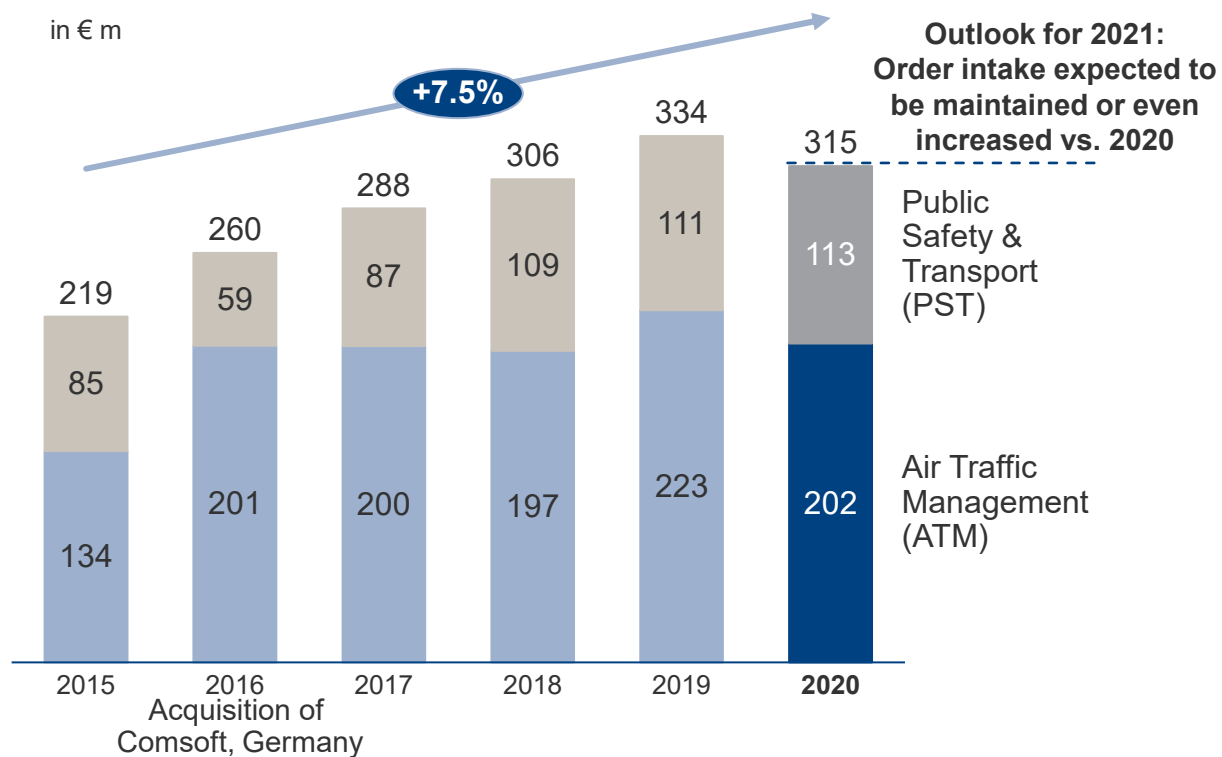
Intended 100% acquisition of parts from L3Harris



- complementing our ATM product portfolio
- cooperation agreement with L3Harris
- € 30m revenue expected in 2022¹⁾

FREQUENTIS

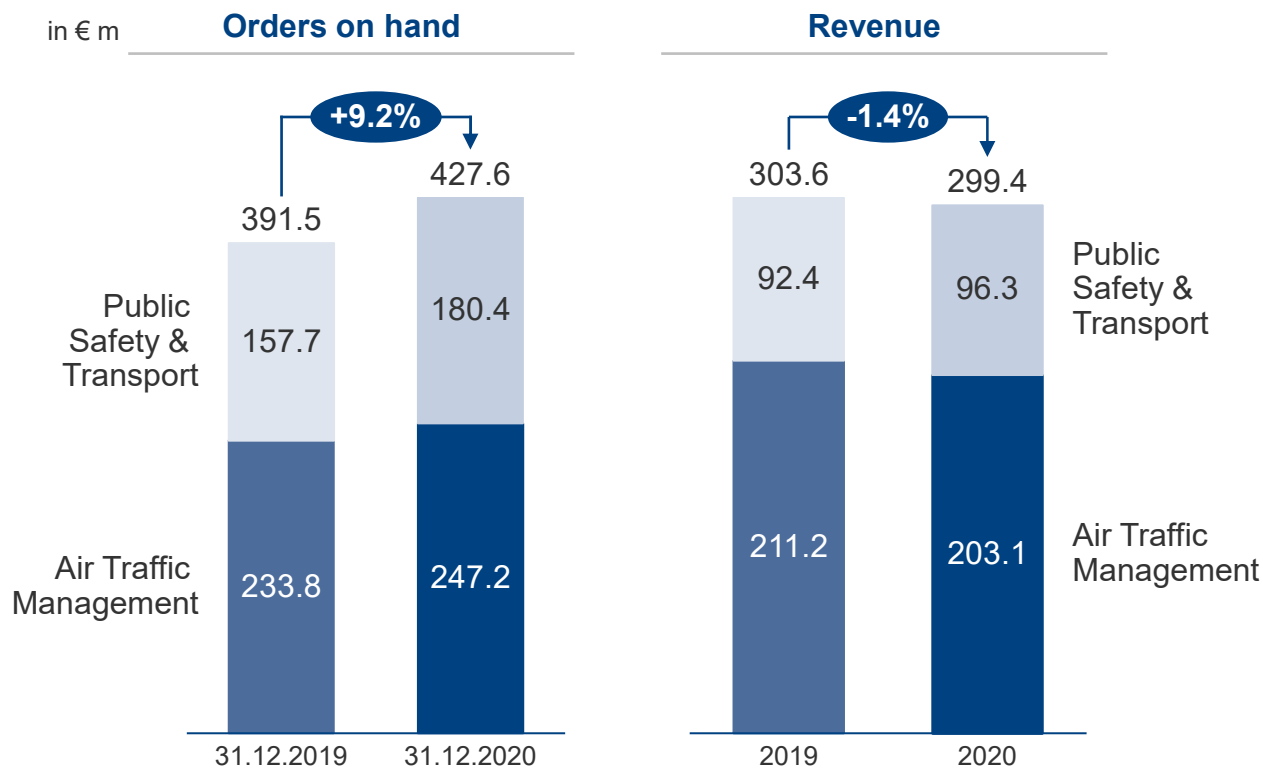
Order intake moderately lower in 2020



Comments

- Order intake -5.7% vs. 2019
 - Initiative 'Sales goes digital' ensured continuous order intake
 - Some investments postponed, mainly due to delay in tender processes
- Resilience of business model and growth path confirmed
- Well-filled tender and requirements pipeline for 2021

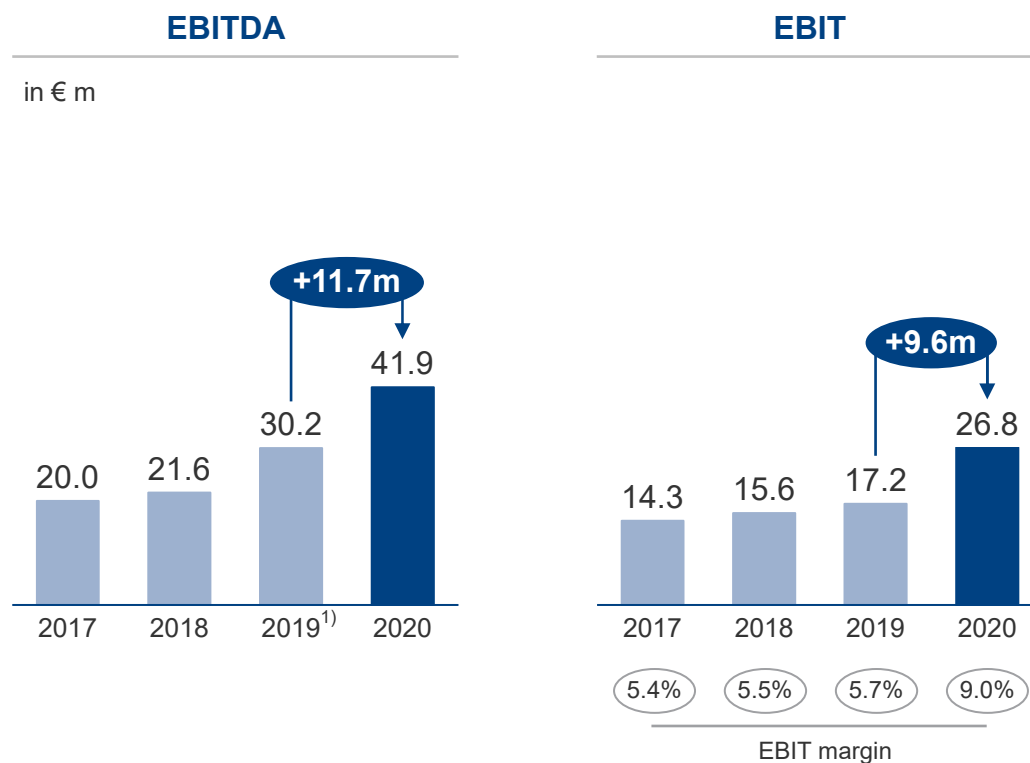
Well-filled order books, stable revenue despite pandemic challenges



Comments

- Orders on hand increased significantly
 - Public Safety & Transport +14.4%
 - Air Traffic Management +5.8%
- Stable revenue development despite pandemic challenges to execute projects
- Revenue split:
68% ATM, 32% PST
(2019: 70% ATM, 30% PST)

Exceptional level of EBITDA and EBIT



¹⁾ Initial application of IFRS 16 (Leases) from 2019 onwards (effect of € 7.1m in FY 2019 on EBITDA).

Comments

- EBITDA and EBIT in 2020 positively influenced by lower travel / trade show expenses due to travel restrictions
- Net result of € -3.4m (incl. full impairment of deposits at Commerzialbank Mattersburg) / € 19.8m (excl. impairment)
- EPS € -0.30 (incl. impairment) / € 1.50 (excl.) vs. € 0.93 in 2019
- Dividend of € 0.15 proposed, same level as last year

Financial policy framework

Maintain net cash position with minimum level of about 10% of Group revenues.

Equity ratio of >35%.

Capex of about € 5m in 2021, R&D expenses in 2021 above 2020 level of € 13m.



Dividend policy

Payout of 20-30% of Frequentis Group net profit with a cap of 40% of net profit of Frequentis AG.



Peter Skerlan – an experienced finance person

- Peter Skerlan, 1968 (age 52)
- Education
 - Management & Entrepreneurship, University of Applied Sciences Vienna, completed 2000
 - Studies of Business Administration / Accounting, University of London
- Professional career
 - 1989 Start in IT company as Head of hardware and major projects, also trainer and programmer in Visual Basic
 - 1999 Start at Frequentis as Controller for product management development, the TETRA projects, corporate research, public safety, and the US subsidiary
 - 2003 Head of regional / group accounting and cost accounting
 - 2006 VP Finance: Management of finance performance, processes
 - 2016-17 Director Finance at Frequentis Comsoft in Germany
 - 2021 CFO, responsible for all finance depts., HR, IT, Legal



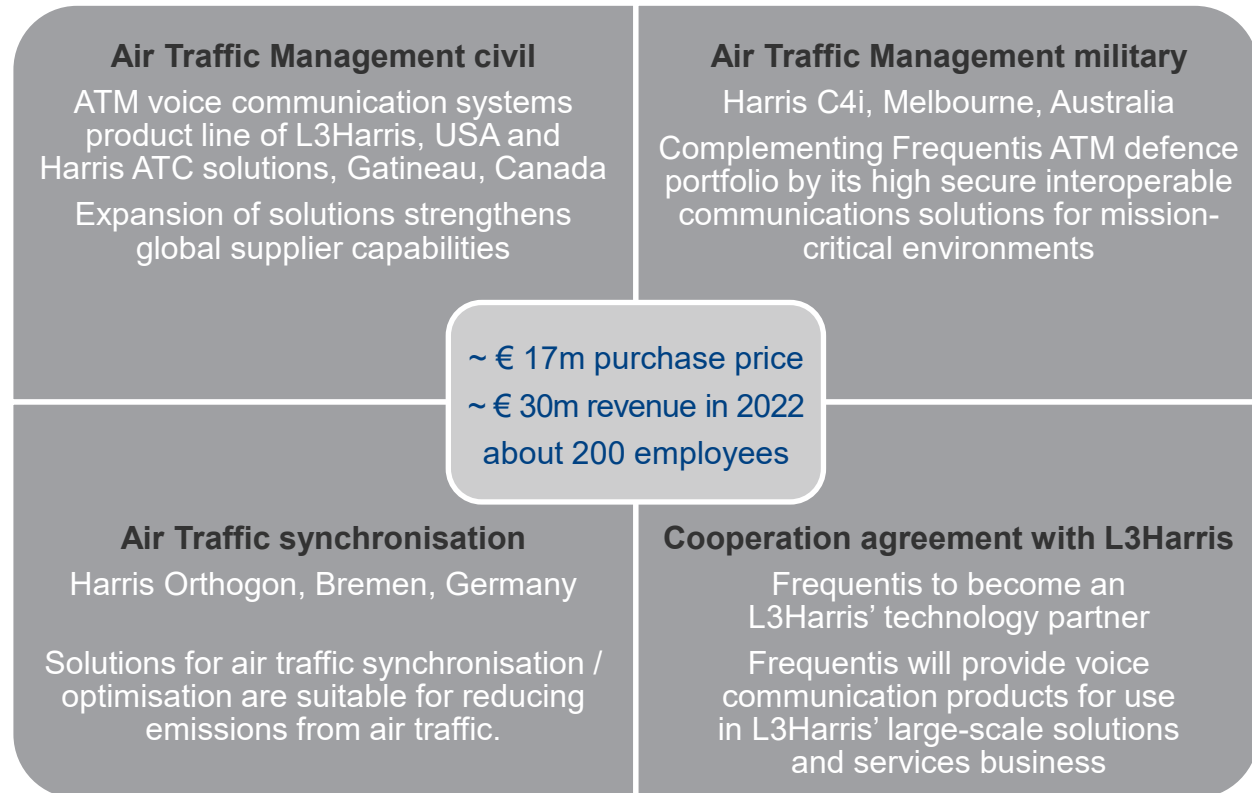
“I want to drive the growth and globalisation of Frequentis on the basis of sound financial management.”

Acquisition of units from US-based L3Harris

Rationale

- Get more of the € 13bn safety-critical control centre market: ~ € 2bn can be addressed today
- Growing global customer base
- Complementing Frequentis' ATM portfolio
- Cooperation will make us stronger, with greater scale

Note: Closing expected in second half 2021, subject to competition clearance and regulatory approvals.



“We want to serve our customers with the best solutions and accompany them in their digitalisation journey.”

Outlook and management agenda for 2021

Orders on hand of € 427.6m as at 31 December 2020 translate to revenue of approx. € 241.6m in 2021 and € 186.0m in 2022 and beyond.

Striving to roughly maintain, or even increase, revenue and order intake. EBIT margin of about 5-7%.

Focus on closing of acquisition and subsequent integration of the L3Harris units.



Expectations depending on pandemic development, travel restrictions, temporary shifts in orders / revenues, transaction / post-merger integration costs of acquisition of L3Harris units.



Contact / Financial Calendar

Investor Relations contact

Stefan Marin, Head of Investor Relations

+43 1 81150 - 1074

investor@frequentis.com

www.frequentis.com/en/ir

Innovationsstrasse 1

1100 Vienna, Austria

ISIN: ATFREQUENT09

Financial Calendar 2021

10.05.2021 Record date for General Meeting

20.05.2021 Annual General Meeting, Vienna

26.05.2021 Ex-dividend day

27.05.2021 Record date for dividend

28.05.2021 Dividend payment day

17.08.2021 Half-year financial report 2021

Conference / roadshow dates at www.frequentis.com/financialcalendar

Disclaimer: This document has been prepared by Frequentis AG for (hereinafter “Frequentis” or the “Issuer”) for information purposes only. It neither constitutes a financial analysis nor investment advice or recommendation, nor an offer to sell or a solicitation of an offer to buy any securities of the Issuer. Figures and any other contents in this document prepared by Frequentis are based on information from sources, which are reliable in the view of Frequentis, but have not been independently verified or audited. Rounding differences may arise. Frequentis is not obliged to update this document or to adjust it to future occurrences or developments. Despite careful examination, Frequentis does not make any declaration, guarantee, representation or warranty that this document is true, correct, complete, balanced and not misleading. Consequently, no reliance should be placed on the fairness, accuracy, completeness or correctness of this information or the opinions contained herein.

Frequentis may not be held liable for any damages resulting from or in connection with any potential errors and does, in particular, not assume any liability for damages or consequential damages resulting from the use of this document.

This document contains forward-looking statements. As such, such statements bear risks, uncertainties and other factors which may result in the actual results, financial condition, performance or achievement of objectives, of or by the Issuer materially differing from the results described in these forward-looking statements. Recipients of this information should not consider it as legal, tax or investment advice and should make their own assessment in respect thereof and other consequences resulting from investments in the Issuer and its securities, including the advantages of investments and the risks connected therewith. By accessing this information you confirm towards Frequentis that (i) you may receive this information in accordance with all applicable laws, and (ii) you are solely responsible for your own evaluation of the Issuer and that you will make your own analysis and that you are solely responsible to form your own opinion on the potential future development of the Issuer.

Appendix

Key figures for the Frequentis Group

All figures in € m unless otherwise stated.

Earnings data	2020	2019 ¹⁾	+/- in %	+/- in € m	2018	2017
Revenue	299.4	303.6	-1.4%	-4.3	285.8	266.9
EBITDA	41.9	30.2	+38.9%	+11.7	21.6	20.0
EBITDA margin	14.0%	9.9%	+4.1 PP	–	7.6%	7.5%
EBIT	26.8	17.2	+55.7%	+9.6	15.6	14.3
EBIT margin	9.0%	5.7%	+3.3 PP	–	5.5%	5.4%
Profit for the financial year	-3.4	12.5	–	-15.9	11.8	10.7
Earnings per share in €	-0.30	0.93	–	–	0.94	0.82

Order data	2020	2019	+/- in %	+/- in € m	2018	2017
Order intake	314.6	333.7	-5.7%	-19.1	306.3	287.8
Orders on hand (at year-end)	427.6	391.5	+9.2%	+36.1	355.2	335.3

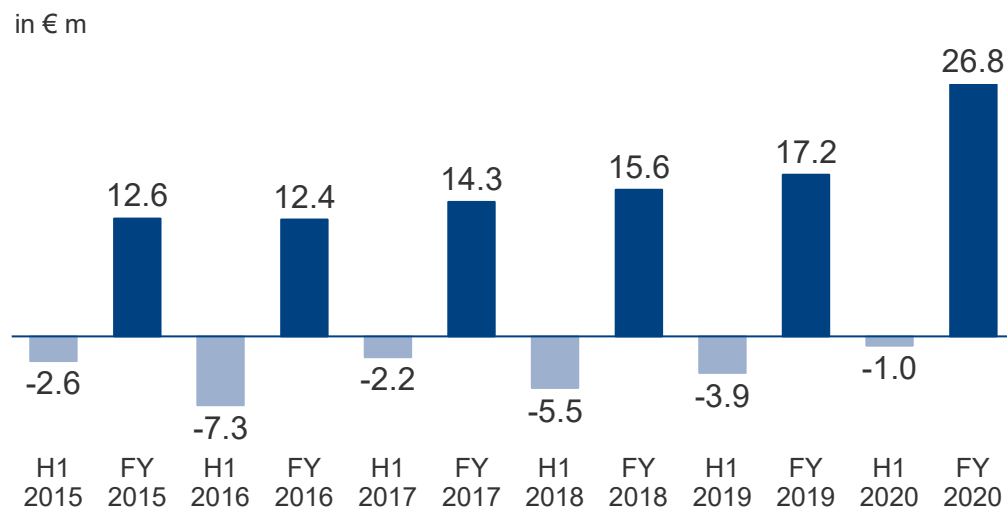
Statement of financial position	2020	2019 ¹⁾	+/- in %	+/- in € m	2018	2017
Total assets	277.6	272.1	+2.0%	+5.5	198.0	194.6
Shareholders' equity	113.0	116.2	-2.8%	-3.2	85.6	90.1
Equity ratio	40.7%	42.7%	-2.0 PP	–	43.3%	46.3%
Net cash	85.0	77.8	+9.4%	+7.3	55.4	70.0
No. of employees (average)	1.907	1.849	+3.1%	–	1.763	1.697

Cash flow statement	2020	2019 ¹⁾	+/- in %	+/- in € m	2018	2017
Cash Flow from operating activities	54.8	17.7	>+100%	+37.0	4.6	16.7
Cash Flow from investing activities	-7.0	-4.6	-53.4%	-2.4	-4.4	-4.4
Cash Flow from financing activities	-10.1	8.0	–	-18.1	-14.2	-3.7
Cash and cash equivalents at end of period	91.3	66.9	+36.5%	+24.4	45.5	77.7

¹⁾ Initial application of IFRS 16 (Leases) from 1 January 2019 (note 41 to the consolidated financial statements 2019).

Significant seasonality of profitability

Half-year EBIT vs. full-year EBIT

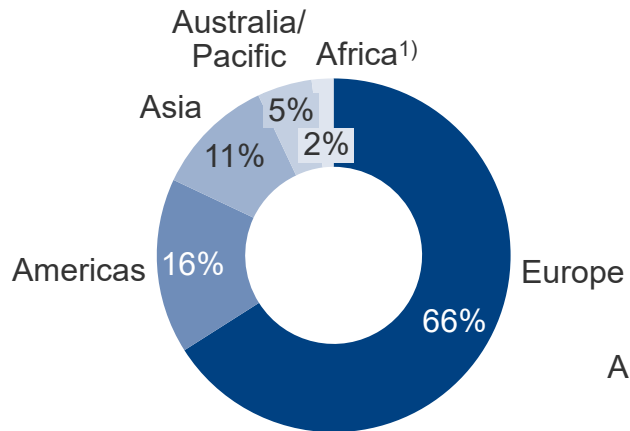


Comments

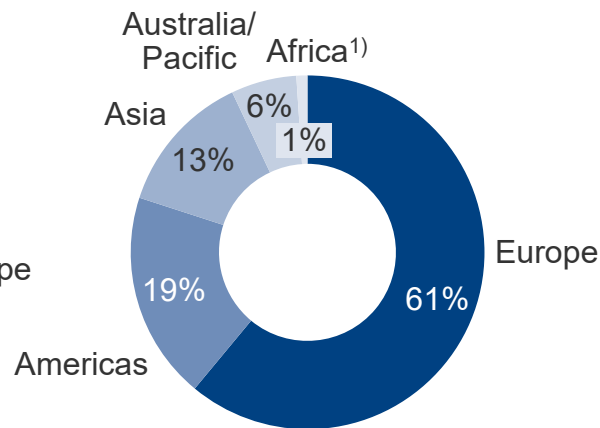
- Half-year results usually negative
- Revenues and EBIT highest in H2 due to completion of site acceptance tests and finalisation of projects
- Expenses (fixed costs like staff, raw materials, etc.) spread fairly evenly over the quarters

Regional revenue split

Revenue split FY 2020



Revenue split FY 2019

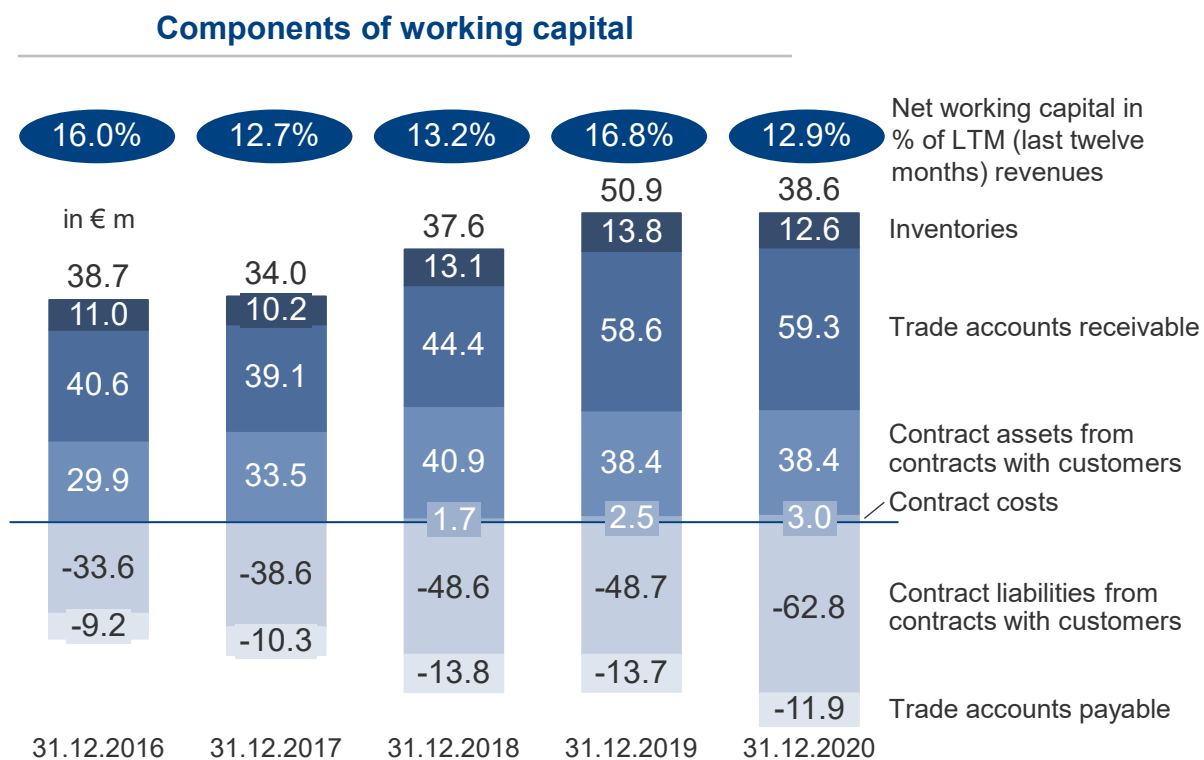


Comments

- Dominant European home market
- 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).

Working capital overview



Comments

- Net working capital in percent of last twelve months revenues below 17% in the past 5 years

Research & Development – 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.

Customer-financed activities mostly take place in the second half of the year.

R&D activities are fully expensed and not capitalised.



R&D expenses:
€ 12.8m in 2020 (2019: € 22.1m)
(data based on IAS 38, i. e. internal,
not customer-financed R&D activities).





FREQUENTIS

FOR A SAFER WORLD

Brussels
European
Small and Mid-Cap
★ AWARDS 2020
FESE
Europeansurers

Investor Relations newsletter
and inquiries:
investor@frequentis.com

ISIN: ATFREQUENT09
www.frequentis.com/en/ir
Stefan Marin, +43 1 81150 1074