



Half-year Financial Report

2025

Communication and
information solutions
for a safer world

Key figures Frequentis Group

All figures in EUR million, except where otherwise stated.

Earnings	H1 2025	H1 2024	+/- in %	+/- in EUR million	2024
Revenues	236.8	206.2	+14.8%	+30.5	480.3
EBITDA	5.2	6.7	-22.5%	-1.5	54.1
EBITDA margin	2.2%	3.3%	-1.1 PP	–	11.3%
EBIT	-4.3	-2.8	-56.0%	-1.6	32.1
EBIT margin	-1.8%	-1.3%	-0.5 PP	–	6.7%
Profit/loss for the period	-3.6	-2.1	-73.0%	-1.5	23.5
Earnings per share in EUR, basic	-0.32	-0.17	-89.6%	–	1.66
Earnings per share in EUR, diluted	-0.32	-0.17	-89.0%	–	1.65

Orders	H1 2025	H1 2024	+/- in %	+/- in EUR million	2024
Order intake	309.0	227.9	+35.6%	+81.1	583.8
Orders on hand at end of period	763.8	621.1	+23.0%	+142.6	724.0

Statement of financial position	30 June 2025	30 June 2024	+/- in %	+/- in EUR million	2024
Total assets	421.0	385.2	+9.3%	+35.8	394.8
Shareholders' equity	164.5	149.4	+10.1%	+15.1	174.8
Equity ratio	39.1%	38.8%	+0.3 PP	–	44.3%
Net cash	68.3	66.6	+2.5%	+1.7	81.8
No. of employees (average, in FTE) ¹	2,548	2,335	+9.2%	–	2,422

Cash flow statement	H1 2025	H1 2024	+/- in %	+/- in EUR million	2024
Cash flow from operating activities	0.0	-3.2	+99.8%	+3.2	22.1
Cash flow from investing activities	1.7	-6.6	–	+8.3	-15.6
Cash flow from financing activities	-3.2	-9.2	+65.7%	+6.0	-13.9
Cash and cash equivalents at end of period	63.7	55.5	+14.8%	+8.2	67.0

Note: Minimal arithmetical differences may arise from the application of commercial rounding to individual items and percentages.

¹ Average number of employees expressed as full-time equivalents (FTE).

Preface

Ladies and gentlemen,

Thanks to the high level of orders on hand at the end of 2024 and strong order intake during the reporting period, the Frequentis Group grew revenues by 14.8% in the first half of 2025. Due to its stable business model as a provider of systems and solutions for safety-critical applications, demand remains high. Order intake increased by 35.6% and orders on hand by 23.0%, paving the way for further growth.

Overview

We are satisfied with the first half of 2025, which confirms our growth momentum. We would like to thank our employees for their commitment and flexibility in securing order intake and project progress.

- Order intake increased by 35.6% to EUR 309.0 million (H1 2024: EUR 227.9 million)
- Orders on hand were 23.0% higher at EUR 763.8 million at end-June 2025 (June 2024: EUR 621.1 million)
- Revenues rose by 14.8% to EUR 236.8 million (H1 2024: EUR 206.2 million)
- Due to the normal seasonality of project progress, EBIT was EUR -4.3 million (H1 2024: EUR -2.8 million)
- The equity ratio rose to 39.1% (June 2024: 38.8%)
- The net cash position improved to EUR 68.3 million (June 2024: EUR 66.6 million).

Sustained strong growth

The previous year's order momentum continued in the first half of 2025, with order intake up by more than a third (EUR 81.1 million) at EUR 309.0 million. For the full year, the Frequentis Group anticipates that the rise in order intake will be in the low double-digit percentage range (compared with FY 2024). The Group's growth is therefore soundly underpinned.

Orders on hand climbed to EUR 763.8 million as at end-June 2025, which was EUR 142.6 million higher than at end-June 2024. Capacity utilisation is therefore correspondingly good and we are constantly adding new, qualified employees to our teams. The number of employees increased by 9.2% to an average of 2,548 FTEs in the first half of 2025 (H1 2024: 2,335 FTEs).

In the first half of 2025, revenues increased by 14.8% (EUR 30.5 million) to EUR 236.8 million (H1 2024: EUR 206.2 million). The revenue growth is deemed to be organic. The income and expense items show the following picture: The increase in other operating income and other operating expenses were mainly attributable to exchange rate differences resulting from fluctuations in the US dollar exchange rate. The exchange rate losses are largely offset by the exchange rate gains from changes in the fair value of forward exchange contracts. The cost of materials increased by 18.8%, which was above revenue growth of 14.8%. By contrast, personnel expenses rose by 11.3%, which was less than the relative rise in revenues.

Due to the customer structure – more than 90% of customers are public authorities – and type of project business, project progress and acceptances, and therefore revenues and profitability, are higher in the second half of the year. This generally leads to negative earnings in the first half. As a result of the seasonality of revenues and profitability, EBITDA was EUR 5.2 million in the first half of 2025 (H1 2024: EUR 6.7 million), and EBIT was EUR -4.3 million (H1 2024: EUR -2.8 million). As in the past, the second half will therefore be far more relevant for full-year profitability.

Our financials remain solid. Total assets amounted to EUR 421 million at end-June 2025, which was 9.3% higher than at end-June 2024, and equity rose by 10.1% to EUR 164.5 million (June 2024: EUR 149.9 million). The equity ratio was 39.1% at end-June 2025 (June 2024: 38.8%). The net cash position was EUR 68.3 million at end-June 2025 (June 2024: EUR 66.6 million). A 12.5% higher dividend of EUR 0.27 per share was paid to all shareholders for 2024.

Investment in infrastructure and defence

Increased investment by customers in mobility, safety, and security are driving Frequentis' growth in all business domains. As a result of the altered geopolitical situation, in the coming years we expect to see rising investment in military safety and security, in other words, air traffic control and air defence. However, we do not anticipate an immediate hike in order intake and revenues because procurement processes often take several years, with investment initially concentrating on hardware components (e.g. air defence systems) before these are integrated into control centres via software solutions. Military air traffic control accounted for approximately 20% of the Frequentis Group's revenues in 2024.

Changes at increasingly short notice

Both politically and economically all companies, including Frequentis, constantly face new issues as a result of statements made by politicians and business leaders. This can result in considerable turmoil on the international financial and commodity markets. Extreme positions are put forward more frequently than in the past. The principal challenge for us is identifying such issues at an early stage so we can derive soundly based estimates of their short and medium-term impact on our business. However, we feel that our experience of the project business places us in a good position to handle these challenges.

Forecast for 2025

The uncertainties and unpredictabilities remain unchanged and have increased in some respects. Here is an overview of the most relevant points:

- The war in Ukraine is in its fourth year
- The war between Israel and Hamas is continuing to cause tension
- The announcement and introduction of customs tariffs and protectionist measures
- Distortion on the IT hardware market
- Disruption of the current disinflation process.

Here is some more detailed information on the above points. Since the beginning of 2025, some countries have announced new customs tariffs and protectionist measures, some of which have already been implemented. The resulting distortion of both imports and exports has a significant effect on international trade and could have major economic consequences.

Frequentis considers that it is well-positioned in this respect as it has many years of experience with the impact of national and other official regulations, customs tariffs, and other measures. In addition, in countries such as the USA and Australia local value-added accounts for a high proportion of local revenues, so customs tariffs, for example, should only have a limited effect on Frequentis.

The outbreak of even limited conflicts can rapidly cause distortion of the global IT hardware market. In the project business, Frequentis has always had to address extensive challenges and dynamic changes in external influences and adapts constantly to the relevant conditions. The disinflation process, i.e. the politically driven reduction in inflation, could be negatively affected by a range of internal and external factors.

It is not possible to make a reliable estimate of exactly how the issues outlined above will affect revenues and costs, e.g. travel expenses, higher salaries, delays in passing on inflation-driven price rises to customers, and potential supply chain bottlenecks and delivery delays.

Expenses for company-funded research & development amounted to EUR 30.1 million in 2024 and will be around the same level in 2025. Capital expenditure (capex) for 2025 will be around EUR 12 million.

Depending on the aspects outlined above, Frequentis has the following targets for 2025 compared with 2024:

- Increase revenues by at least 10%
- Increase order intake in the low double-digit percentage range
- EBIT margin of around 6.5% to 7.0%.

Vienna, 8 August 2025

Best regards,

Norbert Haslacher
Chairman
of the Executive Board

Monika Haselbacher
Member
of the Executive Board

Peter Skerlan
Member
of the Executive Board

Karl Wannenmacher
Member
of the Executive Board

The share

Shareholder structure

Frequentis' core shareholder is Hannes Bardach. He holds around 68% of the shares (about 8% directly and about 60% indirectly through Frequentis Group Holding GmbH). B&C Holding Österreich GmbH holds more than 10% of the shares. The free float is approximately 22%, mainly investors from Germany, Austria, and other European countries.

Analysts

BankM (Daniel Großjohann, Roger Becker), Berenberg (Nicole Winkler), Erste Group (Daniel Lion), and ODDO BHF (Gautier Le Bihan, Philipp Hettich) regularly write analyses and notes on Frequentis.

Dividend and dividend policy

The Annual General Meeting on 5 June 2025 approved the proposal put forward by the Executive Board and Supervisory Board to pay a dividend of EUR 0.27 per share for 2024 (for 2023: EUR 0.24 per share). That is a further rise of 12.5%. As a result, around EUR 3.6 million was paid out, giving a dividend yield of 0.97% based on the closing price on the Vienna Stock Exchange at end-December 2024 (2023: 0.88% based on the closing price at end-December 2023).

Frequentis' dividend policy is to pay out around 20-30% of adjusted profit of the Frequentis Group after tax each year – bearing in mind the annual ceiling of around 40% of the net profit of Frequentis AG reported in the individual financial statements of Frequentis AG prepared in compliance with the Austrian Commercial Code (UGB).

Treasury shares

As at 30 June 2025, Frequentis AG held 3,920 treasury shares (31 December 2024: 10,577; 30 June 2024: 10,577).

Key share data

		XETRA Frankfurt	Vienna Stock Exchange
Closing price on 30 June 2025	in EUR	50.80	51.00
Lowest price (closing price) in H1 2025	in EUR	27.00	27.40
Highest price (closing price) in H1 2025	in EUR	50.80	51.00
No. of shares outstanding as at 30 June 2025	in millions	13.28	13.28
Market capitalisation as at 30 June 2025	in EUR million	674.6	677.3
Share price performance in H1 2025 (30 June 2025 vs. 31 December 2024)		+88.8%	+83.5%
Share price performance since the IPO in May 2019 (30 June 2025 vs. issue price of EUR 18.00)		+182.2%	+183.3%
Index performance in H1 2025 (30 June 2025 vs. 31 December 2024)		DAX +20.1%	ATX +20.9%

Investor Relations contact

Frequentis' investor relations website at www.frequentis.com/en/ir provides extensive information for shareholders: press releases, presentations, videos, financial reports, a share chart, the financial calendar, and information on corporate governance.

Contact: Stefan Marin, +43 1 81150 1074, investor@frequentis.com

The background of the slide is a photograph of a laptop screen. The screen displays a dark blue interface with several lighter blue rectangular elements, possibly representing data or a report. A large, semi-transparent dark blue rectangle is overlaid on the right side of the screen, containing the title text. The overall color scheme is dominated by various shades of blue.

Group Management Report as at 30 June 2025

Economic environment

Compared to other sectors of the economy, the areas in which the Frequentis Group operates (information and communication solutions for civil and military air traffic control, emergency services, rail and water transport) have relatively low cyclical exposure. Frequentis' business performance would be adversely affected by a significant global decline in one of these five areas. Frequentis cannot completely avoid general economic developments. However, it supplies safety-critical infrastructure, which cannot be dispensed with and has to be upheld and maintained even in periods of crisis.

The International Monetary Fund (IMF) published its World Economic Outlook Update in July 2025¹. Global growth is projected to be 3.0% in 2025, slightly below the 2024 growth rate of 3.3%.

The IMF anticipates that a rebound in effective tariff rates could lead to weaker growth. Elevated uncertainty could start weighing more heavily on activity, also as deadlines for additional tariffs expire without progress on substantial, permanent agreements. Geopolitical tensions could disrupt global supply chains and push commodity prices up. On the upside, global growth could be lifted if trade negotiations lead to a predictable framework and to a decline in tariffs.

The IMF projects that the US economy will grow by 1.9% in 2025 and that the economy in the euro zone will grow by 1.0%. For the major economies in the euro zone it predicts differing growth rates in 2025, led by Spain (2.5%), ahead of France (0.6%), Italy (0.5%), and Germany (0.1%). The forecast for the UK is 1.2% growth in 2025.

For the emerging and developing economies in Asia, the projection is 4.1% growth in 2025. The IMF assumes growth of 2.2% for Latin America and 3.4% for the Middle East and Central Asia in 2025.

¹ <https://www.imf.org/en/Publications/WEO/Issues/2025/07/29/world-economic-outlook-update-july-2025>

Business performance

Thanks to the high level of orders on hand at the end of 2024 and strong order intake, the Frequentis Group grew revenues by 14.8% in the first half of 2025. Due to its stable business model as a provider of communication and information systems for control centres in the safety-critical sector, demand remains high. Order intake rose by 35.6% and orders on hand increased by 23.0%, paving the way for further growth.

Due to the customer structure and type of project business, project progress and acceptances, and therefore revenues and profitability, are higher in the second half of the year. This generally leads to negative earnings in the first half. In line with this seasonal pattern, EBIT was EUR -4.3 million in the first half of 2025. As in the past, the second half will therefore be far more relevant for full-year profitability.

Impact of the geopolitical situation

In addition to the war in Ukraine, which has been going on since February 2022 and is now in its fourth year, Hamas' attack on Israel in October 2023 led to the outbreak of a further war with potentially global consequences. Moreover, there are longer-term crises such as the climate crisis and the recurrent distortion and price volatility on the energy market.

It is therefore possible to talk about a polycrisis, where individual crises have a compound effect. At the same time, Europe, in particular, is stepping up investment in military infrastructure and public safety.

These crises affect Frequentis' internal and external stakeholders in many different ways. No revenues have been generated with the Russian Federation, Belarus, or in the Palestinian territories since 2023. Since 2022, the wars have had an indirect effect through higher prices, especially for electricity, gas, and fuels.

Consequently, prices of other everyday products increased. Inflation therefore rose sharply almost everywhere in the world and was well above the average for previous years in both 2022 and 2023. This resulted in the need to adjust prices for existing and new customer projects. However, inflation dropped perceptibly in 2024.

The annual inflation-related salary adjustments based on individual and collective salary agreements have been reflected in the Frequentis Group's personnel expenses since 2022. In view of the declining inflation rate in 2024, salary rises in 2025 are expected to be lower than in 2024.

The recurrent supply chain bottlenecks caused by various factors in previous years (e.g. attacks on trade routes) and the at times sharp price hikes and delivery delays resulting from this have been almost non-existent since 2024.

Order intake

Order intake in the Frequentis Group was EUR 309.0 million in the first half of 2025, an increase of 35.6% (EUR 81.1 million) compared with the first half of 2024, when order intake was EUR 227.9 million. For the 2025 financial year as a whole, the rise in order intake in the Frequentis Group is expected to be in the low double-digit percentage range.

The distribution of order intake was as follows: the Air Traffic Management segment accounted for 52% (EUR 160.5 million; H1 2024: 64%, EUR 145.9 million) and the Public Safety & Transport segment accounted for 48% (EUR 148.6 million; H1 2024: 36%, EUR 81.9 million).

Highlights of order intake in the Air Traffic Management segment

In civil air traffic control, the Federal Aviation Administration (FAA) in the USA has awarded Frequentis a nationwide contract to implement the air-to-ground protocol control system (APCS) for the US National Airspace System, which supports over one billion passengers a year. The APCS will replace the existing radio control equipment units. Migrating from the current analogue and time division multiplexing communication protocols to digital internet protocol (IP) communications has many benefits including enhanced communications, increased efficiency, and added security.

Add-on orders, order modifications and extensions of maintenance and services agreements were received from customers, for example in Australia, Belgium, Latvia, Mexico, and South Africa.

In the military air traffic control business, Frequentis is strengthening its international market position in the mission-critical defence sector and reinforcing its technological edge in real-time communications for joint military deployments. This is supported by the strategic partnership between its Australian subsidiary C4i and Lockheed Martin Australia for the delivery of sovereign multi-domain communication systems for the Australia Defence Force's AIR6500 programme.

A contract from the German armed forces to test a scalable UTM service in real conditions reinforces Frequentis' position in military air traffic control and makes a key contribution to safely integrating uncrewed aerial vehicles into the controlled air space.

Highlights of order intake in the Public Safety & Transport segment

Frequentis' Public Safety business domain is building an integrated, uniform state-wide operations and control centre system for the Thuringian state police in Germany. As general contractor, Frequentis is responsible for planning, installation, and commissioning. The contract uses the Frequentis LifeX communication system. The new system is ready for use with Germany's future digital broadband network and enables multimedia communications. This contract expands the company's leading market position in operations technology for police organisations in Germany. More than half of Germany's 16 federal states already rely on Frequentis' technology.

The regional security centre of the Austrian federal state of Burgenland had opted for the FlagMii EML software developed by Frequentis' subsidiary Regola. This system, which is already deployed in Italy, enables emergency calls by video. This is the first time the system is to be implemented in Austria. The solution works without installing an additional app on the caller's smartphone and improves the overview of the situation for the emergency services.

All Norwegian fire emergency call centres are to be equipped with the future-proof LifeX communication system, which will handle calls, radio, video and digital messages – and offer the flexibility to support future needs.

The Public Transport business domain has secured the contract for two operating centres and is therefore entering the market with a rail company in southern Europe. In Switzerland, the Swiss railways' future-oriented programme (Service BTA) has been extended. In Austria, Frequentis has been awarded a managed service contract by a local public transport company.

The Nordic railway operators are stepping up their partnership with Frequentis, especially in Norway and Finland. The projects aim to upgrade dispatcher communications by introducing enhanced functions at their terminals to improve daily work and facilitate the transition to the next-generation Future Railway Mobile Communication System (FRMCS).

The Maritime business domain reports new orders to modernise the port of Hamburg, expansion of orders for the Dutch coastguard and the port of Singapore, and the extension of maintenance and service agreements, for example, in Canada, the Netherlands, and South Africa.

Orders on hand

Orders on hand totalled EUR 763.8 million as at end-June 2025, an increase of 23.0% (EUR 142.6 million) compared with end-June 2024 (EUR 621.1 million). The Air Traffic Management segment accounted for around 57% of total orders on hand (June 2024: 64%) and the Public Safety & Transport segment for 43% (June 2024: 36%).

Revenues and operating performance

In the first half of 2025, revenues increased by 14.8% (EUR 30.5 million) to EUR 236.8 million (H1 2024: EUR 206.2 million). The revenue growth is deemed to be organic. The Air Traffic Management segment grew revenues by 13.8% to EUR 165.2 million. In the Public Safety & Transport segment, revenues were 17.6% higher at EUR 71.5 million. The revenue split between the Air Traffic Management and Public Safety & Transport segments was 70% : 30% in the first half of 2025 (H1 2024: 70% : 30%).

The breakdown of revenues by region in the first half of 2025 was as follows:

- Europe 61% (H1 2024: 64%)
- Americas 23% (H1 2024: 17%)
- Asia 9% (H1 2024: 12%)
- Australia / Pacific 6% (H1 2024: 5%)
- Africa 1% (H1 2024: 1%)
- <1% (H1 2024: 1%) were not allocated to a region.

The change in inventories of finished goods and work in progress was EUR 0.9 million in the first six months of 2025 (H1 2024: EUR 2.9 million). Own work capitalised declined to EUR 0.4 million (H1 2024: EUR 1.4 million) as most of the voice communication systems produced for leasing were developed in previous years.

The other operating income increased to EUR 8.3 million (H1 2024: EUR 3.9 million), driven principally by changes in the fair value of forward exchange contracts (EUR +3.3 million), which were mainly attributable to fluctuations in the US dollar exchange rate. The exchange rate gains offset a high proportion of the exchange rate losses (see other operating expenses). The other items in other operating income are grants and subsidies for research and development costs and income from research subsidies. The operating performance increased by 14.9% to EUR 246.4 million in the first half of 2025 (H1 2024: EUR 214.5 million).

Earnings

The cost of materials and purchased services increased by 18.8% to EUR 58.4 million (H1 2024: EUR 49.2 million), which was higher than the percentage rise in revenues. Personnel expenses rose 11.3% to EUR 144.1 million (H1 2024: EUR 129.5 million), which was below the relative rise in revenues. The increase was due to the increase in the headcount and salary rises.

The other operating expenses rose by 33.0% to EUR 38.7 million (H1 2024: EUR 29.1 million), principally as a result of higher exchange rate differences (EUR +4.2 million year-on-year), travel expenses (EUR +1.1 million), and licence fees (EUR +1.0 million).

The increase in exchange rate differences is mainly due to fluctuations in the US dollar exchange rate. The exchange rate losses are largely offset by the exchange rate gains from changes in the fair value of forward exchange contracts. Travel expenses increased year-on-year to EUR 7.9 million (H1 2024: EUR 6.8 million), which was 3.3% of revenues in the first half of 2025 (H1 2024: 3.3%). Frequentis strives to keep travel expenses at around 3-4% of revenues. The licence fees were mainly for commercial business software.

EBITDA (earnings before interest, taxes, depreciation, amortisation, and impairment losses) declined to EUR 5.2 million in the first six months of 2025 (H1 2024: EUR 6.7 million). The EBITDA margin (relative to revenues) was 2.2% in the first half of 2025, compared with 3.3% in the first half of 2024.

Depreciation and amortisation was unchanged at EUR 9.5 million (H1 2024: EUR 9.5 million).

As a result of all the changes outlined above, EBIT declined by 1.6% to EUR -4.3 million in the first half of 2025 (H1 2024: EUR -2.8 million). The EBIT margin (relative to revenues) was -1.8%, compared with -1.3% in the first half of 2024.

Financial income was EUR 0.5 million in the first half of 2025 and thus lower than in the first half of 2024 (EUR 0.6 million). Financial expenses (which also include interest on leases in accordance with IFRS 16) increased to EUR 1.1 million (H1 2024: EUR 0.7 million). Earnings of investments accounted for at equity were unchanged at EUR 0.3 million (H1 2024: EUR 0.3 million).

Frequentis made a loss before tax of EUR 4.6 million in the first half of 2025 (H1 2024: loss before tax of EUR 2.6 million). Income taxes were EUR 1.0 million (H1 2024: EUR 0.5 million), in other words, in both periods there was income tax income. This was due to deferred taxes.

Frequentis made a loss for the period of EUR 3.6 million in the first half of 2025 (H1 2024: loss of EUR 2.1 million). Basic earnings per share were EUR -0.32 in the first half of 2025 (H1 2024: EUR -0.17) and diluted earnings per share were EUR -0.32 (H1 2024: EUR -0.17).

Employees

The number of employees increased by 9.2% to an average of 2,548 FTEs in the first half of 2025 (H1 2024: 2,335 FTEs). Around 1,190 FTEs, which was about half of the total, were employed in Austria.

Asset and capital structure

Total assets increased by 6.6% to EUR 421.0 million as at end-June 2025 (end-December 2024: EUR 394.8 million; end-June 2024: EUR 385.2 million), partly due to an increase in trade accounts receivable and contract assets. At end-June 2025, the equity ratio was 39.1% (end-December 2024: 44.3%, end-June 2024: 38.8%). Equity decreased by EUR 10.3 million to EUR 164.5 million as at end-June 2025 (end-December 2024: EUR 174.8 million, end-June 2024: EUR 149.4 million).

The net cash position (cash and cash equivalents and time deposits less liabilities to banks and other financial liabilities) was EUR 68.3 million as at end-June 2025, which was below the net cash position of EUR 81.8 million recorded at the end of December 2024 (end-June 2024: EUR 66.6 million).

Non-current assets amounted to EUR 96.6 million at the end of June 2025 (end-December 2024: EUR 103.5 million). The three largest items here were property, plant and equipment, which totalled EUR 64.1 million (end-December 2024: EUR 70.3 million), intangible assets which amounted to EUR 14.2 million (end-December 2024: EUR 15.4 million), and goodwill, which was EUR 8.6 million (end-December 2024: EUR 8.6 million). The reduction in property, plant and equipment was due, alongside ongoing depreciation, to the sale of technical plant produced by the company in previous years, principally for operating leases.

Current assets totalled EUR 324.4 million at the end of June 2025 (end-December 2024: EUR 291.3 million). The most important item here is trade accounts receivable, which amounted to EUR 94.6 million (end-December 2024: EUR 80.1 million). The rise was due to higher invoices to customers. The next most important items were contract assets, which totalled EUR 83.6 million (end-December 2024: EUR 70.9 million), cash and cash equivalents, including time deposits, which amounted to EUR 73.2 million (end-December 2024: EUR 82.0 million), and inventories, which totalled EUR 42.6 million (end-December 2024: EUR 32.9 million). The increase in inventories was principally due to an increase in stocks of work in progress relating to a major project for a customer in North America.

On the liabilities side, the main item was equity of EUR 164.5 million as at end-June 2025 (end-December 2024: EUR 174.8 million).

The second largest item comprised current liabilities, which amounted to EUR 174.3 million as at end-June 2025 (end-December 2024: EUR 132.6 million). Contract liabilities accounted for EUR 84.7 million of this amount (end-December 2024: EUR 57.6 million). The increase in contract liabilities was mainly attributable to higher advance payments by customers.

Non-current liabilities (third-largest item on the liabilities side) totalled EUR 82.2 million at the end of June 2025 (end-December 2024: EUR 87.4 million). The biggest component of this was non-current lease liabilities, which totalled EUR 38.4 million (end-December 2024: EUR 41.3 million).

Cash flow

The cash flow from operations was EUR 1.9 million in the first half of 2025 (H1 2024: EUR 1.9 million).

The cash flow for operating activities improved to EUR 0.0 million in the first half of 2025 (H1 2024: outflow of EUR 3.2 million) and was influenced by the positive changes in contract liabilities and the change in contract assets, which was set against the change in trade accounts receivable – in other words, changes in net working capital.

The cash flow from investing activities was EUR 1.7 million in the first half of 2025 (H1 2024: outflow of EUR 6.6 million). Capital expenditure (cash outflow for the purchase of intangible assets, property, plant and equipment) was EUR 4.5 million, which was higher than in the first half of 2024, when it was EUR 4.0 million. The free cash flow (cash flow from operating activities plus cash flow from investing activities) was EUR 1.7 million (H1 2024: EUR -9.8 million).

The cash outflow for financing activities improved to EUR 3.2 million in the first half of 2025 (H1 2024: outflow of EUR 9.2 million).

The total cash outflow in the first half of 2025 was therefore EUR 1.5 million (H1 2024: outflow of EUR 19.0 million). Cash and cash equivalents, excluding time deposits, were EUR 63.7 million as at end-June 2025 (end-June 2024: EUR 55.5 million).

Information on business relations with related parties

Transactions with associated companies and related parties are not material and mainly comprise deliveries of goods and services. These transactions are undertaken exclusively on an arm's length basis. For details see

[➤ Consolidated financial statements as at 31 December 2024, note 37.](#)

Segment performance

Air Traffic Management / ATM

The Air Traffic Management (ATM) segment comprises the ATM Civil and ATM Defence business domains. This segment focuses on civil and military air traffic control organisations and therefore generally on one to two customers per country. It is estimated that the market entry barriers are relatively high.

The business domains have similar products. In the Defence business domain, there is also demand for additional encryption solutions. The safety and quality management requirements are the same: the international regulations for standardisation of air traffic issued by the International Civil Aviation Organization (ICAO) apply. Moreover, the infrastructure to be installed for customers (radar, radio transmission, networks) is comparable.

Frequentis' ATM portfolio for the defence sector comprises communication and information systems for air defence and military air traffic control, systems for networked operational management and tactical networks, management and information systems, including systems for integrated use by different authorities, and encrypted, interoperable communication systems for mission-critical applications.

Revenues in the Air Traffic Management segment grew by 13.8% to EUR 165.2 million in the first half of 2025 (H1 2024: EUR 145.2 million). EBIT was EUR -7.4 million (H1 2024: EUR -3.5 million). As in the past, the second half will therefore be far more relevant for full-year profitability.

Highlights from the operating business

In the civil air traffic management business, the voice communication system at the Deutsche Flugsicherung (DFS) upper airspace control centre in Karlsruhe, Germany, has undergone significant modernisation to ensure safe operation until at least 2035. The upgrades included new hardware, improved collaboration features between the four DFS control centres, and enhanced cybersecurity for German airspace, starting at 7,500 metres.

The Frequentis Departure Manager has come into service at London Gatwick airport. Air traffic controllers and passengers benefit from enhanced efficiency and on-time performance in this intensively used airspace.

The United Arab Emirates' General Civil Aviation Authority (GCAA) undertook a major upgrade to its aeronautical management system (AIM) with Frequentis Comsoft to meet the rising demands of international air traffic. The upgrade enhances efficiency, automation, and data networking and implements the ICAO's AIM roadmap.

Frequentis and the Lithuanian air navigation provider Oro Navigacija received the ATM Award for Innovation to Enable Sustainable Future Skies at Airspace World, the leading global trade show for air traffic management in Lisbon. Together, they developed a cloud-based uncrewed traffic management (UTM) system that complies European regulatory standards to safely integrate drones in Lithuania's low-level airspace.

In the area of military air traffic control, Frequentis installed the first digital tower for the US Department of Defense at the US Army Garrison Katterbach in Germany to allow modern, sensor-based tracking and enhanced situational awareness.

The Colombian Air Force has modernised its air defence systems with Frequentis technology and upgraded half of the national military air traffic control. This significant upgrade integrates advanced communication technologies and provides secure, real-time data transmission and improved mission coordination.

Public Safety & Transport / PST

The Public Safety & Transport segment comprises the Public Safety, Public Transport, and Maritime business domains. Its customers are public authorities or related organisations with monitoring and control functions.

The Public Safety business domain's customers are the police, fire, and rescue services. Police organisations also require additional encryption solutions. Alongside conventional rail operators, the Public Transport business domain's customers include local public transport providers. The Maritime business domain focuses on coastguards and port authorities.

The business domains have similar products and the infrastructure to be installed for customers (phones, radio transmission, networks) is comparable. Despite several international standardisation efforts, different national and regional requirements and regulations still apply.

Revenues in the Public Safety & Transport segment increased by 17.6% to EUR 71.5 million in the first half of 2025 (H1 2024: EUR 60.8 million). EBIT rose to EUR 2.9 million (H1 2024: EUR 0.9 million).

Highlights from the operating business

In the Public Safety business domain, the Hamburg fire brigade is using Frequentis' LifeX communication system with its innovative voice response system for emergency call prioritisation during severe weather events to significantly reduce response times in crisis situations. As part of the PERLE project, Hamburg is one of the first fire brigades in Germany to adopt the Interactive Voice Response (IVR) technology, enabling it to gain crucial seconds that can make a life-saving difference.

Frequentis won the International Critical Communications Award (ICCA) 2025 in the category "Best MCX Product or Solution of the Year" for its MissionX Android SDK solution (MCX stands for mission-critical communication). This platform is the world's first client solution certified by the Global Certification Forum. It enables reliable broadband communications for mission-critical users.

In the Public Transport business domain, key acceptance procedures were performed for the first MCX projects, which were ordered last year.

In the major French project, the first factory acceptance procedures were performed, so the next phase, field tests at the customer's location, can start. Building up the French team in Paris is progressing rapidly.

In the Maritime business domain, acceptance procedures with customers were completed for projects in Germany, Singapore, the Netherlands, and Sweden.

Opportunity and risk management

For information on opportunities and risks, please refer to the [➤ Group Management Report as at 31 December 2024 on page 133f. of the Annual Report 2024](#).

Outlook

Forecast for 2025

The uncertainties and unpredictabilities remain unchanged and have increased in some respects. Here is an overview of the most relevant points:

- The war in Ukraine is in its fourth year
- The war between Israel and Hamas is continuing to cause tension
- The announcement and introduction of customs tariffs and protectionist measures
- Distortion on the IT hardware market
- Disruption of the current disinflation process.

Here is some more detailed information on the above points. Since the beginning of 2025, some countries have announced new customs tariffs and protectionist measures, some of which have already been implemented. The resulting distortion of both imports and exports has a significant effect on international trade and could have major economic consequences. Frequentis considers that it is well-positioned in this respect as it has many years of experience with the impact of national and other official regulations, customs tariffs, and other measures. In addition, in countries such as the USA and Australia local value-added accounts for a high proportion of local revenues, so customs tariffs, for example, should only have a limited effect on Frequentis.

The outbreak of even limited conflicts can rapidly cause distortion of the global IT hardware market. In the project business, Frequentis has always had to address extensive challenges and dynamic changes in external influences and adapts constantly to the relevant conditions.

The disinflation process, i.e. the politically driven reduction in inflation, could be negatively affected by a range of internal and external factors.

It is not possible to make a reliable estimate of exactly how the issues outlined above will affect revenues and costs, e.g. travel expenses, higher salaries, delays in passing on inflation-driven price rises to customers, and potential supply chain bottlenecks and delivery delays.

Expenses for company-funded research & development amounted to EUR 30.1 million in 2024 and will be around the same level in 2025. Capital expenditure (capex) for 2025 will be around EUR 12 million.

Depending on the aspects outlined above, Frequentis has the following targets for 2025 compared with 2024:

- Increase revenues by at least 10%
- Increase order intake in the low double-digit percentage range
- EBIT margin of around 6.5% to 7.0%.

The background of the slide features a blurred image of a laptop and a calculator. A solid blue rectangular overlay is positioned in the center, containing the title text in white.

Consolidated Financial Statements as at 30 June 2025

Consolidated income statement

	Note	01-06/2025 EUR thousand unaudited	01-06/2024 EUR thousand unaudited
Revenues	(3) (4)	236,758	206,215
Change in inventories of finished goods and work in progress	(3)	902	2,889
Own work capitalised	(3)	415	1,426
Other operating income	(3) (5)	8,295	3,932
Total income (operating performance)		246,370	214,462
Cost of materials and purchased services		-58,402	-49,156
Personnel expenses		-144,056	-129,479
Other operating expenses	(6)	-38,687	-29,088
Earnings before interest, taxes, depreciation, amortisation, and impairment losses (EBITDA)		5,225	6,739
Depreciation of property, plant and equipment and amortisation of intangible assets	(7)	-9,547	-9,509
Earnings before interest and taxes (EBIT)	(3)	-4,322	-2,770
Financial income		501	570
Financial expenses		-1,070	-722
Earnings from investments accounted for at equity		303	292
Profit/loss before tax		-4,588	-2,630
Income taxes		967	537
Profit/loss for the period		-3,621	-2,093
Profit/loss attributable to:			
Equity holders of the company		-4,279	-2,259
Non-controlling interests		658	166
		-3,621	-2,093
Basic earnings per share		-0.32	-0.17
Diluted earnings per share		-0.32	-0.17

Consolidated statement of comprehensive income

	Note	01-06/2025 EUR thousand unaudited	01-06/2024 EUR thousand unaudited
Profit/loss for the period		-3,621	-2,093
Items that may be reclassified to the income statement in subsequent periods			
Foreign currency translation		-2,339	154
Items that may not be reclassified to the income statement			
Remeasurement of post-employment benefits		-49	-31
Income taxes		11	5
Other comprehensive income, net of tax		-2,377	128
Total comprehensive income		-5,997	-1,965
Total comprehensive income attributable to:			
Equity holders of the company		-6,645	-2,146
Non-controlling interests		647	181
		-5,997	-1,965

Consolidated statement of financial position

		30 June 2025 EUR thousand unaudited	31 Dec. 2024 EUR thousand audited
ASSETS	Note		
Non-current assets			
Property, plant and equipment		64,055	70,295
Intangible assets		14,246	15,427
Goodwill		8,577	8,596
Investments accounted for at equity		3,562	3,259
Other non-current financial assets	[9]	1,754	1,846
Deferred tax assets		4,435	4,061
		96,629	103,484
Current assets			
Inventories		42,587	32,926
Trade accounts receivable		94,581	80,107
Contract assets	[8]	83,558	70,922
Contract costs		2,164	2,541
Other current financial assets	[9]	4,381	1,469
Other current non-financial assets	[9]	18,742	18,765
Income tax receivables		5,192	2,598
Time deposits		9,507	14,992
Cash and cash equivalents		63,677	66,994
		324,389	291,314
Total assets		421,018	394,798

		30 June 2025 EUR thousand unaudited	31 Dec. 2024 EUR thousand audited
LIABILITIES AND EQUITY			
	Note		
Shareholders' equity			
Share capital	(10)	13,280	13,280
Capital reserves		21,138	21,138
Retained earnings	(10) (11)	129,665	138,163
Treasury shares		-116	-314
Foreign currency translation		-2,716	-387
Equity attributable to equity holders of the parent company		161,251	171,880
Non-controlling interests		3,235	2,880
Total shareholders' equity		164,486	174,760
Non-current liabilities			
Liabilities to banks and other financial liabilities		0	23
Provisions	(12)	22,089	21,584
Lease liabilities		38,442	41,257
Other non-current financial liabilities	(13)	14,297	14,531
Deferred tax liabilities		7,358	10,044
		82,186	87,439
Current liabilities			
Liabilities to banks and other financial liabilities		4,915	126
Contract liabilities	(8)	84,663	57,645
Trade accounts payable		28,685	23,443
Provisions	(12)	14,838	19,017
Lease liabilities		8,263	8,119
Other current financial liabilities	(13)	3,534	6,207
Other current non-financial liabilities	(13)	26,910	15,673
Current tax liabilities		2,538	2,369
		174,346	132,599
Total shareholders' equity and liabilities		421,018	394,798

Consolidated cash flow statement

	Note	01-06/2025 EUR thousand unaudited	01-06/2024 EUR thousand unaudited
Profit/loss before tax		-4,588	-2,630
Net interest income/expense		569	152
Foreign currency translation		566	-448
Profit/loss from the disposal of non-current assets		-482	12
Depreciation of property, plant and equipment and amortisation of intangible assets		9,547	9,509
Earnings from investments accounted for at equity		-303	-292
Change in provisions	(12)	-3,723	-4,659
Income/expense relating to changes in variable purchase price payments		46	24
Other non-cash income/expenses		313	249
Net cash flow from operations		1,945	1,917
Change in inventories		-9,660	-6,848
Change in trade accounts receivable		-12,714	4,633
Change in contract assets	(8)	-12,636	-20,271
Change in contract costs		377	81
Change in other receivables	(9)	-2,784	1,898
Change in trade accounts payable		5,237	2,264
Change in contract liabilities	(8)	27,019	7,509
Change in other liabilities	(13)	8,262	9,975
Change in net working capital		3,101	- 759
Interest paid		-1,035	-726
Interest received		487	716
Income taxes paid		-4,505	-4,316
Net cash flow from operating activities		-7	-3,168

	Note	01-06/2025 EUR thousand unaudited	01-06/2024 EUR thousand unaudited
Cash inflows from the sale of intangible assets		0	0
Cash inflows from the sale of property, plant and equipment		1,467	16
Cash inflows from time deposits		24,483	33,736
Cash outflows for the purchase of intangible assets		-418	-526
Cash outflows for the purchase of property, plant and equipment		-4,124	-3,505
Cash outflows for time deposits		-18,999	-34,738
Cash outflows for non-current financial assets		-712	-1,020
Cash outflows for investments accounted for at equity		0	-561
Net cash flow from investing activities		1,697	-6,598
Dividends paid to owners	(10)	-3,585	-3,185
Dividends paid to non-controlling interests		-306	-609
Cash outflows for the acquisition of non-controlling interests		0	-1,428
Cash inflows from loans and other financing		4,851	471
Cash outflows for repayment of loans and other financing		-83	-500
Cash outflows for payments of principal on lease liabilities		-4,042	-3,983
Net cash flow from financing activities		-3,165	-9,234
Change in cash and cash equivalents:			
Net cash flow from operating activities		-7	-3,168
Net cash flow from investing activities		1,697	-6,598
Net cash flow from financing activities		-3,165	-9,234
Net change in cash and cash equivalents		-1,475	-19,000
Cash and cash equivalents at start of period		66,994	74,180
Cash-flow related change in cash and cash equivalents		-1,475	-19,000
Foreign currency translation		-1,842	299
Cash and cash equivalents at end of period		63,677	55,479

Consolidated statement of changes in shareholders' equity

in EUR thousand	Share capital	Capital reserves	IAS 19 reserve	Option reserve	Retained earnings	Treasury shares	Foreign currency translation	Equity attributable to equity holders of the parent company	Non-controlling interests	Total shareholders' equity
Note				[11]		[10]				
As at 1 January 2025	13,280	21,138	-4,241	870	141,534	-314	-387	171,880	2,880	174,760
Profit/loss for the period					-4,279			-4,279	658	-3,621
Other comprehensive income			-37				-2,328	-2,366	-11	-2,376
Total comprehensive income			-37		-4,279		-2,328	-6,645	647	-5,997
Dividends					-3,585			-3,585	-306	-3,891
Change in treasury shares					-94	198		104		104
Changes in connection with put options					-406			-406	13	-393
Other changes				-97				-97		-97
As at 30 June 2025	13,280	21,138	-4,278	773	133,171	-116	-2,716	161,251	3,235	164,486

in EUR thousand	Share capital	Capital reserves	IAS 19 reserve	Option reserve	Retained earnings	Treasury shares	Foreign currency translation	Equity attributable to equity holders of the parent company	Non-controlling interests	Total shareholders' equity
Note				[11]		[10]				
As at 1 January 2024	13,280	21,138	-4,536	798	123,440	-544	-109	153,467	2,157	155,624
Profit/loss for the period					-2,259			-2,259	166	-2,093
Other comprehensive income			-42				156	114	15	128
Total comprehensive income			-42		-2,259		156	-2,146	181	-1,965
Dividends					-3,185			-3,185	-609	-3,794
Change in treasury shares					-42	230		188		188
Acquisition of non-controlling interests					-188			-188	4	-184
Changes in connection with put options					-687			-687	354	-333
Other changes				-181				-181		-181
As at 30 June 2024	13,280	21,138	-4,578	617	117,078	-314	47	147,269	2,086	149,355

Selected notes to the condensed consolidated interim financial statements

1. General information

These interim financial statements include Frequentis AG and its subsidiaries (subsequently referred to as the Frequentis Group, Frequentis, or the Group).

Frequentis AG is a company established under Austrian law. Its registered address is Innovationsstrasse 1, 1100 Vienna, Austria, and it has been listed on the Vienna and Frankfurt stock exchanges since May 2019.

The consolidated interim financial statements of Frequentis AG have been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) as adopted by the European Union, and therefore in accordance with the provisions of IAS 34. They are presented in condensed form.

In the opinion of the management, the consolidated interim financial statements contain all adjustments required to provide a true and fair view of the Frequentis Group's net assets, financial position, and results of operations. The consolidated interim financial statements have not been audited, nor have they been subject to a review. They should be read in conjunction with the audited consolidated financial statements of the Frequentis Group as at 31 December 2024 and are not necessarily indicative of the year-end results for 2025.

Compared to other sectors of the economy, the areas in which the Frequentis Group operates (information and communication systems for civil and military air traffic control, emergency services, rail, and water transport) have relatively low cyclical exposure. Within the sector, the individual segments of the Frequentis Group are exposed to the same fluctuations as their competitors (lower revenues and earnings in the first and second quarters and higher revenues and earnings in the third and fourth quarters). This is because a high proportion of the Frequentis Group's customers are public authorities and government-related businesses, which often only utilise their budget for the current year in the final quarter since they only take the related decisions in the third or fourth quarter. Consequently, the Frequentis Group normally generates a considerable proportion of its revenues in the second half of the year and usually reports negative earnings during the first half of the year as fixed costs are incurred evenly during the year.

Rounding may result in minor discrepancies in totals and percentages as a result of the use of automatic data processing.

Consolidated group

Besides Frequentis AG, which is the parent company of the consolidated group, the consolidated financial statements of Frequentis AG include 6 (31 December 2024: 6) domestic subsidiaries and 31 (31 December 2024: 31) foreign subsidiaries controlled by Frequentis AG.

There were no changes to the consolidated group in the first half of 2025.

2. Accounting policies

The interim financial statements are prepared in accordance with IAS 34 “Interim Financial Reporting” and require estimates and assumptions that affect the amounts reported. The significant assumptions and key sources of estimation uncertainty remain unchanged from those set out in the notes to last year’s consolidated financial statements. The actual results could differ from these estimates.

New and amended standards and interpretations

When preparing the consolidated interim financial statements, the following amendment to existing IAS/IFRS standards and interpretations was applied, as well as the new standards and interpretations, insofar as they had been endorsed by the European Union by 30 June 2025 and were effective at that date:

- Effects of Changes in Foreign Exchange Rates (IAS 21)

Where applicable, the above amendment was applied in these consolidated interim financial statements. The effects of the changes on the financial statements were insignificant.

Notes to the consolidated income statement and statement of financial position

3. Segment report

Operating segments

- Air Traffic Management
- Public Safety & Transport

The Air Traffic Management (ATM) segment comprises the ATM Civil and ATM Defence business domains. This segment focuses on civil and military air traffic control organisations and therefore generally on one to two customers per country. It is estimated that the market entry barriers are relatively high.

The business domains have similar products. In the Defence business domain, there is also demand for additional encryption solutions. The safety and quality management requirements are the same: the international regulations for standardisation of air traffic issued by the International Civil Aviation Organization (ICAO) apply. Moreover, the infrastructure to be installed for customers (radar, radio transmission, networks) is comparable.

Frequentis' ATM portfolio for the defence sector comprises communication and information systems for air defence and military air traffic control, systems for networked operational management and tactical networks, management and information systems, including systems for integrated use by different authorities, and encrypted, interoperable communication systems for safety-critical applications.

The Public Safety & Transport segment comprises the Public Safety, Public Transport, and Maritime business domains. Its customers are public authorities or related organisations with monitoring and control functions.

The Public Safety business domain's customers are the police, fire, and rescue services. Police organisations also require additional encryption solutions. Alongside conventional rail operators, the Public Transport business domain's customers include local public transport providers. The Maritime business domain focuses on coastguards and port authorities.

The business domains have similar products and the infrastructure to be installed for customers (phones, radio transmission, networks) is comparable. Despite several international standardisation efforts, different national and regional requirements and regulations still apply.

Disclosures on the operating segments

The chief operating decision maker of the Frequentis Group is the Executive Board. The accounting policies applied by the individual segments are the same as those for the Frequentis Group. Earnings before interest and taxes (EBIT) are used for internal reporting and correspond to the segment result as defined in IFRS 8.23. There are no inter-segment revenues. The amounts in the column headed reconciliation/consolidation mainly comprise transactions that cannot be allocated clearly to one segment and were undertaken for both segments.

01-06/2025	Air Traffic Management EUR thousand	Public Safety & Transport EUR thousand	Reconciliation/ consolidation EUR thousand	Total EUR thousand
Revenues	165,206	71,511	41	236,758
Change in inventories of finished goods and work in progress	-1,081	-997	2,981	902
Own work capitalised	43	205	167	415
Other operating income	5,661	2,495	139	8,295
Total income (operating performance)	169,828	73,214	3,328	246,370
EBIT	-7,405	2,866	218	-4,322
Impairment losses	0	0	0	0

01-06/2024	Air Traffic Management EUR thousand	Public Safety & Transport EUR thousand	Reconciliation/ consolidation EUR thousand	Total EUR thousand
Revenues	145,203	60,817	194	206,215
Change in inventories of finished goods and work in progress	876	884	1,128	2,889
Own work capitalised	1,146	238	43	1,426
Other operating income	2,687	640	605	3,932
Total income (operating performance)	149,912	62,579	1,970	214,462
EBIT	-3,468	857	-159	-2,770
Impairment losses	0	0	0	0

Segment assets and segment liabilities are not disclosed here because the internal reporting that is transmitted to the Executive Board does not include a breakdown of assets between the two segments.

Details of Group-wide data

Neither in the reporting period nor in the prior-year period did the Frequentis Group generate more than 10% of its total revenues with any single customer.

Orders on hand as at 30 June 2025 totalled EUR 763,774 thousand (30 June 2024: EUR 621,140 thousand). The ATM segment accounted for EUR 432,337 thousand (30 June 2024: EUR 377,838 thousand) of this amount and the PST segment for EUR 331,436 thousand (30 June 2024: EUR 243,302 thousand).

4. Revenues

The revenue split by category in the reporting period was as follows:

	01-06/2025 EUR thousand	01-06/2024 EUR thousand
New products and/or new customer business	99,386	79,011
IBB (installed base business)	128,631	120,559
Other revenues	8,741	6,645
	236,758	206,215

The regional breakdown of revenues by end-users was as follows:

	01-06/2025 EUR thousand	01-06/2024 EUR thousand
Europe	144,338	131,437
Americas	53,855	35,524
Asia	20,994	24,164
Australia/Pacific	13,882	10,728
Africa	2,304	2,550
Small orders (not allocated)	1,384	1,811
	236,758	206,215

The line item "small orders" relates to revenues from customer contracts that were not allocated to the other categories in the above table.

5. Other operating income

	01-06/2025 EUR thousand	01-06/2024 EUR thousand
Changes in the fair value of forward exchange contracts	3,346	89
Grants and subsidies for research and development costs	1,751	1,615
Exchange rate differences	933	924
Gain from the sale of intangible assets, property, plant and equipment	857	1
Income from research incentives	567	566
Miscellaneous other operating income	841	737
	8,295	3,932

Grants and subsidies, including research incentives, are recognised in income when the conditions for their granting are fulfilled and the grants have either already been paid or it is reasonably sure that they will be paid.

The increase in changes in the fair value of forward exchange contracts is mainly due to fluctuations in the US dollar exchange rate. These exchange rate gains largely offset the exchange rate losses presented in other operating expenses.

6. Other operating expenses

	01-06/2025 EUR thousand	01-06/2024 EUR thousand
Travel expenses	7,879	6,768
Exchange rate differences	4,550	343
Licenses (terms of up to 1 year)	3,548	2,569
Other consulting expenses	2,838	2,572
External personnel	2,814	2,254
Advertising	2,752	2,141
Insurance expenses	1,750	1,616
Maintenance	1,313	1,252
Transport	1,140	891
Legal and consulting expenses	1,133	1,154
Energy	1,033	954
Operating expenses (buildings)	964	907
Staff recruitment	916	935
Cleaning	700	670
Telephone and communications expenses	695	690
Vehicles	682	727
Changes in the fair value of forward exchange contracts	95	844
Miscellaneous	3,885	1,801
	38,687	29,088

The increase in exchange rate differences is mainly due to fluctuations in the US dollar exchange rate. The exchange rate losses are largely offset by the exchange rate gains from changes in the fair value of forward exchange contracts.

7. Depreciation of property, plant and equipment and amortisation of intangible assets

	01-06/2025 EUR thousand	01-06/2024 EUR thousand
Depreciation of right-of-use assets	4,658	4,781
Depreciation of property, plant and equipment and amortisation of intangible assets	4,482	4,358
Depreciation and amortisation of low-value assets	407	370
	9,547	9,509

8. Contract assets and contract liabilities

	30 June 2025 EUR thousand	31 Dec. 2024 EUR thousand
Contract assets	125,578	112,467
Advance payments received from customers	-42,020	-41,545
	83,558	70,922

The contract assets mainly result from performance obligations already satisfied by the Group but not yet invoiced. Contract assets are reclassified to trade accounts receivable when there is an unconditional right to receive consideration. This is normally the case when the Group issues an invoice for the goods and services provided.

It is assumed that there are no relevant default risks for the contract assets recognised. In the case of orders for which the Group makes advance payments, the creditworthiness of customers is carefully reviewed. These orders primarily relate to work for public authorities or major international companies.

The increase in contract assets compared with 31 December 2024 is the net result of a large number of newly commenced and invoiced projects.

Contract liabilities comprise obligations to transfer goods or services to customers, for which consideration has already been received. These primarily relate to advance payments, some of which are secured by prepayment guarantees. In addition, in some cases payments are secured by bank guarantees. No collateral existed, either on the reporting dates or during the year.

The following table shows the structure of contract liabilities:

	30 June 2025 EUR thousand	31 Dec. 2024 EUR thousand
Advance payments received from customers for projects	101,949	78,851
Advances offset against contract assets	-39,358	-38,193
	62,591	40,658
Other contract liabilities	6,915	6,347
Other contract liabilities offset against contract assets	-2,662	-3,352
	4,253	2,995
Accrued revenue for maintenance contracts	17,022	13,636
Liabilities for outstanding performance obligations for customer orders after final invoicing (current)	391	217
Liabilities for outstanding performance obligations for customer orders after final invoicing (non-current)	406	139
Total contract liabilities	84,663	57,645

Other contract liabilities contain contractual claims to advance payments.

The increase in advance payments received from customers for projects is mainly attributable to a major project in North America.

9. Other assets

	30 June 2025 EUR thousand	31 Dec. 2024 EUR thousand
Loan to Nemergent Solutions S.L.	1,014	1,049
Pension reinsurance	482	482
Equity instruments	22	22
Other financial assets	236	293
Other non-current financial assets	1,754	1,846
Positive fair value of MTM valuation	2,635	263
Receivables from grants and subsidies	1,313	883
Other financial assets	433	323
Other current financial assets	4,381	1,469
Prepaid expenses and deferred charges	11,935	9,839
Receivables from research grants and incentives	2,508	4,657
Receivables from fiscal authorities (excluding income taxes)	3,167	2,791
Claims to compensation payments	1,000	1,000
Other assets	132	478
Other current non-financial assets	18,742	18,765

10. Share capital and retained earnings

Treasury shares

At the Annual General Meeting of Frequentis AG on 6 June 2024, the Executive Board was authorised, pursuant to Section 65 (1b) of the Austrian Companies Act (AktG), for a period of five years from the date of the resolution, therefore up to and including 5 June 2029, with the consent of the Supervisory Board but without a further resolution by the General Meeting, to sell or use treasury shares, including in a manner other than by sale on the stock exchange or by means of a public offer, in particular

- a) to grant shares to employees, senior managers, and/or members of the Executive Board or the managing boards of its affiliates, including for purposes of share transfer programmes, in particular stock options, long-term incentive plans, and other stock ownership plans,
- b) to deliver shares under convertible bonds issued by Frequentis AG,
- c) as consideration for the acquisition of entities, business operations, parts of business operations or shares in one or several domestic or foreign companies, and
- d) for any other legally permissible purpose,

and to exclude the subscription rights of shareholders. This authorisation may be exercised in full or in part or in several tranches and for several purposes.

At the Annual General Meeting of Frequentis AG on 6 June 2024, the Executive Board was authorised, for a period of 30 months, to purchase shares in Frequentis AG pursuant to Section 65 (1) subsections 4 and 8 AktG, in an amount of up to 10% of the company's share capital, both via the stock market and outside the stock exchange, and to exclude the general selling possibilities of shareholders related to such purchase. Furthermore, the Executive Board was authorised to reduce the share capital by cancelling shares in Frequentis AG without a further resolution of the General Meeting.

With the approval of the Supervisory Board, in May 2024 and May 2025 the Executive Board passed a resolution to transfer to the Chairman of the Executive Board 7,908 treasury shares for the achievement of the targets for the LTIP 2021 and 6,657 treasury shares for the achievement of the targets for the LTIP 2022, under exclusion of the subscription rights of existing shareholders.

As at 30 June 2025, Frequentis held 3,920 treasury shares (31 December 2024: 10,577). The total number of issued shares was 13,280,000 (31 December 2024: 13,280,000).

The development of shareholders' equity is presented in the consolidated statement of changes in shareholders' equity.

Dividend

The Annual General Meeting of Frequentis AG on 5 June 2025 passed a resolution to pay a dividend of EUR 0.27 per no-par-value share entitled to the dividend for the 2024 financial year. The dividend less statutory capital gains tax of 27.5% was paid in June 2025.

11. Share-based payment

Frequentis AG agreed long-term incentive plans with the Chairman of the Executive Board, Mr. Norbert Haslacher, in 2022, 2023, 2024, and 2025 (LTIP 2022, LTIP 2023, LTIP 2024, and LTIP 2025).

The share-based payment is measured in accordance with IFRS 2 at fair value on the grant date. The expense is allocated over the required vesting period. Since the agreements stipulate that the shares awarded under the LTIP cannot be settled in cash, the share-based payment is recognised in a separate item of equity.

The participant in the plans is not required to make a personal investment in Frequentis AG shares. From the grant date, in each calendar year the beneficiary can sell a maximum of one third of the shares awarded under the LTIPs. However, the beneficiary may only sell the number of shares awarded under the current LTIPs or any subsequent long-term incentive plan if, at all times, he holds at least 7,000 of the shares awarded under a long-term incentive plan ("minimum shareholding").

The service period for the fulfilment of the targets has been set at three years for all LTIPs. The targets for the key indicators were set by the Supervisory Board. On the settlement date (at the earliest three years after the grant date), assuming 100% target achievement, a maximum of 18,000 shares (gross – before deduction of taxes and fees), and at most 200% of the beneficiary's annual gross base salary will be granted. Settlement is effected by transferring the number of shares corresponding to the net amount of the award to the respective securities account.

The entitlement to the maximum number of shares arises at 100% target achievement. A lower target achievement level will result in a proportionate reduction in the entitlement. No shares will be allocated if target achievement is less than 50%.

The following table summarises the main conditions for the share-based payment granted in the reporting period (the LTIP 2022 ended in the reporting period):

	LTIP 2025	LTIP 2024	LTIP 2023	LTIP 2022
Beginning of the plan	1 Jan. 2025	1 Jan. 2024	1 Jan. 2023	1 Jan. 2022
Date of approval by General Meeting	5 June 2025	6 June 2024	1 June 2023	2 June 2022
Grant date	5 June 2025	6 June 2024	1 June 2023	2 June 2022
End of service period	31 Dec. 2027	31 Dec. 2026	31 Dec. 2025	31 Dec. 2024
Vesting date	30 Apr. 2028	30 Apr. 2027	30 Apr. 2026	30 Apr. 2025
Expected target achievement	79.3%	100%	100%	80.0%
Expected no. of shares	14,274	18,000	18,000	14,400
Maximum no. of shares	18,000	18,000	18,000	18,000
Bonus shares allocated	None	None	None	None

The agreed targets are measured against the following performance indicators:

LTIP 2025	LTIP 2024	LTIP 2023	LTIP 2022
Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)
EBIT margin of the Frequentis Group	Increase in order intake of the Frequentis Group	Orders on hand / book-to-bill ratio	Revenue growth
Development and implementation of a comprehensive, innovative business model for the latest generation of VCS products in the ATM Civil business domain	Growth in the ATM Civil business domain	Order intake at selected Group companies	Earnings increase
Optimisation of the financing structure for R&D projects	Customer satisfaction	Increase in operating performance in the Public Safety & Transport segment	Employee satisfaction
		Trainee programmes in the areas of sales, project management, and/or systems engineering	

In May 2025, the targets set for the LTIP 2022 were evaluated for the performance period from 1 January 2022 to 31 December 2024 and it was established that target achievement was 80%, so 14,400 treasury shares (gross number of shares before taxes) were to be transferred to the Chairman of the Executive Board. Taking into consideration the tax to be withheld, 6,657 treasury shares were transferred in this context.

Of the expected total future expense relating to the LTIPs, the portion already earned as at the reporting date is recognised in shareholders' equity. This is based on the fair value on the grant date. The total expected expense for the LTIP obligation is measured at the fair value of the share relative to the share price on the date of the agreement, multiplied by the number of shares granted and the expected target achievement. In the reporting period, EUR 365 thousand (H1 2024: EUR 271 thousand) including payroll-related costs was recognised in personnel expenses in the consolidated statement of comprehensive income and in shareholders' equity for the LTIPs.

For the LTIPs, it is assumed that both the market-oriented targets and the non-market-oriented targets will be achieved so the effect of the market-oriented targets must be reflected in the expected level of target achievement and not in the fair value of the shares.

12. Provisions

The provisions comprise:

	30 June 2025 EUR thousand	31 Dec. 2024 EUR thousand
Provisions for severance payments	16,674	16,267
Provisions for pensions	4,838	4,750
Less pension insurance scheme	-2,770	-2,728
	2,068	2,022
Provisions for anniversary bonuses	452	429
Provisions for warranties	1,383	1,943
Provisions for projects	1,182	584
Other provisions	330	339
Total non-current provisions	22,089	21,584
Provisions for bonuses	7,899	13,060
Provisions for warranties	2,252	1,559
Provisions for projects	1,384	1,232
Provision for litigation costs	376	300
Other provisions	2,927	2,866
Total current provisions	14,838	19,017

Since the life insurance policies are pledged to cover pension obligations, the corresponding amount accumulated in the pension insurance scheme is offset against the pension provisions.

The reduction in provisions for bonuses resulted from almost complete disbursement of bonuses and variable salaries to employees for 2024, while only pro-rata additions were made to the provisions for 2025.

13. Other liabilities

The other liabilities comprise:

	30 June 2025 EUR thousand	31 Dec. 2024 EUR thousand
Liability for put options, non-controlling interests	11,931	11,538
Loan from FFG (Austrian Research Promotion Agency)	921	1,481
Earn-out liabilities and liabilities for receivables due to risk retention	575	1,017
Other liabilities	870	495
Total non-current financial liabilities	14,297	14,531
Earn-out payment liabilities	476	1,001
Loan from FFG (Austrian Research Promotion Agency)	560	0
Negative fair value of derivative financial instruments	298	1,262
Liabilities relating to operating leases	242	1,292
Liabilities for severance payments that have not yet been made	31	820
Loans from non-controlling interests	30	30
Other liabilities	1,897	1,802
Total current financial liabilities	3,534	6,207
Accrual for holidays not yet taken	10,200	6,426
Liabilities to the Austrian fiscal authorities (excluding income taxes)	6,728	3,805
Liabilities to health insurers	6,129	1,022
Advances received in connection with grants and subsidies	1,404	2,242
Accrual for overtime	971	860
Accrual for consultancy costs	300	921
Other liabilities	1,178	397
Total current non-financial liabilities	26,910	15,673

The earn-out payment liabilities, which are measured at fair value and allocated to level 3 in the fair value hierarchy, are one element of the contractually agreed purchase price for FRAFOS GmbH and Frequentis Recording AS. The earn-out payment for FRAFOS GmbH is based on the annual financial statements prepared in accordance with the German Commercial Code and is dependent on achievement of an EBIT target. The earn-out payment for Frequentis Recording AS is based on the number of recording solutions sold.

A pro rata payment of EUR 1,013 thousand was made in the reporting period. These liabilities were remeasured as at the reporting date. This did not result in any change in the assumptions made. The remaining change of EUR 46 thousand resulted from the interest rate effect and was included in the financial expenses.

The change in the fair value of the liability for put options, non-controlling interests is recognised in equity and is also allocated to level 3 in the fair value hierarchy.

Other information

14. Financial instruments

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including the categories to which they are allocated. It does not contain any information on the fair value of lease liabilities, financial assets, and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of the fair value (amounts in EUR thousand).

30 June 2025	Measured at fair value		Measured at amortised cost		Total carrying amount
	Mandatory recognition at fair value through profit or loss	Equity instruments – at fair value through profit or loss	Financial assets	Other financial liabilities	
Financial assets					
Equity instruments		22			22
Time deposits			9,507		9,507
Trade accounts receivable			94,581		94,581
Derivative financial instruments	2,635				2,635
Other current and non-current assets			3,478		3,478
Cash and cash equivalents			63,677		63,677
Total	2,635	22	171,243		173,900
Financial liabilities					
Liabilities to banks and other financial liabilities				4,915	4,915
Trade accounts payable				28,685	28,685
Lease liabilities				46,705	46,705
Derivative financial instruments	298				298
Liabilities relating to put options and earn-out agreements	12,982				12,982
Other current and non-current liabilities				4,551	4,551
Total	13,280			84,856	98,136

31 December 2024	Measured at fair value		Measured at amortised cost		Total carrying amount
	Mandatory recognition at fair value through profit or loss	Equity instruments – at fair value through profit or loss	Financial assets	Other financial liabilities	
Financial assets					
Equity instruments		22			22
Time deposits			14,992		14,992
Trade accounts receivable			80,107		80,107
Derivative financial instruments	263				263
Other current and non-current assets			3,030		3,030
Cash and cash equivalents			66,994		66,994
Total	263	22	165,123		165,408
Financial liabilities					
Liabilities to banks and other financial liabilities				149	149
Trade accounts payable				23,443	23,443
Lease liabilities				49,376	49,376
Derivative financial instruments	1,262				1,262
Liabilities relating to put options and earn-out agreements	13,556				13,556
Other current and non-current liabilities				5,920	5,920
Total	14,818			78,888	93,706

Fair value

Trade accounts receivable, contract assets, other receivables, time deposits, cash and cash equivalents, trade accounts payable, contract liabilities, and other liabilities are measured at their carrying amount, which is a reasonable approximation of the fair value, due to their essentially short remaining term. Since the items presented here comprise all financial assets and liabilities recognised at amortised cost and no disclosures are required for lease liabilities, the above table does not contain a separate column showing their fair values.

For the equity instruments, Altitude Angel Ltd. and AIRlabs Austria GmbH, there are no quoted prices available on an active market. Therefore, they are measured using parameters that are unobservable on the market. The fair value is allocated to level 3 in the fair value hierarchy. There is currently no intention of selling the equity instruments.

The earn-out liabilities relating to the acquisitions of FRAFOS GmbH and Frequentis Recording AS are measured at fair value and allocated to the category at fair value through profit or loss. The fair value is allocated to level 3 in the fair value hierarchy.

The liabilities relating to the put options of the non-controlling interests in ELARA Leitstellentechnik GmbH, Regola S.r.l., and FRAFOS GmbH are recognised at fair value, while changes are recognised in equity with no impact on profit or loss in accordance with IFRS 10. The fair value is allocated to level 3 in the fair value hierarchy. Since there is no category for this, in the above table the amount is reported in other liabilities at fair value through profit or loss.

The carrying amounts of derivative financial assets and liabilities correspond to their fair values. Derivatives that have not been designated as a hedging instrument nevertheless serve economically to hedge fluctuations in exchange rates. Their fair values are based on the present value of expected future cash flows, discounted by the interest rate that the Group estimates could be obtained for comparable financial instruments. They are allocated to level 2 in the fair value hierarchy.

The long-term incentive plans (LTIP), which are classified as an equity-settled share-based payment, were measured at fair value and allocated to level 3 in the fair value hierarchy.

The following hierarchy was used to allocate all financial instruments measured at fair value to a valuation method:

Level	Financial instruments at fair value
Level 2:	
Measurement based on quoted prices for similar assets	Derivative financial instruments
Level 3:	
Measurement based on models with significant valuation parameters that are unobservable on the market	Equity instruments, earn-out liabilities, liabilities from put options

A distinction is made between derivative and non-derivative financial instruments. The derivative financial instruments primarily include economic hedging instruments (which are not designated as part of a hedge relationship) used to hedge changes in exchange rates.

Derivative financial instruments

The carrying amount of derivative financial instruments corresponds to their current fair value, whereby the fair value was determined from the current market value based on the closing exchange rate for the foreign currency as at 30 June 2025, verified by corresponding bank confirmations.

The following table shows the development of the derivative financial instruments:

30 June 2025	Derivative			Total
Sale currency	Sale amount	Purchase amount EUR thousand	Average hedging rate	Fair value EUR thousand
AUD	-4,917	2,942	1.67	239
CAD	-2,513	1,671	1.51	107
CHF	200	-211	0.94	4
CZK	4,000	-156	25.12	4
HUF	96,288	-230	418.42	8
NOK	-78,174	6,770	11.67	227
SGD	-5,097	3,536	1.48	116
USD	-26,992	24,712	1.10	1,930
		39,034		2,635
CAD	900	-595	1.51	-35
GBP	-234	216	0.89	-55
HKD	3,595	-416	8.64	-25
HUF	-184,974	442	418.42	-15
RON	-12,999	2,166	6.00	-7
SGD	1,021	-722	1.48	-37
USD	94	-162	1.11	-124
		929		- 298

31 December 2024	Derivative			Total
Sale currency	Sale amount	Purchase amount EUR thousand	Average hedging rate	Fair value EUR thousand
AUD	-4,411	2,669	1.65	73
CAD	-80	65	1.50	11
CZK	4,000	-156	25.57	1
HKD	3,595	-416	8.64	23
NOK	-39,700	3,335	11.90	33
QAR	5,174	-1,301	3.98	62
RON	-6,999	1,407	4.97	24
USD	911	-843	1.12	36
		4,760		263
CAD	-1,174	757	1.52	-24
GBP	-834	915	0.91	-68
NOK	5,000	-421	11.88	-5
QAR	-5,174	1,301	3.98	-62
SGD	-4,655	3,209	1.45	-64
USD	-27,350	24,900	1.10	-1,039
		30,661		-1,262

For the carrying amount of the MTM valuation, a positive fair value of EUR 2,635 thousand was recognised in other receivables as at 30 June 2025 (31 December 2024: EUR 263 thousand), while a negative fair value of EUR 298 thousand was recognised in other liabilities (31 December 2024: EUR 1,262 thousand).

15. Information on business relations with related parties

Transactions with associated companies and related parties are not material and mainly comprise deliveries of goods and services.

There was no significant change in existing business relations compared with the transactions presented in note 37 in the Annual Report 2024.

16. Significant events after the reporting date

There were no reportable significant events.

Statement by all legal representatives pursuant to Section 125 Paragraph 1 of the (Austrian) Stock Exchange Act

We hereby confirm that, to the best of our knowledge, the condensed interim financial statements as at 30 June 2025, drawn up in compliance with the applicable accounting standards, provide a true and fair view of the Group's net assets, financial position, and results of operations, and that the half-year management report provides a true and fair view of the net assets, financial position, and results of operations in respect of the significant events of the first six months of the financial year and their impact on the condensed interim financial statements as at 30 June 2025, the major risks and uncertainties relating to the remaining six months of the financial year, and major business transactions with related parties that are subject to disclosure.

Vienna, 8 August 2025



Norbert Haslacher
Chairman
of the Executive Board



Monika Haselbacher
Member
of the Executive Board



Peter Skerlan
Member
of the Executive Board



Karl Wannenmacher
Member
of the Executive Board



Financial Calendar

<http://www.frequentis.com/en/ir> > Financial Calendar

Notes / Disclaimer

The terms “Frequentis” and “Frequentis Group” in this publication refer to the Group; “Frequentis AG” is used to refer to the parent company.

Minimal arithmetical differences may arise from the application of commercial rounding to individual items and percentages.

The forecasts, plans, and forward-looking statements contained in this publication are based on the knowledge and information available and the assessments made at the time that this publication was prepared. As is true of all forward-looking statements, these statements are subject to risk and uncertainties. As a result, actual events may deviate significantly from these expectations. No liability whatsoever is assumed for the accuracy of projections or for the achievement of planned targets or for any other forward-looking statements.

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Diversity, inclusion, and equality of all genders are an integral part of the Frequentis corporate culture and are reflected in our language. All references to people are therefore gender-neutral.

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