2026

Half-year Financial Report

FREQUENTIS
FOR A SAFER WORLD

Key figures Frequentis Group

All figures in EUR million, except where otherwise stated.

Earnings	H1 2026	H1 2025	+/- in %	+/- in EUR million	2025
Revenues	342.9	236.8	+44.8%	+106.1	580.1
EBITDA	26.8	5.2	> +100.0%	+21.6	66.9
EBITDA margin	7.8%	2.2%	+5.6 PP	–	11.5%
EBIT	15.6	-4.3	> +100.0%	+19.9	46.8
EBIT margin	4.6%	-1.8%	+6.4 PP	–	8.1%
Profit/loss for the period	12.1	-3.6	> +100.0%	+15.7	33.7
Earnings per share in EUR, basic	0.85	-0.32	> +100.0%	–	2.13
Earnings per share in EUR, diluted	0.84	-0.32	> +100.0%	–	2.12

Orders	H1 2026	H1 2025	+/- in %	+/- in EUR million	2025
Order intake	361.7	309.0	+17.0%	+52.6	680.2
Orders on hand at end of period	835.0	763.8	+9.3%	+71.2	794.9

Statement of financial position	30 June 2026	30 June 2025	+/- in %	+/- in EUR million	2025
Total assets	530.9	421.0	+26.1%	+109.9	509.3
Shareholders' equity	202.0	164.5	+22.8%	+37.6	196.8
Equity ratio	38.1%	39.1%	-1.0 PP	–	38.6%
Net cash	107.4	68.3	+57.4%	+39.1	104.7
No. of employees (average, in FTE) [1]	2,895	2,548	+13.6%	–	2,634

Cash flow statement	H1 2026	H1 2025	+/- in %	+/- in EUR million	2025
Cash flow from operating activities	16.3	0.0	> +100.0%	+16.3	49.1
Cash flow from investing activities	-8.5	1.7	> -100.0%	-10.2	-9.6
Cash flow from financing activities	-14.8	-3.2	> -100.0%	-11.6	-7.6
Cash and cash equivalents at end of period	91.2	63.7	+43.2%	+27.5	97.2

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,

In the first six months of 2026, we achieved numerous milestones relating to revenues and earnings that were originally planned for the second half of the year. Consequently, there was a corresponding shift in revenues and earnings to the first half of the year. In addition, Frequentis benefited from the high level of orders on hand at year-end 2025 and continued strong order intake. As a result, revenues rose 44.8% and EBIT was positive at EUR 15.6 million.

Due to Frequentis' stable business model as a provider of systems and solutions for safety-critical applications, demand remains high. Order intake increased by 17.0% and orders on hand by 9.3%, paving the way for further growth.

Overview

The first half of 2026 exceeded our expectations and confirms the growth path we have embarked on. We would like to thank our employees, whose commitment and flexibility played a key part in the successful acquisition of new orders and progress with our projects.

- Order intake increased by 17.0% to EUR 361.7 million (H1 2025: EUR 309.0 million)
- Orders on hand were 9.3% higher at EUR 835.0 million at end-June 2026 (June 2025: EUR 763.8 million)
- Revenues rose by 44.8% to EUR 342.9 million (H1 2025: EUR 236.8 million)
- EBIT improved to EUR 15.6 million (H1 2025: EUR-4.3 million due to the typical seasonal pattern)
- The equity ratio was 38.1% (June 2025: 39.1%)
- The net cash position improved to EUR 107.4 million (June 2025: EUR 68.3 million).

Growth trajectory remains intact

The strong trend in order intake continued in the first half of 2026, with an increase of 17.0% to EUR 361.7 million. For 2026 as a whole, we anticipate that the Frequentis Group will report higher order intake than in 2025. That is sustained evidence of the company's growth trajectory.

Orders on hand increased by 9.3% to EUR 835.0 million as at 30 June 2026 and therefore exceeded EUR 800 million for the first time. This high level of capacity utilisation provides a sound basis for the ongoing development of our business. Therefore, we are continuously extending our teams and recruiting additional skilled staff. The average number of full-time equivalents (FTEs) rose 13.6% to 2,895 in the first six months of 2026 – an increase of around 350 compared with the first half of 2025, when we had 2,548 FTEs (average for FY 2025: 2,634 FTEs).

In the first half of 2026, revenues increased by 44.8% (EUR 106.1 million) to EUR 342.9 million (H1 2025: EUR 236.8 million). The revenue growth is deemed to be entirely organic. The performance in the first half of 2026 was due to the partial shift in the typical seasonal business pattern. Normally, revenues and earnings are higher in the second half of the year than in the first half. In recent years, the average ratio of revenues in the first and second six months was around 43% : around 57% – for the Frequentis Group and in both segments. Looking at the full year, this will probably be different in 2026. This shift in the seasonal pattern in 2026, which we consider to be temporary, is due to the accelerated execution of some major projects.

The income and expense picture was as follows: other operating income declined, partly due to changes in the US dollar exchange rate. The cost of materials and purchased services increased by 88.0% in the first half of 2026, which was higher than the percentage rise in revenues. The increase was mainly attributable to more material-intensive projects in the Americas and Europe. By contrast, personnel expenses rose by 15.2%, which was less than the relative rise in revenues.

The other operating expenses increased by 35.8%, driven principally by the following items: impairment of receivables and contract assets (EUR +5.3 million year-on-year) and changes in project-related provisions (EUR +4.9 million). The increase in impairment losses on receivables and contract assets was mainly attributable to the impairment of past-due receivables relating to a project in the Air Traffic Management segment. The project-related provisions contain, among other things, project costs for which provisions are recognised due to the excess of estimated future expenses over revenues.

EBITDA was EUR 26.8 million in the first half of 2026 (H1 2025: EUR 5.2 million) and EBIT was EUR 15.6 million (H1 2025: EUR -4.3 million). The Air Traffic Management segment posted positive EBIT of EUR 18.9 million, compared with EUR -7.4 million in the prior-year period, while the Public Safety & Transport (PST) segment reported EBIT of EUR -3.3 million (H1 2025: EUR 2.9 million).

In view of the promising market opportunities, in the PST segment we are investing specifically in MCX (mission-critical services for the emergency services) and FRMCS (Future Railway Mobile Communication System), even though this is currently weighing on EBIT. These upfront investments are necessary to enable us to offer our customers timely, market-ready solutions and tap into future business potential.

Alongside these investments, the development of earnings in the PST segment was affected by cost increases in some projects, especially in the Public Transport business domain, and delays in order intake. As in the past, the second half will therefore be far more relevant for full-year profitability in the PST segment.

Our financials remain solid. Total assets amounted to EUR 530.9 million at end-June 2026, which was 26.1% higher than at end-June 2025, and equity rose by 22.8% to EUR 202.0 million (June 2025: EUR 164.5 million). The equity ratio was 38.1% at end-June 2026 (June 2025: 39.1%). The net cash position was EUR 107.4 million at end-June 2026 (June 2025: EUR 68.3 million). An 11.1% higher dividend of EUR 0.30 per share was paid to shareholders for 2025.

Forecast for 2026

The uncertainties and unpredictabilities remain unchanged. Here is an overview of the most relevant points:

- The war in Ukraine is in its fifth year
- Other conflict hotspots such as the current situation in the Middle East are causing continued geopolitical tensions
- The announcement and introduction of customs tariffs and protectionist measures
- Shortages on the IT hardware market
- Disruption of the current disinflation process

More detailed information on some of the above points is provided below: Since the first quarter of 2025, some countries have announced and implemented new trade tariffs and protectionist measures. 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.

As a result of the worldwide AI boom and the data centres required by AI providers, since the end of 2025 there have been massive shortages on the global IT hardware market (including chips, servers, electronic components). The full extent is now becoming apparent in 2026. 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 could be negatively affected by a range of internal and external factors, leading to a renewed rise in inflation.

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 price rises to customers, and the potential impact of shortages on the IT hardware market.

Expenses for company-funded research & development amounted to EUR 19.2 million in 2025. It should be noted that in 2025 the customer-funded rate was higher than in previous years. It is anticipated that in 2026 expenses for company-funded research & development will be around 6% of revenues as usual. Capital expenditure (capex) was EUR 13.8 million in 2025 and is expected to be around EUR 15 million in 2026.

Depending on the aspects outlined above, Frequentis has the following targets for 2026 compared with 2025:

- Increase revenues by about 15%
- Increase order intake
- EBIT margin of around 7.0%.

Vienna, 7 August 2026

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 about 8% of the shares. The free float is approximately 24%, mainly investors from Germany, Austria, and other European countries.

Analysts

BankM (Daniel Großjohann, Roger Becker), Berenberg (Wolfgang Specht), Erste Group (Daniel Lion), and ODDO BHF (Elias New) regularly write analyses and notes on Frequentis.

Dividend and dividend policy

The Annual General Meeting on 19 June 2026 approved the proposal put forward by the Executive Board and Supervisory Board to pay a dividend of EUR 0.30 per share for 2025 (2024: EUR 0.27 per share). That is a further rise of 11.1%. As a result, around EUR 4.0 million was paid out, giving a dividend yield of 0.41% based on the closing price on the Vienna Stock Exchange at end-December 2025 (2024: 0.97% based on the closing price at end-December 2024).

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 2026, Frequentis AG held 5,081 treasury shares (31 December 2025: 9,920; 30 June 2025: 3,920).

Key share data

		XETRA Frankfurt	Vienna Stock Exchange
Closing price on 30 June 2026	in EUR	60.10	60.30
Lowest price (closing price) in H1 2026	in EUR	60.10	60.30
Highest price (closing price) in H1 2026	in EUR	86.00	84.80
No. of shares outstanding as at 30 June 2026	in millions	13.28	13.28
Market capitalisation as at 30 June 2026	in EUR million	798.1	800.8
Share price performance in H1 2026 (30 June 2026 vs. 31 December 2025)		-17.4%	-16.9%
Share price performance since the IPO in May 2019 (30 June 2026 vs. issue price of EUR 18.00)		+233.9%	+235.0%
Index performance in H1 2026 (30 June 2026 vs. 31 December 2025)		DAX: +2.1%	ATX: +21.4%

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

Group Management Report as at 30 June 2026

Economic environment

Compared to other sectors of the economy, the areas in which the Frequentis Group operates (provider of high-tech systems and solutions for safety-critical national command and control centres for civil and military air traffic management, 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 2026. Global growth was 3.5% in 2025. Despite the ongoing geopolitical tensions and trade barriers, the IMF is projecting growth of 3.0% in 2026.

The modest slowdown reflects the effects of the war in the Middle East being partly offset by accelerated demand-driven momentum in the global technology cycle thanks to advances in artificial intelligence (AI) and its adoption. The impact varies widely based on countries' exposure to the war and position in the technology value chain.

The IMF is projecting economic growth of 2.3% in the USA in 2026 and a growth rate of 0.9% for the euro zone. Growth rates differ within the euro zone: Spain remains the leader with growth of 2.1%, followed by Germany (0.7%), France (0.6%), and Italy (0.5%). The IMF estimates that economic growth in the UK will be 1.0% in 2026.

For the emerging and developing economies in Asia, the projection is 5.0% growth in 2026. The growth forecast for Latin America and the Caribbean is 2.4%, while for the Middle East and Central Asia it is 0.7%.

Business performance

Numerous milestones affecting revenues and earnings that were originally planned for the second half of the year were achieved in the first six months. Consequently, there was a corresponding shift in revenues and earnings to the first half of the year. In addition, Frequentis benefited from the high level of orders on hand at year-end 2025 and continued strong order intake. As a result, revenues rose 44.8% and EBIT was positive at EUR 15.6 million.

The performance in the first half of 2026 was due to the partial shift in the typical seasonal business pattern. Normally, revenues and earnings are higher in the second half of the year than in the first half. This shift was the result of the accelerated execution of some major projects and cannot be considered sustainable.

Due to its stable business model as a global provider of high-tech systems and solutions for national command and control centres in the safety-critical sector, demand remains high. Order intake increased by 17.0% and orders on hand by 9.3%, paving the way for further growth.

Significant events in the first half of 2026

Nemergent, Spain

Frequentis is reinforcing its mission-critical communications business by becoming the majority shareholder in Nemergent Solutions S.L., Spain (stake increased from 24.83% to 51.00% in July 2026). These initiatives will enhance the MissionX ecosystem by adding resilience, multi-network connectivity, and European MCX technology and support applications for public safety, critical infrastructure, defence, and the rail sector.

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 fifth year, further troublespots such as the Middle East conflict could potentially have a global impact. Moreover, there are longer-term crises such as the climate crisis and the recurrent distortion and price volatility on the energy market and the market for IT and electronic components.

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.

The crises affect Frequentis' internal and external stakeholders in many different ways. No revenues were generated with Ukraine, the Russian Federation, Belarus, or in the Palestinian territories. Since 2022, the conflicts have had an indirect effect through higher prices, especially for electricity, gas, and fuels. As a consequence, prices of other everyday products have increased, leading to correspondingly high salary rises.

Due to the widespread global drop in inflation rates, salary rises in 2025 were lower than in 2024. Moderate salary increases are expected in 2026. Given the volatile geopolitical situation and the resulting inflation, it is still too early to make any predictions about salary rises in 2027.

As a result of the worldwide AI boom and the data centres required by AI providers, since the end of 2025 there have been massive shortages on the global IT hardware market (including chips, servers, electronic components). The full extent is now becoming apparent in 2026. So far, the impact has been cushioned by a range of measures (increasing inventories, advance purchases of server models for which there is frequent demand, incorporating price adjustment clauses for IT hardware into project contracts). Nevertheless, the effects are being felt.

Order intake

Order intake in the Frequentis Group was EUR 361.7 million in the first half of 2026, an increase of 17.0% (EUR 52.6 million) compared with the first half of 2025, when order intake was EUR 309.0 million. For the 2026 financial year as a whole, it is assumed that order intake in the Frequentis Group will increase compared with 2025.

The distribution of order intake was as follows: the Air Traffic Management segment accounted for 73% (EUR 264.5 million; H1 2025: 52%, EUR 160.5 million) and the Public Safety & Transport segment accounted for 27% (EUR 97.2 million; H1 2025: 48%, EUR 148.6 million).

The following order intake highlights from the first half of 2026 also include selected project orders which have only been announced this year at the customer's request.

Highlights of order intake in the Air Traffic Management segment

ATM Civil, Qatar: In collaboration with Frequentis, Bayanat Engineering Qatar, as prime contractor, is delivering the X10 voice communication system to Qatar Civil Aviation Authority for the new national Qatar Air Traffic Control Centre, which has 40 working positions for air traffic controllers. As part of a unified OneATM platform, this solution supports digitalisation of air traffic management in Qatar and improves safety, capacity, and operational efficiency.

In addition, Qatar Civil Aviation Authority has awarded Bayanat Engineering Qatar the contract to deliver an integrated Frequentis smartTOOLS display system for 78 working positions in control centres and towers. This solution brings together weather, aerodrome, runway, and support systems on a uniform interface, improves the situational awareness of air traffic controllers, and supports the installation of a fully connected OneATM ecosystem in Qatar.

Brazil: The Brazilian Department of Airspace Control (DECEA) has awarded Frequentis the contract to expand the nationwide ATM network solution to the country's Amazon region. The project comprises modernising the communication infrastructure, including satellite communication, and strengthens safe and reliable air traffic management in one of the world's largest and most challenging airspaces. This contract underlines the long-standing partnership between DECEA and Frequentis, which has been advancing the phased modernisation of Brazil's ATM infrastructure for more than ten years.

Florida, USA: Bartow Executive Airport is installing the Frequentis X10 communication platform at its digital tower. This fully integrated solution combines voice communication, recording, and terminal information, including weather data. The project strengthens security, availability, and efficiency and also serves as a test and innovation platform for future digital tower applications in the USA.

ATM Defence, Austria: The Federal Ministry of Defence (BMLV) has awarded Frequentis the contract to modernise the military air traffic radio system. The project aims to upgrade the communication infrastructure for military air traffic control and airspace surveillance, ensuring reliable, encrypted operations with high availability for the coming decades.

Highlights of order intake in the Public Safety & Transport segment

Public Safety: Order intake developed positively, confirming Frequentis' strong market position, especially in several European markets. New projects and long-term service and maintenance contracts were acquired, especially in the UK and the Nordic countries. Modernisation and upgrade projects in Central Europe also made a significant contribution to the positive business trend, highlighting the ongoing need for high-performance, future-proof communication solutions for authorities and organisations with safety-critical operations.

Public Transport, global: The proof-of-concept contracts relating to FRMCS (Future Railway Mobile Communication System) show that customers are stepping up their focus on this new technology. Moreover, within the portfolio of solutions for rail incident and crisis management, major orders were acquired to upgrade customers' operational platforms.

Europe: A key account customer has awarded Frequentis a long-term upgrade and maintenance contract for the transformation phase in the transition from GSM-R technology to FRMCS.

The increasing relevance of the requirements of NIS-2 (Network and Information Security Directive 2) for our customers is providing additional impetus for investment in safe and resilient systems. This is evidenced by the orders awarded to Frequentis because Frequentis solutions meet the high requirements for safety, security, and reliable operation of critical infrastructure.

Maritime: In the reporting period, the maritime business was dominated by strategically significant follow-on orders, the extension of long-term maintenance contracts, and modernisation projects. The extension of the maintenance contract for the Swedish coastal radio network for several years strengthens the basis for recurring service revenues. Further orders from coastguards, shipping authorities, and maritime rescue organisations in Europe, for example in Germany and the Netherlands, demonstrate the strong customer loyalty, the relevance of Frequentis solutions for safety-critical maritime applications, and the company's sustained strong market position.

Orders on hand

Orders on hand totalled EUR 835.0 million as at end-June 2026, an increase of 9.3% (EUR 71.2 million) compared with end-June 2025 (EUR 763.8 million). The Air Traffic Management segment accounted for around 61% of total orders on hand (June 2025: 57%) and the Public Safety & Transport segment for 39% (June 2025: 43%).

Revenues and operating performance

In the first half of 2026, revenues increased by 44.8% (EUR 106.1 million) to EUR 342.9 million (H1 2025: EUR 236.8 million). The revenue growth is deemed to be entirely organic. The Air Traffic Management segment grew revenues by 59.4% to EUR 263.4 million. In the Public Safety & Transport segment, revenues were 11.2% higher at EUR 79.5 million. The revenue split between the Air Traffic Management and Public Safety & Transport segments was 77% : 23% in the first half of 2026 (H1 2025: 70% : 30%).

The breakdown of revenues by region in the first half of 2026 was as follows:

- Europe 48% (H1 2025: 61%)
- Americas 39% (H1 2025: 23%)
- Asia 7% (H1 2025: 9%)
- Australia / Pacific <6% (H1 2025: 6%)
- Africa <1% (H1 2025: 1%)
- <1% (H1 2025: <1%) were not allocated to a region.

The change in inventories of finished goods and work in progress was EUR 6.9 million in the first six months of 2026 (H1 2025: EUR 0.9 million). The increase was mainly attributable to a more material-intensive project in the Americas region.

Own work capitalised declined to EUR 0.1 million in the first half of 2026 (H1 2025: EUR 0.4 million).

The other operating income decreased to EUR 5.1 million (H1 2025: EUR 8.3 million), driven principally by changes in the fair value of forward exchange contracts (EUR -3.3 million) and foreign currency translation (EUR +1.5 million). The changes in both items were principally due to changes in the US dollar exchange rate.

Total income (operating performance) increased by 44.1% (EUR 108.6 million) to EUR 355.0 million in the first half of 2026 (H1 2025: EUR 246.4 million).

Earnings

The cost of materials and purchased services increased by 88.0% to EUR 109.8 million (H1 2025: EUR 58.4 million), which was higher than the percentage rise in revenues. The increase was mainly attributable to more material-intensive projects in the Americas and Europe.

Personnel expenses rose 15.2% to EUR 165.9 million in the first half of 2026 (H1 2025: EUR 144.1 million), which was below the relative rise in revenues. The higher expenses were due to an increase in the headcount and salary rises.

The other operating expenses were 35.8% higher at EUR 52.5 million in the first half of 2026 (H1 2025: EUR 38.7 million). This was principally due to the following items: impairment losses on receivables and contract assets (EUR +5.3 million year-on-year), the change in project-related provisions (EUR +4.9 million) and changes in the fair value of forward exchange contracts (EUR +2.2 million). By contrast, currency translation differences were lower (EUR -3.4 million).

The increase in impairment losses on receivables and contract assets was mainly attributable to the impairment of past-due receivables relating to a project in the Air Traffic Management segment. The project-related provisions contain, among other things, project costs for which provisions are recognised due to the excess of estimated future expenses over revenues.

The changes in the fair value of forward exchange contracts and currency translation differences mainly result from fluctuations in the US dollar exchange rate.

Travel expenses increased year-on-year to EUR 8.7 million (H1 2025: EUR 7.9 million), which was 2.6% of revenues in the first half of 2026 (H1 2025: 3.3% of revenues). The licence fees of EUR 5.2 million (H1 2025: EUR 3.5 million) are mainly for commercial business software.

EBITDA (earnings before interest, taxes, depreciation, amortisation, and impairment losses) increased to EUR 26.8 million in the first six months of 2026 (H1 2025: EUR 5.2 million). The EBITDA margin (relative to revenues) was 7.8% in the first half of 2026, compared with 2.2% in the first half of 2025.

Depreciation and amortisation increased to EUR 11.1 million (H1 2025: EUR 9.5 million).

As a result of the changes outlined above, EBIT increased by EUR 19.9 million to EUR 15.6 million in the first six months of 2026 (H1 2025: EUR -4.3 million). The EBIT margin (relative to revenues) was 4.6%, compared with -1.8% in the first half of 2025. For further information, see the first two paragraphs in ↗ *Business performance.*

Financial income was EUR 0.8 million in the first half of 2026 and thus higher than in the first half of 2025 (EUR 0.5 million). Financial expenses (which also include interest on leases in accordance with IFRS 16) increased to EUR 1.2 million (H1 2025: EUR 1.1 million). Earnings of investments accounted for at equity dropped to EUR 0.1 million (H1 2025: EUR 0.3 million).

Frequentis made a profit before tax of EUR 15.8 million in the first half of 2026 (H1 2025: loss before tax of EUR 4.6 million). Income tax expense was EUR 3.7 million (H1 2025: income of EUR 1.0 million – the income tax income in the first half of 2025 was due to deferred taxes).

Frequentis made a profit of EUR 12.1 million in the first half of 2026 (compared with a loss of EUR 3.6 million H1 2025). Basic earnings per share were EUR 0.85 in the first half of 2026 (H1 2025: EUR -0.32) and diluted earnings per share were EUR 0.84 (H1 2025: EUR -0.32).

Employees

The number of employees increased by 13.6% to an average of 2,895 FTEs in the first half of 2026 (H1 2025: 2,548 FTEs; the average for FY 2025 was 2,634 FTEs). Around 1,300 FTEs, which was about 45% of the total, were employed in Austria.

Asset and capital structure

Total assets increased by 4.2% to EUR 530.9 million as at end-June 2026 (end-December 2025: EUR 509.3 million; end-June 2025: EUR 421.0 million), partly due to an increase in contract assets and higher inventories. At end-June 2026, the equity ratio was 38.1% (end-December 2025: 38.6%, end-June 2025: 39.1%). Equity increased by EUR 5.2 million to EUR 202.0 million as at end-June 2026 (end-December 2025: EUR 196.8 million, end-June 2025: EUR 164.5 million).

The net cash position (cash and cash equivalents and time deposits less liabilities to banks and other financial liabilities) was EUR 107.4 million as at end-June 2026, which was above the net cash position of EUR 104.7 million recorded at the end of December 2025 (end-June 2025: EUR 68.3 million)

Non-current assets amounted to EUR 109.6 million at the end of June 2026 (end-December 2025: EUR 104.4 million). The three largest items here were property, plant and equipment, which totalled EUR 75.0 million (end-December 2025: EUR 69.0 million), intangible assets which amounted to EUR 11.6 million (end-December 2025: EUR 12.6 million), and deferred tax assets, which totalled EUR 10.0 million (end-December 2025: EUR 8.0 million). The increase in property, plant and equipment is due, among other factors, to new rental agreements for office premises and warehouse space.

Current assets totalled EUR 421.3 million at the end of June 2026 (end-December 2025: EUR 404.9 million). The most important item here is trade accounts receivable, which amounted to EUR 112.6 million (end-December 2025: EUR 144.7 million). The reduction resulted principally from the settlement of receivables from the second half of 2025. The second most important item was cash and cash equivalents, including time deposits, which amounted to EUR 107.5 million (end-December 2025: EUR 111.3 million). The third item in order of importance comprises contract assets, which amounted to EUR 98.8 million (end-December 2025: EUR 68.2 million). The increase in this item resulted from an increase in work commenced. The rise in inventories to EUR 64.5 million (end-December 2025: EUR 51.8 million) was driven principally by an increase in work in progress for a major customer project in the Americas region.

On the liabilities side, the largest item comprised current liabilities, which amounted to EUR 235.2 million as at end-June 2026 (end-December 2025: EUR 222.1 million). Thereof, contract liabilities accounted for EUR 103.5 million (end-December 2025: EUR 109.0 million) and trade accounts payable for EUR 47.5 million as at end-June 2026 (end-December 2025: EUR 33.8 million). The second largest item was equity of EUR 202.0 million as at end-June 2026 (end-December 2025: EUR 196.8 million).

Non-current liabilities (third-largest item on the liabilities side) totalled EUR 93.7 million at the end of June 2026 (end-December 2025: EUR 90.4 million). The biggest component of this was non-current lease liabilities, which totalled EUR 42.5 million (end-December 2025: EUR 39.8 million).

Cash flow

The cash flow from operations was EUR 24.7 million in the first half of 2026 (H1 2025: EUR 1.9 million).

The cash flow from operating activities improved to EUR 16.3 million in the first half of 2026 (H1 2025: EUR 0.0 million) and was influenced by the positive changes in trade accounts receivable and profit before tax, which was countered by the change in contract liabilities and contract assets – in other words, changes in net working capital.

The cash outflow for investing activities was EUR 8.5 million in the first half of 2026 (H1 2025: inflow of EUR 1.7 million). Capital expenditure (cash outflow for the purchase of intangible assets, property, plant and equipment) was EUR 6.0 million, which was higher than in the first half of 2025, when it was EUR 4.5 million. The free cash flow (cash flow from operating activities plus cash flow from investing activities) was EUR 7.9 million (H1 2025: EUR 1.7 million).

The cash outflow for financing operations increased to EUR 14.8 million in the first half of 2026 (H1 2025: outflow of EUR 3.2 million).

The total cash outflow in the first half of 2026 was therefore EUR 6.9 million (H1 2025: outflow of EUR 1.5 million). Cash and cash equivalents, excluding time deposits, were EUR 91.2 million as at end-June 2026 (end-June 2025: EUR 63.7 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 further information see ↗ *Consolidated financial statements as at 31 December 2025, Note 38*.

Segment performance

Air Traffic Management / ATM

The Air Traffic Management (ATM) segment comprises the ATM Civil business domain (which includes AIM / Aeronautical Information Management) and the ATM Defence business domain. 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 59.4% (EUR 98.2 million) to EUR 263.4 million in the first half of 2026 (H1 2025: EUR 165.2 million). EBIT was EUR 18.9 million (H1 2025: EUR -7.4 million). For further information see the first two paragraphs in ↗ *Business performance.*

Highlights from the operating business

ATM Civil, Greenland: In partnership with Greenland Airports and COMSA Corporación, Frequentis delivered a digital tower solution for the new airport in Qaqortoq in South Greenland. The project enables safe, scalable air traffic management in challenging Arctic conditions and won the Seamless Skies Award 2026 at the annual Airspace World trade show.

Singapore: Frequentis and the International Centre for Aviation Innovation (ICAI) have signed a partnership agreement to develop and test AI-based air traffic management technologies. The collaboration includes automated speech recognition, digital assistance systems for air traffic management, and systems to optimise airport ground movements and operations and should enhance airspace capacity and efficiency in the Asia-Pacific region.

Europe: Michael Holzbauer, Director European Affairs ATM at Frequentis, has been elected President of EUROCAE, one of the world’s leading air traffic management standardisation organisations. As the first Austrian to hold this position since the organisation was founded, he will be involved in shaping international standards for safety, interoperability, and innovation in aviation.

ATM Defence, Germany: Frequentis is developing a military UTM (uncrewed traffic management) system for the German Armed Forces and a unified “drone air picture” for low-altitude airspace. The system supports safe integration of uncrewed aerial vehicles and was honoured in the Seamless Skies Awards 2026 at Airspace World for its contribution to safety, security, and resilience.

Saudi Arabia: Frequentis C4i and SAMI L3Harris Technologies have agreed to collaborate on defence communications programmes in Saudi Arabia. The partnership combines C4i’s VOICE C2 system expertise with SAMI L3Harris’ local delivery and support capabilities and is aligned with Saudi Arabia’s localisation objectives.

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 11.2% to EUR 79.5 million in the first half of 2026 (H1 2025: EUR 71.5 million). EBIT dropped to EUR -3.3 million (2025: EUR 2.9 million). The development of earnings was mainly due to the long-term focus of strategic investments for future-oriented technologies such as MCX / FRMCS, cost increases at individual projects, especially in the Public Transport business domain, and delays in order intake. As in the past, the second half will therefore be far more relevant for full-year profitability in the Public Safety & Transport segment.

Highlights from the operating business

Public Safety, UK: Frequentis implemented the UK's first mission-critical cloud-based emergency call centre and control room solution for the West Yorkshire Fire and Rescue Service. The system supports 40 fire stations. Its enhanced flexibility, resilience, and scalability enable better coordination of incident management for more than 2.2 million habitants.

Public Transport, Switzerland: The numerous contracts from the Swiss railways prompted us to rent larger new office premises in Olten in the Canton of Solothurn and to upgrade this location to a business hub.

Austria: Start-up of the MissionX solution for the Schneebergbahn tourist train was a further milestone in the productive use of standards-based MCX technology in public transport.

Europe: Key FRMCS functionalities have been tested in pilot and test installations. In addition, further progress was made in the migration from GSM-R to mission-critical broadband communication systems as part of FP2-MORANE-2 and in international interoperability and plug tests. The FP2-MORANE-2 initiative is part of "Horizon Europe", which focuses on the testing and ongoing development of the Future Railway Mobile Communication System (FRMCS) in real conditions throughout Europe.

Maritime, Norway: Frequentis supported the takeover of the national coastal radio infrastructure by Kystverket, a Norwegian government agency responsible for water transport infrastructure. The system serves approximately 42,000 vessels along the Norwegian coast and strengthens national control over critical maritime safety infrastructure.

The acceptance test for the order in Greenland was successful and modernisation of the coastguard control centres for the Netherlands and the Faeroe Islands is on schedule.

Mission Critical Services – MCX: Frequentis continued to extend its MissionX ecosystem for mission-critical broadband communications. Significant areas of focus were involvement in the European Critical Communication System Initiative (EUCCS) and the acquisition of a majority shareholding (51%) in the MCX specialist Nemergent in Spain.

Opportunity and risk management

For information on opportunities and risks, please refer to the ↗ *Group Management Report as at 31 December 2025 on page 134ff. of the Annual Report 2025.*

Outlook

Forecast for 2026

The uncertainties and unpredictabilities remain unchanged. Here is an overview of the most relevant points:

- The war in Ukraine is in its fifth year
- Other conflict hotspots such as the current situation in the Middle East are causing continued geopolitical tensions
- The announcement and introduction of customs tariffs and protectionist measures
- Shortages on the IT hardware market
- Disruption of the current disinflation process

More detailed information on some of the above points is provided below: Since the first quarter of 2025, some countries have announced and implemented new trade tariffs and protectionist measures. 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.

As a result of the worldwide AI boom and the data centres required by AI providers, since the end of 2025 there have been massive shortages on the global IT hardware market (including chips, servers, electronic components). The full extent is now becoming apparent in 2026. 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 could be negatively affected by a range of internal and external factors, leading to a renewed rise in inflation.

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 price rises to customers, and the potential impact of shortages on the IT hardware market.

Expenses for company-funded research & development amounted to EUR 19.2 million in 2025. It should be noted that in 2025 the customer-funded rate was higher than in previous years. It is anticipated that in 2026, expenses for company-funded research & development will be around 6% of revenues as usual. Capital expenditure (capex) was EUR 13.8 million in 2025 and is expected to be around EUR 15 million in 2026.

Depending on the aspects outlined above, Frequentis has the following targets for 2026 compared with 2025:

- Increase revenues by about 15%
- Increase order intake
- EBIT margin of around 7.0%.

Consolidated Financial Statements as at 30 June 2026

Consolidated income statement

	Note	01-06/2026 EUR thousand unaudited	01-06/2025 EUR thousand unaudited
Revenues	(3) (4)	**342,869**	**236,758**
Change in inventories of finished goods and work in progress	(3) (5)	6,858	902
Own work capitalised	(3)	141	415
Other operating income	(3) (6)	5,135	8,295
Total income (operating performance)		**355,003**	**246,370**
Cost of materials and purchased services	(7)	-109,780	-58,402
Personnel expenses		-165,921	-144,056
Other operating expenses	(8)	-52,543	-38,687
Earnings before interest, taxes, depreciation, amortisation, and impairment losses (EBITDA)		**26,759**	**5,225**
Depreciation of property, plant and equipment and amortisation of intangible assets	(9)	-11,149	-9,547
Earnings before interest and taxes (EBIT)	(3)	**15,610**	**-4,322**
Financial income		833	501
Financial expenses		-1,202	-1,070
Reversal of impairment losses on financial assets	(10)	427	0
Earnings from investments accounted for at equity		134	303
Profit before tax		**15,801**	**-4,588**
Income taxes		-3,742	967
Profit for the period		**12,060**	**-3,621**
Profit attributable to:			
Equity holders of the company		11,273	-4,279
Non-controlling interests		787	658
		12,060	**-3,621**
Basic earnings per share		**0.85**	**-0.32**
Diluted earnings per share		**0.84**	**-0.32**

Consolidated statement of comprehensive income

	Note	01-06/2026 EUR thousand unaudited	01-06/2025 EUR thousand unaudited
Profit for the period		**12,060**	**-3,621**
Items that may be reclassified to the income statement in subsequent periods			
Foreign currency translation		1,921	-2,339
Items that may not be reclassified to the income statement			
Remeasurement of post-employment benefits		-35	-49
Income taxes		7	11
Other comprehensive income, net of tax		**1,893**	**-2,377**
Total comprehensive income		**13,953**	**-5,997**
Total comprehensive income attributable to:			
Equity holders of the company		**13,167**	**-6,645**
Non-controlling interests		**786**	**647**
		13,953	**-5,997**

Consolidated statement of financial position

ASSETS	Note	30 June 2026 EUR thousand unaudited	31 Dec. 2025 EUR thousand audited
Non-current assets			
Property, plant and equipment	(11)	75,017	69,008
Intangible assets		11,641	12,566
Goodwill		8,621	8,582
Investments accounted for at equity		3,699	3,605
Other non-current financial assets	(13)	590	2,623
Deferred tax assets		10,014	8,042
		109,582	**104,426**
Current assets			
Inventories	(5)	64,486	51,817
Trade accounts receivable		112,559	144,684
Contract assets	(12)	98,837	68,184
Contract costs		4,882	4,495
Other current financial assets	(13)	3,710	3,375
Other current non-financial assets	(13)	23,884	17,578
Income tax receivables		5,496	3,449
Time deposits		16,277	14,120
Cash and cash equivalents		91,193	97,186
		421,324	**404,888**
Total assets		**530,906**	**509,314**

LIABILITIES AND EQUITY	Note	30 June 2026 EUR thousand unaudited	31 Dec. 2025 EUR thousand audited
Shareholders' equity			
Share capital	(14)	13,280	13,280
Capital reserves		21,138	21,138
Retained earnings	(14) (15)	165,518	162,667
Treasury shares		-343	-521
Foreign currency translation		-807	-2,729
Equity attributable to equity holders of the parent company		**198,786**	**193,835**
Non-controlling interests		3,265	2,996
Total shareholders' equity		**202,050**	**196,831**
Non-current liabilities			
Provisions	(16)	23,576	22,563
Lease liabilities	(11)	42,532	39,810
Other non-current financial liabilities	(17)	21,087	18,612
Deferred tax liabilities		6,464	9,422
		93,659	**90,407**
Current liabilities			
Liabilities to banks and other financial liabilities		29	6,643
Contract liabilities	(12)	103,478	109,021
Trade accounts payable		47,476	33,788
Provisions	(16)	23,817	27,721
Lease liabilities	(11)	10,930	9,278
Other current financial liabilities	(17)	7,734	3,242
Other current non-financial liabilities	(17)	33,080	22,848
Current tax liabilities		8,653	9,535
		235,197	**222,076**
Total shareholders' equity and liabilities		**530,906**	**509,314**

Consolidated cash flow statement

	Note	01-06/2026 EUR thousand unaudited	01-06/2025 EUR thousand unaudited
Profit before tax		15,801	-4,588
Net interest income/expense		369	569
Foreign currency translation		286	566
Profit/loss from the disposal of non-current assets		-11	-482
Depreciation of property, plant and equipment and amortisation of intangible assets	(9)	11,149	9,547
Earnings from investments accounted for at equity		-134	-303
Change in provisions	(16)	-2,926	-3,723
Income/expense relating to changes in variable purchase price payments		69	46
Other non-cash income/expenses		67	313
Net cash flow from operations		**24,670**	**1,945**
Change in inventories	(5)	-12,669	-9,660
Change in trade accounts receivable		32,125	-12,714
Change in contract assets	(12)	-30,653	-12,636
Change in contract costs		-387	377
Change in other receivables	(13)	-4,538	-2,784
Change in trade accounts payable		13,244	5,237
Change in contract liabilities	(12)	-5,543	27,019
Change in other liabilities	(17)	12,068	8,262
Change in net working capital		**3,646**	**3,101**
Interest paid		-1,204	-1,035
Interest received		764	487
Dividends received		37	0
Income taxes paid		-11,593	-4,505
Net cash flow from operating activities		**16,320**	**- 7**

	Note	01-06/2026 EUR thousand unaudited	01-06/2025 EUR thousand unaudited
Cash inflows from the sale of intangible assets		1	0
Cash inflows from the sale of property, plant and equipment		15	1,467
Cash inflows from time deposits		24,107	24,483
Cash outflows for the purchase of intangible assets		-309	-418
Cash outflows for the purchase of property, plant and equipment		-5,698	-4,124
Cash outflows for time deposits		-26,264	-18,999
Cash outflows for non-current financial assets		-319	-712
Net cash flow from investing activities		**-8,467**	**1,697**
Dividends paid to owners	(14)	-3,982	-3,585
Dividends paid to non-controlling interests		0	-306
Cash inflows from loans and other financing		1,156	4,851
Cash outflows for repayment of loans and other financing		-7,203	-83
Cash outflows for payments of principal on lease liabilities		-4,760	-4,042
Net cash flow from financing activities		**-14,789**	**-3,165**
Change in cash and cash equivalents:			
Net cash flow from operating activities		16,320	-7
Net cash flow from investing activities		-8,467	1,697
Net cash flow from financing activities		-14,789	-3,165
Net change in cash and cash equivalents		**-6,936**	**-1,475**
Cash and cash equivalents at start of period		**97,186**	**66,994**
Cash-flow related change in cash and cash equivalents		-6,936	-1,475
Foreign currency translation		943	-1,842
Cash and cash equivalents at end of period		**91,193**	**63,677**

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				(15)		(14)				
As at 1 January 2026	13,280	21,138	-3,121	1,065	164,723	-521	-2,729	193,835	2,996	196,831
Profit for the period					11,273			11,273	787	12,060
Other comprehensive income			-27				1,922	1,894	-1	1,893
Total comprehensive income			-27		11,273		1,922	13,167	786	13,953
Dividends					-3,982			-3,982		-3,982
Change in treasury shares					-312	178		-133		-133
Changes in connection with put options					-3,876			-3,876	-517	-4,394
Other changes				-218	-7			-224		-224
As at 30 June 2026	**13,280**	**21,138**	**-3,148**	**848**	**167,818**	**-343**	**-807**	**198,786**	**3,265**	**202,050**

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				(15)		(14)				
As at 1 January 2025	13,280	21,138	-4,241	870	141,534	-314	-387	171,880	2,880	174,760
Profit 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

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 2025 and are not necessarily indicative of the year-end results for 2026.

Compared to other sectors of the economy, the areas in which the Frequentis Group operates (provider of high-tech systems and solutions for safety-critical national command and control centres for civil and military air traffic management, 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. Contrary to this typical seasonal pattern, in the first half of 2026 there was a strong rise in revenues, resulting in a profit in the first six months. This was mainly due to the accelerated execution of some major projects in response to customer requests.

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 2025: 6) domestic subsidiaries and 31 (31 December 2025: 31) foreign subsidiaries controlled by Frequentis AG.

There were no changes to the consolidated group in the first half of 2026.

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 amendments to existing IAS/IFRS standards and interpretations, as well as the new standards and interpretations, were applied, insofar as they had been endorsed by the European Union by 30 June 2026 and were effective at that date:

- Amendments to the Classification and Measurement of Financial Instruments (IFRS 9 / IFRS 7)
- Contracts Referencing Nature-Dependent Electricity (IFRS 9 / IFRS 7)

Where applicable, the above standards and amendments were 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 business domain (which includes AIM / Aeronautical Information Management) and the ATM Defence business domain. 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.

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 significant inter-segment revenues.

01-06/2026	Air Traffic Management EUR thousand	Public Safety & Transport EUR thousand	Total EUR thousand
Revenues	263,376	79,493	342,869
Change in inventories of finished goods and work in progress	6,728	130	6,858
Own work capitalised	106	35	141
Other operating income	4,047	1,088	5,135
Total income (operating performance)	**274,256**	**80,747**	**355,003**
EBIT	**18,918**	**-3,308**	**15,610**
Impairment losses	**0**	**0**	**0**

In the reporting period, all items could be allocated to the segments, so no column was necessary for reconciliation/consolidation.

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**

Segment assets and segment liabilities are not disclosed because internal reporting does not include a breakdown of assets between the two segments.

Details of Group-wide data

In the reporting period, the Frequentis Group generated more than 10% of its total revenues with one customer (H1 2025: none of its customers). The revenues with this customer amounted to EUR 109,973 thousand in the reporting period and related to the Air Traffic Management segment.

Orders on hand as at 30 June 2026 totalled EUR 834,954 thousand (30 June 2025: EUR 763,774 thousand). The ATM segment accounted for EUR 505,971 thousand (30 June 2025: EUR 432,337 thousand) of this amount and the PST segment for EUR 328,983 thousand (30 June 2025: EUR 331,436 thousand).

4. Revenues

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

	01-06/2026 EUR thousand	01-06/2025 EUR thousand
New products and/or new customer business	191,548	99,386
IBB (installed base business)	143,339	128,631
Other revenues	7,982	8,741
	342,869	**236,758**

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

	01-06/2026 EUR thousand	01-06/2025 EUR thousand
Europe	165,345	144,338
Americas	132,243	53,855
Asia	24,396	20,994
Australia/Pacific	19,101	13,882
Africa	1,252	2,304
Small orders (not allocated)	532	1,384
	342,869	**236,758**

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

In the case of maintenance contracts, the customer generally receives the benefits as the performance obligation is satisfied. Revenue is recognised over time. Exceptions from this rule are certain services (e.g. consulting and repairs) with a short lead time or performance period, and orders for spare parts or small parts where the revenue is recognised at a point in time. The revenues from these orders amounted to EUR 60,268 thousand in the reporting period (H1 2025: EUR 15,204 thousand). The increase in revenues realised at a point in time was mainly attributable to a major project in the Americas.

5. Change in inventories of finished goods and work in progress

The increase in finished goods and the resulting rise in inventories of finished goods and work in progress was mainly due to a major project in the Americas region, for which inventories of finished assemblies were built up for future deliveries.

6. Other operating income

	01-06/2026 EUR thousand	01-06/2025 EUR thousand
Foreign currency translation	2,391	933
Grants and subsidies for research and development costs	1,634	1,751
Income from research incentives	646	567
Changes in the fair value of forward exchange contracts	13	3,346
Gain from the sale of intangible assets, property, plant and equipment	14	857
Miscellaneous other operating income	437	841
	5,135	**8,295**

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 change in the fair value of forward exchange contracts was mainly attributable to the change in the exchange rate of the USD versus the euro.

7. Cost of materials and purchased services

	01-06/2026 EUR thousand	01-06/2025 EUR thousand
Cost of materials	67,149	22,363
Cost of purchased services	42,631	36,039
	109,780	**58,402**

The increase in the cost of materials was mainly attributable to a more material-intensive project in the Americas region.

8. Other operating expenses

	01-06/2026 EUR thousand	01-06/2025 EUR thousand
Travel expenses	8,747	7,879
Change in project-related provisions	5,723	782
Impairment of receivables and contract assets	5,372	56
Licenses (terms of up to 1 year)	5,238	3,548
Other consulting expenses	3,921	2,838
Advertising	2,839	2,752
External personnel	2,838	2,814
Changes in the fair value of forward exchange contracts	2,292	95
Insurance expenses	1,988	1,750
Staff recruitment	1,221	916
Maintenance	1,167	1,313
Foreign currency translation	1,150	4,550
Legal and consulting expenses	1,133	1,133
Operating expenses (buildings)	1,065	964
Energy	1,064	1,033
Transport	1,000	1,140
Cleaning	714	700
Vehicles	700	682
Telephone and communications expenses	692	695
Miscellaneous	3,679	3,047
	52,543	**38,687**

The project-related provisions contain, among other things, project costs for which provisions are recognised due to the excess of estimated future expenses over revenues. Further, provisions were recognised for customers' compensation claims.

The increase in impairments was mainly due to the impairment of past-due receivables from a customer relating to a project in the ATM segment.

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

	01-06/2026 EUR thousand	01-06/2025 EUR thousand
Depreciation of right-of-use assets	5,621	4,658
Depreciation of property, plant and equipment and amortisation of intangible assets	4,853	4,482
Depreciation and amortisation of low-value assets	675	407
	11,149	**9,547**

10. Reversal of impairment losses on financial assets

The reversal of impairment losses on financial assets comprises the remaining income of EUR 427 thousand (2025: none) relating to recourse claims for time deposits and deposits due on demand at Commerzialbank Mattersburg, which had been recognised in the past as fully impaired.

11. Property, plant and equipment and lease liabilities

The higher additions to property, plant and equipment and the increase in lease liabilities are due, among other factors, to new rental agreements for office premises and warehouse space.

12. Contract assets and contract liabilities

	30 June 2026 EUR thousand	31 Dec. 2025 EUR thousand
Contract assets, gross	136,582	92,447
Loss allowances pursuant to IFRS 9	-32	-10
Total contract assets	**136,550**	**92,437**
Advances from customers	-37,713	-24,253
	98,837	**68,184**

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 contracts for which the Group makes advance payments, in particular, the creditworthiness of customers is carefully reviewed. These contracts primarily relate to work for public authorities or major international companies.

The increase in contract assets compared with 31 December 2025 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 2026 EUR thousand	31 Dec. 2025 EUR thousand
Advance payments received from customers for projects	116,550	108,732
Advances offset against contract assets	-36,658	-21,615
	79,892	**87,117**
Other contract liabilities	6,579	10,583
Other contract liabilities offset against contract assets	-1,054	-2,637
	5,525	**7,946**
Accrued revenue for maintenance contracts	17,516	13,648
Liabilities for outstanding performance obligations for customer orders after final invoicing (current)	469	235
Liabilities for outstanding performance obligations for customer orders after final invoicing (non-current)	76	75
Total contract liabilities	**103,478**	**109,021**

Other contract liabilities contain contractual claims to advance payments.

13. Other assets

	30 June 2026 EUR thousand	31 Dec. 2025 EUR thousand
Pension reinsurance	309	498
Loan to Nemergent Solutions S.L.	0	1,864
Other financial assets	281	261
Other non-current financial assets	**590**	**2,623**
Loan to Nemergent Solutions S.L.	1,864	0
Positive fair value of MTM valuation	790	1,903
Receivables from grants and incentives	576	985
Other financial assets	480	487
Other current financial assets	**3,710**	**3,375**
Prepaid expenses and deferred charges	14,102	9,117
Receivables from research grants and incentives	2,286	4,869
Receivables from fiscal authorities (excluding income taxes)	7,320	3,427
Other assets	176	165
Other current non-financial assets	**23,884**	**17,578**

14. Share capital and retained earnings

Treasury shares

The Annual General Meeting of Frequentis AG on 6 June 2024 authorised the Executive Board, pursuant to Section 65 (1b) 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.

The Annual General Meeting of Frequentis AG on 19 June 2026 authorised the Executive Board, 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 Annual General Meeting authorised the Executive Board 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 2025 and May 2026 the Executive Board passed a resolution to transfer to the Chairman of the Executive Board 6,657 treasury shares for the achievement of the targets for the LTIP 2022 and 4,839 treasury shares for the achievement of the targets for the LTIP 2023, under exclusion of the subscription rights of existing shareholders.

As at 30 June 2026, Frequentis held 5,081 treasury shares (31 December 2025: 9,920). The total number of issued shares was 13,280,000 (31 December 2025: 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 19 June 2026 passed a resolution to pay a dividend of EUR 0.30 per no-par-value share entitled to the dividend for the 2025 financial year. The dividend less statutory capital gains tax of 27.5% was paid in June 2026.

15. Share-based payment

Frequentis AG granted long-term incentive plans to the Chairman of the Executive Board, Mr. Norbert Haslacher, in 2023, 2024, 2025, and 2026 (LTIP 2023, LTIP 2024, LTIP 2025, and LTIP 2026). In 2026, long-term incentive plans were also agreed with the other members of the Executive Board.

The share-based payments are 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 payments are recognised in a separate item of equity.

The participants in the plans are not required to make a personal investment in Frequentis AG shares. From the grant date, in each calendar year the beneficiaries can sell a maximum of one third of the shares awarded under the LTIPs. However, the beneficiaries may only sell the number of shares awarded under the current LTIPs or any subsequent long-term incentive plans if, at all times, they hold at least 7,000 of the shares awarded under a long-term incentive plan (CEO Norbert Haslacher) or 1,550 of such shares (other members of the Executive Board) ("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 (CEO Norbert Haslacher) or 4,000 shares (other Executive Board members) will be awarded (gross – before deduction of taxes and fees). For the CEO, Norbert Haslacher, this is capped at 200% (LTIP 2024 and 2025) or 300% (LTIP 2026) of his annual gross base salary, while for the other Executive Board members it is capped at 150% of their annual gross base salary. Settlement is effected by transferring the number of shares corresponding to the net amount of the award to the beneficiary's 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 payments granted in the various reporting periods (LTIP 2023 ended in the reporting period):

	LTIP 2026 (CEO)	LTIP 2026 (CTO)	LTIP 2026 (CFO)	LTIP 2026 (COO)	LTIP 2025 (CEO)	LTIP 2024 (CEO)	LTIP 2023 (CEO)
Beginning of the plan	1 Jan. 2026	1 Jan. 2026	1 Jan. 2026	1 Jan. 2026	1 Jan. 2025	1 Jan. 2024	1 Jan. 2023
Date of approval by General Meeting	19 Jun. 2026	19 Jun. 2026	19 Jun. 2026	19 Jun. 2026	5 Jun. 2025	6 Jun. 2024	1 Jun. 2023
Grant date	19 Jun. 2026	19 Jun. 2026	19 Jun. 2026	19 Jun. 2026	5 Jun. 2025	6 Jun. 2024	1 Jun. 2023
End of service period	31 Dec. 2028	31 Dec. 2028	31 Dec. 2028	31 Dec. 2028	31 Dec. 2027	31 Dec. 2026	31 Dec. 2025
Vesting date	30 Apr. 2029	30 Apr. 2029	30 Apr. 2029	30 Apr. 2029	30 Apr. 2028	30 Apr. 2027	30 Apr. 2026
Expected target achievement	88.5%	84.0%	88.5%	84.0%	100%	100%	100%
Expected no. of shares	15,930	3,360	3,540	3,360	11,316	11,316	10,542
Maximum no. of shares	18,000	4,000	4,000	4,000	18,000	18,000	18,000
Bonus shares allocated	None	None	None	None	None	None	None

The agreed targets are measured against the following performance indicators:

LTIP 2026 CEO	LTIP 2026 CTO	LTIP 2026 CFO	LTIP 2026 COO
Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)
EBT margin of Frequentis AG	Fulfilment of defined KPIs for project execution	EBT margin of Frequentis AG	Fulfilment of defined KPIs for project execution
Achievement of a target for cumulative order intake at the "Accelerator Hub"	Ongoing development of the service organisation	Achievement of a target range for working capital intensity	Ongoing development of the service organisation
Position in the EcoVadis sustainability ranking	Position in the EcoVadis sustainability ranking	Position in the EcoVadis sustainability ranking	Position in the EcoVadis sustainability ranking

LTIP 2025 CEO	LTIP 2024 CEO	LTIP 2023 CEO
Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)
EBIT margin of the Frequentis Group	Increase in the order intake of the Frequentis Group	Orders on hand / book-to-bill ratio
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
Optimisation of the financing structure for R&D projects	Customer satisfaction	Growth in operating performance in the Public Safety & Transport segment
		Trainee programmes in the areas of sales, project management, and/or systems engineering

In May 2026, the targets set for the LTIP 2023 were evaluated for the performance period from 1 January 2023 to 31 December 2025 and it was established that target achievement was 100%. In view of the cap of 200% of the CEO's annual gross base salary, 10,542 shares in the company (gross number of shares before taxes) were to be transferred. Taking into consideration the tax to be withheld, 4,839 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, taking into account the defined cap. In the reporting period, EUR 73 thousand (H1 2025: EUR 365 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.

16. Provisions

The provisions comprise:

	30 June 2026 EUR thousand	31 Dec. 2025 EUR thousand
Provisions for severance payments	15,666	15,332
Provisions for pensions	4,478	4,399
Less pension insurance scheme	-2,604	-2,553
	1,874	**1,846**
Provisions for projects	3,020	3,208
Provisions for warranties	1,791	920
Provisions for anniversary bonuses	779	767
Other provisions	446	490
Total non-current provisions	**23,576**	**22,563**
Provisions for bonuses	9,758	17,027
Provisions for projects	7,241	5,714
Provisions for warranties	1,809	2,444
Other provisions	5,009	2,536
Total current provisions	**23,817**	**27,721**

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 2025, while only pro-rata additions were made to the provisions for 2026.

17. Other liabilities

The other liabilities comprise:

	30 June 2026 EUR thousand	31 Dec. 2025 EUR thousand
Liabilities for put options, non-controlling interests	19,416	16,443
Loan from FFG (Austrian Research Promotion Agency)	1,127	1,283
Earn-out liabilities and liabilities for receivables due to risk retention	223	581
Other liabilities	321	305
Total non-current financial liabilities	**21,087**	**18,612**
Liabilities for put options, non-controlling interests	1,420	0
Loan from FFG (Austrian Research Promotion Agency)	1,283	560
Negative fair value of derivative financial instruments	1,252	89
Earn-out payment liabilities	663	550
Other liabilities	3,116	2,043
Total current financial liabilities	**7,734**	**3,242**
Accrual for holidays not yet taken	12,670	7,723
Liabilities to the Austrian fiscal authorities (excluding income taxes)	7,139	10,451
Liabilities to health insurers	7,130	1,212
Advances received in connection with grants and subsidies	2,681	717
Accrual for overtime	1,421	1,230
Accrual for consultancy costs	325	927
Other liabilities	1,714	588
Total current non-financial liabilities	**33,080**	**22,848**

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 315 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 70 thousand resulted from the interest rate effect and was included in the financial expenses.

The liabilities for put options, non-controlling interests relate to options held by non-controlling interests in Regola S.r.l., ELARA Leitstellentechnik GmbH, and FRAFOS GmbH to transfer these interests to Frequentis. If the options are exercised, Frequentis has an irrevocable obligation to acquire the interests in the businesses. The earliest exercise dates for these put options are 2027 (Regola S.r.l. and FRAFOS GmbH) and 2028 (ELARA Leitstellentechnik GmbH).

For Regola S.r.l. and ELARA Leitstellentechnik GmbH, the value of the put option corresponds to the enterprise value less net financial debt, while at FRAFOS GmbH it corresponds to the enterprise value less net financial debt and the deviation from target working capital. The enterprise value is determined using a multiples-based valuation. The basis for this multiples-based valuation is EBIT for the 12 months directly prior to exercise of the option (in the case of Regola S.r.l.), the average revenues and EBIT reported in the annual financial statements for the last five financial years immediately prior to exercise of the option (in the case of ELARA Leitstellentechnik GmbH), and the average EBIT in the three years immediately prior to exercise of the option (in the case of FRAFOS GmbH). The change of EUR 4,394 thousand in the fair value of the put options is recognised in equity.

Other information

18. Financial instruments

In the first half of 2026, liabilities to banks of EUR 6,634 thousand and an FFG loan of EUR 560 thousand were repaid.

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 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 2026	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		0			**0**
Time deposits			16,277		**16,277**
Trade accounts receivable			112,559		**112,559**
Derivative financial instruments	790				**790**
Other current and non-current assets			3,510		**3,510**
Cash and cash equivalents			91,193		**91,193**
Total	**790**	**0**	**223,539**		**224,329**
Financial liabilities					
Liabilities to banks and other financial liabilities				29	**29**
Trade accounts payable				47,476	**47,476**
Lease liabilities				53,462	**53,462**
Derivative financial instruments	1,252				**1,252**
Liabilities relating to put options and earn-out agreements	21,722				**21,722**
Other current and non-current liabilities				5,847	**5,847**
Total	**22,974**			**106,814**	**129,788**

31 Dec. 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		0			**0**
Time deposits			14,120		**14,120**
Trade accounts receivable			144,684		**144,684**
Derivative financial instruments	1,903				**1,903**
Other current and non-current assets			4,095		**4,095**
Cash and cash equivalents			97,186		**97,186**
Total	**1,903**	**0**	**260,085**		**261,988**
Financial liabilities					
Liabilities to banks and other financial liabilities				6,643	**6,643**
Trade accounts payable				33,788	**33,788**
Lease liabilities				49,088	**49,088**
Derivative financial instruments	89				**89**
Liabilities relating to put options and earn-out agreements	17,575				**17,575**
Other current and non-current liabilities				4,191	**4,191**
Total	**17,664**			**93,710**	**111,374**

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 disclosure is 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. Altitude Angel Ltd. was fully impaired in previous years and insolvency proceedings commenced in 2025. As at 31 December 2025 and 30 June 2026, the carrying amount and fair value were therefore zero. AIRlabs Austria GmbH was fully impaired in 2025 due to the planned cessation of business operations in 2026. Consequently, the carrying amount and fair value were zero as at 31 December 2025 and 30 June 2026.

The earn-out liabilities relating to the acquisition 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 are not designated as a hedging instrument but 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 levels were applied 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

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 2026, verified by corresponding bank confirmations.

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

30 June 2026	Derivative			Total
Sale currency	Sale amount	Purchase amount EUR thousand	Average hedging rate	Fair value EUR thousand
AUD	-4,500	2,728	1.69	35
CAD	-1,000	670	1.52	53
CHF	-721	795	0.91	4
CZK	2,000	-77	25.85	5
NOK	-7,090	628	11.67	6
SGD	-3,944	2,737	1.44	57
USD	-17,739	16,273	1.11	630
		23,754		**790**
AUD	-2,590	1,544	1.71	-6
GBP	-1,882	2,116	0.89	-53
HKD	2,010	-231	8.70	-6
HUF	-457,198	1,126	408.49	-147
NOK	-42,682	3,675	11.77	-60
SGD	-44,975	30,796	1.46	-112
USD	-15,110	18,133	1.17	-868
		57,159		**-1,252**

31 Dec. 2025	Derivative			Total
Sale currency	Sale amount	Purchase amount EUR thousand	Average hedging rate	Fair value EUR thousand
AUD	-5,547	3,254	1.70	153
CAD	-1,456	963	1.51	59
CHF	-986	1,087	0.91	7
CZK	3,000	-116	25.85	6
NOK	-48,239	4,116	11.79	111
SGD	-3,894	2,704	1.44	115
USD	-35,245	31,109	1.12	1,452
		43,117		**1,903**
AUD	-1,137	630	1.81	-7
CAD	500	-327	1.53	-16
GBP	-2,231	2,510	0.89	-8
HKD	2,010	-231	8.70	-13
HUF	-381,724	918	416.00	-37
SGD	-65	41	1.60	-5
USD	-1,583	1,337	1.19	-3
		4,878		**-89**

For the carrying amount of the MTM valuation, a positive fair value of EUR 790 thousand was recognised in other receivables as at 30 June 2026 (31 December 2025: EUR 1,903 thousand), while a negative fair value of EUR 1,252 thousand was recognised in other liabilities (31 December 2025: EUR 89 thousand).

19. Information on related party transactions

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 38 in the Annual Report 2025.

20. Significant events after the reporting date

At the end of July 2026, Frequentis increased its interest in Nemergent Solutions S.L. from 24.83% to 51%.

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 2026, 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 2026, 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, 7 August 2026

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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This document has been prepared in German, which is the official version. The English translation is for information only. In case of discrepancies in the English translation, the German version shall prevail.

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