Group Management Report as at 31 December 2025

Economic environment

Compared to other sectors of the economy, the areas in which the Frequentis Group operates (information and communication systems for civil and military air traffic control, emergency services, rail and water transport) have relatively low cyclical exposure. 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 January 2026[1]. Global growth was 3.3% in 2025 and is expected to remain steady at 3.3% in 2026, despite significant trade disruptions.

This surprising strength reflects a confluence of factors, including easing trade tensions, higher-than-expected fiscal stimulus, accommodative financial conditions, the agility of the private sector in mitigating trade disruptions, and improved policy frameworks especially in emerging market economies. Another key driver of this resilience is the continued surge in investment in the information-technology sector - especially in artificial intelligence.

The IMF projects that the US economy will grow by 2.4% in 2026 and that the economy in the euro zone will grow by 1.3%. For the major economies in the euro zone it predicts differing levels of growth in 2026, led by Spain (2.3%), ahead of Germany (1.1%), France (1.0%), and Italy (0.7%). The forecast for the UK is 1.3% growth in 2026.

For the emerging and developing economies in Asia, the projection is 5.0% growth in 2026. The IMF assumes growth of 2.2% for Latin America and 3.9% for the Middle East and Central Asia in 2026.

[1] https://www.imf.org/en/publications/weo/issues/2026/01/19/world-economic-outlook-update-january-2026

Business performance

Based on the high level of orders on hand at year-end 2024 and strong order intake, the Frequentis Group grew revenues by 20.8% in 2025. It therefore posted double-digit revenue growth for the fifth consecutive year. 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 16.5%, showing double-digit growth for the fourth consecutive year. Orders on hand were up 9.8% at year-end 2025.

Significant events in 2025

Peter Skerlan's appointment as CFO extended until 2031

The Supervisory Board of Frequentis AG extended the appointment of Peter Skerlan as Chief Financial Officer for a further five years until 15 April 2031. He has held this position since 16 April 2021.

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 current 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.

These 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 in either 2025 or 2024. 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.

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 will only become apparent in 2026.

Order intake

Order intake in the Frequentis Group was EUR 680.2 million in 2025, an increase of 16.5% (EUR 96.4 million) compared with 2024, when order intake was EUR 583.8 million.

The distribution of order intake between the two segments in 2025 was as follows: Air Traffic Management 65% (EUR 444.8 million) compared with 68% in 2024 (EUR 397.8 million), Public Safety & Transport 35% (EUR 235.5 million), compared with 32% in 2024 (EUR 186.0 million).

Highlights of order intake in the Air Traffic Management segment

In the civil air traffic control business, the German air navigation service provider Deutsche Flugsicherung (DFS) is taking a strategic leap forward in air traffic management (ATM): the backup solution at the Munich Area Control Center is evolving into the next-generation cloud-native platform. Frequentis is providing the flight data processing services from its OneATM portfolio. This innovative project marks the first operational deployment of the new service delivery model defined by the European ATM Master Plan 2025.

The Federal Aviation Administration (FAA) in the USA has awarded Frequentis further contracts to implement the air-to-ground protocol control system (APCS) for the US National Airspace System, which supports over one billion passengers a year. The APCS will replace the existing radio control equipment units. Migrating from the current analogue and time division multiplexing communication protocols to digital internet protocol (IP) communication has many benefits including enhanced communication, increased efficiency and added security. In addition, first orders have been placed to replace the voice communication system (VCS) by an IP-based system.

Frequentis is to supply its Advanced Network Management System for Vietnam's Ho Chi Minh Air Traffic Control Centre (ATCC). This solution enables end-to-end monitoring of air traffic services, enhancing safety and operational control and supporting over 134,000 annual flights.

Frequentis has been selected by LFV (Luftfartsverket), Sweden's air navigation service provider, to deliver the country's first nationwide drone traffic management system. The new platform will enable safe, scalable drone operations across Sweden's entire airspace, supporting both current needs and future growth. The new digital platform will give LFV and national authorities, like police, fire, and ambulance services, the tools to oversee low-altitude drone operations (typically below 150 metres) safely and efficiently.

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

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

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

Highlights of order intake in the Public Safety & Transport segment

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

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

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

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

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

The Maritime business domain reports new modernisation orders from the port of Hamburg and the Faroe Islands, expansion of orders for the Dutch coastguard and the port of Singapore, and the extension of maintenance and service agreements, for example, for Germany, Greenland, and the Netherlands.

Orders on hand

Orders on hand totalled EUR 794.9 million as at 31 December 2025, an increase of 9.8% (EUR 70.8 million) compared with end-December 2024 (EUR 724.0 million). The Air Traffic Management segment accounted for around 62% of total orders on hand (December 2024: 64%) and the Public Safety & Transport segment for 38% (December 2024: 36%).

Revenues and operating performance

In 2025, revenues increased by 20.8% (EUR 99.8 million) to EUR 580.1 million (2024: EUR 480.3 million). Since no acquisitions were made in the reporting period, revenue growth is deemed to be entirely organic.

The Air Traffic Management segment grew revenues by 18.5% to EUR 400.6 million. In the Public Safety & Transport segment, revenues were 26.4% higher at EUR 179.5 million. The revenue split between the Air Traffic Management and Public Safety & Transport segments was 69% : 31% in 2025 (2024: 70% : 30%).

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

- Europe 58% (2024: 62%)
- Americas 27% (2024: 18%)
- Asia 7% (2024: 12%)
- Australia / Pacific 6% (2024: 6%)
- Africa 1% (2024: 1%)
- 1% (2024: 1%) of revenues were not allocated to a region.

The change in inventories of finished goods and work in progress was EUR 3.3 million in 2025 (2024: EUR 2.8 million). Own work capitalised declined further to EUR 0.5 million (2024: EUR 1.6 million). Own work capitalised includes, among other things, self-produced internal demonstration and test systems.

The other operating income increased to EUR 13.8 million (2024: EUR 11.5 million), driven principally by changes in the fair value of forward exchange contracts (EUR +2.7 million), mainly due to fluctuations in the US dollar exchange rate. The biggest single items in other operating income are grants and subsidies for research and development costs, income from research incentives, and the changes in the fair value of forward exchange contracts outlined above.

Total income (operating performance) increased by 20.4% (EUR 101.4 million) to EUR 597.7 million in 2025 (2024: EUR 496.3 million).

Earnings

The cost of materials and purchased services increased by 38.0% to EUR 156.1 million (2024: EUR 113.1 million), which was higher than the percentage rise in revenues. The increase was mainly attributable to a more material-intensive project in the Americas region.

Personnel expenses rose 12.2% to EUR 292.1 million (2024: EUR 260.3 million), which was below the rise in revenues. The higher expenses were due to the increase in the headcount and salary rises, although these were lower than in 2024 as a result of declining inflation.

The other operating expenses were 20.2% higher at EUR 82.6 million (2024: EUR 68.7 million), principally as a result of the increase in exchange rate differences (EUR +4.2 million year-on-year), travel expenses (EUR +2.7 million), and licence fees (EUR +2.5 million). By contrast, there was a reduction, above all, in expenses resulting from changes in the fair value of forward exchange contracts (EUR -1.0 million).

Travel expenses rose by EUR 2.7 million year-on-year to EUR 16.7 million, which was 2.9% of revenues in 2025 (2024: 2.9%). Frequentis strives to keep travel expenses at around 3-4% of revenues.

EBITDA (earnings before interest, taxes, depreciation, amortisation, and impairment losses) increased to EUR 66.9 million in 2025 (2024: EUR 54.1 million). The EBITDA margin (relative to revenues) was 11.5% in 2025, compared with 11.3% in 2024.

Depreciation and amortisation increased to EUR 20.2 million (2024: EUR 19.4 million). No impairment losses were registered in 2025 (2024: EUR 2.6 million due to an impairment in the Business Recording unit).

As a result of all the changes outlined above, EBIT increased by 45.7% to EUR 46.8 million in 2025 (2024: EUR 32.1 million). The EBIT margin (relative to revenues) was 8.1%, compared with 6.7% in 2024.

Financial income was EUR 0.9 million in 2025 and thus at the same level as in 2024 (EUR 0.9 million). Financial expenses (which also include interest on leases in accordance with IFRS 16) increased to EUR 2.2 million (2024: EUR 1.6 million). There was no significant income from the reversal of impairment losses on financial assets in 2025 (2024: EUR 1.0 million from recourse claims for time deposits and deposits due on demand at Commerzialbank Mattersburg, which were previously recognised as fully impaired).

Profit before tax was EUR 45.8 million in 2025 (2024: EUR 32.8 million). Income tax expense was EUR 12.2 million (2024: EUR 9.3 million), giving a tax rate of 26.6% (2024: 28.3%). The absolute increase in income tax expense in 2025 was principally due to higher current income taxes.

The profit for the period increased to EUR 33.7 million in 2025 (2024: EUR 23.5 million). Basic earnings per share were EUR 2.13 in 2025 (2024: EUR 1.66) and diluted earnings per share were EUR 2.12 (2024: EUR 1.65).

Employees

The number of employees increased by 8.7% to an average of 2,634 full-time equivalents (FTEs) in 2025 (2,422 FTEs in 2024; based in both cases on employees with contracts for an indefinite period). 1,226 FTEs, i.e., about 47% of the total workforce, were employed in Austria (2024: 1,150 FTEs).

Asset and capital structure

Total assets increased by 29.0% to EUR 509.3 million as at end-December 2025 (end-December 2024: EUR 394.8 million). This was partly attributable to an increase in trade accounts payable, cash and cash equivalents, and inventories. The equity ratio was 38.6% (end-December 2024: 44.3%). Equity increased by EUR 22.1 million to EUR 196.8 million (end-December 2024: EUR 174.8 million).

The net cash position (cash and cash equivalents and time deposits less liabilities to banks and other financial liabilities) was EUR 104.7 million as at end-December 2025, which was above the net cash position of EUR 81.8 million recorded at end-December 2024.

Non-current assets amounted to EUR 104.4 million at the end of December 2025 (end-December 2024: EUR 103.5 million). The three largest items here were property, plant and equipment, which totalled EUR 69.0 million (end-December 2024: EUR 70.3 million), intangible assets, which amounted to EUR 12.6 million (end-December 2024: EUR 15.4 million), and goodwill, which was EUR 8.6 million (end-December 2024: EUR 8.6 million).

Current assets totalled EUR 404.9 million at end of December 2025 (end-December 2024: EUR 291.3 million). The most important item here is trade accounts receivable, which amounted to EUR 144.7 million (end-December 2024: EUR 80.1 million). The rise was due to higher invoices to customers. The next most important items were cash and cash equivalents, including time deposits, which totalled EUR 111.3 million (end-December 2024: EUR 82.0 million), contract assets, which amounted to EUR 68.2 million (end-December 2024: EUR 70.9 million), and inventories, which totalled EUR 51.8 million (end-December 2024: EUR 32.9 million). The increase in inventories mainly resulted from the rise in raw materials, supplies, and finished goods due to the stocking of materials and finished assemblies for future production for a major project in the Americas region.

At end-December 2025, about 60% of the cash and cash equivalents of EUR 111.3 million was deposited with ten system-relevant major banks in Austria and Germany. About 40% was deposited with approximately 25 other banks in Europe, Australia, Asia, and the Americas.

On the liabilities side, the main item was equity of EUR 222.1 million as at end-December 2025 (end-December 2024: EUR 132.6 million). Contract liabilities accounted for EUR 109.0 million of this amount (end-December 2024: EUR 57.6 million). The increase in contract liabilities was mainly attributable to higher advance payments by customers.

The second largest item on the liabilities side was equity, which was EUR 196.8 million as at end-December 2025 (end-December 2024: EUR 174.8 million). The third largest item was non-current liabilities, which totalled EUR 90.4 million as at end-December 2025 (end-December 2024: EUR 87.4 million). The biggest component of this line item was non-current lease liabilities, which amounted to EUR 39.8 million (end-December 2024: EUR 41.3 million).

Cash flow

The cash flow from operations increased to EUR 78.3 million in 2025 (2024: EUR 60.6 million). The cash flow from operating activities rose to EUR 49.1 million in 2025 (2024: outflow of EUR 22.1 million) and was influenced by the change in contract liabilities and the change in contract assets, which was set against the change in trade accounts receivable and inventories - in other words, changes in net working capital.

The cash flow from investing activities improved to EUR -9.6 million in 2025 (2024: EUR -15.6 million). Capital expenditure (cash outflow for the purchase of intangible assets, property, plant and equipment) was EUR 13.8 million, which was higher than in 2024, when it was EUR 10.1 million. The free cash flow (cash flow from operating activities plus cash flow from investing activities) was EUR 39.5 million (2024: EUR 6.5 million).

The cash flow from financing activities improved to EUR -7.6 million in 2025 (2024: EUR -13.9 million).

The total cash flow in 2025 was EUR 31.9 million (2024: EUR -7.4 million). Cash and cash equivalents, excluding time deposits, amounted to EUR 97.2 million as at end-December 2025 (end-December 2024: EUR 67.0 million).

Business relations with related parties

For details 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 increased by 18.5% to EUR 400.6 million in 2025 (2024: EUR 338.2 million). EBIT was EUR 19.8 million (2024: EUR 18.0 million) and the EBIT margin (relative to revenues) was 4.9%, compared with 5.3% in 2024.

Highlights from the operating business

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

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

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

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

Vodafone, Frequentis, the German Aerospace Centre (DLR), and the Rostock Fire Brigade are testing drones in rescue missions. The drones transmit aerial images directly to the control centre - even before the emergency service crews arrive. Reliable aerial footage reduces the response time and allows more detailed operational planning, even in hard-to-reach locations.

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

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

Public Safety & Transport / PST

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

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

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

Revenues in the Public Safety & Transport segment increased by 26.4% to EUR 179.5 million in 2025 (2024: EUR 142.0 million). EBIT rose to EUR 27.0 million (2024: EUR 14.2 million). The EBIT margin was 15.0%, compared with 10.0% in 2024.

Highlights from the operating business

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

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

In the Public Transport business domain, key acceptance procedures were performed for the programmes in Switzerland, France, and the UK and the first MCX projects, which were ordered in 2024.

In the major French project, the first factory acceptance procedures were performed, so the next phase, field tests at the customer's location, can start. Building up the French team in Paris advanced rapidly. The good progress of the project is evidenced by further major order offtakes under the frame agreement.

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

Research & development

The greatest challenges for customers operating safety-critical services are currently rising cost pressure and continual changes in the operating environment. Users need more flexible systems and software solutions to ensure they continue to meet the demanding safety requirements and can adapt operating resources and operational locations easily to meet current needs. Therefore, flexible means of communications and integrated control room solutions are required. The migration of data and voice communications to joint IP networks creates the technical preconditions for greater flexibility, which is needed, for example, for remote tasks. At the same time, cybersecurity is becoming more and more important as a result of increased networking.

As a recognised innovation leader in the markets it addresses, Frequentis responds to this by providing IP-based systems. In the next phase, networks will become the centre of communication systems. Traditional voice communication systems are being extended by networked voice and data communication solutions. Close interaction with customers, with most of whom Frequentis has worked in partnership for many years or even decades, allows early identification and a timely response to technological developments.

Innovations are an important element of Frequentis' corporate strategy. All related activities are managed by New Business Development. The present focus is on the ongoing development of the digital (remote) tower technology, drone management, and the use of 5G/LTE for safety-critical applications. Another focal area is the development and commercialisation of new business models such as software as a service (SaaS) and cloud solutions. Furthermore, work has commenced on research and development programmes in the area of defence (EDF / European Defence Fund, EDA / European Defence Agency).

Intense examination of the possibilities for the broad spectrum of artificial intelligence (AI) in safety-critical applications is already influencing the product landscape. The focus is on natural language processing, computer vision, and decision intelligence. AI is used as a support tool, for example to filter out noise in radio communications, identify different speakers, and transcribe communications. To enhance recognition of objects in the Remote Digital Tower, AI is used to exclude potential sources of error such as birds and clouds. For further information on AI, visit ai.frequentis.com.

Through its involvement in national and EU-funded innovation projects, including leadership roles, Frequentis is setting future standards for safety-critical operations. Wherever possible, Frequentis' innovations are patent-protected.

Consolidated corporate governance report

The consolidated corporate governance report is available at www.frequentis.com/en/ir > Corporate Governance.

Consolidated non-financial statement 2025

ESRS 2 – General disclosures

General basis for preparation of the consolidated non-financial statement
// ESRS 2 BP-1

In keeping with its mission "for a safer world", the Frequentis Group is committed to sustainability in its basic philosophy and business activities. This consolidated non-financial statement provides an overview of the Group-wide sustainability initiatives and activities in 2025.

This consolidated non-financial statement covers Frequentis AG, registered address Innovationstrasse 1, 1100 Vienna, Austria, and its consolidated subsidiaries (subsequently referred to as Frequentis, the Frequentis Group, or the Group).

The consolidated non-financial statement was prepared in accordance with the provisions of the Austrian Sustainability and Diversity Improvement Act (NaDiVeG) and Sections 243b and 267a of the Austrian Commercial Code (UGB), the European Sustainability Reporting Standards (ESRS), and Article 8 of the EU Taxonomy Regulation (EU) 2020/852).

Consolidated group

For this consolidated non-financial statement, the same consolidated reporting entities are applied as in financial reporting (↗ Consolidated financial statements / *Consolidated group*). Besides Frequentis AG, which is the parent company, the consolidated group comprises 6 (2024: 6) domestic subsidiaries and 31 (2024: 31) foreign subsidiaries controlled by Frequentis AG. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ends. The reporting date for all companies included in the financial statements is 31 December.

If disclosures only apply for individual or selected Group companies, this is explicitly stated.

For disclosures on the value chain, see ↗ ESRS 2 – General disclosures / *Value chain*.

Use was not made of the option to omit certain information corresponding to intellectual property, know-how or the results of innovation, or of the exemption from disclosure of impending developments or matters in the course of negotiation.

Rounding may result in minor discrepancies in totals in this consolidated non-financial statement as a result of the use of automatic data processing.

Disclosures in relation to specific circumstances
// ESRS 2 BP-2

Time horizons

The time horizons used in the consolidated non-financial statement differ from the definition in ESRS 1 because they are aligned with Frequentis' Group-wide risk management. The time horizons are defined as follows:

- Short-term time horizon: up to 1 year
- Medium-term time horizon: more than 1 and up to 4 years
- Long-term time horizon: more than 4 and up to 10 years

Value chain estimation

Not all value chain information required to calculate certain metrics were available. The following table shows the metrics for the upstream and downstream value chain that have been estimated using indirect sources. Details of the accuracy of the metrics, the calculation methods, assumptions, and approximations can be found under the corresponding ESRS datapoints in the following chapters.

ESRS datapoint	Metric	Value chain estimation
E1-6	Greenhouse gas (GHG) emissions	• Some Scope 3 GHG emissions were calculated on the basis of spend-based emission factors

Sources of estimation and outcome uncertainty

The datapoints and metrics presented in the following table contain disclosures based on assumptions, estimates, and judgements. The reasons for the use of estimates are the availability of reliable data and accuracy of the measuring procedures. Information on the calculation methods, assumptions, and approximations can be found in the metrics tables.

ESRS datapoint	Metric	Estimation and outcome uncertainty
E1-5	Energy consumption and mix	• Calculation of total consumption and share of non-assignable energy
E1-6	Greenhouse gas (GHG) emissions	• Calculation of market-based Scope 2 GHG emissions • Calculation of Scope 3 emissions in the categories 6 and 11
E5-5	Waste	• Calculation of waste and disposal methods for individual Group companies
S1-13	Performance and career development reviews	• Calculation of the percentage of employees that participated in performance and career development reviews
S1-16	Remuneration metrics	• Calculation of the gender pay gap • Calculation of the annual total remuneration ratio
S1 - voluntary	Mandatory training	• Calculation of the percentage of successful completion of e-learning "Personal data protection"
G1 - voluntary	Mandatory training	• Calculation of the percentage of successful completion of e-learning "Business ethics & Code of conduct" • Calculation of the percentage of successful completion of e-learning "Capital market compliance" • Calculation of the percentage of successful completion of e-learning training "Anti-corruption and anti-bribery"
Safety & security	Mandatory training	• Calculation of the percentage of successful completion of e-learning "Safety-critical behaviour" • Calculation of the percentage of successful completion of e-learning "Information security awareness" • Calculation of the percentage of successful completion of e-learning "Secure Development Life Cycle"

Changes in preparation or presentation of sustainability information

To comply with the future mandatory requirements of the CSRD (Corporate Sustainability Reporting Directive), since the 2024 reporting period, the consolidated non-financial statement has been compiled in accordance with the ESRS (European Sustainability Reporting Standards). The non-financial statement for 2024 was published on 8 April 2025.

Reporting of metrics is continuously being refined and rolled out to include the Frequentis Group, where this was not previously the case. Where the metrics were not – or not fully – included in previous reporting periods, this is indicated. If the calculation method is altered, adjusted comparative figures are provided, where available.

Application of international standards

Frequentis' integrated management system forms the basis for continuous optimisation of performance and results and ensures compliance with internationally recognised standards.

ISO certification and integrated management systems

The interaction of various ISO certificates enables an integrated, consistent, and efficient management system where the requirements of individual standards complement one another and contribute to a holistic improvement in quality, safety, security, and sustainability.

- Quality management (ISO 9001:2015)
- Environmental management (ISO 14001:2015)
- IT service management (ISO 20000:2018)
- Information security (ISO 27001:2013)
- Occupational health and safety (ISO 45001:2018)
- Energy management (ISO 50001:2018)

Internal audits are used to check that the processes are applied and complied with. Certified sites are regularly audited by accredited certification organisations.

In 2025, recertification was obtained for the international standards ISO 9001 – Quality management, ISO 14001 – Environmental management, ISO 27001 – Information security management, and ISO 45001 – Occupational health and safety. Initial certification in conformance with ISO 50001– Energy management was obtained for the Vienna location.

The following table shows the initial certification dates (taking into consideration any predecessor legal entities):

	ISO 9001	ISO 14001	ISO 20000	ISO 27001	ISO 45001	ISO 50001
Frequentis AG, Austria	1993	2005	2024	2011	2005	2025
ATRiCS Advanced Traffic Solutions GmbH, Germany	2010					
C4i Pty Ltd., Australia	1993				2020	
CNS-Solutions & Support GmbH, Austria	2016			2016		
Frequentis (Shanghai) Co., Ltd., China	2014					
Frequentis Australasia Pty Ltd., Australia	2012	2018		2011	2019	
Frequentis California Inc., USA	2000					
Frequentis Canada Limited	2008	2009			2009	
Frequentis Comsoft GmbH, Germany	1993	2024		2018	2024	
Frequentis Czech Republic s.r.o.	2011					
Frequentis Defense Inc., USA	2023					
Frequentis Deutschland GmbH, Germany	1998			2011		
Frequentis do Brasil Ltda.	2019					
Frequentis Orthogon GmbH, Germany	2005					
Frequentis Romania S.R.L.	2010					
Frequentis Solutions & Services s.r.o., Slovakia	1997			2018		
Frequentis UK Ltd.	2015	2023		2011	2023	
Frequentis USA Inc.	2003			2011		
PDTS GmbH, Austria	2000					
Regola S.r.l., Italy	2014			2016		

	ISO 9001	ISO 14001	ISO 20000	ISO 27001	ISO 45001	ISO 50001
Secure Service Provision GmbH (SSP), Germany	2021					
Systems Interface Ltd., UK	2018					
TEAM Technology Management GmbH, Germany	2020					
team Technology Management GmbH, Austria	2004					

Special certificates

In addition, the Frequentis Group holds certificates for specific application areas such as Cyber Essentials (2016, a British certification system for the cybersecurity of an organisation; Frequentis AG and Frequentis UK Ltd.) and AEO (2008, "Authorised Economic Operator", a trade certificate; Frequentis AG). Of particular significance for the defence business is AQAP certification (Allied Quality Assurance Publications – NATO quality management standards), which has been held by Frequentis Solutions & Services s.r.o. since 2024.

Contribution to the United Nations Sustainable Development Goals (SDGs)

The Frequentis Group also aligns its sustainability strategy with the United Nations global Sustainable Development Goals (SDGs). These provide a framework for the promotion of social justice, ecological responsibility, and economic development.

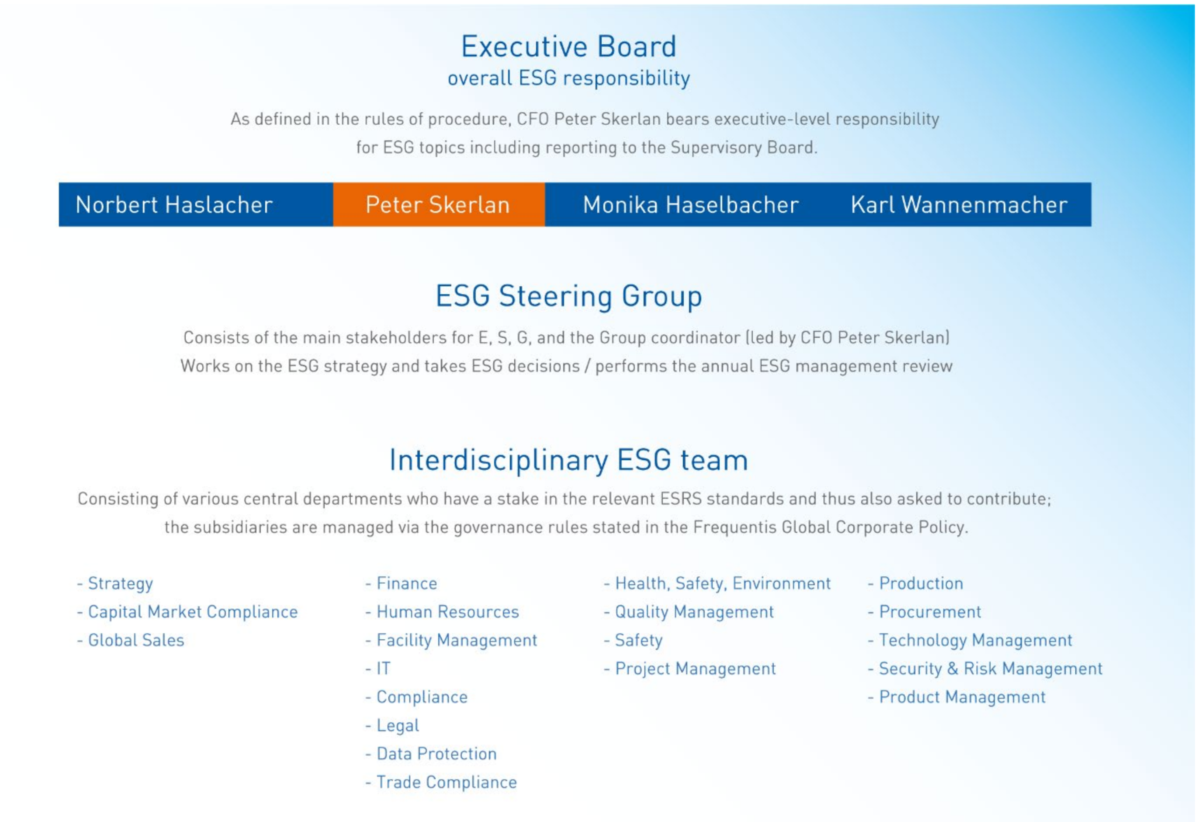
As a company with international operations, Frequentis makes an active contribution to SDGs 3 (Good Health and Well-Being), 4 (Quality Education), 5 (Gender Equality), 7 (Affordable and Clean Energy), 8 (Decent Work and Economic Growth), 9 (Industry, Innovation, and Infrastructure), 10 (Reduced Inequalities), 12 (Responsible Consumption and Production), 13 (Climate Action), and 16 (Peace, Justice, and Strong Institutions).

External assurance

The consolidated non-financial statement was subject to a voluntary independent audit by BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, based on a limited assurance engagement.

ESG organisation
// ESRS 2 GOV-1, GOV-2

In response to the broadly based environmental, social, and governance aspects and to improve their presentation to stakeholders, at the start of 2022 Frequentis pooled its expertise in these three areas in a Group-wide ESG organisation. As a representative of the Executive Board, CFO Peter Skerlan bears executive-level responsibility for ESG topics. This was defined by the Supervisory Board at its meeting on 30 March 2022 in the rules of procedure for the Executive Board of Frequentis AG.



The interdisciplinary ESG team is coordinated by an ESG Steering Group, which involves and works closely with the Executive Board. Alongside the CFO, the members of the ESG Steering Group are the staff responsible for environmental, social, governance, and compliance aspects and the ESG Group Coordinator. The ESG team maintains regular contact with Frequentis' stakeholders.

Specific projects are analysed, prioritised, and driven forward at a monthly jour fixe. Current sustainability measures are continuously examined and modified, and new sustainability projects are initiated as necessary. At the annual ESG management review led by the CFO, the past year's ESG activities and ESG indicators are discussed and action to achieve targets and further improvements are defined.

The CFO and the members of the ESG Steering Group regularly attend specialist congresses and events to network with experts and enhance their knowledge. Reading relevant literature is also very important. The knowledge gained in this way is shared widely within Frequentis. This ensures that the company always has up-to-date knowledge of the fast-changing fields of sustainability and transparent ESG reporting.

The Executive Board and Supervisory Board, as the highest governance bodies, support all measures. The Supervisory Board regularly considers ESG topics and ESG is a recurrent item on the agenda for Supervisory Board meetings.

Modification of the present sustainability & ESG organisation is planned for 2026. The aim is to strengthen its strategic focus and create clear structures for ongoing development and Group-wide implementation.

For information on the composition and diversity of administrative, management, and supervisory bodies and their specialist knowledge and roles, including in respect of corporate governance, see ↗ *Consolidated Corporate Governance Report 2025 / Executive Board* and *Supervisory Board*.

Integration of sustainability-related performance in incentive schemes
// ESRS 2 GOV-3

To strengthen the sustainable development of the company, in addition to financial targets, the variable remuneration of the Executive Board members includes non-financial targets, especially from the area of ESG. The ESG targets are used as a calculation factor for the variable remuneration of every Executive Board member. Depending on the degree of achievement of the ESG targets, at the end of the agreed performance period, the variable remuneration resulting from the other targets may be increased or decreased by a factor of between 0.8 and 1.2. The targets are set and approved by the Committee for Executive Board Issues[1] on the basis of the remuneration policy[2] for the Executive Board of Frequentis AG adopted by the General Meeting.

The ESG targets are agreed for a multi-year performance period. Target achievement – and thus the respective claim to remuneration – is determined by the remuneration committee in the year following the end of the performance period.

For 2024 and 2025, two-year ESG targets were agreed for the areas of energy, circular economy, compliance, and cybersecurity.

Climate-related considerations are taken into account in the remuneration of Executive Board members indirectly via the energy target. The target set for an absolute reduction in energy consumption in 2024 and 2025 could not be achieved due to strong growth and new customer projects following the end of the Covid 19 crisis. The percentage of recognised remuneration for 2025 linked to climate-related considerations is therefore 0%.

The proportion of remuneration relating to the other ESG targets for 2024 and 2025 will be determined by the remuneration committee in 2026.

At its meeting on 13 December 2024, the remuneration committee set new non-financial targets for a two-year period, namely, for 2025 and 2026. These include implementing a succession policy for key positions within the Group.

In addition, in the reporting period, non-financial targets were prepared for a three-year period, namely 2026, 2027, and 2028. These relate to an improvement in the rating awarded by the EcoVadis rating platform. The final wording is currently being agreed and formal adoption is expected at the first meeting of the remuneration committee in March 2026.

---

1 The Committee for Executive Board Issues undertakes this in its role as remuneration committee. To enhance readability, in this non-financial statement, it is therefore referred to as the remuneration committee.

2 In accordance with the statutory provisions, the resolution is by nature a recommendation.

Statement on due diligence
// ESRS 2 GOV-4

The next table shows where key aspects and steps in the due diligence compliance procedure can be found in this consolidated non-financial statement.

Key elements of due diligence	Sections in the consolidated non-financial statement
Embedding due diligence in governance, strategy, and the business model	↗ ESRS 2 – General disclosures / *ESG organisation*
Engaging with affected stakeholders in all key steps of the due diligence	↗ ESRS 2 – General disclosures / *Stakeholder dialogue*
Identifying and assessing adverse impacts	↗ ESRS 2 – General disclosures / *Materiality assessment*
Taking actions to address the adverse impacts	↗ E1, E5, S1, S2, S4, G1, ES / *Actions*
Tracking the effectiveness of these efforts and communicating	↗ E1, E5, S1, S2, S4, G1, ES / *Actions*

Risk management and internal controls over sustainability reporting
// ESRS 2 GOV-5

For information on risk management and internal controls over sustainability reporting, see ↗ *Opportunity and risk management* and ↗ *Internal control system (ICS) for the accounting process*.

Sustainability strategy
// ESRS 2 SBM-1

Business model

Wherever Frequentis' applications are used, people bear responsibility for the safety of other people and property. Its mission is "For a safer world". The Frequentis Group is an international provider of solutions for safety-critical control centres. Custom-tailored control centre solutions are developed and marketed by the Air Traffic Management segment (for civil and military air traffic control, AIM [aeronautical information management], and air defence) and the Public Safety & Transport segment (police, fire service, emergency rescue services, railways, coastguards, and port authorities).

The primary objective of a control centre is to protect people and property from danger. More than 90% of customers are state-run authorities and / or individual governments or the administrative arms of other public authorities. The products and services supplied by Frequentis are part of the safety-critical infrastructure of the respective countries and have to be available reliably at all times. It is difficult to reduce or halt investment in safety-critical infrastructure. This underscores the robustness and long-term nature of Frequentis' business model.

Customer requirements often include requests for even more efficient and sustainable solutions and the need to adapt quickly to constantly changing conditions. That increases the demand for integrated solutions. Through a human-centric design process, Frequentis develops a secure and stable working environment for users (operators, air traffic controllers, and dispatchers).

As a recognised specialist for the supply of safety-critical infrastructure, Frequentis develops future-oriented solutions for control centres in collaboration with key account customers and makes new technologies usable for safety-critical applications. Proximity to customers is important: Frequentis has an international network of companies and local representatives in more than 50 countries. In addition to its headquarters in Vienna, Austria, Frequentis' locations include Australia, Brazil, Canada, the Czech Republic, France, Germany, Italy, Norway, Romania, Singapore, Slovakia, Switzerland, the UK, and the USA. Long-term customer relationships, often extending over several decades, and a broad installed base are the basis for sustainable growth.

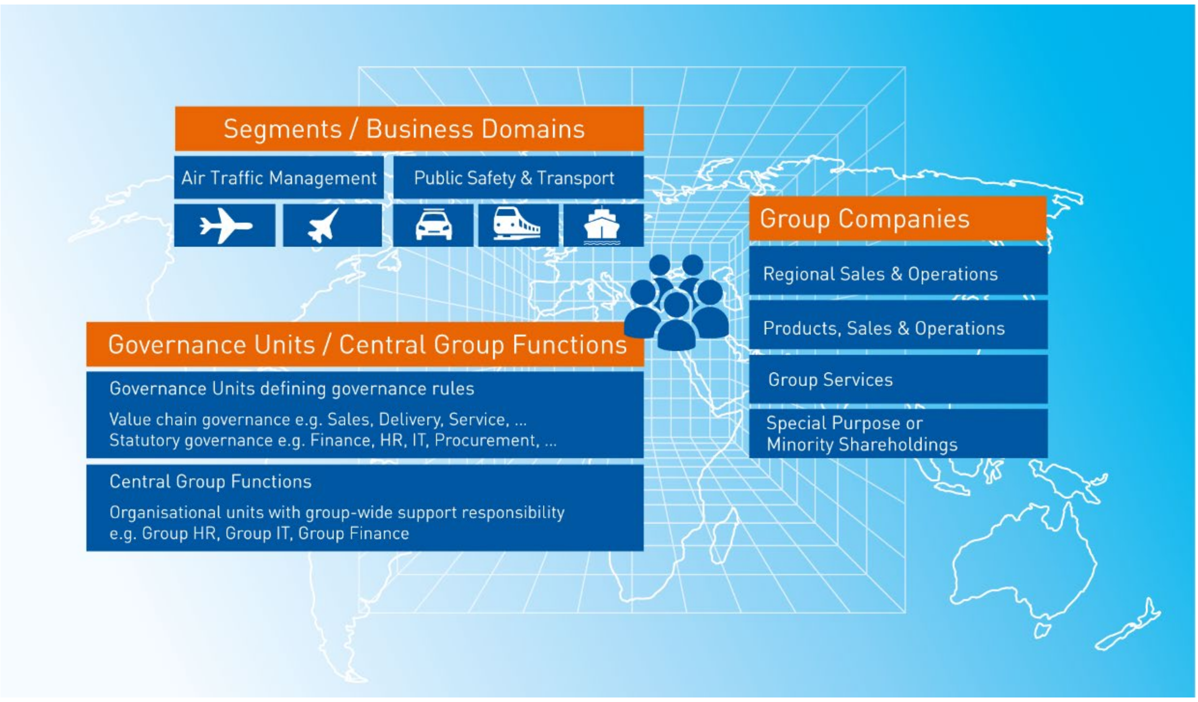
The Frequentis Group is fully committed to sustainability and strives to support the sustainability efforts of its customers through its products and services. However, at present there are no sustainability targets for product groups / services or markets and customer groups that correspond to the ESRS minimum disclosure requirements defined in MDR-T.

For information on the Frequentis Group's employees, including disclosures on the number of employees by geographical location, see ↗ S1 – Own workforce / *Metrics (S1-6).*

Governance organisation

Frequentis' business model is based on a strong governance organisation, which is reflected in a three-dimensional matrix and ensures optimised interaction between the central units, the business domains, and the international subsidiaries.

The business domains grouped in Frequentis' two segments contribute to the overall success of the Group through their clear earnings responsibility and local value-generating functions (e.g. Domain Sales, Key Accounts, Product Management, and Project Management). Innovations are systematically driven forward through close collaboration between them.



As an integral part of the value chain, the subsidiaries and equity investments make a significant contribution to the overall success of the Frequentis Group. They have different areas of responsibility and competencies within the value chain. Governance and process orchestration take place within the framework of the management of the Frequentis Group to ensure harmonised rollout of governance requirements based on accountability.

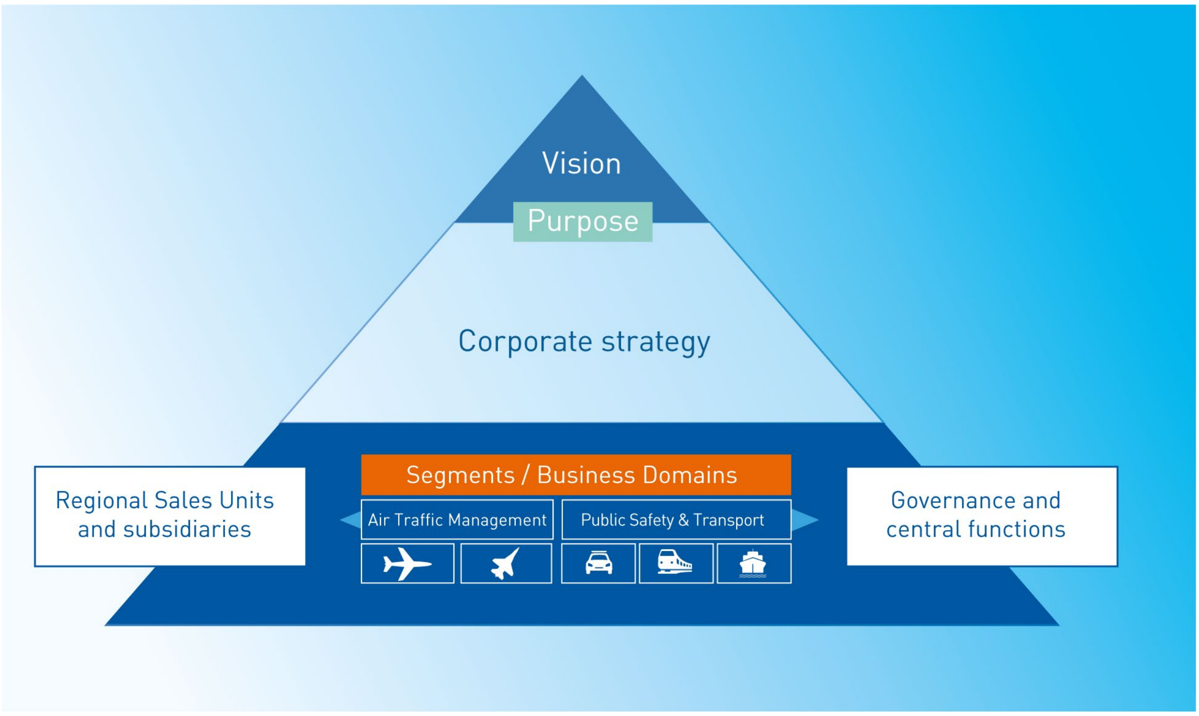
The Central Group Functions, most of which have governance responsibility, are divided into value-generating functions such as Sales, Production, and the provision of services, and central functions with a statutory governance remit, such as Human Resources, IT, Finance & Controlling, and Compliance.

Global Corporate Policy (GCP)

The Global Corporate Policy, which applies to all companies that are majority owned by Frequentis AG, contains all regulations and mechanisms for documenting and communicating necessary changes in individual governance units and how they interact. This policy and the governance rules it contains are part of the rules of procedure agreed with the relevant managing directors and are based, among other things, on the defined ESG targets and support their realisation. They are evaluated in the annual management review and therefore continuously improved and updated.

Strategy

The Frequentis Group's objective, as set out in its vision, is to be the global number one on the market for safety-critical control centres. Its strategy defines the direction to be pursued. It is influenced by the wide range of industries and solutions covered. Internally, the strategy is divided into a corporate strategy and the strategies of the segments, business domains, and other areas.



The segment and business domain strategies form the heart of the Group's strategy. They comprise specific strategies for the industries they serve or the products and solutions within these industries. Other areas such as the regions and central functions develop their strategies in conformance with the corporate strategy and the business domain strategies in order to provide the best possible support.

Frequentis' aspiration includes a sustainable growth strategy which aims to raise profitability while keeping risk exposure reasonable. To this end, the first step is to fully utilise the potential of existing products and solutions before investing in significant new solutions. The strategy defines guidelines for sustained growth, for example focused growth in the regions, driven by the Regional Sales Units, and scope for interesting equity investments to extend the product portfolio.

Further, the strategy is aligned with the three relevant megatrends, i.e. mobility, safety & security, and technological change, which have a major influence on the future development of the industries served. These megatrends are still responsible for the steadily rising demand for additional safety-critical infrastructure.

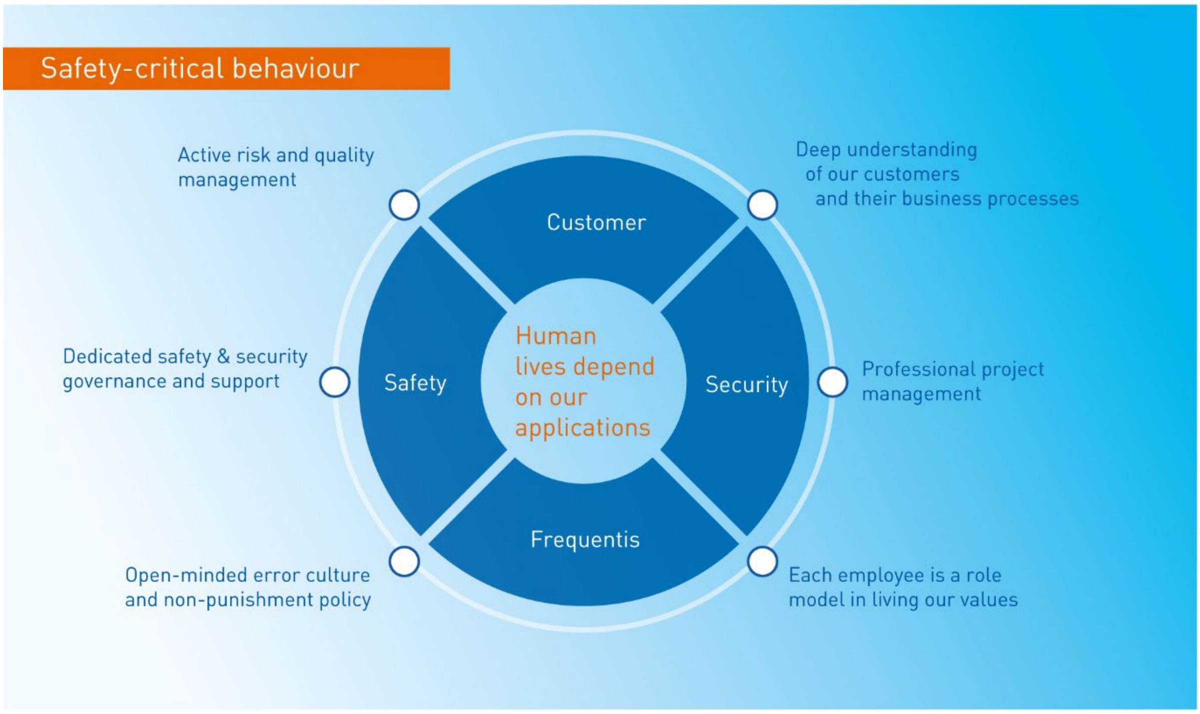
In view of its high level of specialisation, Frequentis is able to operate in a special market position: as a company with global operations covering a broad spectrum of industries and solutions, it clearly stands apart from most local and regional competitors. At the same time, it remains focused on safety-critical control centres, which differentiates it from most major corporations.

To stress the importance of sustainability, the motto "Safe – Secure – Sustainability" has been added to Frequentis' corporate strategy as a key area of focus. The ESG strategy takes a very broad approach. ESG is reflected in Frequentis' corporate purpose ("for a safer world"), the Frequentis culture, and the values and objectives of the Frequentis Group.

Corporate culture

The Frequentis-specific corporate culture is a key element in the realisation of its vision and strategy. This culture is based on many years of experience with safety-critical systems, a responsibility that is underscored by its mission "for a safer world", because wherever Frequentis' systems are used, people are responsible for the safety of other people and of property.

This proactive culture expresses a deeply rooted technical and emotional understanding of customers' needs, along with a highly developed ability to understand current challenges and working processes, and strong identification with the task in hand. Other key attributes are openness, flexibility, and transparency – both in internal collaboration and in customer relationships. These are evident along the entire value chain, for example through proactive risk management, high safety standards, and professional project management.



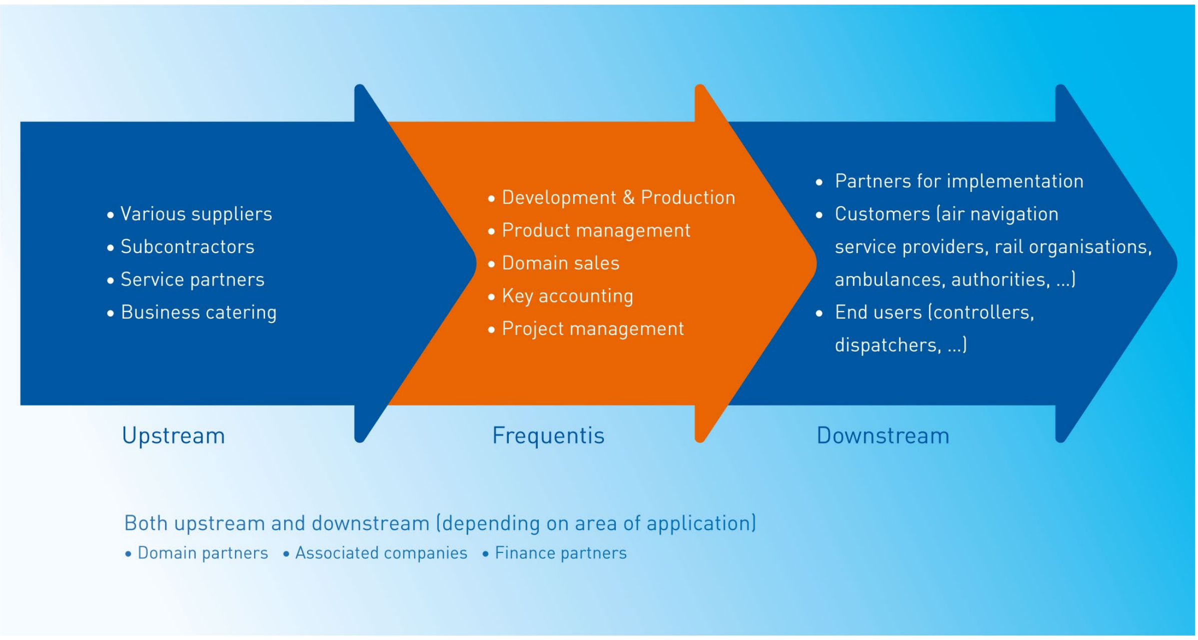
Value chain

The value chain is defined as the entire spectrum of activities, resources, and relationships associated with the company's business model and the external environment in which it operates. In this context, Frequentis concentrates on monitoring its direct upstream and downstream relationships.

In the upstream value chain, these are mainly relationships with suppliers and subcontractors (↗ S2 – *Workers in the value chain*) and various service partners up to and including company catering. The focus of Frequentis' own value chain is on product development and production, domain sales, key accounts, and product and project management.

Downstream activities comprise implementation partners and service providers who support delivery and the wide range of customers. Customers are organisations and authorities to which the Frequentis Group supplies its solutions (air traffic management, emergency services, railways, ...) and the air traffic controllers, operators, and dispatchers they employ; these are the end-users of Frequentis systems.

Further, domain partners, affiliated companies, and financial partners make a contribution to both the upstream and the downstream value chain.



This focus, which was also used in the materiality assessment, is designed to ensure an understanding of the impacts, risks, and opportunities by both stakeholders and readers of the sustainability statement.

Stakeholder dialogue

// ESRS 2 SBM-2

In the materiality assessment conducted in late 2023 / early 2024 (see ↗ ESRS 2 – General disclosures / *Materiality assessment process*), the following stakeholder groups of key significance for Frequentis were asked to assess the relevance of a list of ESRS topics (37 ESRS sub-topics) plus four sub-topics relating to the company-specific issue of safety & security:

- Employees
- Supervisory Board
- Managers
- Executive Board members and Managing Directors of Frequentis companies
- Shareholders / capital market representatives
- Banks
- Suppliers and subcontractors
- Customers
- NGOs and advocacy groups
- Project partners (sales, execution)

Active engagement with these stakeholders and target-group specific reporting remain important to Frequentis. Regular dialogue with stakeholders plays a key role in this. Here is an overview of current communication measures:

Stakeholders	Communication and collaboration formats	Topics addressed
Supervisory Board, Executive Board, and Managing Directors of Frequentis companies	Supervisory Board meetings, Executive Board meetings, Group-wide platforms such as the monthly MD call, annual Group Summit	Sustainability strategy, ESG measures, including planned actions, risk management
(Prospective) employees (including managers)	Intranet, career fairs, communication via social media, CFO Talk, CEO Dialogues, Board Chat, IDEAS, various communities and events, internal training sessions, Q&A formats, team workshops, employee newsletter, meetings of the workers' council	Frequentis as an employer, work-life balance, collaboration, leadership issues, occupational safety, support for women, corporate culture, health-related measures, environmental management, energy-saving measures
Shareholders, capital market representatives	Financial reporting (internet), regular mailshots, Annual General Meeting, roadshows, capital market events, surveys, one-on-one meetings with investors	Sustainability-related measures, ESG strategy and targets, governance, ratings
Banks	Specialist conferences, financial reporting, one-on-one meetings with representatives of banks	Sustainability strategy, governance, ratings, (trade) compliance, responsibility within the supply chain
Subcontractors and suppliers	Supplier visits and audits, various events and trade shows, regular mailshots	ESG strategy, governance, responsibility within the supply chain, social and employee matters, environmental management
Customers	Customer projects and presentations, customer satisfaction survey, company presentation, customer events, trade shows	Responsibility within the supply chain, sustainability of products, sustainability-related measures (energy supply, social and employee matters, governance), safety awareness, security, cybercrime, (trade) compliance
Sales and project partners	Partner portal, regular newsletter, training	Innovation, sustainability of products, governance, (trade) compliance, safety-awareness, cybercrime, ESG strategy
Advocacy groups, associations, NGOs	Frequentis website, social media, conferences, research projects, cooperations, active involvement in associations and committees	ESG strategy, innovation, sustainability of products, safety awareness, security, fail-safety of systems, cybercrime, support for women in the company, energy-saving measures, careful use of resources

For communication with stakeholders, extensive use is made of digital platforms – videoconferencing, virtual training sessions, social media. In addition to this, personal contact is very important, for example, through local meetings and at a wide range of international trade shows.

Furthermore, Frequentis offers all internal and external stakeholders a whistleblower service, which is available via the Frequentis website www.frequentis.com/whistleblowing. This service allows simple and anonymous reporting of concerns about possible non-compliant behaviour.

Materiality assessment

The materiality assessment performed in late 2023 / early 2024 is the starting point for systematic integration of sustainability at Frequentis. Its purpose is to involve relevant stakeholder groups, assess risks, and define central environmental, social, and governance topics. The materiality assessment was updated in autumn 2025.

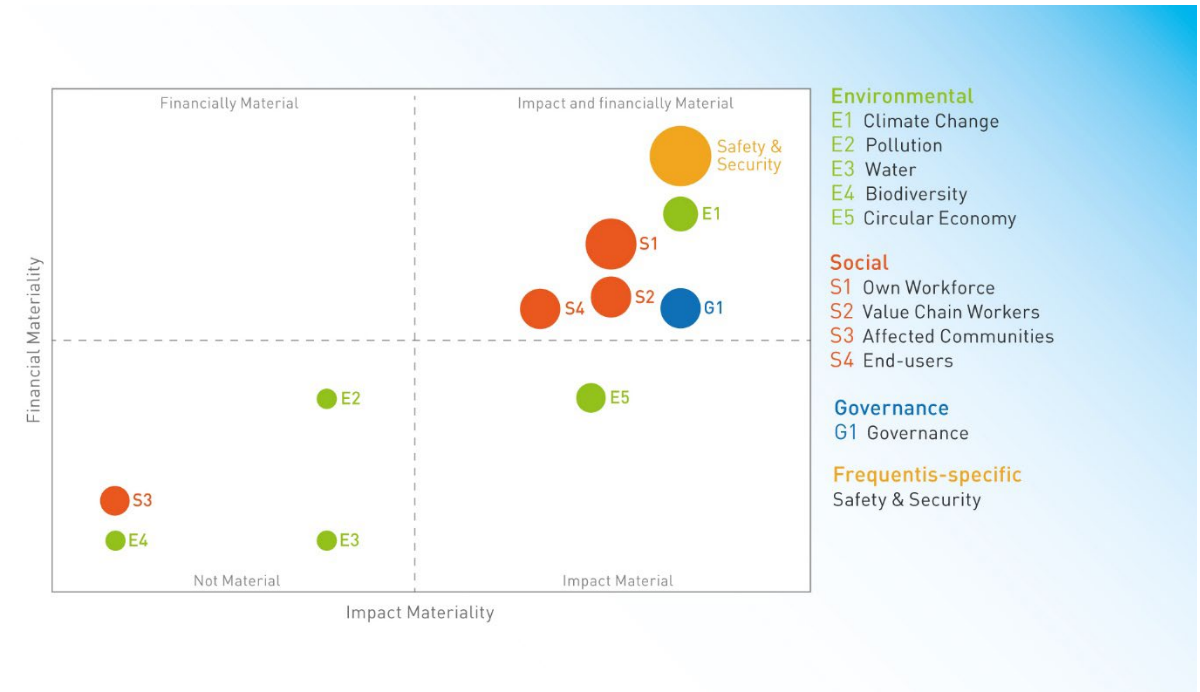
The heart of this assessment is the double materiality principle. Sustainability topics are deemed to be material and reportable if they either involve material impacts by Frequentis on people and the environment (inside-out perspective) or they have relevant financial impacts on the company's business performance (outside-in perspective).

Outcome of the materiality assessment
// ESRS 2 SBM-3

The double materiality assessment identified the six material ESRS sustainability topics E1, E5, S1, S2, S4, and G1 and one company-specific sustainability topic: safety & security. The outcome is presented in a materiality matrix encompassing three dimensions:

- Impact materiality on the x axis shows the outcome of the expert workshop. This identifies sustainability aspects that are connected with the company's impact on people and the environment (inside-out perspective).
- The y axis shows financial materiality. This assesses the impact of sustainability aspects on the company's financial and business performance (outside-in perspective).
- The size of the dots indicates the significance of the topics identified in the stakeholder survey. The larger the dot, the more significant the topic is for the stakeholders.

The highest score within each sustainability topic was used for the sustainability matrix. If several topics scored equally, they were ranked on the y axis (financial materiality) on the basis of their significance for stakeholders.



The update of the materiality assessment in autumn 2025 did not result in any change in the material ESRS sustainability topics or the materiality matrix. Within G1 – Business conduct, a new risk was identified with regard to a possible loss of orders or reputational damage due to failure to fulfil ESG reporting enquiries.

The following tables list the material impacts, risks, and opportunities identified. Further details can be found in the chapters on the relevant topics.

E1 – Climate change

Positive impacts	Negative impacts
Optimisation of traffic flows and efficiency enhancement with Frequentis systems (e.g. air traffic management, shipping, drone management)	Pollution caused by GHG emissions in the value chain (e.g. business travel, purchase of goods and services)
Securing customers' operations with Frequentis systems during extreme weather events	Energy consumption in production and integration and the use of systems by customers
Opportunities	**Risks**
Sale of products and solutions to optimise traffic flows and enhance efficiency	Transition risk of higher costs for business travel (GHG emission pricing) and energy

E5 – Circular economy

Positive impacts	Negative impacts
Resource efficiency through durability and maintenance of Frequentis' products	Potential purchase of non-recyclable products and components for use in production and integration
Frequentis as a valuable partner in customers' value chains	Waste: hazardous and electronic waste and disposal of products at the end of their life cycle

S1 – Own workforce

Positive impacts	Negative impacts
Advancing working conditions through flexible working time models and in the area of health care Focus on training and skills development in accordance with the lifelong learning philosophy Fostering diversity	Potential short-term peak workloads in individual project phases or long-term overworking Low proportion of women in the industry Potential incidents of discrimination Potential data loss or breaches of data protection in the handling of employees' personal data
Opportunities	**Risks**
	Loss of personnel with specialist knowledge Failure to utilise the potential of diversity and innovation Reputational damage or administrative fines as a result of a potential breach of data protection

S2 – Workers in the value chain

Positive impacts	Negative impacts
Advancing working conditions for workers in the value chain	Potential failure to comply with labour standards and human rights of workers in the value chain
Opportunities	**Risks**
	Failure by suppliers to comply with the Supplier Code of Conduct in the areas of labour standards and human rights

S4 – End-users

Positive impacts	Negative impacts
	Potential data loss or breaches of data protection in the handling of customers' personal data Potential accidents involving the use of Frequentis systems by customers
Opportunities	**Risks**
	Reputational damage or administrative fines as a result of a potential breach of data protection Loss of orders or criminal consequences of an accident involving the use of Frequentis products

G1 – Business conduct

Positive impacts	Negative impacts
Fostering responsible conduct based on integrity and a non-punishment culture Anonymous reporting of irregularities or non-compliance (whistleblowing) Establishment of good relationships with stakeholders	Non-respect of social and ecological criteria in the company's own business activities or in the value chain Potential incidents of bribery or corruption
Opportunities	**Risks**
Strengthening stakeholders' trust through continuous dialogue with stakeholders	Loss of orders, loss of employees or criminal consequences of failure to comply with principles Loss of orders or reputational damage due to failure to fulfil ESG reporting enquiries

Safety & security

Positive impacts	Negative impacts
Fail-safety and reliability of systems e.g. maintaining cybersecurity Integrated approach to safety and security Internationally recognised system safety expertise	Endangering critical infrastructure with potential consequences for human life Security threat caused by cybercrime
Opportunities	**Risks**
	Reputational damage or loss of orders due to outage of safety-critical systems Cybercrime and increased demands on system development and engineering

A climate risk and vulnerability analysis has been performed on climate-related risks (see ↗ ESRS 2 – General disclosures / *Disclosures on climate-related impacts, risks, and opportunities*). An additional specific resilience analysis was not performed with regard to sustainability risks. The risks are recorded and actively managed as part of the Group-wide risk management (see ↗ *Opportunity and risk management*).

No current financial effects have been identified that could have material short-term impacts on the financial and earnings position or cash flows or represent a considerable risk of a material adjustment to the carrying amounts of assets or liabilities in the next reporting period.

Materiality assessment process

// ESRS 2 IRO-1

The ESG Steering Group started to examine the CSRD requirements at the beginning of 2023. Based on the previous materiality assessments, the standardised ESRS list of topics was supplemented by a company-specific "Safety & Security" section and approved for implementation by the Executive Board.

For impact materiality (inside-out perspective), the relevant stakeholders were included through an anonymous online questionnaire. The stakeholder groups were greatly extended: in all, about 3,250 people were addressed (↗ ESRS 2 – General disclosures / *Stakeholder dialogue*). The questionnaires were distributed by the parent company, Frequentis AG, to the entire Frequentis Group. To obtain a geographical perspective, the regions were included.

This process was accompanied by two workshops that brought together internal experts at Frequentis' headquarters, firstly for a more detailed discussion of impact materiality, and secondly to assess the financial materiality (outside-in perspective).

Based on the evaluations by Frequentis experts and the risk management team, the materiality of the individual topics was compared and all relevant aspects were presented in a materiality matrix. The outcome of the materiality assessment was presented to the Executive Board and the Supervisory Board. Together, they evaluated the results and defined the principal areas of action. This was then used in subsequent planning and actions.

In autumn 2025, the materiality assessment was updated in collaboration with internal experts. The outcome and the updated materiality assessment were then approved by the Executive Board.

Assessment of impacts, risks, and opportunities

The following methods were used:

Impacts: The first step was determining whether Frequentis' business activities or its value chain had a positive and/or negative impact on people or the environment in connection with the specific sustainability aspect. In addition, the type of impact, time horizon, and location of the impact were established.
The second step was assessing whether the impact is material. The assessment was based on a score (1-4) calculated from the average of scale, scope, irremediable nature, and likelihood, depending on the type of impact. An impact was classified as material if it exceeded the arithmetic mean of >=2.5. The results were compared with the results of the stakeholder survey.

Risks and opportunities: In addition to the material impacts already identified, the risk assessment examined the dependence on resources, physical risks, and transition risks. Five risk categories were used.
For each risk category, thresholds were defined for the EBIT impact in the event of the risk or opportunity materialising and assigned a score (1-4). A risk or opportunity was classified as material if it exceeded the arithmetic mean of >2. Moreover, time horizons and probabilities were defined for the assessment.

Disclosures on climate-related impacts, risks, and opportunities
// E1.IRO-1

The process of identifying and evaluating climate-related impacts, risks, and opportunities used the materiality assessment steps described in ESRS 2 IRO-1.

Impacts: The climate-related impacts were analysed as part of the expert workshop. This included Frequentis' own business activities and the upstream and downstream value chain. In addition, an analysis of the Scope 3 categories was performed. The business activities and value chain were analysed in particular with a view to greenhouse gas emissions. For details, see ↗ E1 – Climate change / *Metrics (E1-6).*

Climate-related physical risks: A climate risk and vulnerability analysis of Frequentis' own business activities and assets was performed for the Frequentis Group's locations in 2023. No climate-related risks were excluded. The evaluation was based on three climate scenarios (SSP1-2.6, SSP2-4.5, and SSP5-8.5 as defined by the IPCC), reflecting different temperature developments and the related risks. These scenarios were selected because they represent three different climate pathways. Short, medium, and long-term climate risks were taken into account. The time horizons used in the climate risk and vulnerability analysis extend to 2085 and therefore take account of the life cycle of the assets, the strategic planning horizons, and capital allocation plans. As part of the materiality assessment, the climate risk and vulnerability analysis was extended to include the upstream and downstream value chain and assessed using a high-emission climate scenario. Identified vulnerabilities in connection with climate-related physical risks and transition risks to assets were adapted as necessary.

Climate-related transition risks to Frequentis' own business activities, assets, and the value chain were evaluated on the basis of five risk categories. These are based on the TCFD (Task Force on Climate-related Financial Disclosures) classification of climate-related transition events. The assessment included short, medium, and long-term time horizons and one climate scenario that is in keeping with the Paris Climate Agreement. No assets or business activities were identified that are incompatible with the transition to a climate-neutral economy or where considerable efforts would be required to make them compatible.

The climate scenarios used were also included in the critical climate-related assumptions in the consolidated financial statements ↗ Consolidated financial statements / *Significant estimates and use of judgement (letter i).*

Disclosures on pollution-related impacts, risks, and opportunities
// E2.IRO-1

No material pollution-related impacts, risks, and opportunities were identified. As part of the materiality assessment described in ESRS 2 IRO-1, Frequentis' locations, business activities, and upstream and downstream value chain were examined. In particular, an analysis was performed of purchased products, production workflows, and transport. When using hazardous materials, preventive measures are implemented through suitability tests, handbooks, training, and access restrictions. Consultations, in particular with affected communities, were conducted as part of the stakeholder dialogue, see ↗ ESRS 2 – General disclosures / *Stakeholder dialogue.*

Disclosures on water and marine resources-related impacts, risks, and opportunities
// E3.IRO-1

In the context of the materiality assessment described in ESRS 2 IRO-1 and the collection of ESG data, with the involvement of experts, the Frequentis Group's business activities, assets, and value chain were examined in respect of water and marine resources. This included analysing whether sites are affected by water risks or are located in areas of high-water stress, the source of water withdrawals and discharges, and whether any dependencies exist. Since no water is used for production processes and withdrawals and discharges always comply with statutory regulations, no material impacts, risks, and opportunities were identified in connection with water and marine resources. The Frequentis Group's water consumption is measured annually in order to derive any necessary action. Consultations, in particular with affected communities, were conducted as part of the stakeholder dialogue, see ↗ ESRS 2 – General disclosures / *Stakeholder dialogue.*

Disclosures on biodiversity and ecosystem-related impacts, risks, and opportunities
// E4.IRO-1

In the context of the materiality assessment described in ESRS 2 IRO-1, Frequentis' locations, business activities, and the upstream and downstream value chain were analysed in respect of biodiversity and ecosystem-related impacts. No business activities were identified that have direct impacts on biodiversity or ecosystems. Where necessary, local measures are put in place, e.g. lighting that reduces pollution of the night sky.

In the climate risk and vulnerability analysis performed in 2023 as described in E1.IRO-1, the Biodiversity and Ecosystems Services Index (BES) was used to identify potential risks and dependencies on the biodiversity of ecosystems and their services for Frequentis' locations. One high-risk location was identified but the services affected are not relevant for Frequentis' business activities and can therefore be disregarded from a physical risk perspective.

No material impacts, risks, and opportunities were identified in connection with biodiversity and ecosystems. Consultations, in particular with affected communities, were conducted as part of the stakeholder dialogue, see ↗ ESRS 2 – General disclosures / *Stakeholder dialogue.*

Disclosures on material resource use and circular economy-related impacts, risks, and opportunities
// E5.IRO-1

In the materiality assessment described in ESRS 2 IRO-1, the material impacts, risks, and opportunities connected with resource use and the circular economy were identified and evaluated with the involvement of internal experts. Further, at an expert workshop and when collecting ESG data, the business activities and assets of Group companies were reviewed, resource inflows, resource outflows, and waste streams were analysed, and risks in connection with the introduction of new statutory regulations were examined. No material physical risks, transition risks, or opportunities connected with resource use and the circular economy were identified. Consultations, in particular with affected communities, were conducted as part of the stakeholder dialogue, see ↗ ESRS 2 – General disclosures / *Stakeholder dialogue.*

Disclosures on impacts, risks, and opportunities related to business conduct
// G1.IRO-1

In the materiality assessment described in ESRS 2 IRO-1, the material impacts, risks, and opportunities connected with business conduct were identified and evaluated with the involvement of internal experts from various organisational units. This included Frequentis' business model, its geographical locations, segments and business domains, and the relevant stakeholders.

Disclosures required in the ESRS covered by the consolidated non-financial statement
// ESRS 2 IRO-2

The material information relating to the impacts, risks, and opportunities to be disclosed as material were determined on the basis of the list of ESRS datapoints (EFRAG implementation guide 3 "List of ESRS Datapoints"). The ESRS metrics were evaluated for relevance and their ability to support users of the consolidated non-financial statement in their decisions. Following a thorough analysis, some metrics were classified as not relevant and are therefore not reported. Supplementary company-specific metrics are included. Policies, actions, and targets – where available – are reported for material sustainability aspects in accordance with the ESRS minimum disclosure requirements.

The following table lists the ESRS disclosure requirements covered in the consolidated non-financial statement, together with information on where they can be found.

Standard	Title	Chapter
ESRS 2	**General information**	
BP-1	General basis for preparation of sustainability statements	↗ ESRS 2 – General disclosures
BP-2	Disclosures in relation to specific circumstances	↗ ESRS 2 – General disclosures / *Changes in preparation or presentation of sustainability information*
GOV-1	The role of the administrative, management and supervisory bodies	↗ Consolidated corporate governance report / *Executive Board* and *Supervisory Board*
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	↗ ESRS 2 – General disclosures / *ESG organisation*
GOV-3	Integration of sustainability-related performance in incentive schemes	↗ ESRS 2 – General disclosures / *Integration of sustainability-related performance in incentive schemes*
GOV-4	Statement on due diligence	↗ ESRS 2 - General disclosures / *Statement on due diligence*
GOV-5	Risk management and internal controls over sustainability reporting	↗ *Opportunity and risk management* ↗ *Internal control system (ICS) for the accounting process*
SBM-1	Strategy, business model and value chain	↗ ESRS 2 – General disclosures / *Sustainability strategy*
SBM-2	Interests and views of stakeholders	↗ ESRS 2 – General disclosures / *Stakeholder dialogue*
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	↗ ESRS 2 – General disclosures / *Materiality assessment*
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	↗ ESRS 2 - General disclosures / *Materiality assessment process* ↗ *Opportunity and risk management* ↗ *Internal control system (ICS) for the accounting process*

IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	↗ ESRS 2 – General disclosures / *Disclosure requirements in ESRS covered by the undertaking's sustainability statement*

ESRS E1	Climate change	
E1-1	Transition plan for climate change mitigation	↗ E1 – Climate change / *Actions*
E1-2	Policies related to climate change mitigation and adaptation	↗ E1 – Climate change / *Policies*
E1-3	Actions and resources in relation to climate change policies	↗ E1 – Climate change / *Actions*
E1-4	Targets related to climate change mitigation and adaptation	↗ E1 – Climate change / *Targets*
E1-5	Energy consumption and mix	↗ E1 – Climate change / *Energy consumption and mix*
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	↗ E1 – Climate change / *Greenhouse gas emissions*
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Disclosures pursuant to ESRS 1 Appendix C, qualitative only

ESRS E5	Resource use and circular economy	
E5-1	Policies related to resource use and circular economy	↗ E5 – Circular economy / *Policies*
E5-2	Actions and resources related to resource use and circular economy	↗ E5 – Circular economy / *Actions*
E5-3	Targets related to resource use and circular economy	↗ E5 – Circular economy / *Targets*
E5-4	Resource inflows	↗ E5 – Circular economy / *Resource inflows*
E5-5	Resource outflows	↗ E5 – Circular economy / *Resource outflows*
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	No financial risks and opportunities identified.

ESRS S1	Own workforce	
S1-1	Policies related to own workforce	↗ S1 – Own workforce / *Policies*
S1-2	Processes for engaging with own workers and workers' representatives about impacts	↗ S1 – Own workforce / *Engaging with own workers*
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	↗ S1 - Own workforce / *Processes to remediate negative impacts and channels to raise concerns*

S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	↗ S1 – Own workforce / *Actions*
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	↗ S1 – Own workforce / *Targets*
S1-6	Characteristics of the undertaking's employees	↗ S1 – Own workforce / *Metrics*
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	↗ S1 – Own workforce / *Metrics*
S1-8	Collective bargaining coverage and social dialogue	↗ S1 – Own workforce / *Metrics*
S1-9	Diversity metrics	↗ S1 – Own workforce / *Metrics*
S1-10	Adequate wages	↗ S1 – Own workforce / *Metrics*
S1-11	Social protection	↗ S1 – Own workforce / *Metrics*
S1-13	Training and skills development metrics	↗ S1 – Own workforce / *Metrics*
S1-14	Health and safety metrics	↗ S1 – Own workforce / *Metrics*
S1-15	Work-life balance metrics	↗ S1 – Own workforce / *Metrics*
S1-16	Compensation metrics (pay gap and total remuneration)	↗ S1 – Own workforce / *Metrics*
S1-17	Incidents, complaints and severe human rights impacts	↗ S1 – Own workforce / *Metrics* ↗ G1 – Business conduct / *Compliance*

ESRS S2	**Workers in the value chain**	
S2-1	Policies related to value chain workers	↗ S2 – Workers in the value chain / *Policies*
S2-2	Processes for engaging with value chain workers about impacts	↗ S2 – Workers in the value chain / *Engaging with value chain workers*
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	↗ S2 – Workers in the value chain / *Processes to remediate negative impacts and channels to raise concerns*

S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	↗ S2 – Workers in the value chain / *Actions*
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	↗ S2 – Workers in the value chain / *Targets*

ESRS S4	**Consumers and end-users**	
S4-1	Policies related to consumers and end-users	↗ S4 – End-users / *Policies*
S4-2	Processes for engaging with consumers and end-users about impacts	↗ S4 – End-users / *Actions*
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	↗ S4 – End-users / *Actions*
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	↗ S4 – End-users / *Actions*
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	↗ S4 – End-users / *Targets*

ESRS G1	**Business conduct**	
G1-1	Corporate culture and business conduct policies	↗ G1 – Business conduct / *Policies*
G1-2	Management of relationships with suppliers	↗ S2 – Workers in the value chain / *Actions*
G1-3	Prevention and detection of corruption and bribery	↗ G1 – Business conduct / *Anti-corruption and anti-bribery*
G1-4	Confirmed incidents of corruption or bribery	↗ G1 – Business conduct / *Anti-corruption and anti-bribery*
G1-5	Political influence and lobbying activities	↗ G1 – Business conduct / *Political influence*
G1-6	Payment practices	↗ G1 – Business conduct / *Payment practices*

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The following table contains all datapoints arising from other EU legislation listed in ESRS 2 Appendix B, where they can be found in the consolidated non-financial statement, and which datapoints are considered “not relevant / not material”.

Disclosure requirement and related datapoint	SFDR	Pillar 3	Bench mark regula-tion	EU Climate Law	Chapter
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	x		x		↗ Corporate governance report / *Measures to foster women*
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			x		↗ Corporate governance report / *Corporate governance declaration*
ESRS 2 GOV-4 Statement on due diligence paragraph 30	x				↗ ESRS 2 - General disclosures / *Statement on due diligence*
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		Not relevant
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		Not relevant
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		Not relevant
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			x		Not relevant
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				x	↗ E1 – Climate change / *Transition plan for climate change mitigation*
ESRS E1-1 Undertakings excluded from Paris-aligned benchmarks paragraph 16 (g)		x	x		Not relevant
ESRS E1-4 GHG emission reduction targets paragraph 34	x	x	x		↗ E1 – Climate change / *Targets*
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x				↗ E1 – Climate change / *Energy consumption and mix*
ESRS E1-5 Energy consumption and mix paragraph 37	x				↗ E1 – Climate change / *Energy consumption and mix*
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x				↗ E1 – Climate change / *Energy consumption and mix*

Disclosure requirement and related datapoint	SFDR	Pillar 3	Bench mark regula-tion	EU Climate Law	Chapter
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x		↗ E1 – Climate change / *Greenhouse gas emissions*
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	x	x	x		↗ E1 – Climate change / *Greenhouse gas emissions*
ESRS E1-7 GHG removals and carbon credits paragraph 56				x	Not relevant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		Disclosures pursuant to ESRS 1 Appendix C, qualitative only
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		x			Disclosures pursuant to ESRS 1 Appendix C, qualitative only
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c)		x			Disclosures pursuant to ESRS 1 Appendix C, qualitative only
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			x		Disclosures pursuant to ESRS 1 Appendix C, qualitative only
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil paragraph 28	x				Not material
ESRS E3-1 Water and marine resources paragraph 9	x				Not material
ESRS E3-1 Dedicated policy paragraph 13	x				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	x				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	x				Not material
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	x				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	x				Not material
ESRS 2 – SBM-3 – E4 paragraph 16(b)	x				Not material
ESRS 2- SBM-3 - E4 paragraph 16 (c)	x				Not material

Disclosure requirement and related datapoint	SFDR	Pillar 3	Bench mark regula-tion	EU Climate Law	Chapter
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	x				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	x				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	x				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	x				↗ E5 – Circular economy / *Resource outflows*
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	x				↗ E5 – Circular economy / *Resource outflows*
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	x				Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	x				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	x				↗ S1 – Own workforce / *Policies*
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization (ILO) Conventions 1 to 8 paragraph 21			x		↗ S1 – Own workforce / *Policies*
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	x				↗ S1 – Own workforce / *Policies*
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	x				↗ S1 – Own workforce / *Policies*
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	x				↗ S1 - Own workforce / *Processes to remediate negative impacts and channels to raise concerns*
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	x		x		↗ S1 – Own workforce / *Health and safety metrics*
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				↗ S1 – Own workforce / *Health and safety metrics*
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x		x		↗ S1 – Own workforce / *Remuneration metrics*

Disclosure requirement and related datapoint	SFDR	Pillar 3	Bench mark regula-tion	EU Climate Law	Chapter
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				↗ S1 – Own workforce / *Remuneration metrics*
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x				↗ S1 - Own workforce / *Incidents, complaints and severe human rights impacts*
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 104 (a)	x		x		Not material
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				Not relevant
ESRS S2-1 Human rights policy commitments paragraph 17	x				↗ S2 – Workers in the value chain / *Policies*
ESRS S2-1 Policies related to value chain workers paragraph 18	x				↗ S2 – Workers in the value chain / *Policies*
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		↗ S2 – Workers in the value chain / *Policies* and ↗ *Metrics*
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			x		↗ S2 – Workers in the value chain / *Policies*
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				↗ S2 – Workers in the value chain / *Metrics*
ESRS S3-1 Human rights policy commitments paragraph 16	x				Not material
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles and OECD guidelines paragraph 17	x		x		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	x				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x				↗ S4 – End-users / *Policies* and ↗ *Metrics*

Disclosure requirement and related datapoint	SFDR	Pillar 3	Bench mark regula-tion	EU Climate Law	Chapter
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		↗ S4 – End-users / *Policies* and ↗ *Metrics*
ESRS S4-4 Human rights issues and incidents paragraph 35	x				↗ S4 – End-users / *Policies*
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x				Not relevant
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	x				Not relevant
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x		x		↗ G1 - Business conduct / *Cases of bribery or corruption*
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	x				↗ G1 – Business conduct / *Anti-corruption and anti-bribery*

Environment

EU Taxonomy

Since the 2021 financial year, Frequentis has been required to make disclosures in accordance with Article 8 of the EU Taxonomy Regulation (EU) 2020/852. The EU Taxonomy, which came into force on 12 July 2020, aims to establish a common understanding of the environmental sustainability of economic activities and investments. Further, it sets out detailed technical criteria on which economic activities are deemed to be environmentally sustainable in order to orient capital flows towards a sustainable transformation within the meaning of the European Green Deal.

As a non-financial company that falls within the scope of the EU's NFI Directive, which has been transposed into Austrian law through the Sustainability and Diversity Improvement Act (NaDiVeG) (Sustainability Reporting Act / NaBeG in future), since 2022 Frequentis has been required by Article 8 of the EU Taxonomy Regulation to disclose the proportion of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) derived from products or services associated with economic activities that qualify as environmentally sustainable.

An economic activity is deemed to be environmentally sustainable if it makes a substantial contribution to at least one of the six environmental objectives defined in the EU Taxonomy and, at the same time, does no significant harm to any of the other environmental objectives. At the same time, the economic activity must meet the minimum safeguards set out in Article 18 of the EU Taxonomy Regulation.

Whether an economic activity makes a substantial contribution to one of the environmental objectives is determined by mandatory technical screening criteria defined by the EU Commission. All of the defined criteria have to be met. The technical screening criteria for the first two environmental objectives – "climate change mitigation (CCM)" and "climate change adaptation (CCA)" – were published in 2021. In 2022, these were supplemented by Delegated Regulation (EU) 2022/1214 and in 2023 by Delegated Regulation (EU) 2023/2485. Furthermore, Delegated Regulation (EU) 2023/2486 added the technical screening criteria for the four other environmental objectives. These relate to the objectives "water and marine resources (WTR)", "circular economy (CE)", "pollution prevention and control (PPC)", and "biodiversity and ecosystems (BIO)".

Economic activities that are within the scope of the EU Taxonomy are classified as taxonomy-eligible. Economic activities that meet the technical screening criteria and minimum safeguards are classified as taxonomy-aligned and are therefore environmentally sustainable within the meaning of the EU Taxonomy Regulation.

Identification of taxonomy-eligible economic activities

As the first step in fulfilling the requirements of the EU Taxonomy, Frequentis analysed the list of environmentally sustainable economic activities to identify those that are applicable within the Frequentis Group. Frequentis' core business, the production of communication and information systems for control centres, is not yet included in list of environmentally sustainable economic activities pursuant to the EU Taxonomy because the EU Taxonomy initially focuses on greenhouse gas-intensive sectors and economic activities.

Therefore, the majority of its turnover, CapEx, and OpEx is not presently disclosed as taxonomy-eligible.

The results of the analysis of the taxonomy eligibility of the economic activities showed that two economic activities are applicable to Frequentis:

		Code
7.7	Acquisition and ownership of buildings	CCM / CCA 7.7
8.1	Data processing, hosting and related activities	CCM / CCA 8.1

The EAD [European AIS [Aeronautical Information Services] Database) business corresponds to economic activity 8.1 Data processing, hosting and related activities (CCM / CCA). Within this business unit, Frequentis is responsible for technical operation of the EAD system, the European database for aeronautical information, which enables users to retrieve data in real time. Frequentis operates this system on behalf of EUROCONTROL. The data centres are operated on a redundant basis by Frequentis and by an external service provider. Both the internal and the external data centres are included in the evaluation of taxonomy alignment. The turnover, CapEx, and OpEx relating to economic activity 8.1 only relate to the environmental objective "climate change mitigation (CCM)" and not to "climate change adaptation (CCA)" because they are not climate change adaptation solutions.

In addition, economic activity 7.7 Acquisition and ownership of buildings is applicable for Frequentis in the 2025 financial year because additions to property, plant and equipment and right-of-use assets pursuant to IFRS 16 "Leases" involved the addition of buildings, especially in the USA, Germany, and France. The CapEx relating to economic activity 7.7 only relates to the environmental objective "climate change mitigation (CCM)" and not to "climate change adaptation (CCA)" because no climate change adaptation solutions are involved.

Repairs and spare parts for customer systems as well as the boards and printed circuits contained in these systems are part of the customer projects, so they cannot be reported separately. Therefore, these business activities form part of Frequentis' core business.

Consequently, for 2025, the disclosures pursuant to Article 8 of the EU Taxonomy Regulation can only be made for economic activity 8.1 Data processing, hosting and related activities (CCM) and economic activity 7.7 Acquisition and ownership of buildings (CCM).

The templates in Annex XII of Delegated Regulation (EU) 2022/1214 are not included because Frequentis does not have any nuclear and fossil gas related business activities.

Examination of taxonomy alignment

In the next step, the economic activities identified as being taxonomy-eligible were screened for taxonomy alignment. For economic activity 8.1 Data processing, hosting and related activities (CCM), business and technical experts conducted a detailed examination of compliance with the technical screening criteria set out in Annex 1 of Delegated Regulation (EU) 2021/2139 in conjunction with (EU) 2023/2485 and documented the findings transparently. To comply with the technical screening criteria, the data centres must be compliant with the European Code of Conduct on Data Centre Efficiency and be audited by an independent third party. In addition, the global warming potential (GWP) of the refrigerants used may not exceed 675. The findings show that, as at the reporting date, not all technical screening criteria were fulfilled. Therefore, as at 31 December 2025, the economic activity was not aligned with the EU Taxonomy Regulation. Measures to satisfy the remaining criteria will be taken into account in future investments and upgrades. However, a CapEx plan within the meaning of Annex I of Delegated Regulation (EU) 2021/2178 had not been drawn up as at 31 December 2025.

Furthermore, the technical screening criteria for economic activity 7.7 Acquisition and ownership of buildings were examined. There is no evidence of their EPC classes or that the buildings are within the top 15% of the national or regional building stock. Therefore, as at 31 December 2025, this economic activity was not aligned with the EU Taxonomy Regulation.

Conformance with the minimum safeguards was analysed in detail. This was closely based on the proposals set out in the report of the "EU Platform on Sustainable Finance" (October 2022). The established internal policies, procedures, and processes (especially the Frequentis Code of Conduct, the Corporate Social Responsibility (CSR) Code for Suppliers, supplier audits) were examined for compliance with Article 18 of the EU Taxonomy Regulation. The focal areas were human rights, compliance and anti-corruption, taxes, and fair competition. As well as internal respect for these focal areas, importance is placed on suppliers complying with the CSR Code.

KPIs

The data required for the key performance indicators (turnover, CapEx, OpEx) were compiled in the IT systems in close collaboration with the individual departments.

Turnover (turnover KPI)

The total turnover of the Frequentis Group used as the denominator corresponds to the revenues recognised in accordance with IFRS 15. The figure is presented in the consolidated financial statements as at 31 December 2025 ↗ Consolidated financial statements / *Consolidated income statement* and in the ↗ Notes to the consolidated income statement / *4. Revenues*.

The total turnover presented for Frequentis AG comprises the revenues recognised in accordance with the Austrian Commercial Code (UGB) and presented in the financial statements of Frequentis AG as at 31 December 2025, which are only available in German ↗ Jahresfinanzbericht / Frequentis AG – Jahresabschluss / *Gewinn- und Verlustrechnung* and ↗ *Anhang*.

The taxonomy-eligible proportion of turnover relating to economic activity 8.1 contains all revenues from the technical operation of data centres for the EAD business. The identified taxonomy-eligible activity 8.1 only contributes to the environmental objective "climate change mitigation (CCM)" so double-counting is precluded.

The taxonomy-aligned turnover used as the numerator is derived from the proportion of turnover that complies with the technical screening criteria and the minimum social safeguards. No taxonomy-aligned turnover could be disclosed for 2025.

Economic activities of the Frequentis Group	Code	Turnover	Proportion of turnover, 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) turnover, 2024	Category enabling activity	Category transitional activity
		2025		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		EUR thousand	%	Y; N; N/EL [1]						Y/N [1]						Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
...		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	**0%**		
of which Enabling																			
of which Transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		EUR thousand	%	EL; N/EL [1]													%		
Data processing, hosting and related activities	CCM / CCA 8.1	14,769	3%	EL	EL	N/EL	N/EL	N/EL	N/EL								3%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**14,769**	**3%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**3%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**14,769**	**3%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**3%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		565,368	97%																
Total		**580,137**	**100%**																

[1] N = no; Y = yes; EL = eligible (taxonomy-eligible); N/EL = not eligible (taxonomy-non-eligible)

Turnover as a proportion of total turnover Frequentis Group 2025	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	3%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Economic activities of Frequentis AG	Code	2025 Turnover	Proportion of turnover, 2025	Substantial contribution criteria Climate change	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH criteria ("Does Not Significantly Harm") Climate change	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) turnover, 2024	Category enabling activity	Category transitional activity
		EUR thousand	%	Y; N; N/EL [1]						Y/N [1]						Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
...		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	-	-	-	-	-	-	-	-	-	-	-	-	-	0%		
of which Enabling																			
of which Transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		EUR thousand	%	EL; N/EL [1]													%		
Data processing, hosting and related activities	CCM / CCA 8.1	14,768	4%	EL	EL	N/EL	N/EL	N/EL	N/EL								4%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		14,768	4%	100%	0%	0%	0%	0%	0%								4%		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		14,768	4%	100%	0%	0%	0%	0%	0%								4%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		344,494	96%																
Total		359,263	100%																

[1] N = no; Y = yes; EL = eligible (taxonomy-eligible); N/EL = not eligible (taxonomy-non-eligible)

Turnover as a proportion of total turnover Frequentis AG 2025	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	4%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Capital expenditure (CapEx KPI)

The total capital expenditure of the Frequentis Group used in the denominator contains additions to property, plant and equipment and intangible assets before depreciation, amortisation and remeasurement and additions of right-of-use assets as defined in IFRS 16 Leases in 2025 (see ↗ Consolidated financial statements / Notes to the consolidated statement of financial position – *16. Property, plant and equipment* and ↗ Notes to the consolidated statement of financial position – *17. Intangible assets*).

The capital expenditure of Frequentis AG presented comprises additions to property, plant and equipment and intangible assets before depreciation, amortisation, and remeasurements in 2025. The total additions reported for 2025 do not include any additions from business combinations (2024: EUR 637 thousand). The data are taken from the fixed asset schedule in the attachment to the notes to the annual financial statements of Frequentis AG, which are only available in German ↗ Jahresfinanzbericht / Frequentis AG – *Jahresabschluss*.

According to the statement issued by the Austrian Chamber of Tax Accountants and Public Auditors (KSW) in 2024 on Article 8 of the Taxonomy Regulation, advance payments made for assets are not to be included in taxonomy-eligible CapEx. Additions of property, plant and equipment and intangible assets in the Frequentis Group and at Frequentis AG only include an insignificant amount of advance payments. The largest item is work in progress on software for test systems, which is comparable to "assets under construction".

The taxonomy-eligible proportion of CapEx for economic activity 8.1 comprises all additions to property, plant and equipment and intangible assets and additions of right-of-use assets pursuant to IFRS 16 Leases reported by the Frequentis Group relating to the technical operation of data centres (EAD business unit). To preclude double-counting in the table, the taxonomy-eligible CapEx in connection with economic activity 7.7 Acquisition and ownership of buildings has been deducted from economic activity 8.1.

The taxonomy-eligible proportion of CapEx for economic activity 7.7 Acquisition and ownership of buildings comprises all additions of buildings and additions of right-of-use assets in the form of buildings pursuant to IFRS 16 Leases. This relates, in particular, to additions of buildings in the USA (EUR 3,240 thousand), Germany (EUR 1,024 thousand), and France (EUR 574 thousand).

No taxonomy-aligned CapEx could be included in the numerator in 2025 because the technical screening criteria were not met.

Economic activities of the Frequentis Group	Code	2025 CapEx	Proportion of CapEx, 2025	Substantial contribution criteria: Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	DNSH criteria ("Does Not Significantly Harm"): Climate change	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) CapEx, 2024	Category enabling activity	Category transitional activity
		EUR thousand	%	Y; N; N/EL [1]						Y/N [1]						Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
...		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**	-	-	-	-	-	-	-	-	-	-	-	-	-	**0%**		
of which Enabling																			
of which Transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		EUR thousand	%	EL; N/EL [1]													%		
Acquisition and ownership of buildings	CCM / CCA 7.7	9,570	42%	EL	EL	N/EL	N/EL	N/EL	N/EL								-		
Data processing, hosting and related activities	CCM / CCA 8.1	405	2%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.4%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**9,976**	**44%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.4%**		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		**9,976**	**44%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities		12,832	56%																
Total		**22,808**	**100%**																

[1] N = no; Y = yes; EL = eligible (taxonomy-eligible); N/EL = not eligible (taxonomy-non-eligible)

CapEx Frequentis Group 2025	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	44%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Economic activities of Frequentis AG	Code	CapEx	Proportion of CapEx, 2025	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) CapEx, 2024 CapEx,	Category enabling activity	Category transitional activity
		2025		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
		EUR thousand	%	Y; N; N/EL [1]						Y/N [1]						Y/N	%	E	T
A. Taxonomy-eligible activities																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
...		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**%**	-	-	-	-	-	-	-	-	-	-	-	-	-	**0%**		
of which Enabling																			
of which Transitional																			
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		EUR thousand	%	EL; N/EL [1]													%		
Acquisition and ownership of buildings	CCM / CCA 7.7	201	4%	EL	EL	N/EL	N/EL	N/EL	N/EL								-		
Data processing, hosting and related activities	CCM / CCA 8.1	405	8%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.1%		
CapEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		**606**	**12%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.1%**		
A. CapEx of taxonomy-eligible activities (A.1 + A.2)		**606**	**12%**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0.1%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of taxonomy-non-eligible activities		4,330	88%																
Total		**4,936**	**100%**																

[1] N = no; Y = yes; EL = eligible (taxonomy-eligible); N/EL = not eligible (taxonomy-non-eligible)

CapEx Frequentis AG 2025	Taxonomy-aligned by objective	Taxonomy-eligible by objective
CCM	0%	12%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Operating expenditure (OpEx KPI)

In accordance with Delegated Regulation (EU) 2025/4568, it was examined whether the taxonomy-relevant operating expenditure (OpEx) is material for Frequentis' business model.

In 2025, for both the Frequentis Group and Frequentis AG, the taxonomy-relevant operating expenditure to be used in the denominator was below 10% of total operating expenditure, so it is not classified as material for the business model.

Therefore, only the total value of the taxonomy-relevant operating expenditure is disclosed, without an assessment pursuant to the EU Taxonomy.

The taxonomy-relevant operating expenditure of the Frequentis Group totalling EUR 24,422 thousand (2024: EUR 35,277 thousand) comprises direct, non-capitalised costs that relate to research and development (↗Consolidated financial statements / *Notes to the consolidated statement of financial position - 17. Intangible assets*), building renovation measures, short-term leasing, maintenance and repair of assets of property, plant and equipment (↗ Consolidated financial statements / *Notes to the consolidated income statement - 9. Other operating expenses*), incurred in the 2025 financial year.

The taxonomy-relevant operating expenditure of Frequentis AG totalling EUR 25,823 thousand (2024: EUR 33,160 thousand) is taken from the income statement and the notes to the financial statements of Frequentis AG, which are only available in German ↗ Jahresfinanzbericht / Frequentis AG – *Jahresabschluss*. It comprises direct, non-capitalised costs relating to research and development, building renovation measures, leasing, and maintenance and repair of assets or property, plant and equipment incurred in the 2025 financial year.

E1 – Climate change

Climate protection, efficient energy management, and the use of renewable energies are important to Frequentis. The company's ESG Strategy (Safe – Secure – Sustainable) specifies that the aim is for future generations to inherit a viable environment. Frequentis welcomes the European Commission's vision of a climate-neutral economy and endeavours to play a part in achieving this vision.

The material impacts, risks, and opportunities relating to climate change identified in the materiality assessment are summarised in the following table:

// E1.SBM-3

Category	Description	Time horizon
Actual positive impact (Downstream value chain)	**Optimisation of traffic flows and efficiency enhancement with Frequentis' systems** Frequentis systems are used to optimise traffic flows and enhance efficiency in air traffic management (AMAN arrivals management system) and shipping traffic (lock management), and for energy-saving innovations in the area of drone management (maintenance monitoring of railways).	Short/medium/ long-term
Potential positive impact (Downstream value chain)	**Securing customers' operations with Frequentis systems during extreme weather events** As a result of climate change, Frequentis' customers may be increasingly exposed to extreme weather events and deployment in catastrophes. Frequentis' systems help safeguard operations in such cases.	Short/medium/ long-term
Actual negative impact (Upstream & downstream value chain)	**Pollution caused by GHG emissions in the value chain** Frequentis' product- and project-related procurement of goods and services and business travel by employees cause Scope 3 GHG emissions and therefore contribute to climate change.	Short/medium/ long-term
Actual negative impact (Own business activities & downstream value chain)	**Energy consumption in production and integration and the use of systems by customers** Energy consumption causes GHG emissions and contributes to climate change.	Short/medium/ long-term
Risk (Own business activities)	**Climate-related transition risk of higher costs** There is a risk of potential cost rises for business travel and energy as a result of higher pricing of greenhouse gas emissions.	Medium/long-term
Opportunity (Own business activities)	**Sale of products and solutions to optimise traffic flows and enhance efficiency** Frequentis sees this as an opportunity to attract new customers and generate additional revenues.	Medium/long-term

Transition plan for climate change mitigation
// E1-1

In 2025, Frequentis gave a commitment that it would define science-based climate targets in conformance with the Science-Based Targets initiative (SBTi) by the end of 2026 and develop a transition plan for climate change mitigation by the end of 2027.

Policies
// E1-2

Frequentis has set out its strategic focus on the environment and energy in its *Environmental & Energy Policy*. This policy covers both climate change mitigation and energy. The focus is on reducing greenhouse gas emissions, efficient use of energy, improving energy performance in design activities, and including energy-efficient products and services in the procurement process. Although the policy does not directly address the identified material impacts, risks, and opportunities, it sets the direction in the environmental and energy areas.

This policy is binding for all companies included in the management system certified in accordance with ISO 14000. The Global Corporate Policy (GCP) requires all other companies to define their own local policy on the basis of the Environmental & Energy Policy.

In the value chain (Scope 3), the biggest emission drivers are purchased goods and services, the energy consumption of products sold to customers, and business travel. Business trips are very important at Frequentis because of the international nature of its business activities. For Frequentis AG and selected subsidiaries, business travel is organised centrally by Frequentis Travel Management. Group-wide, all business trips are organised in compliance with a defined *travel policy*, which specifies that business trips may only be undertaken for business reasons and if the tasks cannot be done in another form (email, phone, online meetings, or videoconferencing). Decisions on business travel are taken on the basis of cost-efficiency and sustainability. The travel policy therefore addresses the negative impact of pollution attributable to business trips and the transition risk of a rise in costs. For details of purchased goods and services and the use of products sold, see ↗ E5 – *Circular economy*.

The above policies are made available to the relevant stakeholders either via the intranet or directly, if the stakeholders do not have access to the intranet. The Executive Board of Frequentis AG and the Managing Directors of each company are responsible for applying the policies.

Actions
// E1-3

Climate change and energy

In 2025, Frequentis implemented various measures to reduce greenhouse gas emissions and increase energy efficiency. One key step was the successful initial certification of its largest location, Frequentis AG in Vienna, in conformance with ISO 50001 Energy Management in the first half of 2025. ISO 50001 aims to reduce energy consumption, increase energy efficiency, and reduce greenhouse gas emissions, as set out in the *Environmental & Energy Policy*. This international standard supports the establishment of the systems and processes needed to improve energy-related performance, including energy efficiency, energy use, and energy consumption. Following initial certification, an annual follow-on audit is performed, with a recertification audit every three years. Implementation is coordinated by the HSE (Health&Safety and Environment) team. The necessary resources are included in the current budgets of the individual departments.

Following ISO certification, a cross-departmental energy and environment team was set up to improve communication and decision-making between the relevant persons. Its objectives are timely identification, evaluation, and realisation of the necessary actions and scope for improvement at Frequentis AG. The team meets regularly three to four times a year. Since 2024, detailed measurement of energy flows in Frequentis AG's building have formed the basis for an improved understanding and accurate analysis of energy requirements. Analysis procedures were established in 2025 and action was taken on the basis of the initial findings, for example, the avoidance of peak air conditioning loads. In addition, lighting in buildings is currently being converted to LED. When this is completed in 2027, it will reduce the energy required for lighting by about 65%. In 2025, this reduced location-based Scope 2 GHG emissions by 15 t CO_2e. Following completion of the changeover in 2027, an annual reduction of 21 t CO_2e is expected.

To reduce greenhouse gas emissions, when procuring new company cars, priority is given to electric vehicles. For Frequentis AG, which has the largest fleet, it is planned that the complete switch to electric vehicles – with a few exceptions – will take place by 2030. This is supported by charging stations at the company car park at Frequentis AG and at Frequentis Comsoft and Frequentis Orthogon. 19 new 11 kW charging points were taken into service at the company car park at Frequentis AG in January 2026. In 2025, the proportion of electric cars in the Frequentis Group's fleet increased to 45% (2024: 34%). As a result, Scope 1 GHG emissions were reduced by 83 t CO_2e compared with 2024.

Raising employees' awareness is another priority. In 2025, a compulsory environmental training module was introduced and integrated into Frequentis' new training platform. The content covers climate change, energy, the circular economy, and waste management. Training is mandatory for all employees of Frequentis AG and must be refreshed every two years.

In addition, in 2025 Frequentis gave a commitment that it would define science-based climate targets in conformance with the Science Based Targets initiative (SBTi) by the end of 2026. A project team is preparing the targets for submission and developing a roadmap to reduce greenhouse gas emissions.

Frequentis systems for optimal traffic management

In addition to other products, Frequentis develops and delivers solutions for the safe management of traffic: railways, air traffic, and shipping. The company aims to structure its solutions to ensure that traffic can be managed both safely and efficiently. These solutions also bring a lasting reduction in the CO_2 emissions of the traffic managed.

For example, Frequentis supplies air traffic management products for safe and efficient traffic management in all flight phases. As a result, airlines save kerosene on the ground, during take-off and landing, and in flight, thus reducing their total carbon emissions.

In addition, Frequentis is involved in research activities to improve the environmental compatibility of air travel. For around 20 years, it has been a key partner in the SESAR programme. In 2025, it was actively involved in several SESAR initiatives to promote more environment-friendly aviation. These centred on the ATM Masterplan 2025 for “green aviation”.

If not explicitly explained, the actions are continuously applied as part of the Frequentis Group’s ordinary business activities. The personnel and monetary resources required to perform these actions are included in the overall budget for the department responsible for applying them.

Targets
// E1-4

In line with its SBTi (Science-Based Targets initiative) commitment, Frequentis will define science-based targets by the end of 2026 and, as the next step, develop a transition plan for climate change mitigation. This will take into account achieving climate neutrality by 2040 and the new targets defined in the process.

Frequentis does not currently have any measurable, outcome-oriented targets that meet the ESRS minimum disclosure requirements as set out in MDR-T, but tracks the effectiveness of policies and actions relating to the material impacts, risks, and opportunities, for example, at meetings of the energy and environment team.

Moreover, Frequentis aims to obtain EMAS (Eco-Management and Audit Scheme) certification for Frequentis AG in Vienna in the first half of 2026. EMAS is a voluntary environmental management and auditing system established by the European Union. Its aim is to continuously improve environmental performance while observing all relevant environmental legislation. The EMAS environmental statement will be publicly accessible and therefore increase transparency.

Metrics

Energy consumption and mix
// E1-5

An important element on the path to climate neutrality is the use of renewable energy at business locations. In 2025, renewable energy accounted for 55% of the Frequentis Group’s total energy consumption.

This was mainly because the entire electricity supply at Frequentis AG, which employs around 40% of the Group’s workforce and includes one production facility, comes from renewable sources such as hydroelectric power, wind power, and other ecological energy sources. According to the energy supplier, no CO_2 emissions occur in the generation of electricity from renewable resources. Overall, renewable energy accounted for 96% of total energy consumption at Frequentis AG in 2025.

In addition, at two sites, Frequentis AG in Vienna and Frequentis Australasia in Brisbane, energy is generated by in-house photovoltaic installations on the roofs of company buildings. Approximately 1% of energy used by the Frequentis Group comes from its own photovoltaic installations.

Energy consumption and mix	Frequentis Group 2025	2024	Frequentis AG 2025	2024
Fuel consumption from coal and coal products (MWh)	0	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	1,368	1,687	192	399
Fuel consumption from natural gas (MWh)	891	919	95	29
Fuel consumption from other fossil sources (MWh)	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling and from fossil sources (MWh)	3,189	2,694	19	21
Total fossil energy consumption (MWh)	**5,448**	**5,300**	**306**	**449**
Share of fossil sources in total energy consumption (in %)	**34%**	**35%**	**4%**	**6%**
Total nuclear energy consumption (MWh)	**168**	**221**	**0**	**0**
Share of nuclear sources in total energy consumption (in %)	**1%**	**1%**	**0%**	**0%**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biogenic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable resources (MWh)	8,460	8,572	6,855	7,002
Consumption of self-generated non-fuel renewable energy (MWh)	188	173	128	130
Total renewable energy consumption (MWh)	**8,648**	**8,745**	**6,983**	**7,132**
Share of renewable sources in total energy consumption (in %)	**54%**	**58%**	**96%**	**94%**
Total non-assignable energy consumption (MWh)	**1,689**	**718**	**0**	**0**
Share of non-assignable sources in total energy consumption (in %)	**11%**	**5%**	**0%**	**0%**
Total energy consumption (MWh)	**15,953**	**14,984**	**7,289**	**7,581**

Calculation methods:

Data from all Group companies were used to calculate energy consumption. Energy consumption from fossil sources comprises purchased electricity, natural gas, district heating, and fuel consumption by company cars. Nuclear energy consumption comprises purchased electricity. Energy consumption from renewable sources comprises purchased electricity, electricity from in-house photovoltaic installations, and district heating. If no evidence of origin was available for purchased electricity or district heating, a conservative approach was chosen. Irrespective of the energy mix in the relevant country, the energy was deemed to be fossil energy.

Non-assignable energy consumption relates to companies for which no energy consumption data are available as a result of contractual agreements (rented office premises). For these companies, energy consumption is estimated on the basis of the size of the building. The average electricity consumption and heating data for the other Group companies are used as an approximation. In 2025, 11% of energy consumption was calculated on the basis of estimates using this method. The data were not validated by any external body apart from the auditor.

As a consequence of its production and systems integration operations, Frequentis falls within the scope of the NACE Code C (as defined in Regulation (EU) 2022/1288). The focus is on the execution of customer projects. For the vast majority of these projects, revenue is recognised over a period of time in accordance with IFRS 15. The revenues to be recognised are determined using the cost-to-cost method. The smallest unit within a customer project constitutes the performance obligation, comprising both produced hardware and software components. Consequently, it is not possible to allocate revenues among high climate impact sectors in order to calculate energy intensity in connection with activities in high climate impact sectors.

Greenhouse gas (GHG) emissions
// E1-6

Greenhouse gas (GHG) emissions	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (t CO_2e)[1]	585	593	119	106
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions (t CO_2e)[1]	2,669	2,330	691	712
Gross market-based Scope 2 GHG emissions (t CO_2e)[2]	2,021	1,660	44	42
Significant Scope 3 GHG emissions (t CO_2e)	**81,763**	**35,157**	**43,272**	**23,019**
Category 1: Purchased goods and services (t CO_2e)[3]	44,736	28,210	26,634	19,312
Category 2: Capital goods (t CO_2e)	6,249	n.a.	2,182	n.a.
Category 6: Business travel (t CO_2e)[4]	5,661	5,705	2,629	2,465
Category 11: Use of sold products (t CO_2e)	23,824	n.a.	10,535	n.a.
Category 15: Investments (t CO_2e)	1,292	1,242	1,292	1,242
Total GHG emissions				
Total location-based GHG emissions (t CO_2e)	**85,016**	**38,081**	**44,082**	**23,837**
Total market-based GHG emissions (t CO_2e)	**84,369**	**37,411**	**43,435**	**23,168**

1 Including indirect GHG emissions for upstream leased assets (Scope 3 Category 8)
2 Market-based GHG data are only available for Frequentis AG; for the other Group companies and electricity from external charging points, gross location-based Scope 2 GHG emissions were used.
3 Product- and project-based procurement and services.
4 Travel by air, rental car, rail, and business travel in private cars.

In 2025, biogenic Scope 1 emissions from the proportion of biofuels in petrol and diesel were 25 t CO_2e for the Frequentis Group (2024: 33 t CO_2e) and 4 t CO_2e for Frequentis AG (2024: 8 t CO_2e). In 2025, biogenic Scope 2 emissions were 2,024 t CO_2e for the Frequentis Group (2024: 2,016 t CO_2e) and 1,730 t CO_2e for Frequentis AG (2024: 1,774 t CO_2e). In 2025, biogenic Scope 3 emissions from category 3.11 were 1,125 t CO_2e for the Frequentis Group and 437 t CO_2e for Frequentis AG. The share of Scope 1 GHG emissions from regulated emissions trading systems was 0% for both the Frequentis Group and Frequentis AG.

GHG intensity based on net revenue	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Total location-based GHG emissions per net revenue (t CO_2e / EUR)	0.000146	0.000079	0.000123	0.000082
Total market-based GHG emissions per net revenue (t CO_2e / EUR)	0.000145	0.000078	0.000121	0.000079

Calculation methods:

When calculating and reporting greenhouse gases (GHG), Frequentis uses the concept of scopes as defined in the GHG Protocol Corporate Accounting and Reporting Standard. For the calculations, emission factors from recognised databases are accessed via Climatiq (https://www.climatiq.io/). The data were not validated by any external body apart from the auditor.

Fuel consumption by the heating system and by the fleet of company cars and, for the first time, refrigerant losses from air-conditioning units have been identified as direct **Scope 1** GHG emissions sources that are owned or controlled by the company. The decline in Scope 1 GHG emissions is mainly due to the stepwise switching of company cars to electric vehicles (see ↗ E1 – Climate change / *Actions*).

When calculating refrigerant losses, the amount of refrigerants in air-conditioning units is taken into account and an average loss rate of 5% is assumed in accordance with the 2006 IPCC Guidelines. At Frequentis AG, there were also refrigerant losses from a faulty air-conditioning unit. Since data on refrigerant amounts are only available for Frequentis AG, the refrigerant losses for the remaining companies are estimated using a projection based on the size of the building. This estimate makes up 5% of Scope 1 emissions. Refrigerant losses were not included in 2024.

When calculating Scope 1 emissions from company cars, a conservative estimate of 100% fossil fuels is used. To calculate the biogenic emissions from the consumption of petrol and diesel by company cars contained in Scope 1 emissions, the proportion of biodiesel and bioethanol is assumed to be 7.5%.

For the calculation of Scope 1 emissions and biogenic CO_2e emissions from petrol and diesel, emission factors from the UBA and BEIS databases accessed via Climatiq are used.

Scope 2 GHG emissions sources are indirect GHG emissions from purchased energy. This includes, first and foremost, purchased electricity and a small amount of purchased heat. 100% of the electricity supply at Frequentis AG, with the exception of electricity from external charging points, comes from renewable energy sources. The increase in Scope 2 GHG emissions is attributable to high electricity consumption resulting from the growth of the company. At Frequentis AG, electricity consumption was reduced by a range of measures to enhance energy efficiency (see Actions).

When calculating location-based Scope 2 emissions, emission factors from the IEA database are used for electricity and emission factors from the BEIS database are used for heat. The emission factors are accessed via Climatiq. The method is based on the 2006 IPCC Guidelines, taking into account the most recent IPCC Assessment Report. The GHG emissions calculations are performed for carbon dioxide, methane, and nitrous oxide. Upstream emissions and transmission and distribution losses are not included in the calculation because they are included in Scope 3 GHG emissions Category 3 "Fuel and energy-related activities". For the calculation of market-based Scope 2 emissions, a certificate from Frequentis AG's energy provider for renewable energy from Europe is used. Consequently, the share of Scope 2 emissions of contractual instruments bundled with attributes about energy generation is 50% for the Frequentis Group and 96% for Frequentis AG. For the remaining consumption, gross location-based Scope 2 emissions are used. Due to a change of database, the market-based biogenic emissions for 2024 have been recalculated.

Scope 3 emissions as defined in the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard comprise indirect GHG emissions outside the company that are not included in Scope 2 GHG emissions. Taking into account the criteria for setting the Scope 3 threshold of the GHG Protocol, the significant Scope 3 categories were identified and included in the GHG inventory. Category 1 - Purchased goods and services, Category 2 - Capital goods, Category 6 – Business travel, Category 11 – Use of sold products, and Category 15 – Investments were identified as significant categories. Categories were identified as significant if they account for more than 2% of total emissions of either the Frequentis Group or Frequentis AG. This ensures that the focus is on the main leverage for reducing greenhouse gas emissions.

For **Category 1**, purchased product and project-related goods and services were defined. The material positions were selected. These accounted for 91% of purchased products and services in 2025 (2024: 88%). The other items were estimated. The purchases were converted in t CO_2e using spend-based, country-specific emission factors from the CEDA database, which is accessed via Climatiq. In view of the change of database and thus of the emission factors and the switch from global to country-specific emission factors, the data for 2024 have been recalculated. There is therefore a discrepancy compared with the prior-year non-financial statement.

Category 2 comprises additions of property, plant and equipment. These were also converted into t CO_2e using spend-based and country-specific emission factors from the CEDA database accessed via Climatiq.

Category 6 comprises travel by air, rental car, rail, and business travel in private cars. For rental cars, the CO_2 emissions reports of the travel agencies were used; where data were unavailable (2025: 39%, 2024: 27%), estimates were made on the basis of kilometres. For travel by air, rail, and in private cars, distance-based emission factors were obtained from the UBA, BEIS, and ADEME databases via Climatiq. Business travel in private cars was not included in 2024. Due to a change in the calculation method for air travel, the data for 2024 were recalculated, so there is a discrepancy compared with the prior-year non-financial statement.

Category 11 comprises the electricity consumption of hardware products that Frequentis delivered to customers in 2025. For this purpose, an average electricity consumption was assigned to every product or part delivered. Total energy consumption was calculated based on the assumption that Frequentis systems have a useful life of 10 years and that in the safety-critical sector they operate 24 hours a day, 7 days a week. The emissions from electricity consumption are calculated using the country-specific (depending on the country, location-based), activity-based IEA emission factors. These emission factors were also accessed via Climatiq.

For **Category 15**, the investments accounted for at equity were used (↗ Consolidated financial statements / *Notes to the consolidated statement of financial position - 19. Investments accounted for at equity (associated companies)*). Emissions were calculated using spend-based emission factors from the CEDA database accessed via Climatiq.

Data are not reported for the following categories:

- Categories 3, 4, 5, 7, 9, and 12 were classified as insignificant because they account for less than 2% of total emissions of the Frequentis Group and Frequentis AG.
- Category 8 is included in the Scope 2 data.
- Categories 10, 13, and 14 are not relevant for Frequentis.

Most of the Scope 3 emissions calculations were based on external databases. Primary data account for 0.1% at the Frequentis Group and Frequentis AG. These relate to Category 6 – Business travel, which is partly based on emissions reports from travel agencies.

To calculate greenhouse gas intensity, total revenues of the Frequentis Group (↗ Consolidated financial statements / *Consolidated income statement*) and Frequentis AG (↗ Jahresfinanzbericht / Frequentis AG – Jahresabschluss / *Gewinn- und Verlustrechnung*) are used.

Financial effects of material risks
// E1-9

As permitted by ESRS 1 Appendix C List of phased-in disclosure requirements, only qualitative information is provided for the disclosures pursuant to ESRS E1-9 on the expected financial effects of material physical and transition risks and potential climate-related opportunities. The identified material risks and opportunities are reported in the table in E1.SBM-3.

E5 – Circular economy

Frequentis endeavours to ensure careful use of resources at all stages in the value chain, from the selection of materials through processing to recyclability.

Frequentis AG in Vienna operates its own production and integrated systems assembly, for which it only uses purchased products (e.g. server hardware, headsets) and components (e.g. lithium-ion batteries). The switch to a software-centric approach enables a reduction in hardware and thus the materials required for production. The principles of the circular economy such as reducing waste, reusing materials, and recycling are also being introduced stepwise at other Group companies with production and integration activities.

Sustainability and environmental awareness are taken into consideration in production workflows: careful use of primary energy sources and purchased goods, reducing harmful emissions, and the use of environmentally compatible production processes are documented and checked as part of the management review in the regular HSE (Health&Safety and Environment) report.

Frequentis understands a circular economy to include, among other things, environment-friendly extraction of raw materials and resource-saving and low-waste production of goods from these raw materials. Insofar as possible, the goods should be returned to the product cycle at the end of their useful life so that their value can be upheld for as long as possible. In addition, efforts are made throughout the Group to structure business processes in a resource-saving manner and respect the principles of circularity.

The aim is to strengthen Frequentis' competitive position on the market and to establish Frequentis in the value chain as a valuable supplier and partner for its customers.

The identified circular economy-related material impacts, risks, and opportunities are summarised in the following table:

// E5.SBM-3

Category	Description	Time horizon
Actual positive impact (Downstream value chain)	**Resource efficiency through durability and maintenance of Frequentis' products** Frequentis' products and solutions are used by customers for many years, often decades. Frequentis further supports this long life cycle by providing extensive service and maintenance programmes and through life cycle management.	Short/medium/ long-term
Actual positive impact (Own business activities & downstream value chain)	**Frequentis as a valuable partner in customers' value chains** Through its ESG activities, the Frequentis Group supports customers in the fulfilment of their sustainability requirements.	Short/medium/ long-term
Potential negative impact (Own business activities)	**Purchase of non-recyclable products and components for use in production and integration** Frequentis does not currently examine the extent to which products and components purchased for production purposes are designed in accordance with circularity principles; pollution caused by non-recyclable products and components is possible.	Short/medium/ long-term

Actual negative impact (Own business activities & downstream value chain)	**Hazardous and electronic waste and disposal of products at the end of their life cycle** Electronic waste occurs in the production and integration of Frequentis systems and in offices. In addition, customer systems (cabinets, hardware components) have to be disposed of at the end of their life cycle.	Short/medium/ long-term

Policies
// E5-1

Based on the *Circular Economy Policy* developed with the involvement of various departments in 2024 and 2025, work has started on implementing the first prioritised measures.

In keeping with the principle of circular economy, the *Environmental & Energy Policy* (for details of contents, scope, accountability, and availability, see ↗ *E1 – Climate change*) contributes to improving the use of materials and resources and reducing waste in the company's own operations and in the value chain. It therefore addresses key aspects of the circular economy.

In addition, Frequentis takes up the requirements of the circular economy in its *Procurement Policy* and its *Corporate Social Responsibility (CSR) Code for Suppliers* (see ↗ *S2 – Workers in the value chain*). Although these two policies do not directly address the identified material impacts, risks, and opportunities, they do specify that environmental impacts related to the circular economy must be taken into account in procurement.

In addition, for Frequentis AG in Vienna there is an extensive *Waste Management Policy* (based on the Vienna waste management law [AWG]). This outlines the waste occurring at Frequentis AG and the related statutory provisions on correct disposal. It therefore addresses the material impacts related to hazardous and electronic waste. At the other companies, too, waste is managed in compliance with local statutory regulations.

The policies outlined above are available to employees in the relevant departments and companies either via the intranet or directly if they do not have intranet access. The Executive Board of Frequentis AG and, through the Global Corporate Policy, the managing directors of each company are responsible for applying these policies.

Actions
// E5-2

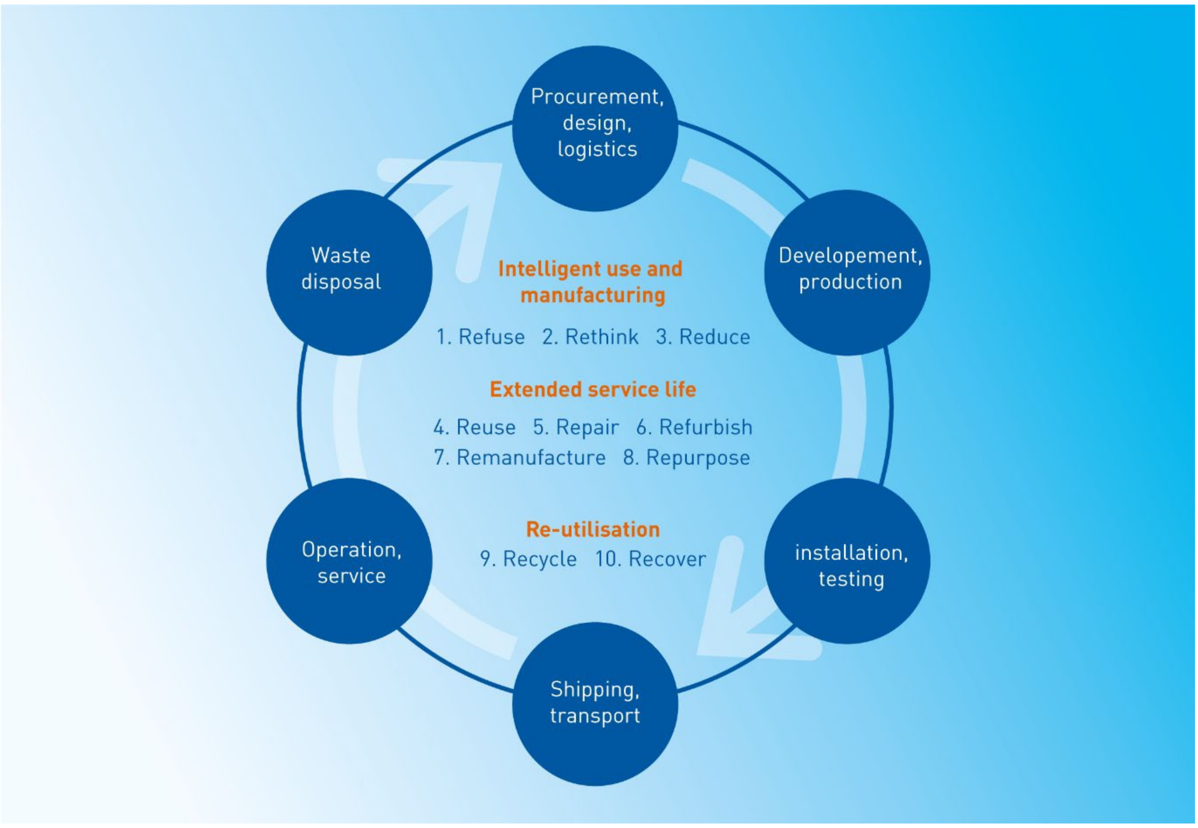
In 2025, the following actions were implemented on the basis of the Circular Economy Policy, focusing on Frequentis AG in Vienna:

- Embedding the circular economy in corporate strategy, taking into account the strategic objectives set out below
    - Extensive reduction in resource consumption and use (conservation of resources)
    - Waste avoidance (zero waste)
    - Avoidance of pollution by hazardous materials (zero pollution)
    - Reduction in greenhouse gas emissions (climate change mitigation)
- Integrating actions already identified into processes along the supply chain and extending them to include new statutory regulations (ongoing)

- Analysis of the stepwise rollout of the corresponding process extensions throughout the Group
- Descriptive high-level documentation of implementation of the circular economy at Frequentis for external use
- Installation of an Energy and Environment Team (see *E1 – Climate Change*)

The core team on the circular economy will continue its work in 2026, deriving or implementing further actions from the policy. The related expenses are included in the budgets of the relevant departments.

The six Frequentis-specific topics along the value chain, which were identified in 2024 during development of the policy, made the following contributions to the circular economy principles in 2025.



1. Procurement, design, logistics

The increasing offering of software-based solutions reduces the purchase of hardware; compressed system dimensions improve utilisation of customers' space.

The modular structure and repairability of Frequentis systems make them suitable for long-term operation. The product portfolio also includes new options for the use of systems, e.g. through scalability and divisibility by customers in the form of mobile systems or remote digital towers.

Since attention is paid to short procurement routes and local value-added, most of Frequentis AG's suppliers are in Europe. In 2025, the guidelines for sustainable procurement, which also take into account the requirements of the ISO management system standards and statutory frameworks, were combined in a policy for Frequentis AG (Procurement Guidelines HSE and CSR). This is binding for all staff responsible for procurement at Frequentis.

2. Development, production

During development, Frequentis pays attention to the reusability of software components and the use of open source solutions.

In production, the focus is on avoiding manufacturing errors, the repairability of products, environment-friendly supplies, and carefully tested chemicals. Waste is recycled (see point 6). In addition, waste heat from the integration building is used to heat the company's premises in Vienna.

3. Installation, testing

Resources such as cables and tools are used carefully and reused repeatedly where possible. Some systems are supplied with pre-installed power-saving settings, for example for display brightness.

4. Shipping, transport

When shipping appliances, attention is paid to resource-saving packaging such as reusable transport containers and the reuse of packaging and fillers. Moreover, Marketing considers sustainable transport routes and mindful use of resources. These actions also comply with the provisions of the EU Packaging and Waste Regulation, which becomes mandatory in August 2026 (packaging must contain a certain percentage of recycled materials and be recyclable).

5. Operation, service

Customers use Frequentis products and solutions for many years – often decades. This long life cycle is supported by extensive service and maintenance programmes and life cycle management. Customer Service offers various service levels and service teams are available worldwide around the clock.

For a number of years, Frequentis has repurchased hardware components from its customers. Repurchased parts are subject to a quality control check and then stored. Some of these components are refurbished to good-as-new assemblies and reused for many years in customer projects.

6. Waste disposal

Thanks to a systematic waste avoidance approach and careful sorting of waste in line with local regulations, Frequentis' waste impact is low. Hazardous waste generated at Frequentis AG in 2025 accounted for less than 2% of total waste. In the annual HSE (Health&Safety and Environment) audit, the actions taken to reduce and dispose of waste are evaluated and refined to ensure correct sorting and continuous minimisation of waste.

Targets
// E5-3

Frequentis does not currently have any measurable, outcome-oriented targets that meet the ESRS minimum disclosure requirements as set on in MDR-T, but tracks the effectiveness of the planned actions set out in the Circular Economy Policy developed in 2025. These include a range of possible actions that are continuously evaluated, prioritised, and assigned clear timelines.

One overriding target with cross-departmental responsibility is developing a sustainable procurement policy with the aim of selecting materials and services on the basis of ecological, social, and governance-related criteria to ensure resource-efficiency, circularity, and responsible supply chains.

Actions related to statutory requirements – especially the Packaging and Waste Regulation and the WEEE (Waste Electrical and Electronic Equipment) Directive for orderly disposal of electrical and electronic appliances – have priority. To ensure compliance with the EU requirements, the corresponding processes and responsibilities will be extended in 2026. In addition, Group-wide awareness of the circular economy is to be strengthened to ensure full awareness and broadly based integration.

Implementation still focuses on Frequentis AG in Vienna because the company's headquarters account for the highest percentage of production within the Frequentis Group. For the planned Group-wide rollout of the Circular Economy Policy, a pilot project with the subsidiary Frequentis Comsoft in Karlsruhe will commence in 2026. Progress with the actions is tracked continuously at meetings of the core team and important interim steps are presented to the Executive Board. The necessary expenses are included in the budgets of the responsible departments.

Key contributions to the circular economy include EMAS (Eco-Management and Audit Scheme) certification, which is planned for the first half of 2026, and the work on the SBTi roadmap to reduce greenhouse gas emissions ↗ *E1 – Climate change*.

Metrics

Resource inflows
// E5-4

The main purchased materials are electronic components, COTS (commercial off-the-shelf electronic and software products), and IT hardware. The purchase and processing of raw materials is not required for Frequentis' business activities; only processed raw materials are used, e.g. solder and lithium-ion batteries. There are no reliable data on the weight of products, the percentage of biological materials, or the percentage of reused or recycled secondary components.

Resource outflows

// E5-5

A description of the products can be found at ↗ ESRS 2 – General disclosures / *Business model*. No reliable data are available on the weight of products, their expected durability, repairability, or the recyclable content of products and packaging. However, since Frequentis' products and systems are generally used in sectors with high potential for circularity, the following essential elements have therefore already been implemented:

- Long system life cycles
- Largely free of toxic substances
- Repairable and upgradeable
- Service-based business models
- Energy efficiency
- Waste avoidance and reduction

The majority of the waste at Frequentis is non-hazardous waste, principally from office activities and the transport of Frequentis systems. This includes commercial waste from offices, paper, and cardboard. In 2025, hazardous waste accounted for less than 2% and was mainly generated in the production of Frequentis systems. No radioactive waste is generated.

The proportion of waste recovered was lower than in 2024. This was mainly due to the redesign of the headquarters building in Vienna, which resulted in an increase in bulky waste and commercial waste from the disposal of old office equipment (see ↗ ESRS S1 – Own workforce / *Actions*).

	Frequentis Group[1]		Frequentis AG	
Waste	**2025**	**2024**	**2025**	**2024**
Non-hazardous waste (t)	**167.0**	**n.a.[2]**	**88.0**	**71.7**
Recovery (t)	73.1		36.8	41.0
Preparation for reuse (t)	0.1		0.1	0.0
Recycling (t)	67.7		36.7	40.5
Other recovery operations (t)	5.2		0.0	0.5
Disposal	93.9		51.2	30.7
Incineration (t)	67.6		51.2	30.7
Landfill (t)	10.9		0.0	0.0
Other disposal operations (t)	15.4		0.0	0.0
Hazardous waste (t)	**3.0**	**n.a.[2]**	1.8	**3.2**
Recovery (t)	1.8		1.1	2.9
Preparation for reuse (t)	0.0		0.0	0.0
Recycling (t)	1.4		0.7	2.1
Other recovery operations (t)	0.4		0.4	0.8
Disposal	1.2		0.6	0.3
Incineration (t)	0.8		0.6	0.3
Landfill (t)	0.4		0.0	0.0
Other disposal operations (t)	0.1		0.0	0.0
Total amount of waste generated (t)	**170.0**	**n.a.[2]**	**89.8**	**75.0**
Recovery (preparation for reuse, recycling, other disposal operations) (t and %)	74.9 (44%)	n.a.[2]	37.9 (42%)	43.9 (59%)
Disposal (incineration, landfill, other disposal operations) (t and %)	95.1 (56%)	n.a.[2]	51.9 (58%)	31.1 (41%)

1 Companies with production and integration activities: Frequentis AG, C4i, Frequentis Australasia, Frequentis Canada, Frequentis Comsoft, Frequentis Defense, Frequentis Deutschland, Frequentis Orthogon, Frequentis Shanghai, Frequentis UK, Frequentis USA

2 Data not available

Calculation methods:

The waste data include the companies with production and integration activities as they generate the largest quantities of waste. Smaller locations that only use office space in rented office premises are not included because the amount of waste is classified as immaterial.

Reliable waste data from waste disposal companies for 2025 are available for Frequentis AG in Vienna, which is the largest production location, and for Frequentis Comsoft. No reliable data are available for the amount of waste at the other companies. The amount of waste at these companies is therefore estimated on the basis of the number of employees and average waste per employee. The average values for Frequentis AG are used as an approximation as these contain both office and production waste and therefore provide a realistic comparative basis for other companies with production and integration activities. Country-specific statistics are used to determine disposal methods.

In 2025, 33% of the reported waste was determined using this method of estimation. The data were not validated by any external body apart from the auditor.

Social

S1 – Own workforce

Employees are the most important factor for the achievement of Frequentis' corporate objectives and its international growth. Their commitment and dedication, and the innovative capability of multi-cultural teams are the foundations on which Frequentis has built decades of profitable growth and give the company key competitive advantages on the international market.

Frequentis' headcount is over 2,800 employees, most of whom are highly qualified personnel, e.g. systems engineers, software developers, project managers, and experts. Their broad and deep specialist knowledge and their extensive practical focus on customer and market needs are widely appreciated. As a high-tech company, Frequentis employs both young, highly trained university graduates and staff with practical experience. It offers them all an attractive working environment characterised by continuity and sustainability. The long-term stability of the teams is vital for customer confidence. Stable and sustainable long-term job security are therefore important cultural values at Frequentis.

The material impacts, risks, and opportunities identified in connection with the company's own workforce are summarised in the following table. The material impacts relate to both the company's own workforce and non-employee workers:

// S1.SBM-3

Category	Description	Time horizon
Actual positive impact (Own business activities)	**Advancing working conditions through flexible working time models and in the area of health care** Frequentis applies measures that go beyond the statutory requirements, which has a positive effect on its workforce.	Short/medium/long-term
Actual positive impact (Own business activities)	**Focus on training and skills development in accordance with the lifelong learning philosophy** Since employees' qualifications are important for Frequentis' business performance, training and skills development are given very high priority.	Short/medium/long-term
Actual positive impact (Own business activities)	**Fostering diversity** Diverse teams improve the response to complex requirements, for example in project management, by introducing different approaches and perspectives.	Medium/long-term
Potential negative impact (Own business activities)	**Short-term peak workloads or long-term overworking** Since Frequentis operates in the project business, a high workload in individual project phases or long-term strain on its employees are possible.	Short/medium/long-term
Actual negative impact (Own business activities)	**Low proportion of women in the industry** Frequentis operates in a sector that traditionally has a relatively low proportion of women.	Medium/long-term

Potential negative impact (Own business activities)	**Incidents of discrimination** Discrimination can occur in the workplace for various reasons and cannot be ruled out in the Frequentis Group.	Short/medium/ long-term
Potential negative impact (Own business activities)	**Data losses or breaches of data protection in the handling of employees' personal data** Frequentis handles a wide range of sensitive data; despite various measures, such incidents cannot be entirely ruled out.	Short/medium/ long-term
Risk (Own business activities)	**Loss of personnel with specialist knowledge** High-qualified employees are Frequentis' most important success factor, so losing them is a risk.	Medium/long-term
Risk (Own business activities)	**Failure to utilise the potential of diversity and innovation** The rising complexity of safety-critical operations places high demands on innovation, requiring both personnel and financial resources as well as skills.	Medium/long-term
Risk (Own business activities)	**Reputational damage or administrative fines as a result of a potential breach of data protection** Despite security measures, a data protection incident is possible, with the related risk of administrative fines and reputational risk.	Medium/long-term

Policies
// S1-1

The basic human resources policy for the Frequentis Group is the *General Policy on Recruiting, Promotion and Retention*. This covers employment conditions for the workforce, fair and market-oriented remuneration, work-life balance, diversity and equality of treatment, training and skills development, and the corporate and working culture. The policy therefore addresses the material impacts and risks identified in connection with working conditions and equal treatment and opportunities for all.

The principles for working together are also set out in the *Code of Conduct of the Frequentis Group* and in the *Anti-Corruption Policy* (for details of contents, scope, accountability, availability, and tracking processes and mechanisms, see ↗ *G1 - Business conduct*). The policies comply with the United Nations Guiding Principles on Business and Human Rights, the declaration of the ILO (International Labour Organisation) and the OECD Guidelines for Multinational Enterprises. Frequentis explicitly rejects human trafficking, forced labour, and child labour.

Occupational health and safety: The *Occupational Health and Safety Policy* addresses the positive impacts identified in connection with preventive health and safety. The focus is on creating and maintaining a healthy and safe working environment to avoid work-related injuries, accidents, and ill health. The policy is binding for all companies covered by ISO 45001 management certification of Frequentis AG and for all other companies through the Global Corporate Policy (GCP).

Diversity and equal treatment: The Frequentis Group does not tolerate any form of discrimination, especially not on the grounds of gender, age, sexual orientation, race, ethnic background, or religion. Compliance with the legal framework is a matter of course. Frequentis is an equal opportunity employer. All personnel decisions are based on suitability, performance, qualifications, integrity, and similar criteria. The *Policy on Handling Reports of Discrimination or Sexual Harassment* defines the process to be followed if an employee reports an (alleged) case of discrimination or sexual harassment.

Training and skills development: Frequentis focuses on the principle of lifelong learning. This is embedded in its corporate culture and starts when an employee joins the company. A key element is the ability to offer employees an individually tailored training plan.

The above policies are made available to the relevant stakeholders either via the intranet or directly, if the stakeholders do not have access to the intranet. The Executive Board of Frequentis AG and the Managing Directors of each company are responsible for applying the policies.

Data protection: In accordance with the European General Data Protection Regulation (EU GDPR), companies are required to observe the principles of data protection and require their employees to protect data privacy and business and operational secrets. Frequentis always treats data confidentially and processes them exclusively in conformance with the applicable legal requirements – both as a data controller and as a data processor, for example when processing customers' personal data. Wherever possible, the company uses established management systems to structure information security (ISO 27001) and quality management (ISO 9001).

The central policy is set out in the Data Protection Manual produced in 2024. The applicable policies, processes, and information obligations are documented in full, and their quality has been confirmed by a voluntary audit.

The Data Protection Manual focuses principally on the following areas:

- **Employee** data protection (processing employee data)
- Protecting **customer** data in Marketing
- **Video surveillance** at headquarters (works agreement)
- Protecting **customer** data when implementing projects (↗ *S4 - End-users*)
- **Data protection in products** (↗ *S4 - End-users*)
- **Data protection in the "Cloud"**
- **Artificial intelligence (AI) and data protection**

Frequentis, represented by the Executive Board, is responsible for compliance with the statutory data protection requirements. The Data Protection Officer, who was appointed in 2018, provides support in the form of advice, ongoing development of internal data protection measures, raising awareness, and monitoring and documentation of data protection processes.

Engaging with own workers
// S1-2

A central element of Frequentis' corporate culture is an open approach to mistakes in order to learn from them. In accordance with this, employees can report issues via various informal and formal channels.

Formally, employees can express their views in regular employee surveys or raise them with the HR Business Partners and HR managers, compliance managers, the workers' council (where there is one at the company), in their annual performance and career development review, in team workshops, and directly with their line manager. Informal feedback can be given via various communities (e.g. Working Human) in the in-house social network Viva Engage.

Frequentis assesses the effectiveness of engagement with its workers through employee surveys, from which appropriate action is derived.

Processes to remediate negative impacts and channels to raise concerns
// S1-3

Employees can also use the informal and formal channels already mentioned to raise concerns. These are dealt with using a precisely defined process. The guiding principles applied at every step in the process are sensitivity, confidentiality, presumption of innocence, and sustainability. Investigation, evaluation, and recommendations on action are undertaken by a core team.

Another option is the whistleblower system for anonymous reporting of irregularities and risks. This system is available worldwide to all employees in the Frequentis Group via an intranet link and via the internet. For details, see ↗ *G1 – Business conduct*.

Actions
// S1-4

If not explicitly explained, the actions outlined are continuously applied as part of the Frequentis Group's ordinary business activities. The personnel and monetary resources required to perform these actions are included in the overall budget for the department responsible for applying them.

Working conditions

Work-life balance

Enabling staff to combine work and family life has high priority at Frequentis. A flexible working time model aligned to regional requirements has been established for many years to help employees combine personal needs with working. The basis is a focus on performance, respect, and mutual trust. A modern IT landscape, such as Microsoft Teams and further web-based tools, provides extensive support for mobile working. Building usage is also being adapted to modern requirements. The "New Way of Working" pilot project launched in 2025 aims to comprehensively redesign the headquarters in Vienna.

To make it easier for staff to pursue their personal interests, in addition to statutory dispensations, Frequentis offers staff throughout the Group temporary part-time working conditions, sabbaticals, and educational leave.

A new benefit introduced in June 2025 (as a result of the 2024 employee survey) is the option of a workation, a working model for cross-border teleworking allowing work to be combined with travelling.

Occupational health and safety

To ensure an attractive working environment, workplaces at Frequentis are designed to avoid excessive physical and mental strain. To ensure a safe working environment, risks and problems are viewed from a range of perspectives, preventive measures are introduced, and support is provided as necessary. In this context, Frequentis is guided by ISO 45001 management certification, which covers Frequentis AG and five subsidiaries (approximately 60% of Group employees). The most recent recertification of Frequentis AG was in June 2025. The Global Corporate Policy (GCP) requires the other companies to define their own policies and measures.

The present training and continuous professional development programme contains a wide range of occupational health and safety offerings, including mandatory training for certain employee groups and regular legally required refresher courses (in Austria in compliance with Sections 12 and 14 of the Austrian Occupational Safety Act (ASchG)).

At Frequentis AG, which employs about 40% of the Group's workforce, the occupational health and safety team comprises a medical officer, two psychologists, two safety specialists, and an eight-member team of safety officers from various areas of the company. The team ensures that hazards and inappropriate workloads are viewed from different angles and takes proactive steps to avoid them. There is also a well-established first aid organisation, which was strengthened in 2025 by training a large number of new first responders and appointing a first aid officer. A new digital system for standardised recording and evaluation of narrowly avoided accidents was introduced in 2025, enabling more targeted application of preventive measures.

New machinery is inspected by safety specialists and preventive measures are defined where necessary. Special attention is paid to the correct use of personal protective equipment. There are standard operating procedures on handling dangerous chemicals and machinery as well as specific safety training. Chemicals are examined to see if they can be substituted before defining measures for safe use and storage. Regular inspections facilitate continuous improvement of safety standards.

To enhance employee health, for many years Frequentis AG has offered measures such as vaccination programmes, advice and preventive health checks, psychological support, and the Vital programme (healthy eating, exercise, massages). In 2025, a new bicycle leasing scheme for the commute to work was introduced. Where possible, other companies in the Frequentis Group also offer physical and mental health programmes. Examples are the Employee Engagement Programmes at Frequentis USA and Frequentis Australasia.

Equal treatment and opportunities for all

Gender equality and equal pay for equal work

To ensure uniform, transparent, and fair remuneration, the salaries of Frequentis Group employees are reviewed annually by the responsible managers and, where applicable, the workers' council or a similar body. The review is based on statutory requirements and external benchmarks. It includes evaluating whether salaries meet the minimum requirements and market conditions. Salaries are reassessed in the regular pay rise process. The exact procedure may differ depending on the company.

In addition, at Frequentis AG, a mandatory income report with disclosures on the remuneration of men and women is prepared every two years in accordance with Section 11a of the Austrian Equal Treatment Act (GIBG). The anonymised report is submitted to the workers' council at Frequentis AG for review.

The new EU Pay Transparency Directive is being implemented by introducing job grading, a systematic evaluation of positions based on clearly defined criteria to make roles comparable and establish a fair basis for remuneration and development. Job grading for management positions was introduced at Frequentis AG on 1 January 2026 and will be rolled out further during the year.

Training and skills development

The training and continuing professional development of employees are central factors for the sustained success of the Frequentis Group because this enables them to keep pace with the changing requirements of customers, markets, and new technologies and supports their personal growth. The concept of lifelong learning has been extended by the introduction in 2025 of the new learning platform: myLearning@Frequentis. This encourages sharing knowledge with colleagues and supports the development of content by artificial intelligence. The aim is to establish a collaborative learning culture within the Frequentis Group.

Structured onboarding enables new employees to settle in quickly, provides them with the necessary knowledge for their area of work, and encourages the establishment of a personal network. In their first months with the company, new staff are supported by tutors. The onboarding process includes mandatory training sessions, which have to be refreshed every two years.

To ensure the transfer of knowledge given the rising average age of the workforce, Frequentis focuses on professional succession planning and training future managers. This is supported by an internationally viable leadership development programme focusing on training, knowledge transfer, coaching, and exchange. LEAD World (Leadership Exploration and Development) is an extensive learning platform for new, experienced, and executive managers. The aim is to enable continuous, agile personal training and development and foster interaction and networking of all Frequentis managers worldwide. Based on Frequentis' cultural values, the Leadership Behaviours developed in 2024 provide a clear guide framework for management at Frequentis. The 2025 employee survey at Frequentis AG included questions on leadership.

The culture of collaboration and sharing specialist knowledge is supported by the community landscape on the Viva Engage platform. These "communities of practice" dedicated to specialist technical topics such as data science, security or artificial intelligence play a central role in collecting, creating, and transferring knowledge.

Educational sponsorship: Frequentis provides selective educational sponsorship for technical schools and universities in Austria and at some companies in Germany, Romania, Slovakia, and Australia. For instance, Frequentis AG offers internships for students and co-supervises bachelor's dissertations and master's theses. In 2025, the Frequentis Group supervised 113 interns on holiday and professional internships, 40 of them at Frequentis AG.

Human Resources International cultivates an effective Group-wide HR organisation and a common HR mentality by supporting Frequentis Group companies worldwide and sharing knowledge, for example through international assignments. Common targets for implementing the HR strategy are agreed at regular meetings with local HR managers. The World HR Team Summit, an in-person meeting with extensive exchange, was held in Vienna in spring 2025.

Talent acquisition & employer branding: A careful and extensive recruiting process is very important to Frequentis. Alongside professional qualifications, Frequentis looks for an understanding of its business and its specific safety-critical culture. Modern visual and video content and an enhanced social media presence ensure a contemporary employer brand. The Group-wide rollout of a “Talent Acquisition Playbook” was launched in 2025.

Recognition as an employer: In 2025, Frequentis’ activities were again honoured by external institutions. Examples are the Great Place to Work Certification of Frequentis AG, the Best Management Companies award presented to Frequentis AG by Deloitte, and the Top Companies award of the employer rating platform kununu.

Diversity

The percentage of women at Frequentis is comparatively low, as it generally is in technical fields. A higher percentage of female employees would be desirable from Frequentis’ perspective, especially in technical jobs. Diverse teams are generally more effective and enrich the company. The objective of the “Women & Careers” initiative is to support and encourage women to play an active part in shaping their career. In particular, the aim is to increase the proportion of female managers, for example through transparent internal vacancy notices.

The Frequentis “Women’s Community” is a platform for networking and interaction. Its initiatives include regular events on topics such as unconscious bias and empowerment and a mentoring programme.

Frequentis is also involved in a range of cooperation projects to interest women in technical professions. These include initiatives such as “Girls! TECH UP“ organised by the Austrian electrical engineering association ÖVE, “sheconomy“, a platform that showcases impressive women, and “FIT (women in technology) in Vienna. As a member of the “Agenda Bahnindustrie Frauen” initiative, Frequentis provides a platform to identify and support mobility experts working in the railway industry. Following a break of several years, in 2025 Frequentis took part in Vienna’s “Daughters’ Day”, which aims to support girls in their choice of career and encourage them to train for technical occupations.

Data protection

Every employee in the Frequentis Group is required to observe data protection laws and regulations. Every two years, employees must complete mandatory e-learning modules on personal data protection. The content focuses on protecting the personal data of employees, customers, and suppliers. In addition to raising general awareness of data protection, there is a special training programme designed primarily for departments that have a lot to do with personal data.

The training offering in this area was extended in 2025. This comprises both enhancing general awareness of data protection, for example, through "need-to-know casts" on important aspects of data protection posted in the intranet, and continuing the specific training programme for departments that work intensively with personal data.

Targets
// S1-5

Frequentis does not currently have any measurable, outcome-oriented targets that meet the ESRS minimum disclosure requirements as defined in MDR-T. Nevertheless, it continuously drives forward the effectiveness of policies and actions relating to material impacts, risks, and opportunities through the following activities:

The long-term goal of Group-wide HR management is to safeguard the performance, commitment, and innovative capability of employees. Based on the HR strategy and defined focus topics, Frequentis attaches great importance to recruiting and developing talented employees and retaining them in the company in the long term. Flexible organisational structures allow a rapid response to market and environmental changes, and the company is open to networking and cooperation.

The company's aspiration is the continuous professional and personal development of its employees, measured by their professionalism, competence, and excellent results both within the company and beyond.

Another key area of focus remains the best possible balance of work and family life. This is highlighted by the "Beruf & Family" audit planned for Frequentis AG in the first half of 2026. This is a certified quality management and development tool that helps companies systematically structure and develop family-friendly working conditions.

Metrics

Characteristics of the undertaking's employees
// S1-6

The total workforce of the Frequentis Group comprises employees with permanent and temporary contracts and non-guaranteed hours employees. The average headcount increased from 2,584 in 2024 to 2,809 in 2025. About 40% work for Frequentis AG in Vienna. The internationality of the workforce is reflected in the fact that Frequentis Group employees come from 63 nations and are employed at companies and locations in 17 countries.

No assumptions were used in the compilation of the data; the data are taken from the HR master data system. The total number of permanent employees, expressed as full-time employees (FTEs) is also disclosed in the Frequentis Group's consolidated financial statements (↗ Consolidated financial statements / *8. Personnel expenses*) and in the annual financial statements of Frequentis AG, which are only available in German (↗ Jahresfinanzbericht / Frequentis AG – *Jahresabschluss* / *Durchschnitttliche Zahl der Arbeitnehmer:innen*).

Total number of employees by gender[1] (average headcount)	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Female	650	591	282	263
Male	2,158	1,993	868	813
Gender-diverse/other	1	0	0	0
Total	**2,809**	**2,584**	**1,150**	**1,076**

1 Includes permanent, temporary, and non-guaranteed hours employees

Total number of employees by country[1] (average headcount)	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Austria	1,309	1,223	1,145	1,072
Germany	487	462	-	-
Romania	203	176	-	-
Australia	142	135	-	-
Slovakia	154	137	-	-
USA	163	130	-	-
UK	83	75	-	-
Canada	64	63	-	-
Philippines	58	51	-	-
Italy	51	46	-	-
Czech Republic	25	27	-	-
Norway	15	13	-	-
China	13	12	-	-
France	15	12	-	-
United Arab Emirates	10	8	-	-
Singapore	8	6	-	-
Brazil	4	5	-	-
Switzerland	5	5	5	5
Total	**2,809**	**2,584**	**1,150**	**1,076**

1 Includes permanent, temporary, and non-guaranteed hours employees

The majority of employees (98% of Frequentis Group employees in 2025) have an employment contract for an indefinite term (permanent employees). These are full-time and part-time employees, employees on parental leave, and apprentices. Temporary contracts relate to holiday and professional internships; non-guaranteed hours contracts relate to freelancers and student employees.

Employees by contract type (average headcount)	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Total number of employees[1]	**2,809**	**2,584**	**1,150**	**1,076**
Female	650	591	282	263
Male	2,158	1,993	868	813
Gender-diverse/other	1	0	0	0
Number of permanent employees[2]	**2,762**	**2,547**	**1,139**	**1,066**
Female	638	583	280	262
Male	2,124	1,963	859	803
Gender-diverse/other	1	0	0	0
Number of temporary employees[3]	**36**	**27**	**6**	**5**
Female	10	7	2	1
Male	26	20	4	4
Gender-diverse/other	0	0	0	0
Number of non-guaranteed hours employees	**11**	**10**	**5**	**6**
Female	2	1	0	0
Male	9	9	5	6
Gender-diverse/other	0	0	0	0

Number of full-time employees[4]	**2,397**	**2,192**	**951**	**887**
Female	458	406	185	169
Male	1,939	1,786	766	718
Gender-diverse/other	1	0	0	0
Number of part-time employees[4]	**365**	**355**	**188**	**179**
Female	180	177	95	93
Male	185	178	93	86
Gender-diverse/other	0	0	0	0

1 Includes permanent, temporary, and non-guaranteed hours employees
2 Employees with employment contracts for an indefinite term
3 Employees with employment contracts for a limited period
4 Employees with employment contracts for an indefinite term

In 2025, recruitment of new employees again concentrated on technical staff. In addition to system engineers, there was particularly high demand for software engineers, project managers, and IT and sales staff. Important indicators of employee satisfaction are employee turnover and average length of employment. Employee turnover in the Frequentis Group has fallen slightly (2025: 8.5%; 2024: 9.4%) and the average length of employment is 7.4 years.

Employee turnover[1] (headcount in reporting period)	**Frequentis Group 2025**	**2024**	**Frequentis AG 2025**	**2024**
Exits	235	238	74	84
Turnover (%)	8.5%	9.4%	6.5%	7.9%
thereof voluntary (%)	4.5%	5.3%	3.7%	5.4%
thereof involuntary (%)	1.9%	1.8%	1.1%	0.8%
thereof natural turnover (%)	2.1%	2.2%	1.7%	1.6%
Entries	536	395	171	122
Average length of employment (years)	7.4	7.8	10.3	11.0

1 Includes permanent employees

Characteristics of non-employee workers in the undertaking's own workforce
// S1-7

Number of non-employees (average headcount)	**Frequentis Group 2025**	**2024**	**Frequentis AG 2025**	**2024**
Leased workers	13	12	13	12
External partners	114	84	16	26

In addition to its own workers, in 2025 the Frequentis Group had 127 non-employee workers, leased workers, and external workers.

Collective bargaining coverage and social dialogue
// S1-8

57% (2024: 57%) of employees in the Frequentis Group are covered by collective bargaining agreements. At companies where there is no collective bargaining agreement, salaries are adjusted on the basis of external benchmarks and statutory requirements. However, the mode is up to the individual company. All employees in Austria (100%) are covered by collective bargaining agreements; the majority of them are at Frequentis AG and are covered by the Austrian collective bargaining agreement for the metalworking sector. No collective bargaining agreements are applicable in Germany. Collective bargaining agreements are applicable in Brazil, France, Romania, and Italy.

64% (2024: 65%) of employees in the Frequentis Group are represented by workers' councils. In Austria, 95% are represented and in Germany representation is 60%. There are also workers' councils in France, Romania and Italy. The workers' council at Frequentis AG is in constant communication with the Executive Board and is involved in key corporate decisions. Social dialogue takes place through a range of formats, including a digital community, works meetings, involvement in internal committees, and networking with interest groups.

	Collective bargaining coverage		Social dialogue
Coverage 2025	**Employees by EEA country[1]**	**Employees by non-EEA region[1]**	**Workplace representation EEA countries[1]**
0 – 19%	Germany	Americas, Asia, Australia/Pacific, Europe (non-EEA)	
20 – 39%			
40 – 59%			
60 – 79%			Germany
80 – 100%	Austria[2]		Austria[2]

1 Countries/regions with >50 employees representing >10% of total employees in the Frequentis Group
2 Including Frequentis AG (100%)

Diversity metrics
// S1-9

Customers greatly appreciate the internationality of Frequentis' teams. The culture on which this is based is a key competitive factor on the international market. Frequentis has established conditions in which it can offer every employee equal opportunities, irrespective of their age, gender, culture, religion, or background. This is reflected in the international composition of its teams – the Frequentis Group employs staff from 63 nations – and in long-term employment relationships, which support the aim of retaining knowledge in the Frequentis Group.

In 2025, female employees accounted for 23% of the total workforce (2024: 23%). The percentage of female employees was stable in the Executive Board (highest management level) and among vice presidents, managing directors, and other managers. In 2025, the proportion of new hires who were female was 24% in the Frequentis Group and 26% at Frequentis AG.

Gender distribution[1] (headcount as at 31 December)	Frequentis Group 2025		2024		Frequentis AG 2025		2024	
Number of permanent employees	**2,919**		**2,611**		**1,186**		**1,078**	
Female	675	(23%)	592	(23%)	293	(25%)	262	(24%)
Male	2,242	(77%)	2,019	(77%)	893	(75%)	816	(76%)
Gender-diverse/other	2	(0%)	0	(0%)	0	(0%)	0	(0%)
Executive Board	**4**		**4**		**4**		**4**	
Female	1	(25%)	1	(25%)	1	(25%)	1	(25%)
Male	3	(75%)	3	(75%)	3	(75%)	3	(75%)
Gender-diverse/other	0	(0%)	0	(0%)	0	(0%)	0	(0%)
Management (Vice Presidents and Managing Directors)	**48**		**44**		**14**		**15**	
Female	4	(8%)	3	(7%)	3	(21%)	3	(20%)
Male	44	(92%)	41	(93%)	11	(79%)	12	(80%)
Gender-diverse/other	0	(0%)	0	(0%)	0	(0%)	0	(0%)
Other managers	**303**		**252**		**143**		**135**	
Female	53	(17%)	38	(15%)	21	(15%)	21	(16%)
Male	250	(83%)	214	(85%)	122	(85%)	114	(84%)
Gender-diverse/other	0	(0%)	0	(0%)	0	(0%)	0	(0%)

New hires	536		395		171		122	
Female	131	(24%)	76	(19%)	45	(26%)	23	(19%)
Male	403	(75%)	319	(81%)	126	(74%)	99	(81%)
Gender-diverse/other	2	(0%)	0	(0%)	0	(0%)	0	(0%)

[1] The data relate to permanent employees

Since the Frequentis Group encourages long-term employment, the number of employees in the Frequentis Group who are over 50 is naturally increasing. In the past five years, there has therefore been a considerable rise in the number of employees retiring and this will continue in the coming years.

Frequentis aims for a mixture of experienced specialists and graduates to maintain a good balance in the age pyramid and safeguard the transfer of know-how. Professional succession planning also allows timely planning and development of replacements for staff who are retiring.

Distribution of employees by age group[1] (headcount as at 31 December)	Frequentis Group				Frequentis AG			
	2025		2024		2025		2024	
<30 years	472	(16%)	387	(15%)	173	(15%)	149	(14%)
30 - 50 years	1,617	(55%)	1,457	(56%)	642	(54%)	583	(54%)
>50 years	830	(28%)	767	(29%)	371	(31%)	346	(32%)

[1] The data relate to permanent employees

Social protection
// S1-11

The Frequentis Group endeavours to protect all employees against a loss of income due to the following major life events:

- Sickness (100% of employees covered)
- Unemployment starting from the beginning of employment with the company (99.7% of employees covered)
- Employment injury and acquired disability (100% of employees covered)
- Parental leave (100% of employees covered)
- Retirement (99.5% of employees covered)

Since the statutory framework differs in different countries, employees are either covered by public programmes or by benefits offered by Frequentis. Due to the statutory framework, social protection is not provided for all the listed life events in Brazil, the United Arab Emirates, and Singapore.

Training and skills development metrics
// S1-13

Frequentis has an extensive internal training offering comprising virtual and face-to-face training in the areas of marketing, sales, technology, project management, management and leadership skills, personal development, business economics, and languages. The aim of the new myLearning@Frequentis platform is to encourage a modern and collaborative learning culture throughout the Frequentis Group. The O'Reilly online learning platform with more than 60,000 modules, especially in the areas of technology and software development, including advanced content on programming languages, frameworks, cloud computing, and machine learning remains an integral element. 20 companies in the Frequentis Group currently use this offer.

Training time	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Number of permanent employees (FTE average)	**2,634**	**2,422**	**1,076**	**1,008**
Female	577	522	250	233
Male	2,056	1,900	826	776
Gender-diverse/other	1	0	0	0
Total number of training hours	**34,966**	**34,188**	**19,875**	**19,852**
Female	7,026	7,843	3,784	4,723
Male	27,940	26,345	16,091	15,129
Gender-diverse/other	0	0	0	0
Average number of training hours per FTE[1]	**13**	**14**	**18**	**20**
Female[1]	12	15	15	20
Male[1]	14	14	19	20
Gender-diverse/other[1]	0	0	0	0

1 Calculated on the basis of full-time equivalents (FTEs) to show training time per full-time employee

The central tool for fostering and developing employees is the annual performance and career development review. This is a snapshot that gives employees guidance for their personal development. Digital documentation facilitates tracking of the agreed targets and development measures. 84% of employees in the Frequentis Group had a documented performance and career development review (appraisal interview) in 2025 (2024: 83%).

Performance and career development reviews[1]	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Number of permanent employees IT Inner Circle (headcount as at 31 December)	**2,447**	**2,102**	**1,186**	**1,078**
Female	578	488	293	262
Male	1,869	1,614	893	816
Gender-diverse/other	0	0	0	0
Total number of performance and career development reviews	**1,964**	**1,748**	**1,025**	**924**
Female	463	390	249	222
Male	1,501	1,358	776	702
Gender-diverse/other	0	0	0	0
Percentage of employees that participated in performance and career development reviews	**80%**	**83%**	**86%**	**86%**
Female	80%	80%	85%	85%
Male	80%	84%	87%	86%
Gender-diverse/other	-	-	-	-

1 Calculated on the basis of employees at companies connected to the Frequentis Group's IT landscape as data on performance and career development reviews are available electronically. When calculating the percentage of employees that participated in performance and career development reviews, it is assumed that the percentage is similar at other Group companies.

Health and safety metrics
// S1-14

Despite extensive precautions, accidents cannot be prevented entirely. Special attention is paid to carefully analysing every accident and deriving action for improvement to prevent similar accidents occurring in the future. In 2025, all work-related accidents were non-serious accidents with minimal consequences. The incidents were investigated and corresponding action taken to prevent a recurrence.

	Frequentis Group		Frequentis AG	
Health and safety metrics	2025	2024	2025	2024
Number of fatalities as a result of work-related injuries and ill health	0	0	0	0
Number of recordable work-related accidents[1]	1	2	0	0
Rate of recordable work-related accidents[2]	0.2	0.5	0.0	0.0
Number of cases of recordable work-related ill health[1]	0	0	0	0
Rate of recordable work-related ill health[2]	0	0.0	0.0	0.0
Number of days lost to work-related injuries and ill health[3]	4	8	0	0

1 Work-related accidents and ill health with more than three days lost, excluding accidents on the way to work
2 Number of cases per 1 million hours worked, based on an average of 1,700 working hours per employee per year and the total number of employees
3 Calendar days, including weekends and public holidays

Work-life balance metrics
// S1-15

All employees (100%) have a statutory entitlement to leave for family reasons after the birth of a child. The number of days granted varies by country due to differences in the statutory framework. In some countries Frequentis offers leave beyond the statutory requirements. 97% of employees can take leave to care for relatives. Due to the statutory framework, this option is not available in the Philippines, Brazil, the United Arab Emirates, and Singapore.

Remuneration metrics
// S1-16

	Frequentis Group		Frequentis AG	
Remuneration metrics	2025	2024	2025	2024
Gender pay gap[1]	16%	17%	15%	15%
Annual total remuneration ratio[2]	15.3	13.8	15.6	13.6

1 Difference in average pay levels between male and female employees, expressed as a percentage of the average pay level of male employees, without taking into account employee category
2 Ratio of the annual total remuneration of the highest paid individual to the median annual remuneration for all employees

Calculation methods:

The gender pay gap is calculated from the average gross annual income of female and male employees based on full-time equivalents (FTE). Differences in purchasing power between countries are taken into account using the World Bank's purchasing power parity conversion rates. The gender pay gap is the difference between the average income of male and female employees, divided by the average income of male employees. The gender pay gap at Frequentis is attributable to the low proportion of female employees, especially in management positions. Frequentis has a range of measures to increase the proportion of female employees (see ↗ S1 – Own workforce / *Actions*).

The ratio of the annual total remuneration of the highest paid individual to the median annual total remuneration for all employees is calculated using the average gross annual remuneration in the Group, based on FTEs, after adjustment for differences in purchasing power. The median was estimated using the distribution of remuneration at Frequentis AG because both the mean and the median are known for Frequentis AG. It is assumed that the distribution is similar for the Frequentis Group.

Incidents, complaints and severe human rights impacts
// S1-17

In 2025, one allegation of discrimination was reported via formal processes.

For details of the whistleblower system and the compliance management system, see ↗ *G1-Business conduct*.

Data protection
// S1 voluntary metric

	Frequentis Group		Frequentis AG	
Mandatory training	2025	**2024**	2025	**2024**
Percentage of successful completion e-learning "Personal data protection"	95%	92%	95%	90%

All permanent employees are required to complete the mandatory training on data protection every 2 years. The successful completion percentage is calculated by dividing the number of training sessions completed by the required number of training sessions in the reporting period. The calculation is based on employees at companies connected to the Frequentis Group's IT landscape as data on mandatory training are available electronically. It is assumed that the proportion is similar at the other companies.

S2 – Workers in the value chain

Since it operates in the safety-critical area, Frequentis places its trust in reliable suppliers and ongoing, long-term business relationships. A stable basis, regular interaction, and transparency are vital for project execution. This includes an obligation to respect human rights and labour standards in the value chain.

The types of workers in the value chain who could be affected by the material IROs have mainly been identified as those in the upstream value chain. They include, in particular, suppliers of components, COTS (commercial off-the-shelf electronics and software products), and IT hardware, and various subcontractors and service providers in the field of telecommunications. No further processing of Frequentis' products and solutions takes place in the downstream value chain, so the downstream value chain is comprised exclusively of end-users (e.g. air traffic controllers and control room operators). They are discussed in section S4 End-users.

Most workers in the upstream value chain are highly-qualified personnel who provide specific IT services or produce technical parts, e.g. software architects, system engineers, and developers. Since Frequentis does not source any raw materials and works primarily with qualified specialists, the risk of exploitation is classified as low.

Negative impacts in the contexts in which Frequentis operates are not systemic; they can only relate to individual incidents. No geographical areas or raw materials were identified where there is a considerable risk of child labour or forced labour in the value chain. The identified risk relates to impacts and dependences in connection with potential failure of suppliers to comply with labour standards and human rights.

The identified material impacts, risks, and opportunities in connection with workers in the value chain are summarised in the following table:

// S2.SBM-3

Category	Description	Time horizon
Actual positive impact (Upstream & downstream value chain)	**Advancing working conditions for workers in the value chain** The annual supplier assessments include sustainability-related aspects and social conditions; action to improve performance is agreed if necessary.	Short/medium/ long-term
Potential negative impact (Upstream & downstream value chain)	**Non-compliance with labour standards and the human rights of workers in the value chain** Given the large number of international business relationships, it is possible that suppliers could fail to respect human rights, labour standards, and regulations on social conditions.	Short/medium/ long-term

Risk (Own business activities & upstream & downstream value chain)	**Failure by suppliers to comply with the Supplier Code of Conduct in the areas of labour standards and human rights** Despite mandatory signature of the Supplier Code of Conduct, non-compliance could result in inhumane living and working conditions and non-compliant business relationships with third parties. This could result in a supply or reputational risk; there is a risk of losing customers.	Short/medium/ long-term

Policies
// S2-1

The criteria used by Frequentis to select suppliers include ethics, compliance with labour standards, and environmental protection.

In its *Procurement Policy*, Frequentis defines procurement guidelines and processes, taking into account environmental and social aspects. It therefore also addresses the material impacts relating to workers in the value chain. This policy is binding for Frequentis AG. Under the Global Corporate Policy (GCP), all companies are required to draw up a local policy based on the defined guidelines.

An Admin Service Hub has been set up at the subsidiary Frequentis Solutions & Services in Bratislava for central administration of supplier validation data. This ensures that all suppliers are validated using the same rules and principles.

The policy is made available to the relevant stakeholders via the intranet or directly, if they do not have intranet access. The Director of Procurement bears operational responsibility for implementation of the policy.

The *Corporate Social Responsibility (CSR) Code for Suppliers* highlights Frequentis' commitment to protecting the environment, respecting human rights and labour standards, and fighting corruption. Frequentis' suppliers are obliged to act in accordance with these principles.

Frequentis has a strong focus on respecting labour standards and explicitly rejects forced and compulsory labour, child labour, moonlighting, and discrimination of employees. The *CSR Code for Suppliers* also requires observance of statutory working hours, safe working conditions, payment of the collectively agreed or statutory minimum wage, and the ILO's fundamental principles and rights of workers. In this way, Frequentis addresses the material risks of failure to comply with labour standards and human rights for workers in the value chain.

"Modern slavery" is included in the *Code of Conduct of the Frequentis Group*, the *CSR Code for Suppliers* and the contractual documents for subcontractors, suppliers, coaches, and employment agencies.

The *Code of Conduct of the Frequentis Group* and the *CSR Code for Suppliers* are applicable for all Group companies and are available to stakeholders in the intranet and on the Frequentis website at www.frequentis.com > About us > Sustainability & CSR. The Executive Board is responsible for applying these policies.

There were no known incidents of failure by suppliers and subcontractors to respect these standards in recent years.

Engaging with value chain workers
// S2-2

Since business relationships are long-term and continuous (77% frame agreements at Frequentis AG), collaboration with suppliers' and subcontractors' employees takes place regularly at all levels (e.g. discussions between procurement and sales personnel) so the perspective of value chain workers can be integrated informally. At management level, they are included through supplier workshops and, formally, through annual supplier assessments and regular support. The procurement team comprises specialists for various areas of procurement at Frequentis (e.g. hardware components, IT software and hardware, external resources), allowing professional interaction with suppliers and subcontractors.

Observance of the *CSR Code for Suppliers* is strictly monitored. Compliance is checked as part of the annual supplier assessment. Each Strategic Procurement Manager sends the supplier assessment to the suppliers with an individual package of recommended actions. Implementation of these measures is driven forward through ongoing business exchanges.

Processes to remediate negative impacts and channels to raise concerns
// S2-3

Formally, value chain workers can report concerns, e.g. suspected criminal offences, unfair treatment, discrimination, and non-compliance with Group guidelines or EU law, via the whistleblower platform ↗ G1 – Business conduct / *Whistleblowing*.

Another channel for reporting possible non-compliance, for example in connection with the CSR Code for Suppliers, is the annual supplier assessment.

Actions
// S2-4

Supplier screening is a key aspect: the focus is on the quality of the selected suppliers and subcontractors as well as on long-term collaboration as partners.

The obligation to accept the *CSR Code for Suppliers* as part of the General Terms and Conditions of Purchase has been integrated into the supplier self-assessment. By signing this document at the start of the business relationship, suppliers give an undertaking that they and their subcontractors will apply the CSR code.

If not explicitly explained, the following actions are continuously applied as part of the Frequentis Group's ordinary business activities. The personnel and monetary resources required to perform these actions are included in the overall budget for the department responsible for applying them.

Supplier screening & selection

When selecting suppliers, priority is generally given to existing, well-established business relationships. The process for approving new suppliers includes obtaining extensive information to check their performance, this also covers their sustainability performance. Where necessary, the supplier self-assessment is supplemented by screening the company or obtaining creditworthiness information. An important aspect in this is the sustainability screening, especially in the case of planned long-term partnerships or if the supplier has its head office or operations in countries that constitute a risk in respect of sustainability or social criteria.

Purchasers and Strategic Procurement Managers in the department are involved in the supplier assessment by obtaining information and evaluating and checking the documents. Data on supplier validation are compiled and managed centrally by the Admin Service Hub at Frequentis Solutions & Services. This is part of the Global Procurement Teams initiative launched in 2024. As at October 2025, alongside Frequentis AG this service included seven other companies in the Frequentis Group and there are plans to roll it out further.

Annual supplier assessments

Frequentis AG assesses its established suppliers once a year, in the first quarter the year, based on the previous year. They are assessed using the following criteria, which have recently been revised:

- Quality: e.g. product quality, product complexity, quality assurance system;
- Price: e.g. development of prices and comparison with the previous year and market prices;
- Support quality: e.g. commercial, personal, and technical support;
- Delivery performance: adherence to delivery dates and volumes; environment-friendly and sustainable packaging;
- Sustainability of suppliers: assessment of the business environment (stability, performance, flexibility, environmental management, etc.) and social aspects (social competence).

These assessment criteria have different weightings and are included in the overall assessment, which is generated with the aid of the ERP system (SAP). Based on the HSE and CSR Procurement Guidelines introduced in 2025, the weighting of the assessment of the supplier's sustainability performance was increased ↗ E5 – *Circular economy*.

Assessments are performed for the suppliers that account for the highest order volume (top 10%) and those that play a key role in the supply of specific groups of products. The assessment for 2025 will be performed in Q1 2026 as defined in the process. The 2024 assessment, which was performed in 2025, covered 102 suppliers accounting for procurement volume of EUR 78.2 million at Frequentis AG (73% of procurement volume). The top three suppliers received performance awards and certificates. There is a separate evaluation for the suppliers with the highest scores in the sustainability category.

The suppliers are informed of the results. A range of measures is agreed with suppliers whose performance needs to be improved, and implementation is monitored.

Supplier audits

To supplement the assessment of all suppliers, Frequentis conducts supplier audits for specific reasons. These are planned at the end of the year for the following year. The reasons for a supplier audit are:

- To get to know a potential new supplier,
- The supplier accounts for significant order volume or has increased risk potential,
- Difficulties in the relationship with the supplier over the past year (e.g. delivery, quality, communication – based on the supplier assessment).

Audits are always performed on-site because this is essential to secure the quality of the audit.

The audit plan can be modified in the light of events during the year, planned audits may be dropped or postponed, and new audits may be added to the plan. This flexibility is necessary to respond to current requirements. Procurement governance principles are in place at subsidiaries with procurement responsibility based on the procurement guidelines set out in the GCP.

In 2025, as in 2024, Frequentis AG performed five on-site audits; 11 on-site audits were performed by the Frequentis Group.

Global procurement team

The basis for a strong global procurement team is embedding a common Group-wide understanding of supply chain management in all departments of relevance for procurement, taking into account current regulatory and organisational requirements. The team is responsible for the Group-wide rollout of integrated supply chain management.

To this end, in 2023 Group-wide needs were analysed, suitable procurement tools were selected, and an appropriate organisational structure was developed. Stepwise implementation of the policy developed from this started in 2025 and will continue in 2026. The necessary resources and expenses are included in the budgets of the relevant departments.

Group Procurement plays an important role in meeting the relevant standards and certificates, e.g. ISO 27001 (Information Security), which are a key aspect of supplier management. The guidelines are set out in Managed Supplier Security ↗ *Safety & Security*.

Training for supply chain management staff

Supply chain management staff and managers receive regular training in the principles of transparency along the supply chain, including strict avoidance of slavery, human trafficking, any form of forced or compulsory labour, child labour, and all types of discrimination. Training is generally incorporated into the monthly meetings of the Procurement department. An ESG training session for all procurement staff worldwide was held as part of the Global Procurement Meeting in June 2025 and the Procurement Jour Fixe in November 2025 – jour fixes are held once a month for all procurement staff worldwide – took a deeper look at ESG.

Modern slavery

In its **Modern Slavery Statement,** which is updated annually, Frequentis reports on current actions and projects relating to modern slavery.

Targets

// S2-5

Frequentis does not currently have any measurable, outcome-oriented targets that meet the ESRS minimum disclosure requirements as defined in MDR-T, but tracks the effectiveness of policies and actions relating to material impacts, risks, and opportunities through various activities.

A key focus is on developing a sustainable procurement concept ↗ E5 – *Circular economy*.

The objective in this context is further rollout of the Global Procurement Policy and broadening the Global Procurement Team. The dialogue with suppliers and subcontractors is to be stepped up, especially in the area of sustainability, and scope for improvement will be evaluated. New tools are to be implemented to evaluate suppliers.

Metrics

// S2- voluntary

	Frequentis Group		Frequentis AG	
Supplier metrics	**2025**	**2024**	**2025**	**2024**
Supplier audits performed	11	8	5	5
New suppliers screened using environmental criteria	100%[1]	n.a.[2]	100%	98%
New suppliers screened using social criteria	100%[1]	n.a.[2]	100%	97%
Purchase volume covered by frame agreements	n.a.[2]	n.a.[2]	77%	84%
Termination of contracts with suppliers due to violation of human rights (or similar incidents)	0	0	0	0

1 Companies managed centrally by the Admin Service Hub "Global Procurement Team"

2 Data not available

	Frequentis Group[1]		Frequentis AG	
Geographical structure of suppliers and service providers by order volume	**2025**	**2024**	**2025**	**2024**
Europe	62.3%	92.1%	95.6%	95.3%
North America	33.4%	4.9%	3.7%	2.2%
Asia	1.0%	1.4%	0.4%	2.1%
Australia	3.0%	1.4%	0.0%	0.0%
South America	0.1%	0.1%	0.1%	0.1%
Middle East	0.1%	0.1%	0.2%	0.2%
Africa	0.2%	0.1%	0.0%	0.1%

1 Product and project-related procurement by Frequentis AG, Frequentis Deutschland, Frequentis Comsoft, Frequentis Orthogon, Frequentis USA, Frequentis Canada, Frequentis Australasia, Frequentis UK, and further small companies

S4 – End-users

Frequentis' customers are an important stakeholder group. As an extension of the stakeholder dialogue, customers play an important role in the development of Frequentis' systems. The deep knowledge of their tasks and responsibilities helps Frequentis support them in the safety-critical processes and workflows in their day-to-day work.

Since Frequentis' solutions are part of the safety-critical infrastructure, only end-users and not consumers are relevant for Frequentis' systems. The end-users are highly qualified specialists operating in the safety-critical area such as air traffic controllers, dispatchers, and control centre operators. No differentiation is made between different groups of end-users with respect to impacts, risks, and opportunities. Their qualifications and employability are continuously monitored because they are responsible for the safety and security of people. Therefore, end-users cannot be minors or impaired in any way. Furthermore, training and skills development and regular exchange between Frequentis and end-users is very important to minimise risks in the use of systems.

Since the negative impacts relating to the sale and delivery of Frequentis' systems are not systemic, they can only relate to individual incidents. The identified risks arise from impacts and dependencies connected with a potential data protection incident and potential accidents involving the use of Frequentis' systems by customers.

The impacts and risks connected with end-users of Frequentis systems were identified in the materiality assessment and are summarised in the following table:

// S4.SBM-3

Category	Description	Time horizon
Potential negative impact (Downstream value chain)	**Data losses or breaches of data protection in the handling of customers' personal data** Frequentis handles a wide range of sensitive data; despite various measures, incidents cannot be completely excluded.	Short/medium/ long-term
Potential negative impact (Downstream value chain)	**Accidents involving the use of Frequentis' systems by customers** Frequentis' systems are powered by electricity; installation, assembly, operation, and maintenance are only permitted by qualified and trained personnel. Potential accidents could endanger human life.	Short/medium/ long-term
Risk (Own business activities & downstream value chain)	**Reputational damage or administrative fines as a result of a potential breach of data protection** Despite security measures, a data protection incident is possible, with the related risk of administrative fines and reputational risk.	Short/medium/ long-term
Risk (Own business activities & downstream value chain)	**Loss of orders or criminal consequences of an accident involving the use of Frequentis products** Despite security measures, accidents could occur, with the related risk of administrative fines and loss of orders.	Short/medium/ long-term

Policies
// S4-1

To ensure the safety of end-users and minimise risk, *Safety Guidelines* are attached to the delivery of every customer project and have to be observed during use. End-users receive training in the rules of conduct contained in these guidelines. Furthermore, there are extensive training documents on using and caring for personal protective equipment and specific operating procedures. Project managers at the highest level in the organisation are responsible for compiling, distributing, and implementing the *Safety Guidelines* and for organising training. The Safety Guidelines address the material impacts and risk of accidents in the use of Frequentis' products.

Respecting human rights and protecting whistleblowers are an integral part of the *Code of Conduct of the Frequentis Group* (see ↗ G1 – Business conduct / *Policies*). The human rights and whistleblowing policies described there also apply for S4 – End-users. They comply with the United Nations Guiding Principles on Business and Human Rights, the declaration of the ILO (International Labour Organisation) and the OECD Guidelines for Multinational Enterprises.

For detailed information, including addressing the material impacts and risks relating to data protection, see ↗ S1 – Own workforce / *Data protection*. The company's data protection policies described in S1 – Own workforce also apply for S4 – End-users.

All the policies specified and referenced cover end-users of Frequentis' systems.

Actions
// S4-2, S4-3, S4-4

Extensive processes at all stages in the life cycle of Frequentis' systems ensure that end-users can operate them safely and without problem. These processes also support the definition of targeted actions to respond to potential negative impacts. In the case of major customer projects, workshops are held in the offer phase to respond as well as possible to the customer's requirements. Further workshops and training in operation of the systems are organised in the delivery and acceptance phase. All information and training documents are made available to end-users in written form.

Regular User Group Conferences are organised for established customers of individual business areas at Frequentis. At these conferences, sector trends and challenges in individual industries are discussed at management level. Requirements articulated by customers provide important impetus for the ongoing development of the portfolio of solutions. One example is the ATM COMM User Group. In addition to virtual meetings, in October 2025 more than 20 people from international air traffic navigation organisations attended a workshop in Vienna.

Direct feedback from end-users in a regular dialogue process strengthens long-term, trusting collaboration. Such feedback is obtained at customer workshops, user groups, trade shows, conferences and as part of the customer satisfaction process. Account managers use a standardised questionnaire to track customer satisfaction. The feedback is analysed and improvements are derived as necessary. All results and action are documented in a management report and tracked.

End-users can also report concerns and requirements via the Frequentis homepage and report irregularities and risks anonymously via the whistleblower website. For further information on whistleblowing, see
↗ G1 – Business conduct / *Whistleblowing*.

Customer satisfaction recorded in this way is an indicator of the quality and effectiveness of customer retention measures and quality management. Negative feedback is forwarded immediately to the relevant department for action.

The Frequentis Group offers advisory services as part of its projects through the Control Room Consulting Team so that end-users' operating processes, decision making, and strategic planning can be optimised through end-to-end analyses. The associated close exchange of information gives Frequentis important insights into operational requirements and strengthens the joint operational experience.

The UX@Frequentis initiative launched in 2024 extends the systematic involvement of end-users in design and development processes. The objectives are to enhance user satisfaction, speed up development cycles, and reduce redesign iterations. In addition to interaction design, user experience (UX) includes the user emotion related to product use. UX advocates ensure that user perspectives are taken into account throughout the organisation.

The Group-wide UX initiative was continued as planned in 2025. This included rolling out uniform UX tools and processes, conducting training, and strengthening the internal UX community. Intensive support was provided for two pilot projects, which yielded the first positive results. To supplement this, uniform UX Design Guidelines were developed. These will be applied Group-wide from 2026.

The personnel and monetary resources required to perform these actions are included in the overall budget for the department responsible for them. Unless stated otherwise in this report, the actions are implemented continuously.

Frequentis is not aware of any violations of human rights in connection with end-users in 2025. There were no reports of failure to observe the United Nations Guiding Principles on Business and Human Rights, the ILO declaration on the fundamental principles and rights of workers or the OECD Guidelines for Multinational Enterprises involving end-users in Frequentis AG's downstream value chain.

Targets
// S4-5

Frequentis does not currently have any measurable, outcome-oriented targets in the area of S4 – End-users that meet the ESRS minimum disclosure requirements as set out in MDR-T. The effectiveness of the policies and actions relating to material impacts, risks, and opportunities is measured using the feedback channels outlined above.

Governance

G1 – Business conduct

Frequentis' success is based, above all, on the commitment, responsibility, and lawful and ethical conduct of all employees at Frequentis Group companies. To live up to this reputation, it is a matter of course for Frequentis that its business activities are conducted with integrity on the basis of high ethical standards. This is of particular significance in the safety-critical sector.

The impacts, risks, and opportunities related to governance and corporate culture were identified in the materiality assessment and are summarised in the following table:

// G1.SBM-3

Category	Description	Time horizon
Actual positive impact (Own business activities)	**Fostering responsible conduct based on integrity and a non-punishment culture** The Code of Conduct of the Frequentis Group sets out principles and guidelines for responsible conduct based on integrity.	Medium/long-term
Actual positive impact (Own business activities & upstream & downstream value chain)	**Anonymous reporting of irregularities and non-compliance** The whistleblower system allows anonymous reporting of alleged irregularities without fear of reprisals.	Short/medium/long-term
Actual positive impact (Own business activities & upstream & downstream value chain)	**Establishment of good relationships with stakeholders** Frequentis attaches great importance to long-term partnership with all stakeholders	Medium/long-term
Potential negative impact (Own business activities & upstream & downstream value chain)	**Non-respect of social and ecological criteria in the company's own business activities or in the value chain** Due to the large number of international business relationships, it is possible that social and ecological criteria might not be respected.	Short/medium/long-term
Potential negative impact (Own business activities & upstream & downstream value chain)	**Potential incidents of bribery or corruption** Despite an extensive compliance management system, incidents of bribery or corruption cannot be ruled out	Short/medium/long-term
Opportunity (Own business activities)	**Strengthening stakeholder trust through continuous dialogue with stakeholders** Responsible conduct, integrity, and an open corporate culture should allow early detection of shortcomings both within the company and externally so they can be addressed.	Short/medium/long-term

Risk (Own business activities & upstream & downstream value chain)	**Loss of orders, loss of employees or criminal consequences of failure to comply with principles** Breaches of compliance could have serious implications for the company's reputation and business performance.	Short/medium/ long-term
Risk (Own business activities)	**Loss of orders or reputational damage due to failure to fulfil ESG reporting enquiries** Failure to reply to enquiries from stakeholders (customers, investors) due to lack of resources could result in a loss of orders or reputational damage.	Medium/long-term

Policies
// G1-1

The principles of integrity and business ethics are set out in the *Code of Conduct of the Frequentis Group*, the *Whistleblowing Policy*, the *Global Corporate Policy (GCP)*, the internal *Anti-Corruption Policy*, and the *Corporate Social Responsibility (CSR) Code for Suppliers* and form the basis for internal and external collaboration.

The *Code of Conduct of the Frequentis Group* is a key element in Frequentis' corporate culture and shapes the Frequentis Group. The *GCP* defines the basic rules of conduct for Group-wide collaboration based on responsibility and integrity.

The *Whistleblowing Policy* supplements the *Code of Conduct of the Frequentis Group* in an important area. It implements the EU directive (Directive (EU) 2019/1937) and provides a platform to report irregularities and risks or put forward suggestions for improvement, without any fear of reprisals.

The *Anti-Corruption Policy* is an operational instruction designed to avoid all forms of corruption and provides guidance on ensuring legally compliant conduct when dealing with the Frequentis Group's business partners.

To implement capital market-relevant laws and regulations, the Frequentis Group has a capital market compliance policy. This covers, in particular, the handling and publication of capital market-relevant information, the prohibition of trading in shares and other financial instruments of Frequentis AG, and the obligation to report transactions by members of the management ("Directors' Dealings").

These policies have been approved by the Executive Board of Frequentis AG and apply to all employees of the Frequentis Group. They address the identified material governance-related impacts, risks, and opportunities. There are also mandatory training modules on these policies.

It is in the interests of the Frequentis Group that the principles set out in these policies are also observed by all major business partners such as suppliers, consultants, and contractors. For further information on suppliers, see ↗ S2 – Workers in the value chain / *Policies*.

All the policies outlined above are available to stakeholders via the intranet or directly, if they do not have intranet access. Further, the *Code of Conduct of the Frequentis Group* is available on the company's publicly accessible website at www.frequentis.com > Sustainability & CSR.

Management of relationships with suppliers
// G1-2

The procurement process, selection of suppliers, and relationship with suppliers are described in detail in ↗ *S2 – Workers in the value chain*.

Actions
// G1-3

In addition to the policies outlined above, Frequentis' corporate culture has a key influence on day-to-day work. It is shaped by consistent and conscientious behaviour. The activities and measures put in place in response to the corporate culture and policies are aligned with and support Frequentis' mission, vision, and strategy.

Compliance

Making staff aware of the key principles is a declared aim of the Frequentis Group. Compliance is obligatory, not optional.

The Executive Board has appointed a Compliance Officer to support it in ensuring Group-wide observance of compliance requirements. The Compliance Officer's main role is to raise awareness and to take steps to ensure exemplary conduct in compliance with the law and guidelines. Employees of Frequentis AG and its subsidiaries, agents, and sub-suppliers are required to respect country-specific laws and regulations.

As a provider of communications and information systems for safety-critical applications, Frequentis has an enormous responsibility to its customers, society, and its shareholders. Their trust is indispensable for Frequentis' business activities. Its reputation and business success can be put at considerable risk by breaches of compliance.

The compliance management system is based on the following principles:

- **Prevention**: defining corporate policies, training, creating compliance awareness, providing advice on complex compliance issues;
- **Early detection**: possibility of reporting compliance incidents; performing compliance audits and special audits in response to specific circumstances;
- **Response**: taking any necessary measures and imposing sanctions.

Other focal areas of compliance activities are preventing and identifying compliance violations that harm the company's interests, avoiding liability risks and reputational damage, training, and advising and protecting the senior management, managers, and staff.

The Compliance Officer is also the first line of contact for staff on compliance issues, which can be submitted by email, phone, or personally.

Compliance metrics	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Number of complaints reported via the whistleblower platform	1	1	1	1
Total amount of fines, penalties and compensation for damages as a result of the incidents and complaints disclosed above (EUR)	0	0	0	0
Number of severe human rights incidents relating to the company's own workforce in the reporting period	0	0	0	0
Total amount of fines, penalties and compensation for damages as a result of the incidents disclosed above (EUR)	0	0	0	0

In 2025, one allegation of discrimination was submitted via formal procedures. There were no incidents of harassment or violations of human rights.

Whistleblowing

Frequentis has always encouraged a transparent and respectful corporate culture. To supplement existing ways of reporting risks and irregularities and submitting ideas for improvement, a Group-wide whistleblower system was introduced in December 2021 to comply with the relevant EU requirements. This was rolled out stepwise to those subsidiaries where it is mandatory and aligned with national requirements.

This service, which is hosted by an external third party and operated by Frequentis AG, is available to all Frequentis Group employees worldwide via a link in the intranet and to customers and other external partners via a link on Frequentis' website. It can also be reached directly by entering https: //frequentis.integrityline.com in the selected browser.

All stakeholders worldwide therefore have the possibility of anonymously reporting any suspicions of criminal offences or attempted offences, indications of unequal treatment or other forms of illegal discrimination, breaches of the Group's *Anti-Corruption Policy*, and breaches of EU law. All reports received are treated as strictly confidential and anyone who submits a report in good faith will be protected from any sort of reprisals. The whistleblower officer analyses the reports received using a clearly defined process based on the dual control principle and initiates the subsequent steps. Should further clarification be necessary, the whistleblower can be contacted via the system's anonymous mailbox.

Anti-bribery and anti-corruption

Frequentis does not tolerate bribery and corruption in any form. In addition to the *Anti-Corruption Policy*, which provides guidance on conduct, there are processes to avoid and, where appropriate, detect bribery and corruption. These include mandatory training for all permanent employees and more detailed follow-on training for staff with contact to customers.

Another ongoing measure is checking incoming invoices and expense claims for compliance with the defined thresholds. The focus is on receipts relating to gifts, invitations, and hospitality.

In the event of non-compliance, action is taken and the Compliance Officer forwards the information to the Executive Board.

Trade compliance

In view of the global political situation, there is a continued focus on international trade restrictions and economic sanctions on people, organisations, and economic sectors in third countries. These can be expected to increase further in the future.

To meet the rising requirements for secure, legal, and efficient imports and exports, trade compliance is continuously being extended along the value chain. In 2025, a guideline was drawn up for full-scale implementation based on automated sanction screening.

Capital market compliance

The measures set out in the Capital Market Compliance Policy are designed to ensure compliance with the laws and regulations relating to the capital market. The Capital Market Compliance Officer is responsible for implementing the policy in the Frequentis Group and monitoring the measures it describes and reports directly to the Executive Board. This is designed to ensure that the integrity of the Frequentis Group on the capital market is maintained. To enhance understanding of the Capital Market Compliance Policy, permanent employees also receive mandatory training on the content.

Training

Training is a key element in ensuring that the relevant stakeholders are aware of and apply the corporate culture and policies.

The new online platform myLearning @Frequentis was introduced in 2025. This provides full support for digital and collaborative learning. It gives employees easier access to training and simplifies the generation and publication of training modules by instructors. The aim is to continuously enhance employees' knowledge, while easier access should raise the training rate. More detailed information can be found in ↗ *S1 – Own workforce*.

All permanent employees are required to repeat mandatory training sessions every two years. Some training modules include completion of a test. The modules available are "Business ethics & Code of Conduct", "Anti-corruption and anti-bribery", "Capital market compliance", "Personal data protection" and "Occupational safety". The training metrics can be found in the relevant chapters.

The "Business ethics & Code of Conduct" module includes key elements of the *Whistleblowing Policy*. Further, it includes information on how and where whistleblowers can report concerns.

There are two anti-corruption and anti-bribery training modules: a mandatory module for permanent employees and a module for functions with the greatest risk of exposure to bribery and corruption. These include employees with customer contact, for example, staff in sales and procurement and the management. The Executive Board has also given an undertaking that members will complete the "Anti-corruption and anti-bribery" training.

Mandatory training	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Successful completion of e-learning "Business ethics & CoC"	96%	92%	96%	91%
Successful completion of e-learning "Capital market compliance"	96%	93%	96%	90%
Successful completion of e-learning "Anti-corruption and anti-bribery"[1]	96%	94%	96%	97%

[1] Mandatory for risk-related functions since 2024.

All permanent employees are required to complete these mandatory training modules every 2 years. The successful completion percentage is calculated by dividing the number of training sessions completed by the required number of training sessions in the reporting period. The calculation is based on employees at companies connected to the Frequentis Group's IT landscape as data on mandatory training are available electronically. It is assumed that the proportion is similar at the other companies.

Incidents of bribery or corruption
// G1-4

Bribery and corruption metrics	Frequentis Group 2025	Frequentis Group 2024	Frequentis AG 2025	Frequentis AG 2024
Total confirmed incidents of bribery or corruption	0	0	0	0
Number of convictions for breaches of anti-corruption and anti-bribery regulations	0	0	0	0
Fines for breaches of anti-corruption and anti-bribery regulations (EUR)	0	0	0	0

Political influence
// G1-5

The Frequentis Group strives to obtain the trust of its stakeholders by implementing high standards of corporate governance, transparency, and reliability. As a company whose business activities primarily include public sector contracts, support for political parties, including donations to such parties, is strictly prohibited. Therefore, Frequentis did not make any donations to political parties in either 2025 or 2024.

Further, no member appointed to its administrative, management or supervisory bodies in the reporting period held a comparable position in public administration in the two years preceding their appointment.

Since 2014, Frequentis AG has been registered with the European Transparency Register under the number 878884412932-63 to disclose its activities in the area of research funding in Europe.

Payment practices

// G1-6

The standard payment terms of the Frequentis Group vary from one country to another and from contract to contract. Nevertheless, the aim is to settle invoices as quickly as possible after receipt. On average, 64% of invoices were paid within 21 days in 2025, and 94% were settled within 45 days of receipt.

The standard payment terms of Frequentis AG specify that invoices are paid with a 3% discount within 21 days and net within 45 days. In 2025, 58% of invoices were paid within 21 days, and 93% were settled within 45 days of receipt.

The relationship with suppliers is described in detail in ↗ *S2 – Workers in the value chain*.

	Frequentis Group[1]		Frequentis AG	
Payment practices	**2025**	**2024**	**2025**	**2024**
Average time to pay an invoice (days)	**20**	**18**	**22**	**21**
Invoices paid < 21 days	64%	63%	58%	58%
Invoices paid 21 - 45 days	30%	31%	35%	36%
Payments within 45 days (standard payment terms)	**94%**	**94%**	**93%**	**94%**
Invoices paid 45 - 60 days	3%	3%	3%	3%
Invoices paid 60 - 90 days	2%	2%	3%	2%
Invoices paid > 90 days	1%	1%	1%	1%

1 Data available from Frequentis AG, CNS, ELARA, Frequentis Australasia, Frequentis California, Frequentis Canada, Frequentis Comsoft, Frequentis Deutschland, Frequentis France, Frequentis Orthogon, Frequentis DFS Aerosense, Frequentis Solutions & Services, Frequentis UK, Frequentis USA, Secure Service Provision, Systems Interface Ltd.

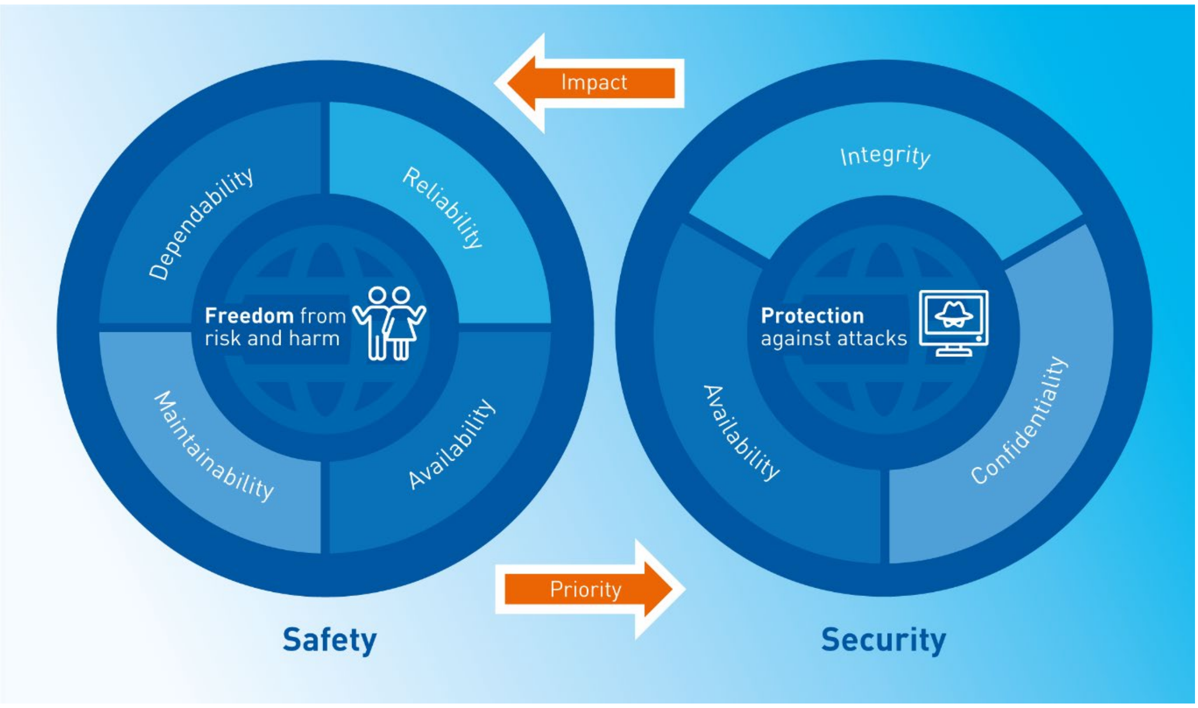
There were no court cases as a result of overdue payments in 2025.

Frequentis-specific topic – Safety & Security

Handling safety-critical systems is a central feature of Frequentis' corporate culture. Wherever Frequentis' systems are used, people are responsible for the safety of other people and of property. Outage or incorrect operation of a Frequentis system or an external attack could therefore have a negative impact on people and the environment. Therefore, safety and security are an indispensable part of Frequentis' culture and its mission "for a safer world".

Frequentis covers the following two aspects:

- Safety means avoiding unacceptable risks in the operation of systems.
- Security refers to the ability to defend against external attacks.



In terms of the sustainability of the Frequentis Group's activities, **safety and security** are therefore closely interlinked: there is no safety without security. These basic principles of Frequentis' business in the safety-critical sector are supplemented by special requirements for digital security and data protection (see ↗ S1 – Own workforce / *Data protection*).

The safety & security-related risks are summarised in the following table:

// Safety&Security.SBM-3

Category	Description	Time horizon
Actual positive impact (Own business activities & downstream value chain)	**Fail-safety and reliability of systems, e.g. upholding cybersecurity** Handling of safety-critical systems is embedded in Frequentis' corporate culture; fail-safety and reliability of systems are a basic precondition of Frequentis' business.	Short/medium/long-term
Actual positive impact (Own business activities & downstream value chain)	**Integrated approach to safety & security** In view of the increasing complexity of systems, an integrated approach to the various aspects of safety and security is becoming increasingly important.	Short/medium/long-term
Actual positive impact (Own business activities)	**Internationally recognised system safety expertise** Awards from the International System Safety Society are evidence of high expertise.	Short/medium/long-term
Potential negative impact (Own business activities & downstream value chain)	**Endangering critical infrastructure with potential consequences for human life** Outage or incorrect operation of a Frequentis system or an external attack could therefore have a negative impact on people and the environment.	Short/medium/long-term
Potential negative impact (Own business activities & upstream & downstream value chain)	**Security threat caused by cybercrime** The progressive digital transformation is leading to constantly new cybersecurity threats that could result in incidents of cybercrime despite extensive counter-measures.	Short/medium/long-term
Risk (Own business activities)	**Reputational damage or loss of orders as a result of outage of safety-critical systems** Failures and shortcomings in Frequentis' systems would result in an immediate loss of confidence by customers and business partners and have a lasting impact on business.	Short/medium/long-term
Risk (Own business activities)	**Cybercrime and increased demands on system development and engineering** Additional resources and know-how are required to ensure rapid and efficient coordination in the event of IT incidents and be able to recommend suitable counter-measures.	Short/medium/long-term

Policies

The Frequentis *Group Security Policy* sets out security guidance for the entire Frequentis Group, in compliance with all relevant national and international regulations. It is based on the Frequentis security strategy, which was developed on the basis of the corresponding market requirements and takes into account changing risks and threats as well as rising security needs. In the areas of risk management, business continuity management, cybersecurity, and supply chain security (see ↗ S2 – *Workers in the value chain*) there is a constant stream of new requirements. Their handling is set out in supplementary policies.

These requirements result, for example, from the Cyber Resilience Act (CRA) or from NIS 2, which specifies more stringent cybersecurity measures, reporting obligations, and risk management for companies in key and critical sectors to increase digital resilience in the EU.

The *Safety Policy* contains safety information and principles, which form the basis for the extensive safety management system at Frequentis. The related methods and processes are continuously extended and optimised on the basis of new regulatory requirements, international standards, and safety-related operational findings.

In its *Occupational Health & Safety Policy* Frequentis gives an undertaking to establish and maintain safe and healthy working conditions to avoid work-related injuries, accidents, and illnesses and to define corresponding preventive measures (see ↗ *S1 – Own workforce*).

Additional Safety Guidelines regulate the safe handling of Frequentis' systems by both customers and employees (see ↗ *S4 – End-users*).

The key aspects of safety and security are contained in the above policies: they address the identified material impacts and risks. To supplement them, Frequentis Group employees have access to further documents on the applicable processes and guidelines and compliance with Group-wide information obligations. The policies are approved by the Executive Board of Frequentis AG. The relevant units are responsible for applying them.

Actions

If not explicitly stated, the following actions in the area of safety & security are continuously applied as part of the Frequentis Group's ordinary business activities. The personnel and monetary resources required to perform these actions are included in the overall budget for the department responsible for applying them.

Security

The Frequentis Security Organisation, which was extended in 2024 as part of the comprehensive security improvement programme, was strengthened further. Led by the Chief Security Officer, it impacts all business processes. The objective is, on the one hand, to protect the company, and on the other, to help customers ensure system security in their operations and provide the necessary evidence for regulatory authorities.

The following units work together in the Frequentis Security Organisation:

The units outlined below are examples for 2025:

Product and solution security

The System Security team bears Group-wide governance responsibility for the security of Frequentis products and solutions delivered to customers. Products and solutions are viewed over their entire life cycle.

Based on the EU Cyber Resilience Act, Frequentis continued to invest in the availability of security specialists in the area of project execution in 2025. The "Project Security Manager" role brings security competence and responsibility directly into project teams. This is accompanied by an extensive Group-wide training programme based on CompTIA Sec+.

Service security

The software-based solutions supplied by Frequentis require broadly based support knowledge, ranging from extensive operational support to support for specific tasks and responsibilities. Based on ISO 27001, the role of Service Security is to provide support on security-related issues within the Customer Service function. This includes managed services (technical operation) and technical assistance as a service.

IT security

As a company operating in the safety-critical area, Frequentis takes special precautions to avoid cybercrime in the form of attacks on internal Group IT services. In light of the current global trouble spots, Frequentis constantly monitors the situation from an IT security perspective and implements additional precautions as required.

Employees are an important factor in this. To maximise awareness, employees are required to take a compulsory Information Security Awareness training module, which they have to be repeat every two years.

To further sharpen employees' awareness, there are also regular Group-wide phishing campaigns. All users connected to the Frequentis Group's IT landscape receive simulated phishing emails. The response is automatically evaluated and feedback is published in the intranet and reinforced by personal discussions. In this way, employees are trained to report phishing mails via functions that are integrated into the mail system.

This is supplemented by lectures by experts spread across the year and by other opportunities for sharing information within the community. These activities are constantly supported by a range of communication measures under the motto "You are the key to security". In addition, in 2025, a partner was awarded a contract to operate the Security Operations Centre for Group IT Services jointly with Frequentis so that the Group is even better prepared for future threats.

Supply chain security

Through its Managed Supplier Security policy, Frequentis makes sure that suppliers observe the required security standards and practices. The purpose is to protect data and workflows from potential threats from suppliers.

In 2025, the criteria for identifying critical suppliers set out in this policy were sharpened. Critical suppliers are classified on the basis of scope of supply and specific security requirements are defined for each category. The requirements are applied by the procurement departments (see ↗ *S2 – Workers in the value chain*).

Business continuity, crisis, and emergency management

Despite all the precautions taken, cybersecurity incidents that restrict business operations cannot be ruled out. The motto is "be prepared to react". To be prepared for more serious incidents, business continuity, crisis, and emergency management was strengthened further in 2025.

Standard procedures, especially for serious incidents, were extended and practised in exercises. Based on information on real incidents, a scenarios workshop at Executive Board level identified possible crisis scenarios and defined counteraction.

Security Incident Response Team (SIRT)

Like other high-tech companies around the world, Frequentis and its customers are increasingly exposed to cyberattacks. The Frequentis Security Incident Response Team (SIRT) enables early detection and efficient handling of IT security incidents. In 2025, the team was expanded and undertook regular training and skills development.

SIRT is composed of security experts from within the Frequentis Group. It puts preventive measures in place on the basis of internal information on vulnerabilities and threats and coordinates the counter-measures in the event of incidents. The team monitors security reports on critical software vulnerabilities and informs internal stakeholders. In addition, the experts maintain close relationships with customers' security teams and national and international security networks so they have early access to information on relevant cybersecurity threats.

Safety

System safety is achieved by analysing the undesirable effect of an operating a system on the system itself, the environment, the user, or a third party and defining risk-limitation measures.

An extensive safety management system is a key element of the management's commitment to safety in the performance of the tasks required to ensure system safety in the regulated domain.

The basic elements of the safety management system as an integral part of Frequentis' business processes are consistent application of international safety standards for the relevant business area, an obligatory safety assessment for all product developments, a Group-wide hazard management system for preventive risk minimisation, and the in-house Safety Academy for staff training. All this takes place in the context of the different regulatory requirements in target countries and the specifications of customers operating in different business areas.

Furthermore, all employees in all departments are made aware of safety and its interaction with security in a compulsory training module. In this mandatory module, the Executive Board explains the specific features and importance of safety-critical behaviour and how this can be implemented optimally in day-to-day working practices, for example, through proactive risk management, high safety and security standards, and professional project management.

Safety certificate

Since 2005 the Safety Academy has offered special safety training leading to the award of a certificate. By year-end 2025, 147 employees had gained this safety certificate, 118 from Frequentis AG and 29 from Frequentis subsidiaries. The continuity level of this certificate, which covers additional specialist areas, provides deeper safety knowledge and builds up Group-wide safety competence.

The training programme leading to the safety certificate is also used to train safety peers in a wide range of organisational units. Safety competence is a key corporate characteristic in safety-critical activities; it further strengthens Group-wide safety competence. In addition, the results of analyses are used for continuous improvement of products and internal workflows. The continuity level ensures that current topics, requirements, methods, findings are continuously included in this ongoing training.

To ensure role-specific safety training and to be able to offer specific training for relevant functions at subsidiaries more quickly, the Safety Academy offers a wide range of other safety training modules (hazard management, system safety, reliability engineering, compliance engineering, human factors, software safety).

System security increasingly has to take account of cybersecurity by determining common interests and interfaces. In line with this international trend, the Safety Department works with several other Frequentis departments such as the Corporate Research Team to find solutions for this challenge.

Networking with international safety and security communities

Active participation in national and international safety and security communities, platforms, and bodies has high priority. These assess future risks, develop strategies, and share experience. In critical circumstances, it is therefore possible to rely on exchange with trusted experts, for example, in the event of a major infrastructure attack.

In 2025, Frequentis actively contributed to the following communities:

- Austrian CERT (Computer Emergency Response Team) network
- FIRST (global Forum of Incident Response and Security Teams)
- EUROCAE (European Organisation for Civil Aviation Equipment) Working Group 72
- EUROCAE Working Group WG 130: ATM/ANS Supporting Standards
- Cyber Security Platform Austria
- CANSO (Civil Air Navigation Services Organisation): Cyber Safety Working Group
- CANSO: Next Generation Safety Management System Workgroup
- CANSO: Human Performance Working Group
- ETSI (European Telecommunications Standards Institute)
- EASA (European Union Aviation Safety Agency): Rule Making Task RMT.0161: Conformity Assessment
- ISSS (International System Safety Society)
- ISC(2) International Information System Security Certification Consortium
- ICAO (International Civil Aviation Organization)
- 3GPP (3rd Generation Partnership Project)
- EUROCONTROL Cyber Group: EATM-CERT – European Air Traffic Management Computer Emergency Response Team

Targets

Frequentis does not currently have any measurable, outcome-oriented targets that meet the ESRS minimum disclosure requirements as defined in MDR-T, but tracks the effectiveness of policies and actions relating to material impacts, risks, and opportunities through the following activities:

Based on a broad safety & security strategy, the aim is to continuously extend the safety and security organisation and competence. Skills are regularly upgraded, taking into account current requirements, so that Frequentis customers can rely on the security of the solutions and services provided by Frequentis. The focus is on preparing to implement the CRA for all affected products.

In addition, Frequentis is involved in expert communities and standardisation organisation. It also strives to establish partnerships and research cooperations.

Metrics

Security metrics	Frequentis Group 2025	2024	Frequentis AG 2025	2024
Number of phishing campaigns conducted in the reporting period[1]	3	9	3	9
Number of Group-wide Security Community events	11	12	11	12

1 At companies linked to the IT landscape

In 2025, there were no cases of business disruption caused by outages of central Group IT Services as a result of cyberattacks.

Safety metrics	Frequentis Group 2025	2024	Frequentis AG 2025	2024
Total number of valid safety certificates	147	141	118	117

Mandatory training	Frequentis Group 2025	2024	Frequentis AG 2025	2024
Successful completion e-learning "Safety-critical behaviour"	96%	92%	95%	90%
Successful completion e-learning "Information security awareness"	95%	93%	93%	91%
Successful completion e-learning "Secure Development Life Cycle"[1]	98%	n.a	98%	n.a.

1 Mandatory for software development functions since 2025

The mandatory safety & security training modules have to be completed by permanent employees every 2 years. The successful completion percentage is calculated by dividing the number of training sessions completed by the required number of training sessions in the reporting period. The calculation is based on permanent employees at companies connected to the Frequentis Group's IT landscape as data on mandatory training are available electronically. It is assumed that the proportion is similar at the other companies.

Opportunity and risk management

// ESRS 2 IRO-1, ESRS 2 GOV-5

Frequentis has implemented an active risk management system throughout the Group. The fundamental aims are to identify opportunities and risks early on and take suitable measures to maintain profitability and secure the continued existence of the Group. Variable capacity utilisation scenarios are a central risk factor, which the company addresses through extensive scenario management. Together with the risk awareness of our staff, this allows timely recognition and Group-wide counteraction, even in business situations that develop in an unforeseen manner.

The Frequentis Group therefore regularly undertakes an extensive internal evaluation of all relevant risks and opportunities. These are compiled in a Group-wide risk report, which is discussed by an extended management circle. As well as exploiting opportunities, Frequentis enters into risks with a view to enhancing the value of the company. To ensure early identification and proactive management of risks, the Frequentis Group has a soundly based Risk Management Policy, a Group-wide risk management system, an extensive internal control system (ICS), and an Internal Audit department. In addition, observing compliance requirements is an important element in risk management.

The Group-wide Risk Management Policy is based on ISO 31000 and provides a binding framework for the identification, evaluation, mitigation, and monitoring of risks in the Frequentis Group. Through this established process, Frequentis ensures a holistic view of the opportunities and risks. The measures taken to exploit opportunities and mitigate risks are discussed in detail by an extended management circle at regular intervals. Specific action points are identified and corresponding decisions are taken to ensure that Frequentis can respond agilely to challenges and, at the same time, make full use of the opportunities that arise. As well as safeguarding the Frequentis Group's earnings capability, this proactive approach strengthens its position in a changing business world. The Director of Group Security & Risk Management is responsible for this process.

To simplify the internal and external communication channels for reporting any issues, Frequentis introduced a whistleblower system at Group level at the end of 2021. This is available both via the company's website at www.frequentis.com/en/whistleblowing and via the intranet. The whistleblowing system meets the requirements of EU Directive 2019/1937 and enables internal and external whistleblowers to report issues securely and confidentially.

Project management as an operational mainstay

Risk management is essential in projects, which form Frequentis' core business and are the mainstay of its operations. As part of effective and professional project management, an in-depth risk analysis examines the entire project life cycle. Risks are identified, tracked, mitigated, and eliminated to ensure clear management of risks and results.

The entire project portfolio is managed by a periodic project management board, which classifies projects, tracks their progress, and ensures continuous development of methods and processes.

In addition, projects are evaluated several times a year by an extended management circle. All key projects are presented, risk assessments and deviations are discussed, and the action to be taken is agreed. Performance of the projects, invoicing, and receipt of payments are monitored continuously. These project evaluations are supplemented by periodic status meetings in the individual units, which monitor operating performance and marginal income with a view to the Group's profit.

Evaluation of risk management

As part of the audit of the financial statements, in March 2026, BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft confirmed the functioning and appropriateness of Frequentis' risk management system in accordance with C rule no. 83 of the Austrian Code of Corporate Governance.

Overview of risks

The risks outlined here could have a significant effect on the Frequentis Group's business, financial position, and earnings.

To obtain a full overview of the risks within the Frequentis Group, they are classified into thematic risk categories. The division into project, finance, legal & compliance, operational & HR (human resources), security, strategy, and ESG (environmental, social, governance) risks creates a precise structure that allows a full overview of the wide-ranging opportunities and risks of Frequentis' business activities. The categories are outlined below to provide an extensive insight into Frequentis' risk management strategies and activities.

Project-related risks

Unpredictabilities, which are characteristic of the tender project business, and seasonal and annual fluctuations in the order situation.
An important part of the Frequentis Group's business is acquiring orders (often through lengthy tender processes) to provide products and services. Competition is intense, and the tender procedure is typically protracted and extensive and necessitates considerable personnel and financial resources. Projects by public and semi-public organisations depend on regulatory decisions, budget considerations, and internal approval and release procedures. If Frequentis does not succeed in winning the tender process, all funds and resources allocated to such projects are frustrated. Delays in the tender process and during project execution may have detrimental impacts on the Group's order intake and operating performance. The larger a project is, the more significant the impact. The order intake, operational performance, and earnings of the Frequentis Group are typically subject to considerable seasonal fluctuations. Usually, the Group generates most of its order intake, earnings, and operating performance in the fourth quarter of any given financial year and its financial results in the first half of the financial year are usually negative. Moreover, in most cases, payment depends on the achievement of milestones and the successful finalisation of such projects.

Fluctuations in earnings due to the impact of major projects.
Frequentis' revenues in any period may fluctuate significantly due to the specific payment dates for major projects. Such contracts cause a significant revenue contribution in one year, compared to other years, in which no such major contracts were obtained.

Cost overruns
Changes in costs and production, for example, due to missing or unclear customer specifications in projects based on fixed-price contracts might influence the financial result of the relevant project. Expenses necessary to complete projects (in particular, if a project involves significant R&D or engineering work) could be underestimated. This may render certain projects unprofitable or even loss-making.

Further risks in this area:
Uncertain, delayed, or deferred orders.

Finance-related risks

Legitimate/illegitimate utilisation or unavailability of bank guarantees.
Frequentis regularly provides bank guarantees (bid bonds, down payment bonds, performance bonds, warranty bonds) to customers as surety for their contractual claims. Legitimate or illegitimate utilisation of these bank guarantees could result in liquidity problems. Likewise, it has been and may still be difficult to find appropriate banks to provide (timely) guarantees for tenders for contracts for goods and services in countries where Frequentis' domestic relationship banks do not have regular business connections. The inability to find a corresponding bank would mean that Frequentis could not take part in the tender process. Frequentis AG has provided numerous comfort letters on behalf of its subsidiaries. This means that Frequentis AG assumes the risk of contract performance by these subsidiaries.

Non-performance of payment obligations by customers.
Non-performance of payment obligations by a customer, particularly in major projects, may be caused by a customer getting into financial difficulty or becoming insolvent, delays in the performance of a project, tension in the collaboration with the customer, or other reasons. Payment delays by public or semi-public entities could also be caused by a delay in budget negotiations or by political uncertainties.

Further risks in this area:
- Inadequate cash flows from operating activities to finance liquidity and net working capital requirements.
- Rising cost pressure triggered, in particular, by competitors in low-wage countries.
- Fluctuation of raw material and energy prices and labour costs.
- Changes in exchange rates and interest rates.
- The impact of higher inflation rates, especially on material, energy, and personnel costs.
- Access by Frequentis to bank deposits or other financial assets could be blocked or restricted by legal regulations or the illiquidity of banks.

Legal & compliance risks

Legal risks relating to public tender contracts.
An important aspect of Frequentis' business is the delivery of products and rendering of services that are subject to public tender procedures and therefore exposed to several specific risks. It should be borne in mind that:
- Competition in tender processes is normally very intensive;
- Such processes require considerable human and financial resources over a long period;
- Public tenders may have very disadvantageous contractual terms, which often cannot be negotiated individually;
- Public and semi-public organisations (which dominate Frequentis' customer base) may give preferential treatment to suppliers from certain other countries rather than Frequentis due to protectionism or political influence;
- An order awarded to Frequentis could be challenged by unsuccessful competitors.

Statutory provisions that define a proportion of domestic content.
Some countries, e.g. the USA (Buy American Act) and Australia (Australian Industry Capability Program), prescribe minimum domestic content directly or indirectly by statute. In such situations, Frequentis must purchase local content from local suppliers, or must make acquisitions or direct investments in the relevant market, regardless of the price level and the capacity situation within the Frequentis Group and any resulting underemployed capacity.

Faulty performance under Frequentis' contracts (including when it is acting as a subcontractor).
This could include complete non-fulfilment, incomplete fulfilment or bad fulfilment, in terms of quality, time or budget.

Faulty performance by subcontractors.
When Frequentis acts as the main contractor and/or systems integrator, which occurs more and more often, it also assumes responsibility for third-party suppliers, which entails additional risks. If a subcontractor provides certain components, which the main contractor has to integrate into an overall solution, the main contractor faces both technological and financial integration risks. In certain circumstances, it may not be possible to complete the subcontract on terms that are essentially equal to those set out in the main contract with the customer. If a subcontractor does not meet its contractual performance obligations, the Frequentis Group might face claims for damages or penalties or be compelled to re-assign the outstanding performance to a third party or to provide the remaining performance itself.

Further risks in this area:
- Damage to customers' assets during on-site work.
- Business activities could be adversely affected by changes in the legal and political framework or the application or interpretation of laws, especially as regards regulatory, commercial, financial, and tax law.
- Failure to successfully protect technology and proprietary know-how or to defend intellectual property.
- Non-negotiable contract terms in public tender processes and, in particular, unlimited liability clauses in public-sector contracts.
- Embargoes and other trade restrictions.
- Compliance-related risks.

Operational & human resources risks

Loss of established customers.
Installed base business is the provision of services, updates, upgrades, or enhancements related to products and systems delivered to, and operated by, existing customers of the Frequentis Group. The Frequentis Group believes that it has a competitive advantage in such follow-up projects in relation to competitors who are not familiar with the Frequentis products already operated by such customers. Since customers often rely on the Group's products and services for a long period of time, installed base business sales offer a relatively stable source of income for the Group. A loss of existing customers therefore has a far-reaching effect.

Long-term delivery commitments.
For certain of its projects, Frequentis is obliged to replace system parts or to deliver spare parts for up to 15 years or longer and needs to keep the corresponding products and know-how available. Such commitments could lead to unforeseen increases in storage costs, which tie up the Frequentis Group's funds or could cause complications if suppliers fail to deliver such components in the required quantity and quality or discontinue the supply of such components. In this situation it could be expensive or even impossible for Frequentis to obtain such components from other suppliers or to produce them itself.

Diseases and infections.
The outbreak of global diseases and infections (pandemics) could have a negative impact on economic development in the markets in which Frequentis operates and adversely affect the company's business performance. Among other things, restrictions on freedom to travel, immigration bans, quarantine requirements, reductions in flight schedules and the associated reduction in the number of flights, and restrictions on the production of goods and services could have a detrimental effect on the development of the markets served by Frequentis.

The points listed could result, for example, in delays in the acceptance of projects on site or in local acceptance by customers or make such acceptance impossible for an indefinite period. There could also be logistics and supply problems, resulting in supply chain bottlenecks. Customers' investment budgets could be cut back, and customers could be less willing to take decisions as a result of the uncertainty.

If Frequentis fails to meet quantitative requirements, its know-how might not be sufficient to win new customers or retain existing customers.
Customers' tenders often have quantitative requirements for their projects, e.g. references from previous customers and projects, a minimum annual turnover and/or revenue, or quantitative requirements relating to the Group's employees, e.g. a minimum number of system experts located in the customer's country.

Further risks in this area:
- Malfunctioning of products and product shortcomings.
- Loss of key personnel and failure to attract qualified employees.
- Loss of suppliers or interruptions or bottlenecks in the supply of the Group's services, software, component parts, or raw materials.
- Challenges arising from strong or inadequately managed growth or declines, especially if this results in temporary capacity bottlenecks or excess capacity in Frequentis' organisational units or if processes or business areas are adversely affected by sudden growth or declines.

Security-related risks

Cyberattacks.
Given that Frequentis' business is heavily dependent on IT security, cyberattacks could pose a substantial risk to its business, in particular because the technical solutions offered by Frequentis perform safety-critical tasks. If a customer's infrastructure is affected by a cyberattack, and if the vulnerability of the infrastructure is caused by or attributed to a product of the Frequentis Group, this could cause claims for damages, loss of customers, and negatively affect the perception of the reliability of the products of the Frequentis Group.

Changes in technological standards.
The development of products could fail or take more time than permitted by technological progress. Development costs for products with insufficient demand could lead to stranded investments. There is also a risk that the implementation of change programmes could fail or increase the time and cost involved, especially if new technological standards require adaptations in the short term.

AI-based attacks and model uncertainty.
The rising use of artificial intelligence (AI) for cyberattacks is increasing the complexity of the threats. AI-supported attacks could bypass security mechanisms or allow automated exploitation of vulnerabilities. At the same time, AI-based functions entail a risk of modelling errors, bias, or manipulation.

Strategy-related risks

Dependence on political and economic conditions.
Frequentis' ability to secure contracts and their content, amount, and size depends, among other things, on the volume of air, ship, and rail traffic, the relative importance attributed to safety awareness by the public, and the funds available for the procurement of control centre solutions, systems, and products as well as for maintenance, enhancements, and upgrading of existing solutions, systems, and products.

Exercise of political influence and protectionism.
Public and semi-public organisations dominate Frequentis' customer structure. Such customers may, for various reasons, prefer suppliers from certain countries over Frequentis.

Progressive customer concentration.
A trend towards amalgamations within the public sector and privatisations of public organisations in some of the Frequentis Group's business areas can lead to delays in investment and procurement decisions or a smaller number of customers, each of which has greater market and bargaining power. If there are few or only one potential customer per country, the Frequentis Group's dependency on such customers increases.

Defending market positions against competition.
Frequentis is active in highly competitive markets where a few large international companies compete against a number of smaller businesses. Some of Frequentis' competitors have higher market capitalisation and greater financial power, so they are in a better position to adapt to changes in the market, finance new technologies, and bypass financial bottlenecks.

Growth through acquisitions.
Acquisitions are associated with a general entrepreneurial risk. Frequentis might not be able to identify and purchase suitable acquisition targets and it might not have sufficient funds for a potential acquisition. Successful integration of the acquired business might be difficult or impossible, the anticipated goals and synergies might be unachievable, and the Frequentis Group could face new risks not evaluated in advance.

ESG-related risks
// ESRS 2 IRO-1, ESRS 2 GOV-5

Risk assessments are performed within the framework of the materiality assessment (part of the consolidated non-financial statement) and their financial impact is assessed. The results of the quantitative analysis of the risks and opportunities are integrated into Group-wide risk management and updated as necessary. See ↗ Consolidated non-financial statement / ESRS 2 / *Materiality assessment*.

The Executive Board and Supervisory Board are informed of the outcome of the materiality assessment and the material impacts, risks, and opportunities derived from it at risk management meetings.

Internal control system (ICS) for the accounting process

The accounting process covers both financial reporting and the consolidated non-financial statement, in other words, those activities that are necessary to prepare annual and consolidated financial statements in compliance with the statutory provisions and the IFRS and a consolidated non-financial statement in accordance with the provisions of the ESRS.

Financial reporting

Structure of accounting

The accounting function in the Frequentis Group comprises the accounting departments at local companies and the Corporate Accounting department in Vienna. Book-keeping for some subsidiaries is carried out directly at the Group's headquarters in Vienna. The local companies draw up financial statements in accordance with local law and then prepare financial statements in accordance with the IFRS. Both sets of financial statements are submitted to Corporate Accounting in Vienna.

Book-keeping for most companies, especially the large companies, is performed using a uniform SAP system. For some local companies, which use other ERP systems, Corporate Accounting in Vienna uploads the accounts to the SAP system. Consolidation is performed by Corporate Accounting.

Consolidation

The IFRS financial statements are drawn up in accordance with the IFRS accounting and valuation policies. The staff responsible for local accounting apply the IFRS. The IFRS of relevance for the consolidated financial statements are outlined in the corporate accounting manual, which is made available to the subsidiaries. If necessary, supplementary information on Group-wide reporting requirements is distributed to the subsidiaries before each annual closing process. Local financial reporting data are checked manually by Corporate Accounting (mainly plausibility checks) and also undergo automatic, tool-based checking routines. During this process, Accounting works closely with other departments, especially Controlling (e.g. in respect of target/actual comparisons and segment reporting).

The overall consolidation process includes checking the consistency of the data transmitted and plausibilisation of the financial statements as a whole.

To ensure correct and timely completion by the publication date, deadlines are set for both the half-year and the annual financial statements. The entire accounting function is notified of these in good time. In addition to the annual financial report, a half-year financial report is prepared in accordance with IAS 34.

Controls

The accounting function reports to the CFO. Quarterly reports to the Executive Board and the Supervisory Board contain information on order intake, the development of revenue, the income statement, and opportunities and risks. This ensures ongoing oversight of the internal control system. Existing and potential risks are constantly monitored by several bodies. This is based on uniform risk guidelines. The management of the local companies is responsible for implementing these guidelines and ensuring they are observed.

In the Frequentis Group, the Internal Audit department is a staff department reporting to the CFO. The annual audit schedule is determined by the Supervisory Board's Audit Committee on the basis of a proposal by the Internal Audit department. Focal areas are examining the effectiveness of the internal control system, compliance with the applicable Group-wide guidelines at individual companies, and special audits triggered by specific events. Depending on the circumstances, audits are conducted locally or at headquarters. The results of audits are presented once a year to the Audit Committee and twice a year to the Executive Board.

Consolidated non-financial statement

// ESRS 2 IRO-1, ESRS 2 GOV-5

The consolidated non-financial statement of the Frequentis Group is prepared in accordance with the ESRS. The Group companies report their sustainability data using a uniform ESRS form. The data are then consolidated and prepared for reporting.

To ensure the completeness and integrity of the data and the exactness of estimates, internal controls have been implemented for the process to prepare the consolidated non-financial statement. The content and plausibility of the data from the individual Group companies are checked. An automatic check for completeness is also performed. In this way, the principle of double-checking is ensured when compiling the sustainability data.

During the consolidation process, the data transmitted are checked for completeness, estimates are performed, and the plausibility of the statement as a whole is checked.

Controls

The CFO bears responsibility for the preparation of the consolidated non-financial statement. The Executive Board and Supervisory Board are informed of the risks and opportunities and sustainability progress.

Information pursuant to Section 243a (1) UGB

1. The share capital of Frequentis AG was EUR 13,280,000.00 as at 31 December 2025 and was divided into 13,279,999 no-par-value bearer shares, all of which are equal in all respects, and one registered share with restricted transferability ("share no. 1"). The holder of share no. 1, Johannes Bardach, is authorised by article 5.1.2 of the articles of association to appoint one third of the members of the Supervisory Board (i.e. one third of the maximum number of shareholder representatives set out in article 5.1.1 of the articles of association).

As at 31 December 2025, the company held 9,920 treasury shares, which was 0.0747% of the share capital (31 December 2024: 10,577 treasury shares, which was 0.0796% of the share capital). Under Section 65 (5) of the Austrian Companies Act (AktG), treasury shares do not confer any rights, especially voting rights, on the company.

2. Apart from the following exceptions, there are no restrictions on voting rights or the transfer of shares other than the general provisions of company law: Under article 3.3 of the articles of association, registered share no. 1 can only be transferred with the company's consent (restricted transferability). In terms of voting rights, share no. 1 has the same rights as the bearer shares. An agreement on the election of a person nominated by B&C Holding Österreich GmbH as a member of the Supervisory Board of Frequentis AG has been concluded between Frequentis Group Holding GmbH and CDS Capital GmbH, on the one hand, and B&C Holding Österreich GmbH on the other hand.

3. As at 31 December 2025, Frequentis Group Holding GmbH and CDS Capital GmbH each held a stake of 29.8% in Frequentis AG. B&C Holding Österreich GmbH held a stake of over 10.0% in Frequentis AG as at 31 December 2025.

4. As at 31 December 2025, share no. 1 was held by Johannes Bardach. This share has the rights set out in subsection 1 above.

5. Employees who hold shares may exercise their voting rights at the General Meeting.

6. The Executive Board comprises one, two, three, or four people. The members of the Executive Board are appointed by the Supervisory Board for a maximum of five years. Reappointment is permitted.

The articles of association contain the following ruling on the appointment and dismissal of members of the Supervisory Board: The Supervisory Board comprises at least three and at most six members elected by the General Meeting or delegated by the shareholders (shareholder representatives) and a corresponding number of employee representatives delegated in accordance with Section 110 of the Austrian Labour Constitution Act (Arbeitsverfassungsgesetz).

The holder of registered share no. 1 is authorised to appoint one third of the members of the Supervisory Board (i.e. one third of the maximum number of shareholder representatives set out in article 5.1.1 of the articles of association).

The Supervisory Board members elected by the General Meeting shall, unless they are elected for a shorter term of office, be elected for the period until the end of the General Meeting that resolves on ratification of their actions for the fourth financial year after their election. The financial year in which they are elected is not included in this calculation. Re-election of a Supervisory Board member is permitted.

The appointment of an elected Supervisory Board member can be revoked by the General Meeting before the end of the term of office. The resolution requires a simple majority of the valid votes cast. Abstentions do not count as votes cast.

The members of the Supervisory Board delegated by shareholders are members of the Supervisory Board for an unlimited period. The parties who delegated them may revoke their appointment at any time and replace them by others. Otherwise, the appointment of delegated members of the Supervisory Board may only be terminated in accordance with Section 88 (4), last sentence, of the Austrian Companies Act (AktG). A member whose appointment is terminated in this way may be replaced by the parties who delegated them.

Any member of the Supervisory Board can resign their seat subject to four weeks notice, even without good cause, by submitting a written letter of resignation to the chairperson of the Supervisory Board. The chairperson's resignation shall be submitted to their deputy. Re-election of members who leave the Supervisory Board is permitted.

If elected members resign from the Supervisory Board before the end of their term of office, replacements need not be elected until the next Annual General Meeting. However, a replacement must be elected without delay by an Extraordinary General Meeting if the number of shareholder representatives drops below three. Replacements are elected for the remaining term of office of the member who resigned.

The articles of association contain the following ruling on amendments to the articles of association: The Supervisory Board is authorised to make amendments to the articles of association that only affect the wording. Furthermore, the Supervisory Board is authorised to make amendments to the articles of association that result exclusively from the issuance of new shares out of the authorised and/or conditional capital set out in section 3 of the articles of association or from other capital measures.

7. By resolution of the General Meeting of 1 June 2023, the Executive Board is authorised, subject to the approval of the Supervisory Board, to increase the company's share capital up to 31 May 2028 by up to EUR 6,640,000 (six million six hundred and forty thousand) by issuing up to 6,640,000 (six million six hundred and forty thousand) new no-par-value bearer shares in return for cash or contributions in kind, in one or more tranches, or through a direct subscription offer following acceptance by one or more banks in accordance with Section 153 (6) of the Austrian Companies Act (AktG). The Executive Board is authorised, subject to the approval of the Supervisory Board, to fully or partially exclude shareholders' subscription rights and, subject to the approval of the Supervisory Board, to define further details of the issue conditions (especially the issue price, type of contribution in kind, rights of the shares, exclusion of subscription rights, etc.) (authorised capital). The Supervisory Board is authorised to adopt amendments to the articles of association resulting from the issuance of shares out of the authorised capital.

The Executive Board is authorised by the resolution adopted by the Annual General Meeting of 6 June 2024, pursuant to Section 65 (1) No. 4 and No. 8, to purchase, via the stock exchange or off-market, bearer shares in the company in an amount of up to 10% of the company's share capital during a period of 30 months from the date of the resolution by the General Meeting, whereby the minimum consideration per share many not be more than 20% below and the maximum consideration per share may not be more than 10% above the average closing price on the stock exchange over the preceding ten trading days. Trading in treasury shares is excluded from the purpose of purchase. The authorisation may be exercised in full or in part or in several tranches and for one or more purposes by the company, by a subsidiary (Section 189a No. 7 of the Austrian Commercial Code, UGB) or by a third party for the account of the company or of a subsidiary (Section 189a No. 7 UGB). If the shares are purchased off-market, the purchase may also be effected under exclusion of the shareholders' general right of sale, even for certain shareholders or one individual shareholder.

Furthermore, the Executive Board is authorised to reduce the share capital by cancelling shares in the company without a further resolution of the General Meeting. The Supervisory Board is authorised to adopt amendments to the articles of association resulting from the cancellation of shares.

The resolution adopted by the General Meeting on 6 June 2024 authorises the Executive Board, pursuant to Section 65 (1b) AktG, for a period 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 the treasury shares, including in a manner other than by sale on the stock exchange or by means of a public offer, in particular to sell or use treasury shares
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.

8. Some financing agreements and customer contracts contain customary agreements on a change of control in the event of a takeover within the meaning of Section 243a (1) No. 8 UGB.

9. There are no compensation agreements within the meaning of Section 243a (1) No. 9 UGB.

Outlook

In 2025, Frequentis once again achieved all the targets set:

- Increase revenues ► +20.8% to EUR 580.1 million
- Increase order intake ► +16.5% to EUR 680.2 million
- EBIT margin of around 6.5% to 7.0% ► EBIT margin of 8.1%

This highlights the robustness of Frequentis' business model. The products supplied by Frequentis are part of the safety-critical infrastructure, in other words, the essential infrastructure of the relevant countries. This infrastructure always has to be available and ready for operation - irrespective of the number of flights/flight movements or how many times the police, fire service, and emergency rescue services are deployed.

Acquisitions

Proactively searching for attractive M&A opportunities remains part of Frequentis' strategy, even though there were no suitable acquisition targets in 2025. When making acquisitions, the focus is on the following parameters:

- Expansion of the product portfolio
- Profitable business model
- Access to new markets
- Cultural fit
- A good management team that will remain with the company
- Appropriate acquisition price

Long-term vision

Frequentis' long-term vision is to be the global number one in solutions for control centres in the safety-critical sector. As a systems integrator that integrates its own software and in some cases its own hardware into customers' existing software and hardware landscapes, Frequentis sees its long-term profitability in project business at the level of established IT systems integrators.

The transformation to a software-centric business is under way but, given our customer structure, transitioning software solutions to virtual landscapes will take several years or even longer in some markets. Research and development is aligned to this transformation. For example, a very high proportion of customers in the Public Safety & Transport segment have very low demand for hardware; Frequentis' offering for this customer group therefore comprises project management, training, software, project services, and maintenance contracts.

Sustainability activities

Sustainability is a fundamental element in a holistic corporate culture and covers the entire value chain. To comply with the future mandatory requirements of the CSRD (Corporate Sustainability Reporting Directive), since the 2024 reporting period, the consolidated non-financial statement has been compiled in accordance with the ESRS (European Sustainability Reporting Standards). In particular, reporting of the associated metrics was extended in 2025.

In 2026, the environmental, social, and governance concepts and policies that have already been implemented will be continued, established measures will be driven forward in greater depth, and new measures will be introduced. The Group-wide rollout will be advanced in those areas where it has not yet been completed.

To strengthen the sustainable development of the company, multi-year ESG targets are agreed with the Executive Board members. Targets for the period 2025 to 2028 are implementation of a succession plan for key positions (2025-2026) and an improvement in the EcoVadis rating (2026-2028). The targets for the Executive Board should be finalised in March 2026.

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 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

Here is some more detailed information on the above points. 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 will only become 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 10%
- Increase order intake
- EBIT margin of around 7.0%.

Vienna, 10 March 2026

Consolidated financial statements as at 31 December 2025

Consolidated income statement

	Note	2025 EUR thousand	2024 EUR thousand
Revenues	(3) (4)	**580,137**	**480,308**
Change in inventories of finished goods and work in progress	(3)	3,255	2,786
Own work capitalised	(3) (5)	531	1,642
Other operating income	(3) (6)	13,758	11,540
Total income (operating performance)		**597,681**	**496,276**
Cost of materials and purchased services	(7)	-156,102	-113,116
Personnel expenses	(8)	-292,057	-260,310
Other operating expenses	(9)	-82,586	-68,720
Earnings before interest, taxes, depreciation, amortisation, and impairment losses (EBITDA)		**66,935**	**54,130**
Depreciation of property, plant and equipment and amortisation of intangible assets	(10)	-20,181	-19,432
Impairment losses	(3) (18)	0	-2,598
Earnings before interest and taxes (EBIT)	(3)	**46,754**	**32,100**
Financial income	(11)	949	947
Financial expenses	(12)	-2,237	-1,572
Reversal of impairment losses on financial assets	(13)	19	1,000
Earnings from investments accounted for at equity	(19)	344	355
Profit before tax		**45,829**	**32,830**
Income taxes	(14)	-12,175	-9,286
Profit for the period		**33,654**	**23,544**
Profit attributable to:			
Equity holders of the company		28,307	21,997
Non-controlling interests	(29)	5,348	1,547
		33,654	**23,544**
Basic earnings per share	(15)	**2.13**	**1.66**
Diluted earnings per share	(15)	**2.12**	**1.65**

Consolidated statement of comprehensive income

	Note	2025 EUR thousand	2024 EUR thousand
Profit for the period		**33,654**	**23,544**
Items that may be reclassified to the income statement in subsequent periods			
Foreign currency translation	(27)	-2,357	-277
Items that may not be reclassified to the income statement			
Remeasurement of post-employment benefits	(27) (30)	1,518	401
Income taxes	(27)	-373	-94
Other comprehensive income, net of tax		**-1,212**	**30**
Total comprehensive income		**32,442**	**23,574**
Total comprehensive income attributable to:			
Equity holders of the company		**27,085**	**22,013**
Non-controlling interests		**5,357**	**1,561**
		32,442	**23,574**

Consolidated statement of financial position

ASSETS	Note	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Non-current assets			
Property, plant and equipment	(16)	69,008	70,295
Intangible assets	(17)	12,566	15,427
Goodwill	(18)	8,582	8,596
Investments accounted for at equity	(19)	3,605	3,259
Other non-current financial assets	(24)	2,623	1,846
Deferred tax assets	(14)	8,042	4,061
		104,426	**103,484**
Current assets			
Inventories	(20)	51,817	32,926
Trade accounts receivable	(21)	144,684	80,107
Contract assets	(22)	68,184	70,922
Contract costs	(23)	4,495	2,541
Other current financial assets	(24)	3,375	1,469
Other current non-financial assets	(24)	17,578	18,765
Income tax receivables		3,449	2,598
Time deposits		14,120	14,992
Cash and cash equivalents	(25)	97,186	66,994
		404,888	**291,314**
Total assets		**509,314**	**394,798**

LIABILITIES AND EQUITY	Note	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Shareholders' equity			
Share capital	(26)	13,280	13,280
Capital reserves	(27)	21,138	21,138
Retained earnings	(27) (28)	162,667	138,163
Treasury shares		-521	-314
Foreign currency translation		-2,729	-387
Equity attributable to equity holders of the parent company		**193,835**	**171,880**
Non-controlling interests	(29)	2,996	2,880
Total shareholders' equity		**196,831**	**174,760**
Non-current liabilities			
Liabilities to banks and other financial liabilities		0	23
Provisions	(30)	22,563	21,584
Lease liabilities	(37)	39,810	41,257
Other non-current financial liabilities	(33)	18,612	14,531
Deferred tax liabilities	(14)	9,422	10,044
		90,407	**87,439**
Current liabilities			
Liabilities to banks and other financial liabilities	(31)	6,643	126
Contract liabilities	(32)	109,021	57,645
Trade accounts payable		33,788	23,443
Provisions	(34)	27,721	19,017
Lease liabilities	(37)	9,278	8,119
Other current financial liabilities	(33)	3,242	6,207
Other current non-financial liabilities	(33)	22,848	15,673
Current tax liabilities		9,535	2,369
		222,076	**132,599**
Total shareholders' equity and liabilities		**509,314**	**394,798**

Consolidated cash flow statement

	Note	2025 EUR thousand	2024 EUR thousand
Profit before tax		45,829	32,830
Net interest income/expense		1,288	626
Foreign currency translation		323	-480
Profit/loss from the disposal of non-current assets		-932	-529
Depreciation of property, plant and equipment and amortisation of intangible assets	(16) (17)	20,203	22,030
Earnings from investments accounted for at equity	(19)	-344	-355
Change in provisions	(30) (34)	11,199	5,482
Income/expense relating to changes in variable purchase price payments	(33)	128	482
Other non-cash income/expenses		628	502
Net cash flow from operations		**78,322**	**60,588**
Change in inventories	(20)	-18,891	-6,298
Change in trade accounts receivable	(21)	-63,490	978
Change in contract assets	(22)	2,737	-9,629
Change in contract costs	(23)	-1,954	-148
Change in other receivables	(24)	-714	-1,848
Change in trade accounts payable		10,466	3,961
Change in contract liabilities	(32)	51,377	-14,691
Change in other liabilities	(33)	3,309	401
Change in net working capital		**-17,160**	**-27,274**
Interest paid		-2,237	-1,588
Interest received		995	1,104
Income taxes paid	(14)	-10,836	-10,779
Net cash flow from operating activities		**49,085**	**22,051**

	Note	2025 EUR thousand	2024 EUR thousand
Cash inflows from the sale of intangible assets		132	0
Cash inflows from the sale of property, plant and equipment		4,726	976
Cash inflows from time deposits		34,483	47,510
Cash outflows for the purchase of intangible assets		-622	-980
Cash outflows for the purchase of property, plant and equipment		-13,177	-9,118
Cash outflows for time deposits		-33,612	-52,002
Cash outflows for non-current financial assets		-850	-1,015
Cash outflows for the acquisition of subsidiaries, net of acquired cash and cash equivalents	(35)	-712	-925
Net cash flow from investing activities		**-9,632**	**-15,554**
Dividends paid to owners	(26)	-3,585	-3,185
Dividends paid to non-controlling interests	(29)	-1,776	-609
Cash outflows for the acquisition of non-controlling interests		0	-1,428
Purchase of treasury shares	(26)	-405	0
Cash inflows from loans and other financing		7,000	648
Cash outflows for repayment of loans and other financing		-172	-685
Cash outflows for payments of principal on lease liabilities	(37)	-8,644	-8,683
Net cash flow from financing activities		**-7,582**	**-13,942**
Change in cash and cash equivalents:			
Net cash flow from operating activities		49,085	22,051
Net cash flow from investing activities		-9,632	-15,554
Net cash flow from financing activities		-7,582	-13,942
Net change in cash and cash equivalents		**31,871**	**-7,446**
Cash and cash equivalents at start of period		**66,994**	**74,180**
Cash-flow related change in cash and cash equivalents		31,871	-7,446
Foreign currency translation		-1,679	260
Cash and cash equivalents at end of period		**97,186**	**66,994**

For further information on the consolidated cash flow statement, see ↗ Note 35.

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	(26)	(27)	(30)	(28)	(27)	(26)			(29)	
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					28,307			28,307	5,348	33,654
Other comprehensive income			1,120				-2,342	-1,222	10	-1,212
Total comprehensive income			1,120		28,307		-2,342	27,085	5,357	32,442
Dividends					-3,585			-3,585	-1,776	-5,361
Change in treasury shares					-94	-207		-300		-300
Changes in connection with put options					-1,439			-1,439	-3,466	-4,905
Other changes				195				195		195
As at 31 December 2025	**13,280**	**21,138**	**-3,121**	**1,065**	**164,723**	**-521**	**-2,729**	**193,835**	**2,996**	**196,831**

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	(26)	(27)	(30)	(28)	(27)	(26)			(29)	
As at 1 January 2024	13,280	21,138	-4,536	798	123,440	-544	-109	153,467	2,157	155,624
Profit for the period					21,997			21,997	1,547	23,544
Other comprehensive income			295				-279	16	14	30
Total comprehensive income			295		21,997		-279	22,013	1,561	23,574
Dividends					-3,185			-3,185	-609	-3,794
Change in treasury shares					-42	230		188		188
Acquisition of non-controlling interests					-676			-676	491	-185
Changes in connection with put options									-720	-720
Other changes				72				72		72
As at 31 December 2024	**13,280**	**21,138**	**-4,241**	**870**	**141,534**	**-314**	**-387**	**171,880**	**2,880**	**174,760**

Notes to the consolidated financial statements

1. General information

Reporting

The consolidated financial statements of Frequentis AG for the 2025 financial year have been prepared in accordance with the provisions of the International Financial Reporting Standards (IFRS) as endorsed by the European Union. Similarly, all interpretations of the IFRS Interpretations Committee that were mandatory for 2025 have been applied.

The present consolidated financial statements, including the Group Management Report, comply with Section 245a of the Austrian Commercial Code (UGB) on consolidated financial statements in accordance with the International Financial Reporting Standards.

Information on the company

These consolidated financial statements include Frequentis AG, registered address Innovationstrasse 1, 1100 Vienna, Austria, and its subsidiaries (subsequently referred to as Frequentis, the Frequentis Group, or the Group).

Frequentis AG was founded in 1947 and has been registered in the commercial register at Vienna Commercial Court under the number FN 72115 b since 30 August 1948. As the parent company, it files all required financial statements there.

According to Section 2 of the articles of association, the purpose of the company is the development, production, distribution, and maintenance of control systems, information processing and transmission systems, and communication systems, especially for air traffic control, road, rail and water transport, and public safety organisations.

The reporting date for the consolidated financial statements was 31 December 2025 and the financial year ran from 1 January to 31 December 2025.

Acquisitions and consolidated group

In the event of business combinations, the assets, liabilities, and contingent liabilities of the subsidiaries acquired are measured at fair value at the date of acquisition as specified by IFRS 3. If the fair value of the consideration transferred and the amount of all non-controlling interests in the acquired business exceed the fair value of the acquired identifiable assets and liabilities, the difference is recognised as goodwill. Any excess of the net assets acquired over the fair value of the consideration transferred is recognised in profit or loss, after a reassessment of their measurement.

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

The Group controls an entity if it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date when control ends.

6 (2024: 6) foreign and 1 (2024: 1) domestic companies are included in the consolidated financial statements by applying the equity method.

There were no changes to the consolidated group in the reporting period.

2. Accounting policies

The consolidated financial statements are prepared by applying the historical cost convention. Excluded from this principle are derivative financial instruments, equity instruments, and contingent purchase price liabilities, which are measured at fair value, and employee benefit obligations, which are measured using the projected unit credit method.

The financial statements of all consolidated companies are prepared using uniform Group-wide accounting policies. There are no significant differences in the accounting policies used for the investments accounted for at equity compared to those applied by the Frequentis Group.

The consolidated financial statements of Frequentis AG are prepared in euros (EUR). All amounts are reported in thousands of euros (EUR thousand), except where otherwise stated. Rounding may result in minor discrepancies in totals as a result of the use of automatic data processing.

Foreign currency translation

The annual financial statements of subsidiaries whose functional currency is not the euro are translated into the reporting currency (EUR) using the modified closing rate method. Equity is translated at the historical rates; assets and liabilities are translated using the mean exchange rate as at the reporting date. Revenue and expenses are translated using average annual exchange rates. The foreign currency translation differences arising from different exchange rates are recognised in other comprehensive income (OCI) and are presented in "Foreign currency translation", a separate line item within shareholders' equity, until the subsidiary is sold.

Business transactions in currencies other than the local currency are translated at the current exchange rate on the transaction date. In the case of foreign exchange transactions, exchange rate gains and losses resulting from changes in exchange rates are reported in other operating income or other operating expenses.

The following exchange rates are used for translation of the main currencies (exchange rates for EUR 1):

Currency		Closing rate 31 Dec. 2025	Closing rate 31 Dec. 2024	Average rate 31 Dec. 2025	Average rate 31 Dec. 2024
AED	Emirati dirham	4.32	3.88	4.16	3.97
AUD	Australian dollar	1.76	1.68	1.75	1.64
BRL	Brazilian real	6.44	6.43	6.29	5.89
CAD	Canadian dollar	1.61	1.49	1.58	1.48
CNY	Chinese renminbi yuan	8.23	7.58	8.11	7.77
CZK	Czech koruna	24.24	25.19	24.65	25.16
GBP	British pound	0.87	0.83	0.86	0.85
NOK	Norwegian krone	11.84	11.80	11.71	11.65
PHP	Philippine peso	69.27	60.30	65.22	62.05
RON	Romanian leu	5.10	4.97	5.05	4.98
SGD	Singapore dollar	1.51	1.42	1.48	1.45
USD	US dollar	1.18	1.04	1.13	1.08

New and amended standards and interpretations

When preparing the consolidated financial statements, the following amendments to existing IAS/IFRS standards and interpretations, as well as the new standards and interpretations, were applied if they had been endorsed by the European Union by 31 December 2025 and were effective at that date:

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

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

In addition, some of the following new and amended standards had been endorsed by the EU, but were not mandatory for the 2025 financial year. The Frequentis Group did not adopt these standards early on a voluntary basis, even if they had already been endorsed by the EU.

	Newly amended IFRSs	Endorsement by the EU	Effective date	Significant effects
IFRS 9 / IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	27 May 2025	2026	None
IFRS 9 / IFRS 7	Contracts Referencing Nature-dependent Electricity	30 Jun. 2025	2026	None
IFRS 18	Presentation and Disclosure in Financial Statements	13 Feb. 2026	2027	See explanation below
IFRS 19	Subsidiaries without Public Accountability	Open	2027	None
IAS 21	Translation to a Hyperinflationary Presentation Currency	Open	2027	None
	Annual Improvements to IFRS Accounting Standards – Volume 11	9 Jul. 2025	2026	None

In April 2024, the IASB published IFRS 18 "Presentation and Disclosure in Financial Statements", which was endorsed by the EU in February 2026. IFRS 18 amends several other standards and supersedes IAS 1 "Presentation of Financial Statements". The new standard retains most of the requirements and introduces new provisions to enhance the transparency and comparability of financial statements. Among other things, IFRS 18 requires classification of income and expenses in the statement of profit or loss in three newly defined categories, operating, investing, and financing, along with mandatory subtotals for "operating profit or loss" and "profit or loss before financing and income taxes". Further, IFRS 18 introduces extended rules on aggregation and disaggregation and requires, in particular, more stringent structuring of the items in the statement of profit or loss, statement of financial position, and the notes based on materiality. It clarifies that goodwill is to be presented as a separate line item in the statement of financial position. In addition, extended disclosures are required for management-defined performance measures. IFRS 18 is to be applied for reporting periods beginning on or after 1 January 2027. Frequentis will not use the option of earlier application. The Frequentis Group is currently preparing to apply IFRS 18. In this context, the impact of IFRS 18 on the Group is being analysed.

This includes a detailed examination of the new categories and subtotals in the statement of profit or loss to ensure correct allocation of the line items and ensure that the subtotals meet the requirements of IFRS 18.

Significant changes could result, in particular, from the new allocation of exchange rate effects among the categories in the statement of profit or loss. The classification of exchange rate effects from intragroup relationships is currently still being evaluated.

With regard to the cash flow statement, Frequentis anticipates a need for adjustments due to the altered derivation of the cash flow from operating activities. In future, the operating profit or loss will be the starting point for calculating the cash flow from operating activities using the indirect method. Moreover, there are differing requirements for the presentation of interest income, interest expenses, and dividends received.

The analysis of the management-defined performance measures (MPMs) has not yet been completed.

The analyses have already shown that Frequentis has a single main business activity and no specified main business activities within the meaning of IFRS 18.

Intangible assets, property, plant and equipment

Intangible assets and property, plant and equipment are measured at acquisition or manufacturing cost, which includes borrowing costs for qualifying assets, less accumulated amortisation, depreciation, and impairment losses.

Intangible assets and property, plant and equipment are amortised/depreciated over their useful life using the straight-line method. The useful lives are unchanged from the previous year:

Buildings on leased land	5 - 40 years
Technical plant and machinery	3 - 10 years
Other plant, factory and office equipment	2 - 20 years
Software and licences	3 - 10 years

Goodwill

Goodwill, which results exclusively from business combinations, is not amortised. Instead, it is tested for impairment at least annually.

Impairment losses

Goodwill acquired in business combinations and intangible assets with an indefinite useful life are tested for impairment at least annually. The impairment test is performed irrespective of whether there is an indication of impairment. For the impairment test, the goodwill is allocated to those cash-generating units that are expected to benefit from the synergies of the business combination.

In accordance with the provisions of IAS 36 "Impairment of Assets", an impairment loss is recognised on goodwill if the carrying amount of the associated cash-generating unit exceeds the higher of the fair value less costs of disposal and the value in use.

Goodwill, intangible assets, and property, plant and equipment are tested for impairment if there are indications that they may be impaired, irrespective whether the asset is still in use or is to be sold. An impairment loss must be recognised for assets if the carrying amount exceeds the higher of the fair value less costs of disposal and the value in use. The value in use is derived from the estimated future net cash flows that would be generated by continuing use of the asset over its useful life or that would probably be generated by a potential sale. If the recoverable amount of individual assets cannot be estimated, it is determined for the cash-generating unit to which the asset is allocated.

If an impairment test identifies the need to recognise an impairment loss, the corresponding expense is recognised in profit or loss in the line item impairment loss on goodwill, property, plant and equipment, or intangible assets.

If there are indications that circumstances that resulted in an impairment loss on property, plant and equipment or intangible assets (other than goodwill) in the past no longer exist, the Group considers the need to reverse the impairment loss.

Investments accounted for at equity (associated companies)

Associated companies are companies where the Group exercises significant influence over financial and operating policy decisions but does not control or jointly control the investee. Associated companies are included in the consolidated financial statements using the equity method and are initially recognised at acquisition cost plus acquisition-related costs. In subsequent periods, the carrying amount of the investment increases or decreases in accordance with the Frequentis Group's share of the profit or loss of the associated company.

An impairment test is performed if there are indications that an investment in a company accounted for using the equity method may be impaired. The proportionate goodwill is not tested separately. The impairment test is performed on the entire carrying amount of the investment. Consequently, the impairment losses are not allocated separately to the goodwill contained in the carrying amount of the investment and may therefore be completely reversed in subsequent periods.

Leases

Frequentis as lessee

At the inception of a contract, the Frequentis Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date or upon modification of a contract that contains a lease component, the Frequentis Group allocates the contractually agreed consideration based on the relative stand-alone prices of the components. Non-lease components of a contract such as electricity, servicing, etc. are excluded from the calculation of the right-of-use asset. On the commencement date, the Frequentis Group recognises an asset for the right of use granted and a lease liability. The right-of-use asset is measured at cost, which corresponds to the initial measurement of the lease liability, adjusted for any initial direct costs and costs of dismantling the underlying asset, less any lease incentives received.

In accordance with IFRS 16, the lease term is essentially the non-cancellable period of the lease. In addition, options to extend or terminate the lease are taken into account if it is reasonably certain that they will be exercised.

The lease liability is initially measured on the commencement date at the present value of the lease payments that are not paid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate of the Frequentis Group. The Frequentis Group generally uses the incremental borrowing rate.

To determine the incremental borrowing rate, the Frequentis Group uses interest rates from various external financial sources and adapts these to reflect the lease term.

The lease payments included in the measurement of the lease liability comprise:

- fixed payments, including in-substance fixed payments,
- variable lease payments that depend on an index or (interest) rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option or the lease payments relating to an extension option, if the Frequentis Group is reasonably certain to exercise that option,
- and penalties for terminating the lease, unless it is reasonably certain that the Frequentis Group will not exercise such termination options.

The right-of-use assets are recognised in the line item within property, plant and equipment where the underlying assets would have been recognised if they had been purchased.

The right-of-use assets are depreciated by applying the straight-line method over the useful life of the leased asset or the term of the lease if this is shorter, including any extension options. Depreciation is based on the following useful lives:

Right-of-use assets for land and buildings	2 - 10 years
Right-of-use assets for other plant, factory, and office equipment	2 - 6 years

The carrying amount of the lease liability is subsequently measured using the effective interest method. The lease liability is remeasured if there is a change in future lease payments resulting from a change in the index or the (interest) rate used, if there is a change in the amounts expected to be payable under a residual value guarantee, and if there is a change in the assessment of a purchase, extension or termination option.

In the event of such remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset or the adjustment is recognised in profit or loss if the term or scope of the lease has been reduced (taking into consideration the reduction in the lease liability) or the carrying amount is reduced to zero.

The Frequentis Group has decided not to recognise right-of-use assets and lease liabilities for leases where the underlying leased assets are of low value and for short-term leases. In addition, the option to exclude intangible assets from the scope of IFRS 16 is applied. The Frequentis Group recognises the lease payments relating to such leases as expense on a straight-line basis over the term of the lease.

Lease payments are divided into the payments of principal and interest. The payments of principal relating to the lease liabilities are recognised in the cash flow from financing activities, while the interest payments are recognised in the cash flow from operating activities.

Frequentis as lessor

The Frequentis Group concludes leases with customers as lessor for voice communication systems and some insignificant sub-leases.

Leases where the Group is the lessor are classified as finance or operating leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. All other leases are classified as operating leases. The Frequentis Group only has operating leases.

Assets leased under operating leases are recognised in property, plant and equipment and depreciated over their estimated useful life. Income from operating leases is recognised on a straight-line basis over the term of the lease. If a contract contains both lease and non-lease components, the Group uses the corresponding provisions of IFRS 15 to allocate the consideration to the individual components.

Financial instruments

A financial asset or financial liability is initially measured at fair value plus transaction costs. This does not include financial assets classified at fair value through profit or loss. They are initially measured at fair value excluding transaction costs. Trade accounts receivable that do not contain significant financing components are initially measured at the transaction price. Non-derivative financial assets are initially recognised at the settlement date, while derivative financial assets are initially recognised at the trade date. Gains and losses from the disposal of financial instruments are determined by comparing the carrying amount with the proceeds from the sale.

The following categories are used for initial classification and measurement of financial assets:

- At amortised cost
- At fair value through other comprehensive income (FVOCI)
- At fair value through profit or loss (FVTPL)

The classification is performed separately based on the type of instrument: derivative financial instruments, equity instruments, and debt instruments.

In the Frequentis Group, no instruments were allocated to the category FVOCI in either 2025 or 2024.

Financial assets are not reclassified after initial recognition unless the Group alters the business model used to manage its financial assets. In this case, all financial assets affected are reclassified on the first day of the reporting period subsequent to the change in business model.

If a financial asset is a debt instrument, it is measured at amortised cost if both of the following conditions are satisfied and it is not designated at FVTPL:

- it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In the Frequentis Group, all trade accounts receivable, loans, and other receivables with fixed or determinable payments are allocated to this category. These assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, exchange rate gains and losses, derecognition effects, and impairment losses are recognised in profit or loss.

At the date of initial recognition of an equity instrument that is not held for trading, the Group can elect irrevocably to present subsequent changes in the fair value of the investment in other comprehensive income. This option can be exercised for each investment on a case-by-case basis.

All financial assets that are not measured at amortised cost or at FVOCI are measured at FVTPL. This comprises all derivative financial assets that are not designated as a cash flow hedge in a hedging relationship.

Financial liabilities are classified and measured at amortised cost or at fair value through profit or loss (FVTPL). A financial liability is classified at FVTPL if it is held for trading or is a derivative.

Financial assets and liabilities at FVTPL are measured at fair value and any net gain or loss, including interest expense, is recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, exchange rate gains and losses, and derecognition gains and losses are also recognised in profit or loss.

The Group holds derivative financial instruments in the form of forward exchange contracts to hedge currency risks.

Derivatives are measured at fair value, both at initial recognition and subsequently. Any changes in their fair value are recognised in profit or loss.

Receivables are measured at cost. Foreign currency receivables are measured using the mean exchange rate on the reporting date.

Provided that an asset is not credit-impaired at initial recognition, it is initially measured using the 12-month expected credit losses concept. This assessment is maintained for subsequent reporting dates. If the credit risk of a financial asset has increased significantly on the reporting date compared with its credit risk at initial recognition, the lifetime expected credit losses method is applied. The lifetime expected credit losses concept must always be applied to trade accounts receivable and to contract assets without a significant financing component.

When determining whether the credit risk of a financial asset has increased significantly since its initial recognition and estimating expected credit losses, the Group uses appropriate and supportable information that is relevant and available with economically reasonable effort. This comprises both quantitative and qualitative information and analyses based on the Frequentis Group's historical experience, prospective information, and a solid creditworthiness assessment.

Inventories

Raw materials and supplies are measured at acquisition or manufacturing cost or at net realisable value if this is lower. For raw materials and supplies, the replacement cost was determined to be the best available measure for their net realisable value.

Work in progress and finished goods are measured at the manufacturing cost or lower net realisable value. The manufacturing cost is calculated using all direct costs incurred, and fixed and variable production overheads. The acquisition or manufacturing cost is determined using the moving average cost method.

IFRS 15 Revenue from Contracts with Customers

The Frequentis Group accounts for customer contracts in accordance with IFRS 15. Revenues are recorded when control over the goods or the service rendered is transferred to the customer. Revenues are determined by the consideration received.

For the vast majority of the Frequentis Group's contracts with customers, revenue is recognised over time. Revenue is recognised on the basis of the progress towards satisfaction of the performance obligation using the cost-to-cost method. Under this method, revenues are recognised on the basis of the production costs actually incurred in relation to the expected total cost. The impact of changes in the estimated total cost is recognised in profit or loss in the period in which it occurs.

For certain services (e.g. consulting and repairs) with a short lead time or performance period, orders for spare parts or small parts, and the sale of standard products without customer-specific adaptation or extensive processing required to put the product into operation at the customer's premises, revenue is recognised at a point in time. Revenue is recognised when control is transferred to the customer or the performance obligation is completely satisfied.

The contract assets do not contain significant financing components.

Certain costs such as the cost incurred in obtaining a contract and the cost of fulfilling a contract to deliver goods and services to customers are recognised as contract costs (mainly sales commission) and amortised in line with the transfer of control over the goods and services to the customer.

The contract liabilities comprise all obligations from contracts with customers (goods or services) for which the Frequentis Group has already received (or will receive) consideration. This mainly relates to advance payments from customers and services still to be performed for projects already invoiced.

Employee benefit obligations

The obligations for severance payments, pensions, and anniversary bonuses were measured on the basis of an actuarial valuation using the projected unit credit method in accordance with IAS 19 "Employee Benefits".

When determining the severance payment obligation, the retirement age was deemed to be the earliest possible date for (early) retirement under the 2018 pension reform.

The pension provisions were established on the basis of an actuarial valuation. Since the pension insurance policy has been pledged to the Executive Board, it meets the definition of plan assets and the pension provisions are offset against the amount accumulated in the pension insurance scheme in accordance with IAS 19.

The effects of remeasurement of post-employment benefits (severance payment and pension obligations) are recognised in other comprehensive income. Any past service cost is recognised immediately in profit or loss. The interest cost is recognised together with the service cost in personnel expenses.

Share-based payment

As part of a long-term incentive plan, Frequentis AG has granted share-based payment to one member of the Executive Board. This is accounted for in accordance with IFRS 2 "Share-based Payment". The plan is exclusively equity-settled. Frequentis AG therefore measures these instruments at fair value on the grant date, taking into account the performance conditions on which the instruments are granted. The expense is allocated over the specified service period.

Provisions

Provisions are recognised if there is a present (legal or constructive) obligation arising from a past event, an outflow of economic resources to meet this obligation is probable, and the level of the obligation can be estimated reliably. If the interest rate effect is material, non-current provisions are recognised at the present value of the expected outflow to settle the obligation. The accrued interest is recognised in interest income/expense.

Research and development costs

In the Frequentis Group, research projects generally have a time horizon of 3 to 10 years and their technical and commercial outcome is uncertain. All research expenditures are expensed as incurred (IAS 38.54).

Development projects are capitalised if they meet the requirements for recognition as intangible assets set out in IAS 38.21. Otherwise, the development costs are expensed as incurred. In the reporting period, as well as in the previous year, the technical feasibility of hardware and software development projects either could not be assessed or the research and development phases could not be clearly distinguished. Moreover, confirmation of technological feasibility and commercial usability is generally only obtained shortly before projects are ready for the commercial market. Therefore, with the exception of one development, the criteria for recognition as an intangible asset were not met in either 2025 or 2024.

Grants and subsidies

Subsidies granted to compensate for expenses that meet the recognition criteria are recognised immediately in profit or loss in the period in which the expenses are incurred. Grants related to assets, in other words, government grants where the primary condition is that an entity purchases, constructs, or otherwise acquires long-term assets, are deducted from the related assets when determining their carrying amount (net presentation).

Income taxes

Tax expense comprises current and deferred taxes. Current and deferred taxes are recognised in profit or loss, except if they relate to a business combination or to items recognised directly in equity or in other comprehensive income.

Current taxes are the expected tax liability or tax receivable on the taxable profit for the financial year, based on the tax rates that have been enacted on the reporting date, and all adjustments to the tax liability for previous years.

The applicable income tax rates for foreign Group companies were between 9% and 33% in the reporting period (2024: between 5% and 33%).

As at December 31, 2023, the OECD BEPS Pillar 2 rules were incorporated into Austrian law. The legislation is effective for financial years beginning after December 31, 2023. Since Frequentis' consolidated annual revenues are below the EUR 750 million threshold, application of the provisions is not mandatory at present.

In accordance with IAS 12, deferred taxes are recognised in the IFRS financial statements for temporary differences between the carrying amounts of assets and liabilities and their tax base.

Deferred taxes are not recognised for:

- taxable temporary differences on initial recognition of goodwill,
- temporary differences on initial recognition of assets or liabilities in a transaction which is not a business combination and does not affect either the profit before tax or the taxable profit,
- temporary differences relating to investments in subsidiaries, associated companies, and joint operations, provided that the Frequentis Group is able to control the timing of reversal of temporary differences and it is probable that they will not be reversed in the foreseeable future.

Deferred tax assets and liabilities are netted if there is a corresponding legally enforceable claim to offset them and the deferred tax assets and liabilities refer to income taxes that are levied by the same tax authority for the same taxable entity.

In order to assess whether deferred tax assets are impaired, the management estimates the probability that these items can be utilised in the future. The ability to utilise deferred tax assets is based on the assumption that taxable profit will be available in the future periods in which the temporary differences will be tax-deductible. The management includes the planned reversal of deferred tax liabilities and the estimated taxable future profit in its assessment.

Significant estimates and use of judgement

Preparation of the consolidated financial statements in accordance with the generally accepted accounting and measurement principles of the IFRS involves estimates and assumptions that may influence the amount and presentation of the reported assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date, and the reported income and expenses during the reporting period. The actual amounts may ultimately differ from the estimates and assumptions. Estimates and assumptions are reviewed continuously and revised prospectively.

When preparing the consolidated financial statements, the Frequentis Group made the following judgements:

a) When assessing the term of leases, especially real estate leases, the Frequentis Group takes into account any extension or termination options where it is reasonably certain that they will be exercised.

The consolidated financial statements include the following items whose measurement depends to a large extent on assumptions and estimates:

a) Useful life of non-current assets: Property, plant and equipment and purchased intangible assets are recognised at the acquisition or manufacturing cost and depreciated/amortised over their useful life using the straight-line method. Factors such as wear and tear, obsolescence, technical standards, and contract duration are taken into account when determining the useful life.

b) Estimated impairment of goodwill: The Frequentis Group tests goodwill for impairment annually. The recoverable amount of cash-generating units is determined by calculating their value in use. This is based on corresponding planning calculations, which are naturally based on estimates and assumptions. See ↗ Note 18. *Goodwill* for information on the assumptions used and the sensitivity analyses performed in impairment testing of goodwill.

c) Revenue is recognised over time based on the progress towards satisfaction of the performance obligation using the input-based method (cost-to-cost method). Accounting for contracts realised over time is based on estimated contract costs, the achievable contract revenue, and the risks associated with the contract. These estimates are regularly reviewed and revised. Although the estimates are made using all information available at the reporting date, changes may occur. These changes may affect both the revenue recognised and the carrying amounts of contract assets.

   Evaluating whether two or more contracts with a customer have to be combined and accounted for as a single contract or whether a contract with a customer has to be split into a series of performance obligations involves estimates that may affect the recognition of revenue or profit. Variable consideration is estimated at the most likely amount to which an entitlement exists. These estimates are based, in particular, on expectations and on the historical, present, and forecast information available at the reporting date.

d) The recognition of provisions for onerous contracts is subject to estimates of the expected contract costs and contract results. These estimates are based on historical experience and current information as at the reporting date.

e) Post-employment benefit obligations are measured using various parameters such as the discount rate and salary increases. Changes in these parameters may result in a change in the obligation recognised. The sensitivity of post-employment benefit obligations is disclosed in ↗ Note 30. *Non-current provisions*.

f) The recognition of deferred tax assets requires that sufficient taxable income will be generated in the future against which the tax credits and loss carryforwards can be utilised. The assessment as to whether deferred taxes can be recognised is subject to estimates of various factors. Tax matters are subject to uncertainties regarding their assessment by the tax authorities, therefore it cannot be precluded that in individual cases they may reach a different conclusion than the Frequentis Group.

g) In connection with the acquisition of the shares in FRAFOS GmbH and Frequentis Recording AS, in addition to the basic purchase price, an earn-out payment was agreed. This is dependent on the achievement of certain targets in the future. To measure the earn-out liabilities as at 31 December 2025, assumptions were made on the development of these items. For further information, see ↗ Note 33. *Other liabilities*. If the actual development differs significantly from the assumptions made, this may impact earnings because the liability is subsequently measured at fair value through profit or loss.

h) The liabilities for the put options relating to non-controlling interests correspond to the enterprise value less net financial debt of ELARA Leitstellentechnik GmbH, FRAFOS GmbH, and Regola S.r.l. The enterprise value is determined using a multiples-based valuation. To measure the liabilities, assumptions were made about the development of these items. For further information, see ↗ Note 33. *Other liabilities*. Significant changes in the underlying assumptions do not impact earnings because the changes are recognised in equity.

i) Climate change and the associated warming will result in a number of changes. The global increase in temperatures and extreme weather events such as storms, exceptionally heavy rainfall, including floods, as well as droughts and heatwaves are adversely affecting many people's livelihoods. Coastal areas are exposed to an additional risk from rising sea levels. Many cities in south and south-east Asia and Australia are located directly on the coast. Frequentis has some companies in these regions.

   Frequentis could be indirectly affected by climate change – on the procurement market as a result of supply chain delays and disruption and on the sales side by problems due to increasing social and civil conflicts. As a supplier of communication and information systems for control centres in the safety-critical sector, Frequentis' business model is not currently affected by the impact of climate change but the mid-term effects cannot yet be estimated. Climate change did not have any significant effect on the consolidated financial statements for 2025.

   The possible impact on impairment testing and the useful life of non-current assets was assessed, and none was identified.

j) The war in Ukraine indirectly resulted in higher prices, especially in 2022 and 2024 – mainly for electricity, gas, and fuels. Consequently, prices of other everyday products increased, so inflation increased sharply almost everywhere in the world and was well above the average for recent years. This resulted in the need to adjust prices for existing and new customer projects. The annual inflation-adjusted pay rises for employees under collective agreements and other salary agreements had a direct influence on the Frequentis Group's personnel expenses. The expected future impact of the cost increases was taken into consideration in the measurement of projects and non-current personnel provisions and recognised in contract assets, contract liabilities, and non-current provisions.

Notes to the consolidated income statement

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. The amounts in the column headed reconciliation/consolidation mainly comprise transactions that cannot be allocated clearly to one segment and were undertaken for both segments.

	Air Traffic Management 2025 EUR thousand	Public Safety & Transport 2025 EUR thousand	Total 2025 EUR thousand
Revenues	400,643	179,495	580,137
Change in inventories of finished goods and work in progress	3,313	-58	3,255
Own work capitalised	238	293	531
Other operating income	11,031	2,727	13,758
Total income (operating performance)	**415,225**	**182,457**	**597,681**
EBIT	**19,768**	**26,986**	**46,754**
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.

	Air Traffic Management 2024 EUR thousand	Public Safety & Transport 2024 EUR thousand	Reconciliation/ consolidation 2024 EUR thousand	Total 2024 EUR thousand
Revenues	338,216	141,969	123	480,308
Change in inventories of finished goods and work in progress	1,954	798	34	2,786
Own work capitalised	1,045	420	177	1,642
Other operating income	7,371	2,201	1,968	11,540
Total income (operating performance)	**348,586**	**145,388**	**2,302**	**496,276**
EBIT	**18,019**	**14,243**	**-162**	**32,100**
Impairment losses	**2,598**	**0**	**0**	**2,598**

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 (2024: none of its customers). The revenues with this customer amounted to EUR 88,661 thousand in 2025 and related to the Air Traffic Management segment.

In terms of revenue categories, 43% (2024: 41%) of the Group's revenues were generated principally with new products for established customers and existing products sold to new customers, 54% (2024: 56%) comprised IBB (installed base business, i.e. follow-on business for installed systems and solutions), and 3% (2024: 3%) came from other sources (mainly consulting). Approximately 40% of the installed base business comprised maintenance contracts.

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

	2025	2024
Europe	61.0%	57.9%
Americas	25.5%	22.8%
Australia/Pacific	6.7%	6.4%
Asia	6.3%	12.5%
Africa	0.5%	0.5%

Orders on hand as at 31 December 2025 totalled EUR 794,854 thousand (2024: EUR 724,022 thousand). The ATM segment accounted for EUR 490,122 thousand (2024: EUR 460,554 thousand) of this amount and the PST segment for EUR 304,733 thousand (2024: EUR 263,468 thousand).

Regional breakdown of non-current assets

	2025 EUR thousand	2024 EUR thousand
Austria	44,360	45,831
Europe (excluding Austria)	33,566	32,470
Americas	9,393	12,442
Australia/Pacific	6,093	6,548
Asia	348	308
	93,760	**97,599**

Non-current assets comprise property, plant and equipment, intangible assets, goodwill, investments accounted for at equity, and equity instruments.

4. Revenues

The following comments apply for both segments, because both generate almost all of their revenue with customer-specific production orders and maintenance contracts. Only a few of the products sold are not customised.

Revenues are recognised when the contractually agreed milestones have been achieved. Amounts where the work or services have been performed but not yet been invoiced are recognised as contract assets. In principle, invoices are due within thirty days.

Revenues from customer-specific construction contracts and multi-component contracts meet the criteria for recognition of revenue over time based on the progress towards satisfaction of the performance obligation because there is no alternative use for the asset produced and the Frequentis Group has a right to receive payment for the work performed (costs plus an appropriate margin).

Revenues are recognised using the input-based method (cost-to-cost method). Contract assets are only recognised if they exceed the associated advance payments from customers. In the reporting period, contract assets decreased by EUR 2,737 thousand (2024: increased by EUR 9,650 thousand). The reduction in contract assets is the net result of a large number of newly commenced and invoiced projects.

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 63,816 thousand in the reporting period (2024: EUR 16,779 thousand). The increase in revenues realised at a point in time was mainly attributable to a major project in the Americas.

In accordance with IFRIC 22, the Frequentis Group measures advance payments made and received in foreign currencies at the exchange rate at the transaction date, rather than the exchange rate at the reporting date.

All revenues presented below are revenues from contracts with customers pursuant to IFRS 15.

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

	2025 EUR thousand	2024 EUR thousand
New products and/or new customer business	251,838	196,619
IBB (installed base business)	310,013	270,482
Other revenues	18,286	13,207
	580,137	**480,308**

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

	2025 EUR thousand	2024 EUR thousand
Europe	339,327	296,122
Americas	158,905	88,090
Asia	39,361	55,354
Australia/Pacific	33,971	30,706
Africa	4,966	6,874
Small orders (not allocated)	3,608	3,162
	580,137	**480,308**

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

The transaction price of unsatisfied or only partially satisfied performance obligations was EUR 794.9 million (31 December 2024: EUR 724.0 million) and corresponds to the orders on hand in the Frequentis Group at the reporting date. It is expected that revenue of approximately EUR 374.7 million will be recognised in 2026 and revenue of EUR 420.2 million will be recognised in 2027 and subsequent years. The expected timing of revenue recognition is based on the expected progress towards satisfaction of the performance obligation.

5. Own work capitalised

The expenses capitalised in 2025 comprise EUR 216 thousand (2024: EUR 419 thousand) for development work and expenses of EUR 315 thousand (2024: EUR 947 thousand) for, among other things, self-produced internal demonstration and test systems. In the reporting period, there were no expenses for self-produced assets in connection with an operating lease (2024: EUR 276 thousand).

6. Other operating income

	2025 EUR thousand	2024 EUR thousand
Grants and subsidies for research and development costs	4,080	3,592
Income from research incentives	3,096	2,989
Changes in the fair value of forward exchange contracts	2,859	123
Gain from the sale of intangible assets, property, plant and equipment	1,623	602
Foreign currency translation	850	1,845
Income from the reversal of provisions for litigation costs	293	505
Miscellaneous other operating income	957	1,884
	13,758	**11,540**

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 miscellaneous other operating income relates mainly to revenue from the reversal of loss allowances and other provisions.

7. Cost of materials and purchased services

	2025 EUR thousand	2024 EUR thousand
Cost of materials	72,006	45,523
Cost of purchased services	84,096	67,593
	156,102	**113,116**

The increase in the cost of materials was mainly attributable to a more material-intensive project in the Americas region. The cost of purchased services increased by roughly the same proportion as revenues.

8. Personnel expenses

	2025 EUR thousand	2024 EUR thousand
Salaries	232,376	206,805
Expenses for severance payments	2,940	3,646
Expenses for pensions	3,792	3,433
Social security contributions	43,652	38,762
Other voluntary social welfare expenses	9,297	7,664
	292,057	**260,310**

The number of employees at the end of the financial year was 2,783 (2024: 2,486), measured as full-time equivalents (FTEs). The average number of employees was 2,634 FTEs (2024: 2,422 FTEs). In both cases, the data refer to employees with contracts for an indefinite period.

The increase in personnel expenses is mainly due to the increase in the number of employees, individual and collectively agreed salary rises, the rise in the accrual for holidays not yet taken, and higher provisions for bonuses.

9. Other operating expenses

	2025 EUR thousand	2024 EUR thousand
Travel expenses	16,695	13,997
Licenses (terms of up to 1 year)	7,882	5,429
Change in project-related provisions	6,988	4,771
Other consulting expenses	6,513	5,486
External personnel	5,795	5,091
Foreign currency translation	5,582	1,391
Advertising	5,518	4,184
Legal and consulting expenses	3,051	3,381
Insurance expenses	3,026	3,286
Maintenance	2,823	2,760
Transport	2,449	1,798
Staff recruitment	2,217	1,925
Energy	2,047	1,973
Operating expenses (buildings)	1,988	1,897
Cleaning	1,426	1,373
Telephone and communications expenses	1,392	1,402
Vehicles	1,333	1,360
Other taxes and levies	983	984
Bank charges and bank guarantee fees	783	808
Short-term leases and leases for low-value assets	748	783
Membership fees	462	436
Impairment of receivables and contract assets	441	483
Losses from the disposal of intangible assets, property, plant and equipment	350	73
Translation costs	139	217
Changes in the fair value of forward exchange contracts	51	1,065
Miscellaneous	1,904	2,367
	82,586	**68,720**

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 and for warranties.

The impairments are comprised of impairment losses of EUR 452 thousand (2024: EUR 480 thousand) for receivables and reversals of impairment losses on contract assets of EUR 11 thousand (2024: impairment losses of EUR 3 thousand). The impairments are not presented separately in the income statement as the amount is insignificant.

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

	2025 EUR thousand	2024 EUR thousand
Depreciation of right-of-use assets	9,492	9,455
Depreciation of property, plant and equipment and amortisation of intangible assets	9,387	8,954
Depreciation and amortisation of low-value assets	1,302	1,023
	20,181	**19,432**

Assets with an acquisition or manufacturing cost of up to EUR 1 thousand (amount is country-specific) are defined as low-value assets and are recognised as expenses in the year of acquisition.

11. Financial income

	2025 EUR thousand	2024 EUR thousand
Interest and similar income	949	947
	949	**947**

The interest and similar income relates exclusively to interest income from assets recognised at amortised cost. Interest income is recognised using the effective interest method.

12. Financial expenses

	2025 EUR thousand	2024 EUR thousand
Interest and similar expenses	2,237	1,572
	2,237	**1,572**

EUR 1,637 thousand (2024: EUR 1,110 thousand) of the interest expenses are attributable to IFRS 16. Interest expenses are recognised using the effective interest method.

13. Change in financial assets

The change in financial assets comprises the remaining income of EUR 41 thousand (2024: EUR 1,000 thousand) 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, and EUR 22 thousand (2024: EUR 0 thousand) for the impairment loss on the equity instrument AIRlabs Austria GmbH.

14. Income taxes

	2025 EUR thousand	2024 EUR thousand
Current income taxes	17,553	7,643
Taxes relating to prior periods	-267	198
Non-deductible withholding tax	89	97
Change in deferred tax assets/liabilities	-5,200	1,348
	12,175	**9,286**

The following table presents the reconciliation from the expected tax rate to the effective tax rate:

	2025 EUR thousand	2024 EUR thousand
Profit before tax	45,829	32,830
Theoretical tax income/expense based on a tax rate of 23%	10,541	7,551
Differences in tax rates	2,156	713
Tax additions	470	481
Tax deductions	-926	-985
Changes in tax rates	223	-103
Tax-free income from associated companies	-79	-82
Impairment loss on goodwill	0	598
Tax assets for which deferred tax assets were not previously recognised	171	0
Tax losses for which no deferred tax assets were recognised	234	818
Realised tax losses for which no deferred tax assets were recognised	-437	0
Taxes relating to prior periods	-267	198
Non-deductible withholding tax	89	97
Actual tax expense	**12,175**	**9,286**
Effective tax rate	**26.6%**	**28.3%**

The tax additions comprise non-tax-deductible expenses such as non-deductible payroll expenses and hospitality expenses. The tax deductions mainly comprise the research incentives.

The deferred tax assets and liabilities recognised in the statement of financial position relate to the following items:

	Assets 2025 EUR thousand	Liabilities 2025 EUR thousand	Assets 2024 EUR thousand	Liabilities 2024 EUR thousand
Property, plant and equipment	330	-10,939	261	-12,886
Intangible assets	2,756	-2,419	804	-3,087
Goodwill		-94		-57
Financial assets	79	-19	91	-16
Inventories	588	-1,618	248	-1,065
Contract assets	531	-5,288	450	-6,660
Contract costs		-1,037		-589
Trade accounts receivable and other assets	127	-2,722	451	-1,301
Provisions	2,741	-2,574	2,880	-1,574
Trade accounts payable and other liabilities	775	-25	900	-106
Lease liabilities	11,296		11,337	
Contract liabilities	3,752	-106	1,210	-319
Deferred taxes on foreign currency translation, debt consolidation	38	-38	68	-68
Tax loss carryforwards	2,487		3,045	
Total	**25,500**	**-26,880**	**21,745**	**-27,728**
Netting	-17,458	17,458	-17,684	17,684
Deferred taxes	**8,042**	**-9,422**	**4,061**	**-10,044**

Deferred tax liabilities resulting from temporary differences in connection with investments in subsidiaries are not recognised if the date of reversal of the temporary differences can be controlled by the Frequentis Group and it is probable that the temporary differences will not be reversed in the near future. Such temporary differences for which no deferred tax liabilities are recognised amounted to EUR 4,758 thousand (2024: EUR 5,134 thousand).

As at the reporting date, the Frequentis Group had loss carryforwards totalling EUR 18,464 thousand (2024: EUR 19,237 thousand). Deferred taxes were recognised for loss carryforwards of EUR 9,435 thousand (2024: EUR 9,994 thousand) because it is probable that there will be future taxable income against which the Frequentis Group can offset the deferred tax assets. The time limit for the use of a tax loss carryforward of EUR 2,606 thousand (2024: EUR 3,298 thousand) expires in 2044. The other loss carryforwards will not expire.

The amount of tax-deductible impairments on equity investments that is spread over seven years under Austrian tax law is EUR 247 thousand (2024: EUR 370 thousand). Deferred tax assets of EUR 57 thousand (2024: EUR 85 thousand) were recognised on this amount.

As at 31 December 2025, no material income tax uncertainties existed.

15. Earnings per share

Basic earnings per share are calculated by dividing the result for the period attributable to equity holders of Frequentis AG by the weighted average number of shares outstanding in the reporting period. In the reporting period, the weighted average number of shares was 13,272,299 (2024: 13,266,657).

Diluted earnings per share are calculated by dividing the result for the period attributable to the equity holders of Frequentis AG by the weighted average number of outstanding shares in the reporting period, adjusted in each case by the dilutive effect of the share-based payment of 51,111 shares (2024: 47,835 shares). The average weighted number of shares and options was 13,321,757 (2024: 13,313,467).

Notes to the consolidated statement of financial position

16. Property, plant and equipment

in EUR thousand	Land and buildings and buildings on leased land	Technical plant and machinery	Technical equipment for operating leases	Other plant, factory and office equipment	Assets under construction	Total
Carrying amount as at 31 December 2023	**37,433**	**1,307**	**4,366**	**11,936**	**846**	**55,888**
Foreign currency translation	145	49	255	40	13	502
Reclassification	8	-822	822	644	-652	0
Additions from business combinations	33	0	0	1	0	34
Addition	19,156	50	287	9,081	1,724	30,298
Disposal	-9	0	0	-429	0	-438
Depreciation	-8,912	-163	-556	-6,358	0	-15,989
Carrying amount as at 31 December 2024	**47,854**	**421**	**5,174**	**14,915**	**1,931**	**70,295**
Cost of acquisition/production	98,254	4,421	6,084	45,875	1,931	156,565
Accumulated depreciation	-50,400	-4,000	-910	-30,960	0	-86,270
Carrying amount as at 31 December 2024	**47,854**	**421**	**5,174**	**14,915**	**1,931**	**70,295**
Carrying amount as at 31 December 2024	**47,854**	**421**	**5,174**	**14,915**	**1,931**	**70,295**
Foreign currency translation	-554	0	-589	-231	-67	-1,441
Reclassification	42	0	0	587	-998	-369
Addition	9,570	6	3,005	8,791	831	22,203
Disposal	-134	0	-4,300	-227	-356	-5,017
Depreciation	-8,840	-155	-335	-7,334	0	-16,664
Carrying amount as at 31 December 2025	**47,939**	**272**	**2,955**	**16,501**	**1,341**	**69,008**
Cost of acquisition/production	103,881	4,337	3,005	49,193	1,341	161,757
Accumulated depreciation	-55,942	-4,065	-50	-32,692	0	-92,749
Carrying amount as at 31 December 2025	**47,939**	**272**	**2,955**	**16,501**	**1,341**	**69,008**

During 2025, the Frequentis Group concluded agreements for the acquisition of property, plant and equipment totalling EUR 823 thousand (2024: EUR 469 thousand), which will be delivered and invoiced in 2026.

For information on the recognised right-of-use assets resulting from the application of IFRS 16, which are included in the above table, see ↗ Note 37. *Leases*.

17. Intangible assets

in EUR thousand	Software and licences	Customer base	Self-produced intangible assets under development	Advances	Total
Carrying amount as at 31 December 2023	**14,450**	**2,664**	**380**	**20**	**17,514**
Foreign currency translation	-178	-54	0	0	-232
Reclassification of advances	20	0	0	-20	0
Additions from business combinations	411	226	0	0	637
Addition	318	0	419	264	1,001
Disposal	-50	0	0	0	-50
Amortisation	-3,155	-288	0	0	-3,443
Carrying amount as at 31 December 2024	**11,816**	**2,548**	**799**	**264**	**15,427**
Cost of acquisition/production	42,129	3,017	799	264	46,209
Accumulated amortisation	-30,313	-469	0	0	-30,782
Carrying amount as at 31 December 2024	**11,816**	**2,548**	**799**	**264**	**15,427**
Carrying amount as at 31 December 2024	**11,816**	**2,548**	**799**	**264**	**15,427**
Foreign currency translation	-185	-2	0	0	-187
Reclassification of advances	526	0	0	-157	369
Addition	375	0	216	13	604
Disposal	-24	0	0	-107	-131
Amortisation	-3,137	-355	-24	0	-3,516
Carrying amount as at 31 December 2025	**9,371**	**2,191**	**991**	**13**	**12,566**
Cost of acquisition/production	37,902	3,012	1,015	13	41,942
Accumulated amortisation	-28,531	-821	-24	0	-29,376
Carrying amount as at 31 December 2025	**9,371**	**2,191**	**991**	**13**	**12,566**

The Frequentis Group spent EUR 19.2 million (2024: EUR 30.1 million) on in-house research and development work that was not funded by customers. This was expensed as incurred. Development costs of EUR 216 thousand (2024: EUR 419 thousand) were capitalised in the reporting period.

During 2025, the Frequentis Group concluded agreements for the acquisition of intangible assets totalling EUR 57 thousand, which will be received and invoiced in 2026 (2024: EUR 0 thousand).

18. Goodwill

in EUR thousand	Goodwill
Carrying amount as at 31 December 2023	**11,351**
Foreign currency translation	-157
Impairment losses	-2,598
Carrying amount as at 31 December 2024	**8,596**
Acquisition cost	13,996
Accumulated impairment losses	-5,400
Carrying amount as at 31 December 2024	**8,596**
Carrying amount as at 31 December 2024	**8,596**
Foreign currency translation	-14
Carrying amount as at 31 December 2025	**8,582**
Acquisition cost	13,982
Accumulated impairment losses	-5,400
Carrying amount as at 31 December 2025	**8,582**

The accumulated impairment losses contain EUR 2,598 thousand relating to the partial impairment of the goodwill of the Business Recording cash-generating unit in 2024.

For the purpose of impairment testing, goodwill has been allocated to the Frequentis Group's cash-generating units (CGUs) as follows:

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
FRAFOS GmbH	1,976	1,976
Frequentis Comsoft GmbH	909	909
Frequentis Orthogon GmbH	2,263	2,263
Business Recording	769	772
Regola S.r.l.	2,412	2,412
Systems Interface Ltd.	200	211
team Technology Management GmbH	53	53
	8,582	**8,596**

Goodwill was tested for impairment when preparing the consolidated financial statements by estimating the recoverable amount of the relevant cash-generating units using discounted cash flows for a three-year detailed planning period and a perpetual annuity derived from this.

The impairment test in accordance with IAS 36 was based on detailed plans for earnings, the statement of financial position, and capital expenditure for the next three years. These are prepared annually as part of the Group-wide budget planning process, taking into consideration the current business situation. For periods after the budget planning period, a long-term growth rate of 1% (2024: 1%) was determined and used to forecast future cash flows.

Forecast future cash flows were discounted using discount rates based on common market and country-specific risks.

Impairment test 2025	FRAFOS GmbH	Frequentis Comsoft GmbH	Frequentis Orthogon GmbH	Business Recording	Regola S.r.l.	Systems Interface Ltd.	team Technology Management GmbH
Interest rate (WACC before taxes)	10.9%	12.78%	10.88%	10.22%	13.51%	13.74%	8.92%
Recoverable amount in EUR thousand	8,756	15,227	14,569	2,430	9,453	1,781	11,560
Carrying amount of the CGU including goodwill in EUR thousand	2,724	11,317	8,896	1,614	6,812	-409	-668

Impairment test 2024	FRAFOS GmbH	Frequentis Comsoft GmbH	Frequentis Orthogon GmbH	Business Recording	Regola S.r.l.	Systems Interface Ltd.	team Technology Management GmbH
Interest rate (WACC before taxes)	12.50%	13.61%	12.72%	11.41%	15.66%	13.78%	10.61%
Recoverable amount in EUR thousand	5,889	11,167	11,086	1,563	6,865	3,153	8,756
Carrying amount of the CGU including goodwill in EUR thousand	2,762	3,400	8,497	4,161	6,074	-1,516	400

The negative carrying amounts of Systems Interface Ltd. and team Technology Management GmbH resulted from negative working capital due to high advance payments by customers at year-end.

To illustrate the effect of changes in the parameters, sensitivity analyses were performed. The following table shows the percentage by which the cash flows would have to be reduced or the discount rates increased for the carrying amounts of the cash-generating units, including goodwill, to correspond to the recoverable amount.

Sensitivity analysis 2025	Frequentis Comsoft GmbH	Frequentis Orthogon GmbH	Business Recording	Regola S.r.l.
Reduction in cash flows	24.0%	35.4%	30.6%	25.7%
Increase in discount rates (in percentage points)	4.7	6.2	4.7	3.7

Sensitivity analysis 2024	Frequentis Orthogon GmbH	Regola S.r.l.
Reduction in cash flows	21.8%	10.8%
Increase in discount rates (in percentage points)	3.6	1.4

As at the reporting date, the Executive Board did not identify any realistic scenarios for FRAFOS GmbH, Systems Interface Ltd., and team Technology Management GmbH that would result in impairment of goodwill.

Discount rate: The discount rate applied is the weighted average cost of capital (WACC). The discount rate does not reflect the risks underlying the adjustments to the estimated cash flow. The discount rate is an interest rate after taxes based on the interest rate on 30-year government bonds, taking into account common market and country-specific risks. This is converted into WACC before taxes.

19. Investments accounted for at equity (associated companies)

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Investments accounted for at equity	3,605	3,259

Name of associated company	Registered office	Voting rights and shareholding as at 31 Dec. 2025	Carrying amount as at 31 Dec. 2025 EUR thousand	Voting rights and shareholding as at 31 Dec. 2024	Carrying amount as at 31 Dec. 2024 EUR thousand
Flyk Oy	Valkeakoski	25%	152	25%	138
GroupEAD Europe S.L.	Madrid	28%	1,108	28%	748
Mission Embedded GmbH	Vienna	20%	838	20%	665
Nemergent Solutions S.L.	Bilbao	24.83%	1,286	24.83%	1,498
AMANTEA Ltd.	Zabbar	50% (effective shareholding 25.5%)	0	50% (effective shareholding 25.5%)	0
Lift S.r.l.	Cagliari	24% (effective shareholding 10.2%)	4	24% (effective shareholding 10.2%)	6
Nowtech S.r.l.	Sassari	20% (effective shareholding 10.2%)	217	20% (effective shareholding 10.2%)	204
			3,605		**3,259**

The reporting date for all associated companies is 31 December and they are all accounted for by applying the equity method. There were neither any significant unrealised losses nor any significant restrictions on the repayment of loans.

The carrying amounts of these investments developed as follows (based on the most recent available financial statements):

		2025 EUR thousand	2024 EUR thousand
31 Dec. prior year	**Equity investment**	**3,259**	**2,903**
	Attributable profit in prior year	356	258
	Attributable profit/loss in the reporting period	-12	98
	Actuarial gains/losses in in accordance with IAS 19	2	0
31 Dec. reporting period	**Equity investment**	**3,605**	**3,259**

In the reporting period, GroupEAD Europe S.L. acted as operational manager of the EAD system on behalf of EUROCONTROL. The EAD system was developed by the Frequentis Group, which was responsible for technical operation.

Mission Embedded GmbH was created by the spin-off of the "Mission Embedded" department in 2014 to drive forward the positive development of Frequentis' expertise in hardware and hardware-related software for safety-critical applications by giving it greater independence.

In 2020, the Frequentis Group acquired a 15% interest in Nemergent Solutions S.L., which has its registered office in Bilbao, Spain. The interest was acquired through Frequentis Invest4Tech GmbH (a wholly owned subsidiary of Frequentis AG). On 19 December 2023, the interest in Nemergent Solutions S.L. was increased to 24.83% through a capital increase.

Nemergent Solutions S.L. is a technology provider with high expertise in 3GPP standard-based mission-critical solutions over mobile broadband technologies. The Frequentis Group had previously worked on joint projects in the field of public transport and public safety, where Nemergent Solutions contributed technology for application services and mobile end devices for emergency services. This collaboration was strategically expanded and deepened because the LTE mobile communications standard offers new opportunities in safety-critical broadband communication.

On 1 September 2022, the Frequentis Group acquired a 25% interest in Aviamaps Oy, which has its registered office in Valkeakoski, Finland. This company was renamed Flyk Oy in 2023.

Flyk produces software for drone flight planning and airspace management and offers a real-time aviation maps platform for drone flights. Flyk's software is integrated into the Frequentis solution for automatic approval of drone flights in Austria.

The acquisition of the 51% interest in Regola S.r.l. in 2022 included the acquisition of interests in the associated companies Lift S.r.l., Nowtech S.r.l., and AMANTEA Ltd.

Since these companies are not significant associated companies, the following table presents the key financial data in aggregated from for Mission Embedded GmbH, Nemergent Solutions S.L., Flyk Oy, Lift S.r.l., and Nowtech S.r.l. as at the most recent reporting date (31 December 2025). Since financial data for Group EAD Europe S.L. and AMANTEA Ltd. as at 31 December 2025 were not available, the table contains the data from the latest available financial statements (31 December 2024):

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Non-current assets	2,513	2,460
Current assets	20,203	15,323
Non-current liabilities	2,367	1,734
Current liabilities	10,558	7,623
Net assets (100%)	**9,790**	**8,425**
Frequentis Group's share of net assets	2,362	2,016
Goodwill	**1,243**	**1,243**
Carrying amount of the stake in the associated company	**3,605**	**3,259**
Revenues	25,176	24,279
Profit from continuing operations (100%)	1,374	1,630
Other comprehensive income (100%)	12	0
Total comprehensive income (100%)	**1,386**	**1,630**
Frequentis Group's share of the profit from continuing operations	344	412
Earnings included in the prior year	0	-56
Frequentis Group's share of other comprehensive income	2	0
Frequentis Group's share of total comprehensive income	**346**	**355**

In the reporting period, proportionate losses of EUR 23 thousand (2024: EUR 15 thousand) at AMANTEA Ltd. were not recognised because this equity investment was measured at zero when it was initially included in the consolidated financial statements in 2022.

20. Inventories

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Raw materials and supplies	37,117	21,084
Work in progress	2,383	2,670
Finished goods	6,117	3,044
Merchandise	2,104	2,882
Advance payments made	4,096	3,246
	51,817	**32,926**

The main reason for the rise in raw materials and supplies was a major project in the Americas region, for which inventories of materials and finished assemblies were built up for future manufacturing.

Work in progress mainly comprises assemblies that were still being processed at the reporting date.

Merchandise comprises assets for use in current and future customer projects.

The impairment loss on inventories was EUR 1,688 thousand in 2025 (2024: EUR 398 thousand). Reversals of EUR 111 thousand were recognised in 2025 (2024: EUR 340 thousand).

21. Trade accounts receivable

	2025 EUR thousand	2024 EUR thousand
Trade accounts receivable, gross	146,242	81,233
Individual loss allowances	-1,285	-879
Loss allowances pursuant to IFRS 9	-274	-248
Receivables from affiliated companies	1	1
Total trade accounts receivable, net	**144,684**	**80,107**

Trade accounts receivable contain non-current items of EUR 200 thousand (31 December 2024: EUR 391 thousand) that have to be recognised as current items pursuant to IAS 1.68.

Trade accounts receivable are not interest-bearing and are generally due within 30 days.

Since most of the Frequentis Group's customers are public authorities, businesses related to public authorities or, in the case of general contractors, large international companies, the credit risk is classified as low. One aspect of risk management at the Frequentis Group is that business relationships are only entered into with third parties that are deemed to be creditworthy. The creditworthiness of customers is systematically evaluated and deliveries are only made if they have appropriate credit standing or if adequate steps are taken to address the risks identified.

If a higher risk is identified during the proposal process, advances by customers or letters of credit are used to reduce the credit risk.

All identifiable risks are taken into account by appropriate loss allowances. In the event of default, the receivables are derecognised.

The Frequentis Group uses a loss allowance matrix to measure the expected credit losses (ECLs) on trade accounts receivable. The loss rates are calculated using a "roll-rate" method, which is based on the probability that a receivable will roll through successive stages of delinquency up to derecognition. The roll-rate analysis is performed for the aggregated amount of receivables. The loss rates are based on actual payment and credit loss experience in the past ten years.

The table shows the development of the loss allowance for trade accounts receivable:

	2025 EUR thousand	2024 EUR thousand
31 Dec. prior year	**1,127**	**1,103**
Foreign currency translation	-7	0
Change in loss allowances pursuant to IFRS 9	26	-127
Additions	557	604
Utilisation	0	-340
Reversal	-144	-113
31 Dec. reporting period	**1,559**	**1,127**

As at 31 December 2025, the loss rate of trade accounts receivable was as follows:

	Weighted average loss rate 2025	Weighted average loss rate 2024	2025 EUR thousand	2024 EUR thousand
Trade accounts receivable, net			**144,684**	**80,107**
of which: neither overdue nor impaired	0.01%	0.02%	118,729	61,339
of which, overdue but not impaired				
Up to 30 days	0.01%	0.05%	13,019	10,832
30-60 days	0.11%	0.12%	2,863	3,041
60-90 days	0.18%	0.72%	2,039	1,445
90-180 days	0.35%	1.17%	2,714	1,597
180-210 days	1.07%	4.87%	196	106
> 210 days	4.65%	9.84%	5,124	1,746

The Frequentis Group's experience with public sector customers shows that the payment date often deviates from the due date. This is frequently due to approval processes and budget procedures within the authorities (especially around year-end). Past experience shows that such payment delays do not in themselves indicate a higher risk of default.

Since most customers are in the public sector or are large international companies, there were no significant defaults on receivables in the reporting period. In view of its customer structure, the Frequentis Group does not expect the credit risk to increase.

22. Contract assets

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Contract assets, gross	92,447	112,489
Loss allowances pursuant to IFRS 9	-10	-22
Total contract assets	**92,437**	**112,467**
Advances from customers	-24,253	-41,545
	68,184	**70,922**

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

The contract assets of EUR 70,922 thousand recognised as at 1 January (2024: EUR 61,272 thousand) include EUR 54,940 thousand (2024: EUR 42,851 thousand) that were invoiced in the reporting period.

Of the total contract assets of EUR 68,184 thousand as at 31 December 2025 (2024: EUR 70,922 thousand), it is expected that EUR 53,983 thousand (2024: EUR 57,890 thousand) will be charged to customers in the following year – based on expected project progress and contractual clauses. Contract assets with a carrying amount of EUR 14,202 thousand (2024: EUR 13,032 thousand) are not expected to be invoiced until after 2026. Since realisation of the contract assets is expected within the operating cycle, all contract assets are classified as current.

It is assumed that there are no relevant default risks for the contract assets recognised. The loss allowance for contract assets was EUR 10 thousand in 2025 (2024: EUR 22 thousand). 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.

Based on the sensitivity analysis, a 10% reduction in contract costs not yet incurred would increase contract assets by EUR 7,731 thousand (2024: EUR 9,205 thousand), while a 10% increase in contract costs not yet incurred would reduce contract assets by EUR 6,603 thousand (2024: EUR 6,121 thousand).

23. Contract costs

In the Frequentis Group, contract costs mainly comprise sales commission. These contract costs are recognised and amortised in line with the transfer of control over goods and services to the customer.

The development of the contract costs recognised is as follows:

	2025 EUR thousand	2024 EUR thousand
As at 1 January	**2,541**	**2,394**
Contract costs recognised in the reporting period	3,776	2,521
Amortisation in the reporting period	-1,822	-2,247
Impairment losses	0	-127
As at 31 December	**4,495**	**2,541**

Amortisation of contract costs in the next 12 months is expected to amount to EUR 1,492 thousand (2024: EUR 1,472 thousand). Since the contract costs are expected to be incurred within the operating cycle, all contract costs are classified as current.

The Frequentis Group uses the practical expedient of recognising contract costs as an expense if the amortisation period is less than one year.

Amortisation of contract costs is recognised in the cost of materials and purchased services.

24. Other assets

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Pension reinsurance	498	482
Loan to Nemergent Solutions S.L.	1,864	1,049
Equity instruments	0	22
Other financial assets	261	293
Other non-current financial assets	**2,623**	**1,846**
Positive fair value of MTM valuation	1,903	263
Receivables from grants and subsidies	985	883
Other financial assets	487	323
Other current financial assets	**3,375**	**1,469**
Prepaid expenses and deferred charges	9,117	9,839
Receivables from research grants and incentives	4,869	4,657
Receivables from fiscal authorities (excluding income taxes)	3,427	2,791
Claims to compensation payments	0	1,000
Other assets	165	478
Other current non-financial assets	**17,578**	**18,765**

25. Cash and cash equivalents

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Cash and cash equivalents	97,186	79,812
Loss allowances	0	-12,818
	97,186	**66,994**

The cash and cash equivalents comprise investments and bank deposits, all of which are short-term and have an original term of up to three months. The carrying amount of these assets corresponds to their fair value. All components of cash and cash equivalents are freely available to the Frequentis Group.

In accordance with IFRS 9, based on the expected credit loss (ECL) model, loss allowances were established at the date of recognition on the basis of the expected potential credit losses. No loss allowances had to be recognised for the bank balances due to good ratings and the short-term nature of the deposits (due on demand).

About 60% of the cash and cash equivalents, including deposits due on demand, of EUR 111,306 thousand as at 31 December 2025 was deposited with ten system-relevant major banks in Austria and Germany. About 40% was deposited with approximately 25 other banks in Europe, Australia, Asia, and the Americas.

26. Share capital and retained earnings

Share capital

The Annual General Meeting on 1 June 2023 authorised the Executive Board, subject to the approval of the Supervisory Board, to increase the share capital of Frequentis AG by up to EUR 6.64 million up to 31 May 2028 by issuing up to 6.64 million new no-par-value bearer shares in return for cash or contributions in kind, in one or more tranches, or through a direct subscription offer following acceptance by one or more banks in accordance with Section 153 (6) of the Austrian Companies Act (AktG). It also authorised the Executive Board, subject to the approval of the Supervisory Board, to fully or partially exclude shareholders' subscription rights and, subject to the approval of the Supervisory Board, to define further details of the issue conditions (especially the issue price, type of contribution in kind, rights of the shares, exclusion of subscription rights, etc.) (authorised capital).

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

On 8 September 2025, the Executive Board of Frequentis AG decided to undertake a share buyback in accordance with Section 65 (1) subsections 4 and 8 AktG, based on the authorisation of the Annual General Meeting of 6 June 2024. A total of 6,000 shares with a total value of EUR 405 thousand (including incidental expenses) were repurchased. The share buyback programme ended on 8 October 2025.

As at 31 December 2025, Frequentis held 9,920 treasury shares (31 December 2024: 10,577), corresponding to 0.0747% (31 December 2024: 0.0796%) of the share capital.

The total number of issued shares was 13,280,000 (2024: 13,280,000).

At year-end 2025, the shareholder structure of Frequentis AG was as follows:

Johannes Bardach has a shareholding of approximately 68% (approximately 8% held directly and 60% held indirectly via Frequentis Group Holding GmbH and CDS Capital GmbH), B&C Holding Österreich GmbH holds more than 10% of the shares, and the free float is about 22%.

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

Dividend

The net profit of Frequentis AG stated in the individual financial statements as at 31 December 2025 is EUR 12,747 thousand (individual financial statements as at 31 December 2024: EUR 18,104 thousand) and the retained earnings amount to EUR 99,520 thousand (31 December 2024: EUR 90,659 thousand).

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

In 2025, a dividend of EUR 3,585 thousand (EUR 0.27 per share) was distributed for the 2024 financial year (2024 for 2023: EUR 3,185 thousand / EUR 0.24 per share).

27. Reserves

The following table presents the expenses and income and the related tax recognised in other comprehensive income:

Item	Amount before income taxes 2025 EUR thousand	Income taxes 2025 EUR thousand	Amount after income taxes 2025 EUR thousand	Amount before income taxes 2024 EUR thousand	Income taxes 2024 EUR thousand	Amount after income taxes 2024 EUR thousand
Foreign currency translation	-2,357	0	-2,357	-277	0	-277
Remeasurement of post-employment benefits	1,516	-373	1,143	401	-94	307
Investments accounted for at equity – amounts recognised in other comprehensive income	2	0	2	0	0	0
			-1,212			**30**

28. Share-based payment

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

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

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

The service period for the fulfilment of the targets has been set at three years for all LTIPs. The targets for the key indicators were set by the Supervisory Board. On the settlement date (at the earliest three years after the grant date), assuming 100% target achievement, a maximum of 18,000 shares (gross – before deduction of taxes and fees), and at most 200% of the beneficiary's annual gross base salary will be granted. Settlement is effected by transferring the number of shares corresponding to the net amount of the award to the 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 payment granted in the reporting period (the LTIP 2022 ended in the reporting period):

	LTIP 2025	LTIP 2024	LTIP 2023	LTIP 2022
Beginning of the plan	1 Jan. 2025	1 Jan. 2024	1 Jan. 2023	1 Jan. 2022
Date of approval by General Meeting	5 Jun. 2025	6 Jun. 2024	1 Jun. 2023	2 Jun. 2022
Grant date	5 Jun. 2025	6 Jun. 2024	1 Jun. 2023	2 Jun. 2022
End of service period	31 Dec. 2027	31 Dec. 2026	31 Dec. 2025	31 Dec. 2024
Vesting date	30 Apr. 2028	30 Apr. 2027	30 Apr. 2026	30 Apr. 2025
Expected target achievement	84.3%	99.7%	100%	80.0%
Expected no. of shares	15,174	17,937	18,000	14,400
Maximum no. of shares	18,000	18,000	18,000	18,000
Bonus shares allocated	None	None	None	None

The agreed targets are measured against the following performance indicators:

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

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

Of the expected total future expense relating to the LTIPs, the portion already earned as at the reporting date is recognised in shareholders' equity. This is based on the fair value on the grant date. The total expected expense for the LTIP obligation is measured at the fair value of the share relative to the share price on the date of the agreement, multiplied by the number of shares granted and the expected target achievement. In the reporting period, EUR 682 thousand (2024: EUR 545 thousand) including payroll-related costs was recognised in personnel expenses in the consolidated statement of comprehensive income and in shareholders' equity for the LTIPs. The amount of EUR 195 thousand (2024: EUR 72 thousand) recognised in equity comprises EUR 629 million (2024: EUR 502 thousand) recognised in equity for the measurement of the LTIP obligations less EUR 433 thousand (2024: EUR 430 thousand) from the transfer of shares for the LTIP 2022 (2024: LTIP 2021).

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.

29. Non-controlling interests

The non-controlling interests relate to the following subsidiaries:

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
AIRNAV Technology Services Inc., Iloilo	133	88
ATRiCS Advanced Traffic Solutions GmbH, Freiburg	144	-96
ELARA Leitstellentechnik GmbH, Aachen	0	105
FRAFOS GmbH, Berlin	0	14
FRAFOS CZ s.r.o., Prague	0	5
Frequentis DFS Aerosense GmbH, Vienna	275	203
Regola S.r.l., Turin	472	77
team Technology Management GmbH, Vienna	1,514	2,212
TEAM Technology Management GmbH, Gräfelfing	458	272
	2,996	**2,880**

Due to the existence of put options for non-controlling shareholders in ELARA Leitstellentechnik GmbH, FRAFOS GmbH, and Regola S.r.l., the corresponding interests totalling EUR 16,443 thousand (2024: EUR 11,538 thousand) are recognised as financial liabilities (see ↗ Note 33. *Other liabilities*). Since the non-controlling interests have a claim to the income relating to the underlying ownership interests, the non-controlling interests are still presented if they exceed the liability.

In 2025, team Technology Management GmbH distributed a proportionate dividend of EUR 1,470 thousand to non-controlling shareholders and FRAFOS GmbH distributed a proportionate dividend of EUR 306 thousand.

The following table provides information on the statement of financial position of consolidated subsidiaries with significant non-controlling interests and the carrying amount of the non-controlling interests (amounts stated in EUR thousand, before intragroup eliminations):

Statement of financial position as at 31 December 2025	**Non-current assets*)**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Net assets**	**Carrying amount of non-controlling interests**
AIRNAV Technology Services Inc.	62	512	0	194	380	133
ATRiCS Advanced Traffic Solutions GmbH	95	1,265	19	964	377	144
ELARA Leitstellentechnik GmbH	184	13,914	0	5,053	9,045	0
FRAFOS GmbH, Berlin	2,070	3,994	1,612	1,347	3,105	0
FRAFOS CZ s.r.o., Prague	33	94	0	106	21	0
Frequentis DFS Aerosense GmbH	1	2,923	0	2,007	917	275
Regola S.r.l.	3,616	5,982	1,439	2,941	5,218	472
team Technology Management GmbH	601	7,423	454	4,378	3,192	1,514
TEAM Technology Management GmbH	56	946	19	364	619	458
						2,996

*) excluding goodwill

Statement of financial position as at 31 December 2024	Non-current assets*)	Current assets	Non-current liabilities	Current liabilities	Net assets	Carrying amount of non-controlling interests
AIRNAV Technology Services Inc.	78	288	0	114	252	88
ATRiCS Advanced Traffic Solutions GmbH	87	696	5	1,028	-250	-96
ELARA Leitstellentechnik GmbH	357	2,050	47	677	1,683	105
FRAFOS GmbH, Berlin	2,340	3,819	1,639	1,092	3,428	14
FRAFOS CZ s.r.o., Prague	30	60	0	70	20	5
Frequentis DFS Aerosense GmbH	2	5,053	0	4,380	675	203
Regola S.r.l.	3,417	5,380	1,218	2,778	4,801	77
team Technology Management GmbH	772	8,064	569	3,650	4,617	2,212
TEAM Technology Management GmbH	105	828	47	518	368	272
						2,880

*) excluding goodwill

The following table provides information on the income statement and statement of comprehensive income of the consolidated subsidiaries with significant non-controlling interests (in EUR thousand):

2025	Amounts before intragroup elimination				Earnings attributable to non-controlling interests		
	Operating performance	Profit for the period	Other comprehensive income	Total comprehensive income	Profit for the period	Other comprehensive income	Total comprehensive income
AIRNAV Technology Services Inc.	1,736	171	0	171	60	-15	45
ATRiCS Advanced Traffic Solutions GmbH	3,813	627	0	627	240	0	240
ELARA Leitstellentechnik GmbH	15,746	7,363	0	7,363	3,608	0	3,608
FRAFOS GmbH, Berlin	3,628	989	0	989	231	0	231
FRAFOS CZ s.r.o., Prague	623	1	0	1	0	0	0
Frequentis DFS Aerosense GmbH	5,704	242	0	242	72	0	72
Regola S.r.l.	7,321	372	45	417	182	22	204
team Technology Management GmbH	13,427	1,569	6	1,575	769	2	771
TEAM Technology Management GmbH	3,044	251	0	251	186	0	186
Total					**5,348**	**10**	**5,357**

2024	Amounts before intragroup elimination: Operating performance	Profit for the period	Other comprehensive income	Total comprehensive income	Earnings attributable to non-controlling interests: Profit for the period	Other comprehensive income	Total comprehensive income
AIRNAV Technology Services Inc.	1,209	67	0	67	24	2	26
ATRiCS Advanced Traffic Solutions GmbH	1,888	-932	0	-932	-427	0	-427
ELARA Leitstellentechnik GmbH	5,865	1,352	0	1,352	662	0	662
FRAFOS GmbH, Berlin	3,568	1,117	0	1,117	261	0	261
FRAFOS CZ s.r.o., Prague	493	-6	0	-6	-1	0	-1
Frequentis DFS Aerosense GmbH	6,925	135	0	135	40	0	40
Regola S.r.l.	6,828	680	17	697	333	8	341
Systems Interface Ltd. *)	599	-8	0	-8	-4	0	-4
team Technology Management GmbH	11,844	1,242	9	1,251	608	4	612
TEAM Technology Management GmbH	2,611	69	0	69	51	0	51
Total					**1,547**	**14**	**1,561**

*) Pro rata amounts up to 4 March 2024

30. Non-current provisions

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Provisions for severance payments	15,332	16,267
Provisions for pensions	4,399	4,750
Less pension insurance scheme	-2,553	-2,728
	1,846	**2,022**
Provisions for anniversary bonuses	767	429
Other provisions	4,618	2,866
Total non-current provisions	**22,563**	**21,584**

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.

Provisions for severance payments

This item mainly comprises claims by employees in Austria to one-off severance payments on the basis of statutory regulations and collective agreements. These payments may arise due to dismissal by the employer, termination of the employment contract by mutual consent, retirement or death of the employee. The level of the severance payment depends on the number of years of service with the Frequentis Group and the remuneration applicable when the employee leaves the Group.

The corresponding severance payments will result in outflows between 2026 and 2047.

Obligations for severance payments were measured using the following actuarial assumptions:

	2025	2024
Interest rate	4.06%	3.4%
Wage and salary trend	3.4%	4.0%
Average term of the defined benefit obligation	8.04 years	8.84 years

The following table provides the reconciliation of the severance payment obligations from the opening to the closing balance:

	2025 EUR thousand	2024 EUR thousand
Present value of severance payment obligations (DBO) as at 1 January = provisions as at 1 January	**16,267**	**16,609**
Foreign currency translation	-9	4
Additions from business combinations	0	33
Current service cost (CSC)	736	758
Interest cost (IC)	533	559
Actual payments made	-790	-1,178
Recognised actuarial loss (+)/gain(-)	-1,405	-518
Present value of severance payment obligations (DBO) as at 31 December = provisions as at 31 December	**15,332**	**16,267**

The provisions for severance payments relate mainly to employees who joined the Austrian companies in the Frequentis Group before 31 December 2002 as a change in Austrian law led to a switch from defined benefit to defined contribution severance payments on 1 January 2003. The new regulation applies to employees who took up employment with the Group after 31 December 2002. For these employees, the Group pays a monthly contribution to an external post-employment benefit plan which has to guarantee the severance payments, so the Group has no severance payment obligations for these employees. The related expenses were EUR 1,429 thousand in the reporting period (2024: EUR 1,267 thousand).

In addition, voluntary severance payments amounting to EUR 243 thousand were made in the reporting period (2024: EUR 1,063 thousand).

The actuarial gains/losses for severance payment obligations recognised in other comprehensive income were as follows:

	2025 EUR thousand	2024 EUR thousand
Changes in demographic assumptions	-30	-2
Changes in financial assumptions	-1,541	-669
Other changes	166	153
Total	**-1,405**	**-518**

The main risk relating to severance payment obligations is the development of inflation and salary increases.

The following sensitivity analysis for severance payment obligations shows the effect of changes in the key actuarial assumptions, while the other parameters remained unchanged.

Interest rate	Salary increases	DBO 31 Dec. 2025 EUR thousand
4.06%	3.9%	15,914
3.91%	3.4%	15,510
4.06%	3.4%	15,332
4.21%	3.4%	15,156
4.06%	2.9%	14,777

Interest rate	Salary increases	DBO 31 Dec. 2024 EUR thousand
3.4%	4.5%	16,941
3.25%	4.0%	16,475
3.4%	4.0%	16,267
3.55%	4.0%	16,062
3.4%	3.5%	15,627

Provisions for pensions

Generally, the pension benefits for employees are provided by state social security institutions. The Frequentis Group has a legal obligation to pay pension and health care contributions for its employees. In addition, there are the defined benefit obligations outlined below.

The pension benefit obligations are defined benefit obligations arising from individual commitments to current members of the Executive Board and three former members of the Executive Board of Frequentis AG. The beneficiaries receive a lifelong fixed monthly retirement pension or pension benefits for surviving dependants (not inflation-indexed), resulting from contributions to a reinsurance policy.

In addition, Frequentis Orthogon GmbH has defined benefit obligations arising from individual commitments to four employees. The beneficiaries are entitled to a lifelong fixed retirement pension, which is only partly covered by reinsurance.

The plan assets comprise funded insurance of Frequentis AG, which is pledged to the entitled beneficiaries. Since the funded insurance of Frequentis Orthogon GmbH is not pledged to the entitled beneficiaries, it is recognised in the statement of financial position in other non-current financial assets.

The pension benefit obligations were measured using the following actuarial assumptions:

	2025	2024
Interest rate	4.35%	3.6%
Retirement age	60/65 years	60/65 years
Average term of the defined benefit obligation	11.53 years	12.09 years

Development of pension provisions and plan assets:

	2025 EUR thousand	2024 EUR thousand
Present value of the defined benefit obligation (DBO) as at 1 January	4,750	4,599
Fair value of plan assets	-2,728	-2,645
+ Provisions/- surplus plan assets as at 1 January	**2,022**	**1,954**
Present value of the defined benefit obligation (DBO) as at 1 January	4,750	4,599
Service cost	168	183
Interest cost	167	163
Pension payments	-154	-154
Recognised actuarial losses (+)/gains (-)	-532	-41
Present value of the pension benefit obligations (DBO) as at 31 December	**4,399**	**4,750**
Fair value of plan assets as at 1 January	2,728	2,645
Return on plan assets	119	113
Payments made	250	250
Payments received from plan assets	-124	-124
Recognised actuarial losses (-)/gains (+)	-68	-74
Change in the asset ceiling	-352	-82
Fair value of plan assets as at 31 December	**2,553**	**2,728**
Provisions as at 31 December		
Present value of the pension benefit obligation (DBO)	4,399	4,750
Fair value of plan assets	-2,553	-2,728
+ Provisions/- surplus plan assets as at 31 December	**1,846**	**2,022**

In addition, voluntary and statutory defined contribution pension payments of EUR 3,621 thousand were made in the reporting period (2024: EUR 3,232 thousand).

It is expected that EUR 207 thousand will be paid into the pension insurance in 2026 (2025: EUR 214 thousand). This amount relates to both insurance that qualifies as plan assets and insurance that is presented separately as non-current other receivables (↗ Note 24. *Other assets*).

The actuarial gains recognised in other comprehensive income in the reporting period were as follows:

	2025 EUR thousand	2024 EUR thousand
Changes in demographic assumptions	0	0
Changes in financial assumptions	-436	0
Other changes	-95	-41
Other changes to plan assets	68	74
Total	**-463**	**33**

For the Frequentis Group, the principal risk relating to pension obligations is the development of life expectancy because the pension benefits comprise lifelong pension payments. The risk remaining with the Frequentis Group is that the development of the plan assets may not cover the anticipated minimum return or preserve the value of the capital.

The following sensitivity analysis for pension obligations shows the effect of changes in the key actuarial assumptions, while the other assumptions remained unchanged.

Interest rate	DBO 31 Dec. 2025 EUR thousand
4.2%	4,481
4.35%	4,399
4.5%	4,319

Interest rate	DBO 31 Dec. 2024 EUR thousand
3.45%	4,845
3.6%	4,750
3.75%	4,657

Provisions for anniversary bonuses

Provisions for obligations to pay anniversary bonuses relate to long-term employee benefits at Frequentis Comsoft GmbH based on company practice and at PDTS GmbH based on a works agreement. Employees are granted a one-off bonus of between EUR 100 and EUR 3 thousand for a certain length of service.

Obligations for anniversary bonuses were measured by applying an interest rate of 4.06% (2024: 3.4%) and an average term of 6.9 years (2024: 6.6 years).

	2025 EUR thousand	2024 EUR thousand
Present value of the anniversary bonus obligations (DBO) corresponding to the provisions as at January 1	**429**	**295**
Current service cost (CSC)	365	29
Interest cost (IC)	14	10
Actual payments made	-14	-30
Recognised actuarial loss (+)/gain(-)	-27	-14
Initial recognition due to a new works agreement	0	139
Present value of the anniversary bonus obligations (DBO) as at 31 December = provisions as at 31 December	**767**	**429**

The main risk relating to anniversary bonus obligations is the development of inflation.

The following sensitivity analysis for anniversary bonus obligations shows the effect of changes in the key actuarial assumptions, while the other assumptions remained unchanged.

Interest rate	DBO 31 Dec. 2025 EUR thousand
3.91%	775
4.06%	767
4.21%	760

Interest rate	DBO 31 Dec. 2024 EUR thousand
3.25%	434
3.4%	429
3.55%	425

Other non-current provisions

The other non-current provisions comprise:

	As at 31 Dec. 2024 EUR thousand	Foreign currency translation EUR thousand	Interest EUR thousand	Utilisation EUR thousand	Reversal EUR thousand	Additions EUR thousand	Reclassified to liabilities EUR thousand	As at 31 Dec. 2025 EUR thousand
Provisions for leave based on period of service	140	-6	4	0	-2	111	0	247
Provisions for projects	584	0	0	-0	0	2,624	0	3,208
Provisions for warranties	1,943	-4	0	-1,019	0	0	0	920
Other	199	0	0	-71	0	96	18	243
	2,866	**-10**	**4**	**-1,090**	**-2**	**2,831**	**18**	**4,618**

A long-term holiday provision is recognised for two foreign subsidiaries for an additional holiday entitlement which is dependent on length of service. Short-term holiday entitlements are recognised in other liabilities.

The provisions for projects relate, among other things, to projects where the expected future expenses exceed expected revenues. They are not expected to be utilised within the next twelve months.

The interest on the provisions for leave based on period of service is recognised in personnel expenses, while the interest on the provisions for projects, provisions for warranties, and the other provisions is recognised in interest expense.

31. Liabilities to banks and other financial liabilities

The liabilities to banks and other financial liabilities include EUR 6,638 thousand for short-term financing in USD.

32. Contract liabilities

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:

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Advance payments received from customers for projects	108,732	78,851
Advances offset against contract assets	-21,615	-38,193
	87,117	**40,658**
Other contract liabilities	10,583	6,347
Other contract liabilities offset against contract assets	-2,637	-3,352
	7,946	**2,995**
Accrued revenue for maintenance contracts	13,648	13,636
Liabilities for outstanding performance obligations for customer orders after final invoicing (current)	235	217
Liabilities for outstanding performance obligations for customer orders after final invoicing (non-current)	75	139
Total contract liabilities	**109,021**	**57,645**

Other contract liabilities contain contractual claims to advance payments.

EUR 2,550 thousand (2024: EUR 2,434 thousand) of the contract liabilities have a term of more than 12 months. Since the contract costs are expected to be incurred within an operating cycle, all contract costs are classified as current.

33. Other liabilities

The other liabilities comprise:

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Liability for put options, non-controlling interests	16,443	11,538
Loan from FFG (Austrian Research Promotion Agency)	1,283	1,481
Earn-out liabilities and liabilities for receivables due to risk retention	581	1,017
Other liabilities	305	495
Total non-current financial liabilities	**18,612**	**14,531**
Loan from FFG (Austrian Research Promotion Agency)	560	0
Earn-out payment liabilities	550	1,001
Liabilities for severance obligations	160	820
Negative fair value of derivative financial instruments	89	1,262
Liabilities relating to operating leases	0	1,292
Loans from non-controlling interests	0	30
Other liabilities	1,883	1,802
Total current financial liabilities	**3,242**	**6,207**
Liabilities to the Austrian fiscal authorities (excluding income taxes)	10,451	3,805
Accrual for holidays not yet taken	7,723	6,426
Accrual for overtime	1,230	860
Liabilities to health insurers	1,212	1,022
Accrual for consultancy costs	927	921
Advances received in connection with grants and subsidies	717	2,242
Other liabilities	588	397
Total current non-financial liabilities	**22,848**	**15,673**

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

These liabilities were remeasured as at the reporting date. Despite a pro rata payment of EUR 726 thousand, the increase in EBIT in the reporting period and the expected increase in subsequent years led to adjustment of the liability relating to FRAFOS GmbH from EUR 902 thousand to EUR 219 thousand. This adjustment is recognised in other operating expenses. In the case of Frequentis Recording AS, there was no change in the assumptions made at the acquisition date; however, EUR 287 thousand of the liability was paid in 2025.

The non-current liability for put options, non-controlling interests relates 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 two 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 4,905 thousand (2024: EUR 720 thousand) in the fair value of the put options is recognised in equity.

34. Other current provisions

The other current provisions comprise:

	As at 31 Dec. 2024 EUR thousand	Foreign currency translation EUR thousand	Utilisation EUR thousand	Reversal EUR thousand	Additions EUR thousand	As at 31 Dec. 2025 EUR thousand
Bonuses	13,060	-282	12,778	0	17,027	17,027
Provisions for projects	1,232	-16	1,216	0	5,714	5,714
Provisions for warranties	1,559	-9	1,550	0	2,444	2,444
Litigation costs	300	0	7	293	0	0
Other	2,866	-4	1,206	858	1,737	2,536
	19,017	**-311**	**16,757**	**1,151**	**26,922**	**27,721**

The provisions for bonuses contain employee bonuses and variable salary components that are not yet due for payment.

Among other things, the provisions for projects contain project costs for which provisions are recognised due to the excess of estimated future expenses over revenues.

It is expected that the current provisions will result in actual outflows in the 2026 financial year.

Based on the sensitivity analyses performed, a 10% reduction in the remaining costs would reduce the provisions for projects by EUR 4,199 thousand (2024: EUR 460 thousand) and the provisions for warranties by EUR 336 thousand (2024: EUR 350 thousand), and a 10% increase in the remaining costs would increase the provisions for projects by EUR 4,594 thousand (2024: EUR 839 thousand) and the provisions for warranties by EUR 336 thousand (2024: 0).

Other information

35. Consolidated cash flow statement

In the consolidated cash flow statement, cash inflows and outflows for operating, investing, and financing activities are reported separately. The operating cash flow is reported using the indirect method. Non-cash expenses (mainly depreciation and amortisation) and income are therefore added to or deducted from the profit/loss before tax. Taking into consideration changes in net working capital, this results in the cash flow from operating activities. Cash flows from forward exchange contracts are recognised in the cash flow from operating activities.

Investing activities mainly comprise cash inflows and outflows for intangible assets, property, plant, and equipment and cash outflows for business combinations. The cash outflows for the acquisition of subsidiaries, less acquired cash and cash equivalents, comprise EUR 712 thousand for the payment of earn-out liabilities in connection with acquisitions made in prior years (see ↗ Note 33. *Other liabilities*).

Financing activities comprise dividend payments, cash outflows for repayment of loans, and payments of principal on lease liabilities.

The change in financial liabilities, where cash inflows and outflows are presented in the cash flow statement as cash flows from financing activities, is as follows:

	Carrying amount as at 1 Jan. 2025 EUR thousand	Foreign currency translation EUR thousand	Cash flow EUR thousand	Additions IFRS 16 EUR thousand	Disposal IFRS 16 EUR thousand	Reclassifi-cation of maturities EUR thousand	Carrying amount as at 31 Dec. 2025 EUR thousand
Non-current liabilities	1,504	0	362	0	0	-583	1,283
Non-current lease liabilities	41,257	-554	0	5,955	0	-6,847	39,810
Current liabilities	126	-1	6,494	0	0	583	7,203
Current lease liabilities	8,119	-148	-8,644	3,252	-148	6,847	9,278
Total liabilities for financing activities	**51,006**	**-703**	**-1,788**	**9,207**	**-148**	**0**	**57,574**

	Carrying amount as at 1 Jan. 2024 EUR thousand	Changes in reporting entities EUR thousand	Foreign currency translation EUR thousand	Cash flow EUR thousand	Additions IFRS 16 EUR thousand	Disposal IFRS 16 EUR thousand	Reclassif-ication of maturities EUR thousand	Carrying amount as at 31 Dec. 2024 EUR thousand
Non-current liabilities	1,433	0	20	175	0	0	-125	1,504
Non-current lease liabilities	29,187	17	159	0	15,525	0	-3,631	41,257
Current liabilities	214	0	0	-213	0	0	125	126
Current lease liabilities	8,068	16	-8	-8,683	5,136	-41	3,631	8,119
Current liabilities for put options	1,244	0	0	-1,244	0	0	0	0
Total liabilities for financing activities	**40,146**	**33**	**171**	**-9,965**	**20,661**	**-41**	**0**	**51,006**

The non-current liabilities for put options held by non-controlling interests are not included in the above table because there were no cash-effective changes in either 2025 or 2024.

The cash and cash equivalents presented in the cash flow statement correspond to the line item "cash and cash equivalents" in the statement of financial position. The cash and cash equivalents comprise cash on hand, cheques, and bank deposits that are due on demand, with an original maturity of up to three months.

36. Financial instruments

Overview

The Frequentis Group is exposed to various market risks in respect of its financial assets, liabilities, and forecast transactions. These risks comprise interest rate, exchange rate, credit, and liquidity risks. The Frequentis Group uses derivative financial instruments as currency hedging instruments. The risk of fluctuations in exchange rates is therefore limited by concluding forward exchange contracts of the necessary amount, based on forecast future transactions. The principles are set out in treasury guidelines, which have been approved by the management.

The Executive Board of Frequentis AG bears the responsibility for setting up and overseeing risk management for the Frequentis Group. It is also responsible for the development and ongoing monitoring of the risk limitation guidelines.

These guidelines serve to identify and analyse the risks to which the Frequentis Group is exposed, set appropriate risk limits, introduce controls, and constantly monitor the risks and observance of the limits. The risk management guidelines and workflows are regularly reviewed in order to reflect changes in market conditions and changes in the Group's business activities. The Frequentis Group strives to create a constructive and disciplined control environment where all employees are aware of their role and responsibilities.

In accordance with IFRS 9, the Frequentis Group presents all financial assets, financial liabilities, and derivative financial instruments in its statement of financial position as assets and liabilities. They are measured at fair value or at amortised cost.

Liquidity risk

Liquidity risk is the risk that the Frequentis Group might not be able to meet its financial obligations when they are due or might not be able to realise its investments. The aim of risk management in the Frequentis Group is to create sufficient liquidity to ensure that it can settle all obligations when due, in both normal and stressed conditions. Furthermore, all measures required to secure this level of liquidity have to be taken, as set out in the liquidity plan. The liquidity risk is shown by the monthly and annual accumulated difference between cash inflows and outflows (dynamic liquidity risk) and the structure of the statement of financial position (structural liquidity risk).

Liquidity planning is used to analyse the dynamic liquidity risk. The monthly liquidity requirements, based on liquidity planning, are compared with the available funding or the available liquid financial assets. The difference is either a shortfall in liquidity, which needs to be funded, or excess liquidity, which may have to be invested. Liquidity planning forms the basis for decisions on strategy and measures to safeguard liquidity. The liquidity plan is reviewed regularly and the corresponding investments are initiated.

The Treasury department operates as an internal financial services centre by making optimum use of potential synergies in the financing of subsidiaries. The overriding aim is to secure (provide) liquidity at the lowest cost. In this way, management of short-term financial investments and loans is ensured on optimum interest terms and with minimum administrative work. The operating cash flow basically creates the liquidity required. The external sources of any necessary financing requirements are the capital market and the credit market. To ensure the solvency and financial flexibility of the Frequentis Group at all times, a liquidity reserve is held in the form of cash and cash equivalents and credit lines.

A functioning banking system is of fundamental importance for the Frequentis Group and its customers. The Frequentis Group requires access to debt financing to pre-finance upfront project services up to settlement of the invoice. Therefore, it continuously monitors, controls, and evaluates its financial and liquidity position in order to limit the associated risks. The Frequentis Group manages liquidity risks through careful planning and management of its liquidity requirements. Suitable measures are defined on the basis of cash flow forecasts and the Group ensures that it has adequate financial reserves to cover operational requirements and monitors credit lines.

The following table shows the contractually agreed (undiscounted) payments of interest and principal for derivative financial instruments and non-derivative financial liabilities. The variable interest payments for financial instruments were derived from the last applicable interest rates prior to 31 December 2025 and 31 December 2024. Foreign currency amounts were translated in each case at the closing rate on the reporting date. It is not expected that the cash flows from the financial liabilities included in the maturity analysis could occur much earlier or at significantly different amounts.

		Contractual cash flows			
2025 in EUR thousand	Carrying amount	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Liabilities to banks and other financial liabilities	6,643	6,685	0	0	6,685
Lease liabilities	49,088	10,796	28,052	16,280	55,128
Trade accounts payable	33,788	33,788	0	0	33,788
Other liabilities	21,765	3,183	21,527	0	24,710
Non-derivative liabilities	**111,284**	**54,452**	**49,579**	**16,280**	**120,311**
Derivative financial instruments	89	4,878	0	0	4,878
Derivative financial liabilities	**89**	**4,878**	**0**	**0**	**4,878**
Total	**111,373**	**59,330**	**49,579**	**16,280**	**125,189**

		Contractual cash flows			
2024 in EUR thousand	Carrying amount	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
Liabilities to banks and other financial liabilities	149	124	28	0	152
Lease liabilities	49,376	9,644	26,791	19,697	56,132
Trade accounts payable	23,443	23,443	0	0	23,443
Other liabilities	19,476	4,967	18,303	0	23,269
Non-derivative liabilities	**92,444**	**38,178**	**45,122**	**19,697**	**102,996**
Derivative financial instruments	1,262	30,661	0	0	30,661
Derivative financial liabilities	**1,262**	**30,661**	**0**	**0**	**30,661**
Total	**93,706**	**68,839**	**45,122**	**19,697**	**133,657**

Credit risk

Credit risk is the risk of a financial loss if a customer or the counterparty to a financial instrument does not satisfy its contractual obligations. Credit risks mainly relate to receivables from customers (2025: EUR 144,684 thousand; 2024: EUR 80,107 thousand), contract assets (2025: EUR 68,184 thousand; 2024: EUR 70,922 thousand), other financial assets (2025: EUR 5,998 thousand; 2024: EUR 3,315 thousand), time deposits (2025: EUR 14,120 thousand; 2024: EUR 14,992 thousand), and cash and cash equivalents (2025: EUR 97,186 thousand; 2024: EUR 66,994 thousand).

The credit risks, their origin, the objectives, guidelines, and workflows for ongoing risk monitoring, and the methods used to measure credit risks were unchanged in the reporting period.

The offer process specifies that the creditworthiness of each new customer must be analysed separately before the Frequentis Group's standard terms of payment and delivery are offered. This includes examining external ratings, where available, annual financial statements, and information from credit agencies.

The risk of default by customers is reduced by mandatory credit assessments and measures to secure payment. For information on the measurement of any impairment losses based on the expected credit losses model, see ↗ Note 21. *Trade accounts receivable* and ↗ Note 22. *Contract assets*.

The estimated loss allowances for cash and cash equivalents were measured on the basis of the expected 12-month credit losses and reflect their maturities. Based on the external ratings of the banks and financial institutions it uses, the Frequentis Group estimates that there is a low default risk in respect of its cash and cash equivalents.

There is no significant concentration or material credit risk in respect of individual banks, contractual partners, or individual financial instruments.

Interest rate risk

The Frequentis Group is exposed to interest rate risk resulting from fluctuations in interest rates on the capital market. Accordingly, changes in interest rates may lead to fluctuations in the fair value or future cash flows of financial assets and financial liabilities.

The bank deposits included in cash and cash equivalents amount to EUR 97,186 thousand (31 December 2024: EUR 66,994 thousand) and bear interest at variable rates or do not bear any significant interest. An increase or reduction in interest rates of one percentage point would increase or decrease interest income by EUR 972 thousand (2024: increase or decrease interest income by EUR 670 thousand).

All current liabilities to banks and other financial liabilities bear interest at fixed rates (2024: EUR 1 thousand bore interest at variable rates). Interest rates for all lease liabilities are fixed.

Since the interest rate risk is insignificant, it is not presented in tabular form.

Exchange rate risk

The operating business of the companies in the Frequentis Group results in cash inflows and outflows in foreign currencies, which are not always matched by payments of the same amount in the same currency and with the same maturity. Therefore, the companies in the Frequentis Group are exposed to exchange rate risks.

For information on the hedging of exchange rate risks, see the “Derivative financial instruments” section.

Relationship between the items in the statement of financial position, categories of financial instruments, carrying amounts, and fair values

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).

2025	Measured at fair value		Measured at amortised cost		
	Mandatory recognition at fair value through profit or loss	Equity instruments – at fair value through profit or loss	Financial assets	Other financial liabilities	Total carrying amount
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**

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

Fair value

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

For the equity instruments Altitude Angel Ltd. and AIRlabs Austria GmbH, there are no quoted prices available on an active market. Therefore, they are measured using parameters that are unobservable on the market. The fair value is allocated to level 3 in the fair value hierarchy. There is currently no intention of selling the equity instruments. Altitude Angel Ltd. was fully impaired in previous years and insolvency proceedings commenced in 2025. AIRlabs Austria GmbH was fully impaired in the reporting period due to the planned cessation of business operations in 2026. Consequently, the carrying amount and fair value were zero as at 31 December 2025.

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

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

Net gains and losses are as follows (in EUR thousand):

2025	Derivative financial instruments	Other financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost
Net interest income/expense				949	-2,237
Valuation	2,808				
Loss allowance pursuant to IFRS 9				-15	
Currency gains/losses				-1,261	264
Disposal gains/losses					
Net gains/losses recognised in profit or loss	**2,808**	**0**	**0**	**-327**	**-1,973**
Net gains/losses recognised in other comprehensive income	0				
Net gains/losses	**2,808**	**0**	**0**	**-327**	**-1,973**

2024	Derivative financial instruments	Other financial assets measured at fair value through profit or loss	Financial assets measured at fair value through OCI	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost
Net interest income/expense				947	-1,572
Valuation	-942				
Loss allowance pursuant to IFRS 9				124	
Currency gains/losses				-768	36
Disposal gains/losses					
Net gains/losses recognised in profit or loss	**-942**	**0**	**0**	**303**	**-1,536**
Net gains/losses recognised in other comprehensive income	0				
Net gains/losses	**-942**	**0**	**0**	**303**	**-1,536**

The loss allowances and exchange rate gains/losses are recognised in other operating expenses and other operating income.

Derivative financial instruments

In international business, it is necessary to conclude contracts in foreign currencies. The Frequentis Group's foreign currency risk results mainly from future business transactions, insofar as they are performed in a currency other than the functional currency of the parent company or the respective subsidiary.

Foreign currency exchange risks are managed using derivative financial instruments, unless a natural hedge can be used (e.g. contracts with suppliers in the same foreign currency). The largest foreign currency exposures arise from customer orders and goods purchased in AUD, CAD, CHF, CZK, GBP, HKD, HUF, NOK, SGD, and USD.

Forward exchange contracts are concluded to hedge the risk of exchange rate fluctuations. Derivative financial instruments are not used for speculative purposes.

The Frequentis Group aims to manage and monitor the foreign currency risks for future payments under contracts with customers on a rolling basis throughout the entire project period through hedging with forward exchange contracts at the date of order intake. The forward exchange contracts (economic hedges – MTM) are generally concluded for a year and extended annually in the amount of the cash flows still expected (extension at historical rates).

Changes in the fair value of forward exchange contracts are recognised in other operating income or other operating expense.

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 31 December 2025, verified by corresponding bank confirmations.

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

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**

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

For the carrying amount of the MTM valuation, a positive fair value of EUR 1,903 thousand was recognised in other receivables in 2025 (2024: EUR 263 thousand), while a negative fair value of EUR 89 thousand was recognised in other liabilities (2024: EUR 1,262 thousand).

37. Leases

Frequentis as lessee

The Frequentis Group has concluded leases with some contractual partners, in particular for buildings, machinery, vehicles, and IT equipment.

The leases for buildings are concluded either for a defined period or for an indefinite period with short termination periods for the lessee and lessor. Where office premises are leased for small subsidiaries, they are classified as short-term leases because termination does not result in any penalties and new premises are readily available. The lease for the office building used as the company's headquarters is for an indefinite period and cannot be terminated until 2026. It is still assumed that it will run until 2034.

In 2020, a lease for an indefinite period was concluded for a placement machine. Since this lease cannot be terminated for 72 months, the right-of-use asset was recognised in accordance with this lease term.

The leases for motor vehicles have a term of approximately 3 to 6 years, while IT equipment is generally leased for 5 years. There are neither options to terminate nor to extend the leases, or the exercise of such options is not considered to be virtually certain, so they are not included in the assessment of the right-of-use asset.

The Frequentis Group also leases IT and other equipment. These leases are classified as short-term leases or leases for low-value assets, for which the exemptions are applied. Therefore, they are not recognised in the consolidated financial statements as either assets or liabilities.

The following table presents details of the right-of-use assets recognised in property, plant and equipment:

2025	Right-of-use assets for land and buildings EUR thousand	Right-of-use assets for machinery EUR thousand	Right-of-use assets for other plant, factory, and office equipment EUR thousand	Total EUR thousand
Acquisition cost				
As at 1 January 2025	**88,680**	**587**	**5,433**	**94,700**
Foreign currency translation	-1,156	0	-12	-1,168
Addition	6,842	0	1,474	8,316
Disposal	-2,529	0	-1,002	-3,531
As at 31 December 2025	**91,837**	**587**	**5,893**	**98,317**
Accumulated depreciation				
As at 1 January 2025	**-44,119**	**-403**	**-2,659**	**-47,181**
Foreign currency translation	654	0	9	663
Addition	-8,027	-96	-1,369	-9,492
Disposal	2,412	0	985	3,397
As at 31 December 2025	**-49,080**	**- 499**	**-3,034**	**-52,613**
Carrying amount				
As at 31 December 2025	**42,758**	**88**	**2,857**	**45,703**

2024	Right-of-use assets for land and buildings EUR thousand	Right-of-use assets for machinery EUR thousand	Right-of-use assets for other plant, factory, and office equipment EUR thousand	Total EUR thousand
Acquisition cost				
As at 1 January 2024	**70,001**	**587**	**4,793**	**75,381**
Foreign currency translation	124	0	3	127
Changes in reporting entities	33	0	0	33
Addition	18,957	0	1,704	20,661
Disposal	-435	0	-1,067	-1,502
As at 31 December 2024	**88,680**	**587**	**5,433**	**94,700**
Accumulated depreciation				
As at 1 January 2024	**-36,354**	**-307**	**-2,518**	**-39,179**
Foreign currency translation	-5	0	-3	-8
Changes in reporting entities	0	0	0	0
Addition	-8,187	-96	-1,172	-9,455
Disposal	427	0	1,034	1,461
As at 31 December 2024	**-44,119**	**- 403**	**-2,659**	**-47,181**
Carrying amount				
As at 31 December 2024	**44,561**	**184**	**2,774**	**47,519**

In addition to new leases, the additions to right-of-use assets include adjustments resulting from contract modifications, contract extensions, reassessment of contract terms, and index adjustments.

The lease liabilities changed from EUR 49,376 thousand (comprising EUR 41,257 thousand non-current and EUR 8,119 thousand current) as at 1 January 2025 to EUR 49,088 thousand (comprising EUR 39,810 thousand non-current and EUR 9,278 thousand current) as at 31 December 2025.

The following expenses for leases are recognised in the income statement:

	2025 EUR thousand	2024 EUR thousand
Depreciation of right-of-use assets	9,492	9,455
Interest expense for lease obligations	1,637	1,110
Lease payments for short-term leases	623	701
Lease payments for low-value assets	125	81
Total	**11,877**	**11,347**

Amounts recognised in the cash flow statement in connection with leases:

	2025 EUR thousand	2024 EUR thousand
Payments of principal on lease liabilities	8,644	8,683
Interest paid on lease liabilities	1,637	1,110
Lease payments for short-term leases and low-value assets	748	782
	11,029	**10,575**

Interest paid on leases and lease payments for short-term leases and low-value assets are presented in the net cash flow from operating activities, while the payments of principal on lease liabilities are reported in the net cash flow from financing activities.

During 2025, the Frequentis Group concluded several leases that start in 2026. However, these are insignificant leases for vehicles and the rental of buildings.

Frequentis as lessor

Lease payments for operating leases where the Frequentis Group is the lessor relate to operating leases concluded with customers for the use of voice communication systems and to insignificant sub-leases. The lease terms are between one and four years. There are no extension options, nor are there any options to acquire the asset at the end of the lease term.

Due dates of future payments from operating leases:

	31 Dec. 2025 EUR thousand	31 Dec. 2024 EUR thousand
Due in one year	759	33
Due in two years	1,175	3
Due in three years	1,189	3
Due in four years	1,187	2
Due in five years	1,187	0
Due in more than five years	5,937	0
	11,434	**41**

The increase in future payments from operating leases is due to a new ten-year operating lease concluded in the reporting period for the use of a voice communication system.

EUR 1,311 thousand (2024: EUR 4,174 thousand) was recognised in revenues in the income statement.

38. Information on business relations with related parties

Parent company

In the reporting period, revenues from transactions with Frequentis Group Holding GmbH were as follows:

	2025 EUR thousand	2024 EUR thousand
Goods and services supplied and other income	16	17
Goods and services received and other expenses (consulting services)	697	678
Receivables outstanding as at 31 December	1	1
Liabilities outstanding as at 31 December	70	69

Associated companies

The Frequentis Group maintains relationships with associated companies within the scope of ordinary business activities.

In the reporting period, revenues from transactions with the associated companies were as follows:

	2025 EUR thousand	2024 EUR thousand
Goods and services supplied and other income	2,524	2,103
Goods and services received and other expenses	2,232	2,231
Loan receivables outstanding as at 31 December	1,864	1,049
Receivables outstanding as at 31 December	2,420	147
Liabilities outstanding as at 31 December	243	61
Advances from customers as at 31 December	0	40
Advance payments made as at 31 December	0	0

Related companies

A number of key management personnel or related parties have functions in other entities as a result of which they have control or significant influence over the financial and operating policies of those entities.

In the reporting period, the following transactions were effected with companies and persons classified as related parties:

	2025 EUR thousand	2024 EUR thousand
Expenses for consulting services	56	367
Expenses for project support services	1,324	1,035
Expenses for software development and engineering	2,860	2,685
Rental payments (principal and interest) and operating costs	3,940	3,845
Interest expense for loans received	1	2
Revenues	25	732
Receivables as at December 31	12	237
Payables as at December 31	228	427
Loans received as at Dec. 31	0	30

The expenses for software development and engineering also contain charges of EUR 958 thousand (2024: EUR 839 thousand) from companies that would not be classified as related parties under IAS 24. The associated liabilities amounted to EUR 103 thousand in the reporting period (2024: EUR 20 thousand). There were no associated receivables in either 2025 or 2024.

The rental payments mainly comprised rent for the office premises at the company's headquarters in Vienna.

Austrian Research Promotion Agency (Österreichische Forschungsförderungsgesellschaft/FFG): Johannes Bardach is a member of the Supervisory Board of FFG. FFG's core business is granting subsidies and loans for research purposes. To ensure the necessary strategic focus of the Supervisory Board, in accordance with the FFG law, representatives of companies that receive funding from FFG are nominated as members of the Supervisory Board. However, the members of the Supervisory Board do not have any role in or influence on the funding processes.

In the reporting period, advance payments for future research revenues in the amount of EUR 28 thousand (2024: EUR 20 thousand) were disbursed by FFG. Funding received from FFG in the reporting period totalled EUR 518 thousand (2024: EUR 619 thousand). EUR 470 thousand of this amount (2024: EUR 265 thousand) is presented in other receivables. Furthermore, in the reporting period FFG disbursed a further instalment of a loan that had previously been granted in connection with a research project in the amount of EUR 362 thousand. The remaining term of this loan is two years.

Since the Supervisory Board of FFG is not involved in the awarding of grants, no conflicts of interest arise from this.

Related persons

Executive Board

In the reporting period, the Executive Board comprised:

- Norbert Haslacher, Chairman
- Monika Haselbacher
- Peter Skerlan
- Karl Wannenmacher

The total remuneration paid to the Executive Board (excluding payroll-related costs) was EUR 3,506 thousand in the reporting period (2024: EUR 3,004 thousand). The remuneration of the Executive Board comprises fixed components (annual base salary, premiums for pension reinsurance, and benefits in kind), short-term variable components for all Executive Board members, and long-term incentive plans (LTIP) for the Chairman of the Executive Board. The short-term variable components are performance-related and are based on the achievement of financial targets for the company. They amounted to 51% in the reporting period (2024: 36%).

Frequentis AG agreed long-term incentive plans with the Chairman of the Executive Board, Mr. Norbert Haslacher, in 2023, 2024, and 2025 (LTIP 2023, LTIP 2024, and LTIP 2025). For further information, see ↗ Note 28. *Share-based payment*. In 2025, 80% of the LTIP 2022 was awarded.

The members of the Executive Board have been granted pension benefits. In addition to the post-retirement payments, these include pension benefits for surviving dependants after the death of the beneficiary. The post-retirement benefits are generally paid when the beneficiary reaches a specific age, provided that the employment contract has ended at this date. Expenses of EUR 430 thousand were incurred in the reporting period (2024: EUR 481 thousand) for contributions to pension insurance and the recognition of pension provisions for members of the Executive Board. This amount includes service cost of EUR 134 thousand (2024: EUR 138 thousand), interest cost of EUR 96 thousand (2024: EUR 93 thousand), and pension insurance expense of EUR 200 thousand (2024: EUR 250 thousand).

In the event of termination of employment, severance payments are due in accordance with the legal regulations in Austria and contractual agreements. Additions to the corresponding provisions for severance payments for present members of the Executive Board amounted to EUR 0 thousand in 2025 (2024: EUR 68 thousand).

No advances or loans were granted to members of the Executive Board of Frequentis AG.

Supervisory Board

In the reporting period, the Supervisory Board comprised:

- Johannes Bardach, Chairman
- Dr. Karl Michael Millauer, Deputy Chairman
- Sylvia Bardach, member
- Reinhold Daxecker, member
- Dr. Boris Nemsic, member
- Petra Preining, member
- Stefan Hackethal, member pursuant to Section 110 ArbVG
- Gabriele Schedl, member pursuant to Section 110 ArbVG
- Reinhard Steidl, member pursuant to Section 110 ArbVG

The consolidated financial statements were approved by the Executive Board on the date of signature, subject to approval by the Supervisory Board at its meeting on 26 March 2026.

The remuneration of the Supervisory Board amounted to EUR 200 thousand in the reporting period (2024: EUR 195 thousand).

An office and support services are provided free of charge for the Chairman of the Supervisory Board, Mr. Johannes Bardach, for the performance of his function as Chairman of the Supervisory Board. EUR 172 thousand (2024: EUR 60 thousand) was invoiced for office and support services unrelated to his function as Chairman of the Supervisory Board of Frequentis. As at 31 December 2025, there was an outstanding receivable of EUR 0.5 thousand for this (31 December 2024: EUR 0.5 thousand).

No advances or loans were granted to members of the Supervisory Board of Frequentis AG.

39. Significant events after the reporting date

There were no reportable significant events.

40. Additional information

Audit fees

In the reporting period, audit expenses of EUR 155 thousand (2024: EUR 158 thousand) were incurred for the audit of the consolidated financial statements and the annual financial statements of Frequentis AG, expenses of EUR 93 thousand (2024: EUR 106 thousand) were incurred for other assurance services, and expenses of EUR 65 thousand (2024: EUR 29 thousand) were incurred for other services.

41. Companies included in the consolidated financial statements

The following companies are included in the consolidated financial statements:

	2025	2024	
Austrian subsidiaries			
Frequentis Invest4Tech GmbH, Vienna	100%	100%	Fully consolidated
CNS-Solutions & Support GmbH, Vienna	100%	100%	Fully consolidated
Frequentis DFS Aerosense GmbH, Vienna	70%	70%	Fully consolidated
PDTS GmbH, Vienna	100%	100%	Fully consolidated
skyzr GmbH, Vienna	100%	100%	Fully consolidated
team Technology Management GmbH, Vienna	51%	51%	Fully consolidated
Subsidiaries in Europe			
ATRiCS Advanced Traffic Solutions GmbH, Freiburg, Germany	61.77%	61.77%	Fully consolidated
ELARA Leitstellentechnik GmbH, Aachen, Germany	51%	51%	Fully consolidated
FRAFOS GmbH, Berlin, Germany	76.67%	76.67%	Fully consolidated
FRAFOS CZ s.r.o., Prague, Czech Republic	76.67%	76.67%	Fully consolidated
Frequentis Comsoft GmbH, Karlsruhe, Germany	100%	100%	Fully consolidated
Frequentis Czech Republic s.r.o., Prague, Czech Republic	100%	100%	Fully consolidated
Frequentis Deutschland GmbH, Neu-Isenburg, Germany	100%	100%	Fully consolidated
Frequentis France SAS, Toulouse, France	100%	100%	Fully consolidated
Frequentis Norway AS, Oslo, Norway	100%	100%	Fully consolidated
Frequentis Orthogon GmbH, Bremen, Germany	100%	100%	Fully consolidated
Frequentis Recording AS, Sem, Norway	100%	100%	Fully consolidated
Frequentis Romania S.R.L., Cluj-Napoca, Romania	100%	100%	Fully consolidated
Frequentis Solutions & Services s.r.o., Bratislava, Slovakia	100%	100%	Fully consolidated
Frequentis UK Ltd., Twickenham, UK	100%	100%	Fully consolidated
Regola S.r.l., Turin, Italy	51%	51%	Fully consolidated
Secure Service Provision GmbH, Leipzig, Germany	100%	100%	Fully consolidated
Systems Interface Ltd., Bordon, UK	100%	100%	Fully consolidated
TEAM Technology Management GmbH, Gräfelfing, Germany	51%; effective shareholding 26%	51%; effective shareholding 26%	Fully consolidated
Subsidiaries in the Americas			
Frequentis California Inc., Columbia, USA	100%	100%	Fully consolidated
Frequentis Canada Ltd., Ottawa, Canada	100%	100%	Fully consolidated
Frequentis Defense Inc., Columbia, USA	100%	100%	Fully consolidated
Frequentis do Brasil Assessoria, Serviços e Comércio de Sistemas de Informação e Comunicação Ltda., Sao Paulo, Brazil	100%	100%	Fully consolidated
Frequentis USA Inc., Columbia, USA	100%	100%	Fully consolidated
Frequentis USA Holdings, Inc., Columbia, USA	100%	100%	Fully consolidated
Subsidiaries in Asia			
AIRNAV Technology Services Inc., Iloilo, Philippines	65%	65%	Fully consolidated
Frequentis Middle East Limited, Abu Dhabi, United Arab Emirates	100%	100%	Fully consolidated
Frequentis (Shanghai) Co. Ltd., Shanghai, China	100%	100%	Fully consolidated
Frequentis Singapore Pte. Ltd., Singapore, Singapore	100%	100%	Fully consolidated
Subsidiaries in Australia/Pacific			
C4i Pty Ltd, Melbourne, Australia	100%	100%	Fully consolidated
Frequentis Australia Holding Pty Ltd, Hendra, Australia	100%	100%	Fully consolidated
Frequentis Australasia Pty Ltd., Hendra, Australia	100%	100%	Fully consolidated

The following companies are accounted for by applying the equity method:

	2025	2024	
AMANTEA Ltd., Zabbar, Malta	50%; effective shareholding 25.5%	50%; effective shareholding 25.5%	Equity method
Flyk Oy, Valkeakoski, Finland	25%	25%	Equity method
GroupEAD Europe S.L., Madrid,. Spain	28%	28%	Equity method
Lift S.r.l., Cagliari, Italy	24%; effective shareholding 12.24%	24%; effective shareholding 12.24%	Equity method
Mission Embedded GmbH, Vienna, Austria	20%	20%	Equity method
Nowtech S.r.l., Sassari, Italy	20%; effective shareholding 10.2%	20%; effective shareholding 10.2%	Equity method
Nemergent Solutions S.L., Bilbao, Spain	24.83%	24.83%	Equity method

The reporting date for all companies included in the financial statements is 31 December. All data on the scope of consolidation relates to the circumstances as at 31 December 2025.

42. Capital management

In addition to a sustained increase in the value of the Group, financial management of the Frequentis Group aims to maintain an appropriate capital structure. The principal performance indicators used to manage the capital structure are the EBIT margin, the equity ratio, and net debt. Since the Frequentis Group currently has a net cash position, it refers to net cash rather than net debt. The net cash position comprises cash and cash equivalents plus time deposits less liabilities to banks and other financial liabilities. The key performance indicators developed as follows in the reporting period:

	2025	2024
EBIT margin (based on revenues)	8.1%	6.7%
Equity ratio	38.7%	44.3%
Net cash in EUR thousand	104,663	81,837

The Frequentis Group calculates EBIT as follows:

	2025 EUR thousand	2024 EUR thousand
Profit before tax	45,829	32,830
Financial income	-949	-947
Financial expenses	2,237	1,572
Earnings from investments accounted for at equity	-344	-355
Change in financial assets	-19	-1,000
EBIT	**46,754**	**32,100**

The Frequentis Group meets the minimum capital requirements defined by law and the articles of association. The capital managed comprises the shareholders' equity reported in the consolidated statement of financial position.

43. Risk management

The Frequentis Group has an internal control system (ICS) for its accounting process. The reliability of the internal control system is monitored by the internal audit department. The Frequentis Group has initiated several processes based on best practice standards to ensure that its risk management is effective. The fundamental aim is to identify opportunities and risks as soon as possible and take suitable measures to maintain profitability and secure the continued existence of the Group. Risk awareness, the vigilance of all staff, and early identification of business risks are well developed and are incorporated in a solid risk management policy.

The risks are outlined in more detail in the ↗ *opportunity and risk management* section of the Group Management Report.

Vienna, 10 March 2026

Auditor´s Report

Report on the consolidated financial statements

Audit Opinion

We have audited the accompanying consolidated financial statements of FREQUENTIS AG, Vienna, and of its subsidiaries (the Group) comprising the consolidated balance sheet as of 31 December 2025, the consolidated income statement, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year then ended and the notes to the consolidated financial statements.

Based on our audit the accompanying consolidated financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Group as of 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with the additional requirements stated in section 245a UGB (Austrian Company Code).

Basis for opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In the following, we present the audit matters that we consider to be of particular importance:

- Project Accounting

Project Accounting

Situation and reference to further information:

A major part of the presented revenues is derived from project related business, which in the main comprises delivery and maintenance contracts. The large number of projects are different in order volume, technical complexity and duration, with a few contracts having terms of several years. In general, revenue of maintenance contracts is realised over the service period. When the requirements for realisation over time are met, revenues from delivery projects are recorded in accordance with IFRS 15 based on the stage of completion applying the cost-to-cost method. Contractual claims arising from these projects are reported as contract assets from contracts with customers and outstanding obligations as contract liabilities from contracts with customers. In case that a project loss is expected from a further execution of a project, including maintenance contracts, that loss will be immediately recognised in the income statement.

For several ongoing or completed projects there may be different views regarding the type or scope of the performance and the contractual obligations. Such differences can have an impact on the project costs and results. The determination of the stage of completion, the estimate of costs to complete as well as the measurement of project provisions require a significant number of assumptions and forward-looking estimates. Additional estimates may be required due to the inflation-related effects on the expected project costs. Due to the significant volume of the project business, the risk for the consolidated statements consists of a material misstatement of the project revenue, the related project costs as well as the corresponding balance sheet items.

Information on the accounting of the project business can be found in chapter 2 of the notes under the accounting and valuation policy "IFRS 15 Revenue from Contracts with Customers" as well as "Significant estimates and use of judgement". Further information can be found in chapter 4 "Revenues" within the notes on the consolidated income statement and in chapter 22 "Contract assets from contracts with customers" and chapter 32 "Contract liabilities from contracts with customers".

Audit repsonse:

In the course of our audit, we have gained an understanding of the processes and internal controls relevant to the accounting of revenues from customer contracts and we tested the effectiveness of certain internal controls. These controls mainly address the review and approval of project calculation for new contracts, the recognition of purchased services on the corresponding projects as well as the continuing monitoring and assessment for project calculations until the completion of the project.

Based on the results of the control tests, we have performed a more in-depth analysis for a sample of projects under special assessment of the discretionary decisions made. We have selected our samples considering various risk-oriented parameters, e.g. size, margin, start and duration of the project. In addition, we considered the fact of significant adjustments to the assessment compared to previous year for our determination of the sample. The audit procedures performed on the selected sample included, in particular, the review of the underlying contracts and agreements, discussions with the commercial and operating project managers concerning their estimates and assumptions, including the impact of inflation-related economic effects. We performed an analysis of current project data as well as the reconciliation of assumptions and estimates with contracts and further documents.

In addition, we have examined the recording of costs on the projects and the determination of the stage of completion. Finally, we have assessed whether the presentation of the project business in the consolidated financial statement as well as the disclosures in the notes are in accordance with the requirements of IFRS 15.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the Group's management report and the auditor's report thereon.

We received the corporate governance report until the date of this audit opinion; the rest of the annual report is estimated to be provided to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and of the Audit Committee for the consolidated financial statements

Management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU and with the additional requirements stated in section 245a UGB (Austrian Company Code) for them to present a true and fair view of the assets, the financial position and the financial performance of the Group and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor´s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.
- communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.
- provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Comments on the management report for the Group

Pursuant to Austrian generally accepted accounting principles, the group management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether it was prepared in accordance with the applicable legal regulations.

Regarding the consolidated non-financial statement contained in the group management report, it is our responsibility to examine whether it has been prepared, to read it and to evaluate whether it is, based on our knowledge obtained in the audit, materially inconsistent with the consolidated financial statements or otherwise appears to be materially misstated.

Management is responsible for the preparation of the Group's management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Group's management report.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the valid legal requirements, comprising accurate disclosures pursuant to section 243a UGB (Austrian Company Code) and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the Group's management report came to our attention.

Additional information in accordance with article 10 of the EU regulation

We were elected as auditor by the ordinary general meeting at 5 June 2025. We were appointed by the Supervisory Board on 4 September 2025. We are auditors without cease since 2018.

We confirm that the audit opinion in the section "Report on the consolidated financial statements" is consistent with the additional report to the Audit Committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian certified public accountant

The engagement partner on the audit resulting in this independent auditor's report is Mr. Markus Trettnak, Certified Public Accountant.

Vienna, 11 March 2026

BDO Assurance GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Markus Trettnak Auditor	Gerhard Fremgen Auditor

Statement by all legal representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Vienna, 11 March 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

Report on the independent audit of the consolidated non-financial statement as at 31.12.2025 of Frequentis AG

The English language assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original text. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Report on the independent audit of the consolidated non-financial statement of Frequentis AG for the financial year 2025

We have performed a limited assurance engagement of the consolidated non-financial statement included in the Group Management Report in section "Consolidated non-financial statement 2025" of Frequentis AG (hereinafter: "Company") concerning the fiscal year ending at 31.12.2025.

Summary judgement on the basis of a limited assurance engagement

On the basis of our audit procedures and the evidence we have obtained, nothing has come to our attention that would cause us to believe that the consolidated non-financial statement included in the Group Management Report in section "Consolidated non-financial statement 2025" of the Company has in any material respect not been established in compliance with the statutory provisions of Sections 243b and 267a of the Austrian Commercial Code (UGB) including

- compliance with the European Sustainability Reporting Standards (hereinafter ESRS),
- the implementation of the procedure for the identification of information to be reported in accordance with the ESRS (hereinafter "double materiality analysis procedure") and its presentation in the disclosure as regards ESRS 2 IRO-1, and
- compliance with the reporting requirements pursuant to Article 8 of the Taxonomy Regulation (EU) 2020/852 (hereinafter referred to as the "EU Taxonomy Regulation").

Basis for the summary judgement

We conducted our limited assurance engagement in accordance with the statutory provisions and the Austrian Standards on Other Assurance Engagements (KFS/PG13) and additional expert opinions (KFS/PE28). An independent assurance engagement with the purpose of expressing a conclusion with limited assurance is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance, thus providing reduced assurance.

Our responsibilities under those provisions and standards are further described in the "Responsibilities for the auditor of the consolidated non-financial statement" section of our report.

We are independent of the Company in accordance with the Austrian rules of professional conduct and Art. 22 et seq. AP-RL, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022 (Ordinance of the Austrian Chamber of Tax Advisors and Certified Public Accountants on the Performance of Auditing Activities), which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the audit evidence we have obtained up to the date of the report is sufficient and appropriate to provide a basis for our summary assessment as of that date.

Note on highlighting information on the double materiality analysis

We refer to the disclosures in the consolidated non-financial statement on the procedure of the double materiality analysis in accordance with ESRS 2 IRO-1 and the associated disclosures in accordance with ESRS 2 SBM-3. As explained by the Company, these disclosures are based on a continuous process. This means that the results of the double materiality analysis are influenced by changing stakeholder expectations, regulatory requirements, changes in risk management and adjustments to the business model and strategy. The consolidated non-financial statement may therefore not cover all impacts, risks and opportunities or company-specific information that each individual group of stakeholders of the Company could consider material in their own assessment.

Our summary assessment is not modified in this context

Note on highlighting information on estimates for the value chain and information on sources for estimates and result uncertainty.

We refer to the description of the Company in the consolidated non-financial statement regarding the disclosure requirement "Disclosures related to specific circumstances // ESRS 2 BP-2" in the section "Value chain estimates" and "Sources for estimates and uncertainty of results". As explained in these sections, the key figures for the disclosure requirements "E1-5 Energy consumption and energy mix", "E1-6 Greenhouse gas emissions" and "E5-5 Resource Ouflows" as well as the disclosure requirements "S1-13 Performance and career development reviews", "S1-16 Remuneration metrics", "S1-Voluntary mandatory training", "G1-Voluntary mandatory training" and the indicators on "Mandatory training" contained in the company-specific section on "Safety & security" are based to a large extent on extrapolations and assumptions. The high degree of dependence on extrapolations and assumptions associated with these disclosure requirements leads to a reduced reliability of the statements made, despite entrepreneurial diligence. This also applies to the information on targets and measures associated with these disclosure requirements.

Our summary assessment is not modified in this context.

Other information

The statutory representatives are responsible for the other information. The other information comprises all information included in the annual report 2025 but does not include the consolidated non-financial statement within the group management report and our report.

We obtained the consolidated annual financial statements and the other parts of the group management report as well as the consolidated corporate governance report and the declaration of the statutory representatives before the date of our report, and the other parts of the annual report are expected to be made available to us after this date.

Our conclusion on the consolidated non-financial statement does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated non-financial statement, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated non-financial statement or our knowledge obtained in the limited assurance engagement or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibilities of the statutory representatives and the supervisory board

The statutory representatives are responsible for the preparation of the consolidated non-financial statement including the development and implementation of the procedure for the double materiality analysis in accordance with the applicable requirements and standards. This responsibility includes

- the identification of actual and potential impacts as well as risks and opportunities in connection with sustainability aspects and the assessment of the materiality of these impacts, risks and opportunities,
- the preparation of the consolidated non-financial statement in compliance with the requirements of Sections 243b and 267a UGB, including compliance with the ESRS,
- the inclusion of disclosures in the consolidated non-financial statement in accordance with the EU Taxonomy Regulation and
- the design, implementation and maintenance of internal controls that the statutory representatives consider relevant to enable the preparation of a consolidated non-financial statement that is free from material misstatement, whether due to fraud or error, and to enable the procedure of the double materiality analysis process in accordance with the requirements of the ESRS.

This responsibility also includes the selection and application of appropriate methods for consolidated non-financial reporting and the use of assumptions and estimates for individual sustainability disclosures that are reasonable in the given circumstances.

The Supervisory Board is responsible for monitoring the procedure for the double materiality analysis and the preparation of the consolidated non-financial statement.

Inherent limitations in the preparation of the consolidated non-financial statement

When reporting forward-looking information, the Company is obliged to prepare this forward-looking information on the basis of disclosed assumptions about events that could occur in the future and possible future measures by the Company. Deviations are likely to occur, as expected events often do not occur as assumed.

When determining the disclosures in accordance with the EU Taxonomy Regulation, the statutory representatives are obliged to interpret undefined legal terms. Undefined legal terms can be interpreted differently, also with regard to the legal conformity of their interpretation and are therefore subject to uncertainties.

Responsibilities of the auditor of the consolidated non-financial statement

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the consolidated non-financial statement, including the procedure for the double materiality analysis and the reporting in accordance with the EU Taxonomy Regulation presented therein, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of the consolidated non-financial reporting.

Throughout the limited assurance engagement, we exercise professional judgment and maintain professional skepticism.

Our responsibilities include

- Performing risk-related audit procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify representations that are likely to be materially misstated, whether due to fraud or error, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls; and
- Developing and executing audit procedures related to information in the consolidated non-financial statement where material misstatements are likely. The risk that material misstatements resulting from fraudulent actions are not detected is higher than those resulting from errors, as fraudulent actions may involve collusion, forgery, intentional omissions, misleading representations, or the overriding of internal controls.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the consolidated non-financial statement. The nature, timing and extent of audit procedures selected depend on professional judgment, including the identification of disclosures in the consolidated non-financial statement that may be subject to material misstatement, whether due to fraud or error.

The choice of audit procedures is at the due discretion of the auditor and included in particular the following activities:

- We gain an understanding of the company's processes that are relevant for the preparation of the consolidated non-financial statement.
- We assess whether all relevant information identified by the procedure of the double materiality analysis has been included in the consolidated non-financial statement.
- We assess whether the structure and presentation of the consolidated non-financial statement is in accordance with the ESRS.
- We conduct inquiries of relevant personnel and analytical procedures on selected disclosures in the consolidated non-financial statement.
- We perform sample-based, results-oriented audit procedures on selected information in the consolidated non-financial statement.
- We reconcile selected information from the consolidated non-financial statement with the corresponding information in the annual financial statements, the consolidated annual financial statements, and the other sections of the group management report.
- We obtain evidence about the methods presented to develop estimates and forward-looking information.
- We gain an understanding of the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the process of preparation of the corresponding disclosures in the consolidated non-financial statement.

Limitation of liability and publication

The limited assurance audit of the consolidated non-financial statement is a voluntary audit.

We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the attached General Conditions of Contract for the Public Accounting Professions (AAB 2018).

With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

The report on the independent audit may only be made available to third parties together with the consolidated non-financial statement contained in the section "Consolidated non-financial statement 2025" in the Group Management Report and only in full and unabridged form.

Since our report is prepared exclusively on behalf of and in the interest of the Company, it does not form a basis for any reliance of third parties on its content. Claims of third parties cannot therefore be derived from this.

Responsible auditor

Mr. Mag. Markus Trettnak, certified auditor, is responsible for the proper performance of the limited assurance audit of the consolidated non-financial statement.

Vienna, 11 March 2026

BDO Assurance GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Markus Trettnak Auditor	Mag. Gerhard Fremgen Auditor

Declaration by all legal representatives

We confirm to the best of our knowledge that the consolidated non-financial statement contains the disclosures pursuant to Section 243b and Section 267a of the Austrian Commercial Code (UGB) and Regulation (EU) 2020/852 ("EU Taxonomy") that are necessary for an understanding of the business performance, results of operations, situation of Frequentis AG and its subsidiaries, and the impact of their activities and which relate, at a minimum, to environmental, social, and employee aspects, respect for human rights, and combating bribery and corruption. The disclosures include a description of Frequentis' business model and the concepts used with regard to the above aspects, including the due diligence processes applied, the material risks, the probable negative impacts on these aspects, the results of the concepts, and the key performance indicators.

Vienna, 10 March 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