FREQUENTIS AG
Commercial register no.: FN 72115 b
ISIN: ATFREQUENT09

Agenda and proposed resolutions for the 16th Annual General Meeting on 1 June 2023

1. **Item 1: Report of the Executive Board; presentation of the following documents for the financial year 2022: adopted annual financial statements including the management report, consolidated financial statements including the consolidated management report, consolidated corporate governance report, consolidated non-financial report, report of the Supervisory Board, proposal for the appropriation of the profits.**

   For information: The documents specified above can be viewed in the internet at www.frequentis.com > Investor Relations > General Meeting > General Meeting 2023 from 11 May 2023 at the latest.

   Since the presentation of these documents is solely for the information of the General Meeting, there will be no resolution on this item of the agenda. The annual financial statements for 2022 have already been approved by the Supervisory Board and are therefore adopted.

2. **Item 2: Resolution on the appropriation of the balance sheet profit.**

   The Executive Board and the Supervisory Board propose to utilize the profits shown in the financial statements of FREQUENTIS AG as of 31 December 2022 amounting to EUR 62,361,166.77 as follows:

   Distribution of a dividend amounting to EUR 0.22 (22 Cent) per outstanding participating no-par value share and carryforward of the remaining profit onto new account. The payment of the dividend shall be made as from Wednesday, 7 June 2023.

3. **Item 3: Resolution on the discharge of the members of the Executive Board for the financial year 2022.**

   The Executive Board and the Supervisory Board propose that the actions of the members serving on the Executive Board in the 2022 financial year be ratified for this period.

4. **Item 4: Resolution on the discharge of the members of the Supervisory Board for the financial year 2022.**

   The Executive Board and the Supervisory Board propose that the actions of the members serving on the Supervisory Board in the 2022 financial year be ratified for this period.

5. Item 5: Resolution on the remuneration of the members of the Supervisory Board for the financial year 2022.

The Executive Board and the Supervisory Board propose that the remuneration of the members of the Supervisory Board elected by the General Meeting or delegated by shareholders (shareholder representatives) for the financial year 2022 be set as follows:

- For the Chairman of the Supervisory Board:
  Fixed remuneration of EUR 15,000.00 plus an attendance fee of EUR 2,500.00 per Supervisory Board meeting as well as for the participation in the General Meeting of the Company on 02.06.2022 as Chairman of such General Meeting
- For the Deputy Chairman:
  Fixed remuneration of EUR 13,000.00 plus an attendance fee of EUR 2,000.00 per Supervisory Board meeting as well as for the participation in the General Meeting of the Company on 02.06.2022 as Deputy Chairman of such General Meeting
- For every additional member:
  Fixed remuneration of EUR 12,000.00 plus an attendance fee of EUR 2,000.00 per Supervisory Board meeting

The members of the Committee for Executive Board Matters and the Audit Committee shall be entitled to an additional attendance fee of EUR 2,000.00 for every meeting of a respective Committee attended.

The members of the Special Committee Commerzialbank Mattersburg shall be entitled to a one-time attendance fee of EUR 2,000.00 for their participation in the meetings of the Special Committee.

6. Item 6: Resolution on the remuneration report.

The Executive Board and the Supervisory Board of a publicly listed company shall prepare a clear and comprehensible remuneration report on the remuneration of the members of the Executive Board and the members of the Supervisory Board pursuant to Section 78c in conjunction with Section 98a of the Stock Corporation Act. This remuneration report shall provide a comprehensive overview of the remuneration granted or owed to the current and former members of the Executive Board and the Supervisory Board in the course of the last financial year within the framework of the remuneration policy (Section 78a in conjunction with Section 98a of the Stock Corporation Act), including all benefits in any form.

The remuneration report for the last financial year shall be submitted to the Annual General Meeting for voting. The vote is of a recommendatory nature. No legal challenge is possible (Section 78d Para 1 of the Stock Corporation Act).

The Executive Board and the Supervisory Board shall make a resolution proposal on the remuneration report in accordance with Section 108 Para 1 of the Stock Corporation Act.

At the meeting on 29 March 2023, the Executive Board and the Supervisory Board of FREQUENTIS AG adopted a remuneration report in accordance with Section 78c in conjunction with Section 98a of the Stock Corporation Act and proposed a resolution in accordance with Section 108 Para 1 of the Stock Corporation Act.

The Executive Board and the Supervisory Board propose that the remuneration report for the 2022 financial year, as made available on the FREQUENTIS AG website registered in the commercial register, www.frequentis.com > Investor Relations > General Meeting > General Meeting 2023 from 11 May 2023 at the latest, be adopted. The remuneration report for the 2022 financial year is attached to this resolution proposal as Appendix ./1.

7. Item 7: Election of the auditors of the annual financial statements and consolidated financial statements for the financial year 2023.

The Supervisory Board proposes that BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, be appointed as the auditor of the financial statements of the company and the consolidated financial statements for the 2023 financial year. The proposal of the Supervisory Board is based on a corresponding recommendation by the Supervisory Board's Audit Committee.

8. Item 8: Resolution on the Long Term Incentive Plan 2023.

The Executive Board and the Supervisory Board propose that the share-based and performance-related incentive and remuneration programme (“Long Term Incentive Plan 2023”), as made available on the FREQUENTIS AG website registered in the commercial register, www.frequentis.com > Investor Relations > General Meeting > General Meeting 2023 from 11 May 2023 at the latest, be adopted. The Long Term Incentive Plan 2023 is attached to this resolution proposal as Appendix ./2.

9. Item 9: Resolution on the authorization of the Executive Board to increase the nominal capital pursuant to Section 169 Stock Corporation Act (Authorized Capital) with the possibility to exclude the subscription right in whole or in part and amendment of the Articles of Association in Section 3 as well as authorization of the Supervisory Board to adopt amendments to the Articles of Association arising from the issuance of shares according to the authorized capital.

The Executive Board and the Supervisory Board of FREQUENTIS AG propose the following resolution:

1. The Executive Board shall be authorized to increase, until 31 May 2028 and with the approval of the Supervisory Board, the nominal capital of the Company by up to EUR 6,640,000.00 by issuing up to 6,640,000 new no-par value bearer shares in exchange for cash contributions or contributions in kind, in one or several tranches, also by way of an indirect subscription offer after taking over by one or several credit institutions pursuant to Section 153 Para 6 Stock Corporation Act. Subject to the approval of the Supervisory Board, the Executive Board shall be authorized to exclude in this connection the subscription rights of the shareholders in whole or in part and to determine the issue terms (in particular issue price, object of the contribution in kind, content of share rights, exclusion of subscription rights etc.) with the approval of the Supervisory Board (authorized capital).

   The Supervisory Board shall be authorized to adopt amendments to the Articles of Association arising from the issue of shares from authorized capital.

2. The Articles of Association shall be amended accordingly in Section 3 (Nominal Capital and Shares), so that Section 3 Para 5 (a), now reads as follows:

   "3.5 (a) By resolution of the General Meeting of 1 June 2023, the Executive Board is authorized to increase, until 31 May 2028 and with the approval of the Supervisory Board, the nominal capital of the Company 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 exchange for cash contributions or contributions in kind, in one or several tranches, also by way of an indirect subscription offer after taking over by one or several credit institutions pursuant to Section 153 Para 6 Stock Corporation Act. Subject to the approval of the Supervisory Board, the Executive Board is authorized, to exclude in this connection the subscription rights of the shareholders in whole or in part and to determine the issue terms (in particular issue price, object of the contribution in kind, content of share rights, exclusion of subscription rights etc.) with the approval of the Supervisory Board (authorized capital). The Supervisory Board is authorized to adopt amendments to the Articles of Association arising from the issue of shares from authorized capital."

10. Item 10: Resolution on (i) the authorization of the Executive Board to issue convertible bonds pursuant to Section 174 Para 2 Stock Corporation Act with the possibility to exclude the subscription right in whole or in part and (ii) the conditional increase of the nominal capital pursuant to Section 159 Para 2 No. 1 Stock Corporation Act and amendment of the Articles of Association in Section 3 as well as authorization of the Supervisory Board to adopt amendments to the Articles of Association arising from the issuance of shares according to the conditional capital.

The Executive Board and the Supervisory Board of FREQUENTIS AG propose the following resolution:

1. The Executive Board shall be authorized to issue, until 31 May 2028 and with the approval of the Supervisory Board, convertible bonds once or repeatedly in a total amount of up to EUR 80,000,000.00, with conversion and/or subscription rights to up to 6,640,000 no-par value bearer shares of the Company representing a pro rata amount of the nominal capital of up to EUR 6,640,000.00, with full, partial or no exclusion of subscription rights, in accordance with the terms and conditions of convertible bonds to be determined by the Executive Board. The fulfilment of the conversion and/or subscription rights may be effected through conditional capital, authorized capital, out of treasury shares or by way of delivery from third parties, or a combination thereof.

   The Executive Board shall be authorized to determine with the approval of the Supervisory Board and under consideration of the provisions under stock corporation law the issuance and configuration features as well as the bond terms of the convertible bonds (in particular interest rate, issue price, term and denomination, dilution protection provisions, conversion period, conversion rights and obligations, conversion ratio and conversion price). In particular, the following conditions (or a combination thereof) may be provided for:

   (a) an additional payment to be made in cash and the consolidation or a cash settlement for non-convertible fractions;

   (b) a fixed or a variable conversion ratio or a determination of the conversion price within a specified range depending on the development of the price of the shares of the Company during the term of the convertible bonds;

   (c) the right of the Company not to grant shares in the event of conversion (exercise of conversion and/or subscription rights), but to pay an appropriate cash settlement based on the Company's share price;

   (d) the right of the Company to terminate the convertible bonds prematurely and to repay the convertible bond creditors the issue price of the convertible bonds;

   (e) the right of the convertible bond creditors to terminate the convertible bonds prematurely and to recover the issue price of the convertible bonds; or

(f) a conversion obligation (conversion and/or subscription obligation) at the end of the term (or at another point in time) or the right of the Company to grant the convertible bond creditors shares in the Company in whole or in part instead of payment of a cash amount upon maturity of the convertible bonds.

The price of the convertible bonds is to be determined using standard market calculation methods.

The issue price of the shares to be issued upon conversion (exercise of conversion and/or subscription rights) and the conversion and/or subscription ratio shall be determined taking into account standard market calculation methods and the price of the shares of the Company (basis for calculating the issue price); the issue price may not be lower than the pro-rata amount of the nominal capital.

The statutory subscription right may be granted to the shareholders in such a way that the convertible bonds are underwritten by a bank or a syndicate of banks with the obligation to offer them to the shareholders in accordance with their subscription right (indirect subscription right). However, the Executive Board shall be authorized to exclude shareholders' subscription rights to the convertible bonds in whole or in part.

The convertible bonds may also be issued by a company wholly owned directly or indirectly by FREQUENTIS AG; in this case, the Executive Board shall be authorized, with the approval of the Supervisory Board, to assume a guarantee for the convertible bonds on behalf of the company and to grant the holders of the convertible bonds conversion and/or subscription rights to shares in FREQUENTIS AG.

2. The nominal capital of the Company shall be conditionally increased by up to EUR 6,640,000.00 by issuing up to 6,640,000 new no-par value bearer shares in accordance with Section 159 Para 2 No. 1 Stock Corporation Act. This conditional capital increase shall only be implemented to the extent that holders of convertible bonds issued based on the authorization resolution of the General Meeting of 1 June 2023 exercise the conversion and/or subscription rights to shares in the Company granted to them.

   The Executive Board shall be authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase (in particular the issue price, the content of the share rights). The issue price and the conversion and/or subscription ratio shall be determined taking into account calculation methods customary in the market and the price of the shares of the Company (basis for calculating the issue price); the issue price may not be lower than the pro-rata amount of the nominal capital.

   The newly issued shares of the conditional capital increase shall carry dividend rights to the same extent as the existing shares of the Company.

The Supervisory Board shall be authorized to resolve amendments to the Articles of Association resulting from the issue of shares from the conditional capital. The same shall apply in the event that the authorization to issue the convertible bonds is not exercised after the expiry of the authorization period and in the event that the conditional capital is not utilized after the expiry of the period under the terms and conditions of the convertible bonds.

The sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the terms and conditions of the convertible bonds and (ii) the number of shares issued from authorized capital may not exceed 6,640,000 (amount-based determination of authorizations).

3. The Articles of Association will accordingly be amended in Section 3 (Nominal Capital and Shares) so that Section 3 Para 5 (b) and (5) (c) now read as follows:

"3.5 (b) The nominal capital is conditionally increased pursuant to Section 159 Para 2 No. 1 Stock Corporation Act 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. This conditional capital increase will only be implemented to the extent that holders of convertible bonds issued based on the authorization resolution of the General Meeting of 1 June 2023 exercise the conversion and/or subscription rights to shares in the Company granted to them. The issue price and the conversion and/or subscription ratio are to be determined taking into account calculation methods customary in the market and the price of the shares of the Company (basis for calculating the issue price); the issue price may not be lower than the pro-rata amount of the nominal capital. The newly issued shares of the conditional capital increase shall carry dividend rights to the same extent as the existing shares of the Company. The Executive Board is authorized, with the approval of the Supervisory Board, to determine the further details of the implementation of the conditional capital increase (in particular the issue price, the content of the share rights). The Supervisory Board is authorized to resolve amendments to the Articles of Association resulting from the issue of shares from the conditional capital. The same shall apply in the event that the authorization to issue the convertible bonds is not exercised after the expiry of the authorization period and in the event that the conditional capital is not utilized after the expiry of the periods under the terms and conditions of the convertible bonds."

"3.5 (c) The sum of (i) the number of shares currently issued or potentially to be issued from conditional capital in accordance with the terms and conditions of the convertible bonds and (ii) the number of shares issued from authorized capital may not exceed 6,640,000 (six million six hundred forty thousand) (amount-based determination of the authorizations under litterae (a) and (b))."

Appendix ./1 Remuneration Report
Appendix ./2 Long Term Incentive Plan 2023

FREQUENTIS

COMMUNICATION AND INFORMATION SOLUTIONS FOR A SAFER WORLD

Remuneration Report 2022

Appendix 1 - Remuneration Report

Remuneration Report 2022

Introduction

Preparation of the remuneration report

This remuneration report covering the remuneration of the members of the Executive Board and Supervisory Board of Frequentis AG (subsequently referred to as "Frequentis" or "the company") was prepared by the company's Executive Board and Supervisory Board in compliance with Sections 78c and 98a of the Austrian Companies Act (AktG) to provide a full overview of the remuneration granted or owed to the members of the Executive Board and Supervisory Board in the 2022 financial year. In addition to the statutory requirements, the structure and content of the remuneration report 2022 are based, in particular, on the opinion issued by the Austrian Financial Reporting and Auditing Committee (AFRAC) on the preparation of remuneration reports in accordance with Section 78c AktG (AFRAC opinion no. 37, December 2020).

The remuneration report was examined by the Committee for Executive Board Issues in its function as remuneration committee and adopted by the Supervisory Board at its meeting on 29 March 2023. The remuneration report will be submitted to the next Annual General Meeting for approval in accordance with Section 78d (1) AktG. Such approval is by nature a recommendation.

At the company's 15th Annual General Meeting on 2 June 2022, the remuneration report for the 2021 financial year was approved by 99.9% of the valid votes cast. In view of this result, the present remuneration report was prepared using the same system and principles as the remuneration report 2021.

Business performance of the Frequentis Group in the reporting period

The operating business was still held back to some extent by the COVID-19 pandemic, which subsided during 2022. The war in Ukraine, which started in February 2022, indirectly impacted the Frequentis Group through higher inflation (initially for electricity, gas, and fuels). Inflation then filtered through to the cost of goods sourced from suppliers, salary rises, and thus earnings.

Revenues rose, partly due to the companies acquired from L3Harris Technologies during 2021, which were included in the financial statements for the full year in 2022, and the acquisition of the Italian company Regola in January 2022. Thanks to Frequentis' stable business model as a provider of communication and information systems for control centres in the safety-critical sector, demand remains high, as shown by the increase in order intake.

Order intake in the Frequentis Group was EUR 404.8 million in 2022, an increase of 21.5% (EUR 71.6 million) compared with 2021, when order intake was EUR 333.2 million. The distribution of order intake between the two segments in 2022 was as follows: Air Traffic Management 68% (EUR 275.4 million) compared with 69% in 2021 (EUR 230.4 million), Public Safety & Transport 32% (EUR 129.4 million), compared with 31% in 2021 (EUR 102.8 million).

In 2022, revenues increased by 15.7% (EUR 52.4 million) to EUR 386.0 million (2021: EUR 333.5 million). Organic growth – i.e. growth excluding the acquisition of the Italian company Regola in 2022 – was 12.7%. Revenues in the Air Traffic Management segment grew by 17.3% to EUR 257.8 million. In the Public Safety & Transport segment revenues increased by 12.4% to EUR 127.7 million. The revenue split between the Air Traffic Management and Public Safety & Transport segments was 67% : 33% in 2022 (2021: 66% : 34%).

The cost of materials and purchased services increased by 31.1% to EUR 99.2 million (2021: EUR 75.7 million). This was attributable, among other things, to the acquisitions and to supply chain bottlenecks, which affected Frequentis to some extent (at times, it registered significant price rises and delays in the delivery of purchased goods). Personnel expenses rose 11.9% to EUR 203.9 million (2021: EUR 182.1 million). This was attributable to the acquisitions made in 2021 and 2022, salary rises, and the increase in the workforce.

The other operating expenses were 24.3% higher at EUR 50.3 million (2021: EUR 40.5 million), driven principally by higher travel and advertising expenses, for example for trade shows and the new companies acquired in 2021 and 2022. Since unrestricted travel is now possible and air fares have risen, travel expenses increased by EUR 5.3 million year-on-year to EUR 10.7 million in 2022. Even so, they are still lower than in 2019, before the COVID-19 pandemic (2019: EUR 11.9 million).

EBITDA (earnings before interest, taxes, depreciation, amortisation, and impairment losses) declined to EUR 45.6 million in 2022 (2021: EUR 46.5 million). The EBITDA margin (relative to revenues) was 11.8%, compared with 13.9% in 2021.

Depreciation and amortisation increased to EUR 17.5 million (2021: EUR 15.8 million). The increase was mainly due to the higher additions of property, plant and equipment. Impairment losses of EUR 3.1 million were recognised in 2022 (2021: EUR 1.7 million) due to the impairment of product rights at ATRiCS Advanced Traffic Solutions GmbH and Frequentis Comsoft GmbH.

As a result of all the changes outlined above, EBIT decreased to EUR 25.0 million in 2022 (2021: EUR 29.0 million). The EBIT margin (relative to revenues) was 6.5%, compared with 8.7% in 2021.

Profit before tax was EUR 24.7 million in 2022 (2021: EUR 27.9 million). Income tax expense was EUR 5.9 million (2021. EUR 7.2 million), giving a tax rate of 23.7% (2021: 25.6%).

The profit for the period was EUR 18.9 million in 2022 (2021: EUR 20.8 million). Basic and diluted earnings per share were EUR 1.41 in 2022 (2021: EUR 1.50).

Remuneration of Executive Board members

Principles of the remuneration policy and remuneration components

The present remuneration policy for the members of the Executive Board of Frequentis AG was adopted by the 13th Annual General Meeting of Frequentis AG on 14 May 2020 on the basis of the proposal submitted by the Supervisory Board and contains the following objectives and principles.

The objective of the remuneration policy is to ensure that the overall remuneration of the members of the Executive Board is commensurate with the company's economic situation, creates incentives for behaviour that encourages sustainable development of the company, and supports the company's business strategy and long-term development. The remuneration policy also takes into account the size of the company, its international focus, the business model of Frequentis AG, and the tasks and qualifications of the Executive Board members.

The remuneration policy is structured to ensure that it is possible to attract and retain suitably qualified persons for the tasks of a listed company with global operations. Therefore, the total remuneration must be competitive and market-oriented, as well as being commensurate with the usual remuneration at comparable companies.

The remuneration is therefore commensurate with the overall responsibility associated with the role of the Executive Board, as well as reflecting the individual responsibility of each Executive Board member as derived from the allocation of functions. Other key factors are length of service with the company and, where relevant, the assumption of the function of spokesperson or chairperson of the Executive Board.

The total remuneration of the members of the Executive Board of Frequentis AG comprises the following components:

(a) Fixed remuneration components that are not performance-related

(b) Variable performance components that are dependent on the achievement of specific performance criteria.

Fixed remuneration components

The **fixed remuneration** comprises a base salary, benefits in kind, other perquisites, and social security and pension contributions.

The base salary is principally intended as remuneration for taking on a position on the Executive Board and the associated overall responsibility of the individual Executive Board members, but also takes into account the individual responsibilities of each member, which are derived from the areas of responsibility allocated to them. This results in differentiated base salaries which reflect their strategic and operational functions. In addition, the level of the annual base salary reflects the customary market rates of remuneration of executive board members at comparable companies. In keeping with common practice in Austria, the base salary is paid retrospectively in fourteen monthly instalments. In addition to overtime and other services that go beyond the normal working hours of salaried employees, it covers the assumption of positions on governance bodies within the Group.

In the reporting period, the base salaries of all Executive Board members together totalled EUR 910 thousand. This amount was split as follows among the individual Executive Board members:

Base salary (gross, excluding payroll-related costs) in EUR thousand (rounded)	2022	2021
Norbert Haslacher (Chairman of the Executive Board)	360	360
Hermann Mattanovich	280	280
Peter Skerlan (Executive Board member since 16 April 2021)	270	191
Sylvia Bardach (Executive Board member until 15 April 2021)	-	79
Total	910	910

The **benefits in kind and other perquisites** granted to the Executive Board members in the reporting period comprised collective accident and death insurance and directors' and officers' liability insurance (D&O insurance). The premiums for these policies are paid by the company. Further, the provision of company cars (including for private use, together with fully comprehensive motor insurance, driver's/passenger insurance), and other incidental benefits such as a mobile phone and communications media and subsidised use of the Frequentis staff restaurant.

The **pension benefits** are secured by a reinsurance policy and comprise a retirement pension and surviving dependants' pension for the present members of the Executive Board and two former members of the Executive Board. The claims under the reinsurance policy have been pledged to the beneficiaries.

In the second half of 2022, pension benefits of EUR 17,400.60 (gross, excluding payroll-related costs) were paid to Mrs. Sylvia Bardach, who was a member of the Executive Board until 15 April 2021. In the reporting period, the company received this amount from the reinsurance taken out in connection with this pension commitment. In the first half of 2022, premiums of EUR 25,000.00 were paid for this pension reinsurance.

In the reporting period, pension benefits of EUR 88,701.20 (gross, excluding payroll-related costs) were paid to Dr. Christian Pegritz, a former member of the Executive Board. In the reporting period, the company received this amount from the reinsurance taken out in connection with this pension commitment.

Variable remuneration components

The **variable remuneration components** are incentives to ensure the sustained development of the company and avoid a focus on merely short-term effects. When defining financial and non-financial performance criteria, attention is paid to avoiding enticements to take risks and an excessive focus on short-term profits. Ambitious targets should be set to provide an incentive for exceptional performance and to encourage implementation of the strategy of Frequentis AG. By including non-financial performance criteria, the aim is, in particular, to support the social and strategic alignment of the company. The overriding aim is the positive long-term development of the company. Accordingly, the variable remuneration is divided into short-term and long-term components.

With the approval of the full Supervisory Board, in exceptional circumstances Executive Board members may also be granted special bonus payments (for example, a sign-on bonus in the event of relocation or a retention bonus). The amount of the special bonus must be commensurate with the specific circumstances and may not exceed 50% of the member's (gross) annual salary.

Short-term variable remuneration components

The **short-term variable remuneration components** are based primarily on the achievement of short-term financial targets for the company.

Achievement of the targets is measured by an indicator of earnings before interest and taxes as stated in the consolidated financial statements in accordance with IFRS (IFRS EBIT), provided that the earnings before tax reported in the financial statements of Frequentis AG in accordance with the Austrian Commercial Code (UGB EBT) after provisions for short-term variable remuneration reach a defined minimum for the relevant financial year. If the UGB EBT after provisions for the short-term variable remuneration of all Executive Board members (including statutory payroll-related costs) drops below the defined minimum amount, the short-term variable remuneration of all Executive Board members will be reduced by the same percentage until the planned minimum UBG EBT is reached. A minimum level is set for the IFRS EBIT. If this is not achieved, the short-term variable remuneration (for this criterion) is not payable. A target achievement range of between 0% and 100% is set for exceeding the minimum target level.

In addition to these financial targets, the short-term variable remuneration for one or more Executive Board members may be based on individually agreed targets. The quantitative performance criterion "IFRS EBIT / UGB EBT" must have a weighting of at least 60%.

Overall, even in the event of over-achievement of all agreed performance targets, the short-term variable remuneration is capped at 100% of the (gross) annual base salary of the respective Executive Board member.

The short-term variable remuneration for a financial year is payable as soon as the basis and amount have been determined by the Committee for Executive Board Issues on the basis of the audited financial statements for the company and the audited consolidated financial statements.

Subject to the adoption of the annual financial statements for 2022 in accordance with Section 96 AktG, the Executive Board members have earned the following entitlements to short-term variable remuneration for the reporting period:

Short-term variable remuneration (gross, excluding payroll-related costs) in EUR '000 (rounded)	2022[1]	2021[2]
Norbert Haslacher (Chairman of the Executive Board)	309.2	360
Hermann Mattanovich	205.5	280
Peter Skerlan (Executive Board member since 16 April 2021)	198.2	191
Sylvia Bardach (Executive Board member until 15 April 2021)	-	0
Total	**712.9**	**831**

1 Provisions are established for the amounts stated on the basis of the target achievement assumptions for the reporting period.

2 The amounts stated are the final entitlement for the financial year and were paid out to the Executive Board members in the following year.

Long-term variable remuneration components (share-based payment)

The company may grant a **long-term variable remuneration component**, structured as a share-based Long-Term Incentive Plan (LTIP), to one or more members of the Executive Board on a one-off or repeated basis.

The LTIP is based, in particular, on sustainable, long-term, and multi-year performance criteria, including non-financial criteria. It is not possible to change the performance criteria retrospectively.

An LTIP may be granted at annual or multi-year intervals and must be adopted by a resolution of the General Meeting based on a proposal submitted by the Supervisory Board. The LTIP defines the maximum number of shares that may be allocated to an Executive Board member under the plan. In accordance with C rule no. 27 of the Austrian Code of Corporate Governance, the maximum limit for the amount of the LTIP that may be paid out in the form of shares in the company is set at 200% of the (gross) annual base salary of the respective Executive Board member.

Current LTIPs

Frequentis AG has currently agreed three long-term incentive plans with the Chairman of the Executive Board, Norbert Haslacher (LTIP 2020, LTIP 2021, and LTIP 2022, referred to together as "LTIPs").

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 Chairman of the Executive Board can sell a maximum of one third of the shares awarded under the LTIPs. However, he may only sell the number of shares awarded under the LTIPs 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 each LTIP. 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 17,000 shares (LTIP 2020 and 2021) or a maximum of 18,000 shares (LTIP 2022) – in all cases gross, i.e., before deduction of taxes and fees – but no more than 200% of the beneficiary's annual gross base salary, as applicable, will be granted. Settlement is effected by transferring the number of shares corresponding to the net amount of the award to the CEO'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%.

Apart from the achievement of the targets, the Executive Board member does not have to provide any consideration for the shares awarded under these programmes.

The following table summarises the main conditions for the share-based payment granted in the reporting period:

	LTIP 2022	LTIP 2021	LTIP 2020
Start of plan	1 Jan. 2022	1 Jan. 2021	1 Jan. 2020
Date of approval by General Meeting	2 June 2022	20 May 2021	14 May 2020
Grant date	2 June 2022	15 June 2021	14 May 2020
End of service period	31 Dec. 2024	31 Dec. 2023	31 Dec. 2022
Vesting date	30 Apr. 2025	30 Apr. 2024	30 Apr. 2023
Expected target achievement	97%	126%	130%
Expected no. of shares	17,370	17,000	17,000
Maximum no. of shares	18,000	17,000	17,000
Bonus shares allocated	None	None	None

The agreed targets are measured against the following performance indicators:

LTIP 2022	LTIP 2021	LTIP 2020
Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)
Revenue growth	Increase in operating performance through key accounts	Orders on hand
Earnings increase	Growth through new business development	Growth in the regions
Employee satisfaction		Growth through acquisitions

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.

For the LTIP 2020, the LTIP 2021, and the LTIP 2022, 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.

End of LTIP 2019

The LTIP 2019 agreed by Frequentis AG with the Chairman of the Executive Board ended on 31 December 2021. The targets agreed for the LTIP 2019 were based on the total shareholder return (TSR), organic growth of the operating performance, the EBIT margin and the profit margin, the development of key accounts, the range of non-refinanced R&D expenditures in percent of the total performance, employee satisfaction, and customer satisfaction in the performance period (1 January 2019 to 31 December 2021).

In the reporting period, the company's Supervisory Board determined the target achievement for the LTIP 2019 to be 100% overall so under the LTIP 2019 the Chairman of the Executive Board is entitled to receive 14,000 shares (gross) in Frequentis AG. Taking into account the applicable tax rates, 6,590 shares (net number of shares after taxes) were therefore transferred to the Chairman of the Executive Board on 6 May 2022 from the company's treasury shares (net theoretical value EUR 202,313). The theoretical value of the gross number of shares was EUR 429,800 (based on the opening share price on the Vienna stock exchange on 6 May 2022).

Special bonus payments

No special bonuses were granted in the reporting period.

Presentation of total remuneration

Total remuneration of the Executive Board (gross, excluding payroll-related costs) in EUR thousand (rounded)	2022 Norbert Haslacher	2022 Hermann Matta-novich	2022 Peter Skerlan	2021 Norbert Haslacher	2021 Hermann Matta-novich	2021 Peter Skerlan Executive Board member since 16 April 2021	2021 Sylvia Bardach Executive Board member until 15 April 2021
Fixed remuneration							
• Annual base salary	360.0	280.0	270.0	360.0	280.0	191.4	78.6
• Premiums for pension reinsurance	50.0	50.0	50.0	50.0	49.9	50.0	50.0
• Benefits in kind (company cars and reimbursement of travel expenses)[1]	8.9	11.7	7.8	8.7	11.6	5.6	0.0[2]
Subtotal fixed remuneration	**418.9**	**341.7**	**327.8**	**418.7**	**341.5**	**247.0**	**128.6**
Variable remuneration							
• Short-term variable remuneration							
Amount paid out in reporting period for target achievement in previous year[3]	270.0	280.0	191.4	0.0	0.0	0.0	0.0
thereof not covered by provisions in previous year[4]	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amount paid out for target achievement in the reporting period	0.0	0.0	0.0	90.0	0.0	0.0	0.0
Provisions for expected target achievement in the reporting period[5]	309.2	205.5	198.2	270.0	280.0	191.4	-
• Long-term variable remuneration (share-based payment)							
Payments due to end of LTIP [6]	429.8	-	-	0.0	-	-	-
thereof not covered by provisions in previous years[4]	177.1	-	-	-	-	-	-
Provisions for current LTIPs[7]	389.6			369.7	-	-	-
Subtotal variable remuneration[8]	**875.9**	**205.5**	**198.2**	**729.7**	**280.0**	**191.4**	**0.0**
Remuneration from affiliated companies				-	-		-
Other remuneration							
• Special bonus	-	-	-	-	-	-	-
• Payment in lieu of holiday	-	-	-	-	-	-	4.1
• Contractual claim to severance payment (under "old" Austrian legislation)	-	-	-	-	-	-	396.0
Subtotal (other remuneration)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**400.1**
Total remuneration							
• Fixed remuneration	418.7	341.7	327.8	418.7	341.5	247.0	128.6
• Variable remuneration	875.9	205.5	198.2	729.7	280.0	191.4	0.0
• Remuneration from affiliated companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0
• Other remuneration	0.0	0.0	0.0	0.0	0.0	0.0	400.1
Total remuneration	**1,294.7**	**547.1**	**525.9**	**1,148.4**	**621.5**	**438.4**	**528.7**
• Fixed remuneration in % of total	32%	62%	62%	36%	55%	56%	100%
• Variable remuneration in % of total	68%	38%	38%	64%	45%	44%	0%
Total remuneration of all active Executive Board members[9]		**2.368.0**				**2,737.0**	

1 Taxable benefits in kind.

2 Electric car (not a benefit in kind).

3 Amount to be paid out after establishment of target achievement (this may differ from the provisions established for this in the previous year, see footnote 5).

4 Differences between the provisions and the actual entitlements are added to the variable remuneration in the reporting period.

5 Provisions recognised in the reporting period for expected entitlement (this amount may differ from the actual amount paid out in the following year based on actual target achievement and the share price on the transfer date).

6 The amount corresponds to the theoretical value of the shares transferred under the LTIP based on the opening price on the Vienna stock exchange on the transfer date.

7 Annual addition to provisions; this amount may differ from the actual amount paid out in the year of settlement. Accumulated additions as at 31 December 2022 (offset against utilisation of reserves): approx. EUR 739.1 thousand (2021: approx. EUR 601.7 thousand).

8 The subtotal is calculated from differences between the provisions in the previous year plus the amount allocated to provisions for short-term remuneration components in the reporting period (footnotes 4 and 5) and the differences between the previous year and provisions for long-term remuneration components (footnotes 4 and 7).

9 Expenses incurred in the reporting period for former members of the Executive Board are presented on page 6 of this report.

Annual changes pursuant to Section 78c (2) subsection 2 AktG

The annual change in the total remuneration of the Executive Board, profit/loss, and the average remuneration of the company's other employees is as follows:

Change 2022 vs. 2021

in EUR thousand (rounded)	2022	2021	+/- in %
Profit/loss for the period	18,878	20,767	-9.1%
Total remuneration of the Executive Board (gross, excluding payroll-related costs)	2,368	2,737	-13.5%
Base salaries of the Executive Board (gross, excluding payroll-related costs)	910	910	+0.0%
Average remuneration of other employees (gross, excluding payroll-related costs) [1]	71	70	+1.9%

1 Annual average full-time equivalents (FTE) at Frequentis AG, excluding variable salary components and benefits in kind

Change 2021 vs. 2020

in EUR thousand (rounded)	2021	2020	+/- in %
Profit/loss for the period	20,767	-3,389	–
Total remuneration of the Executive Board (gross, excluding payroll-related costs)	2,737	1,271	+115%[2]
Base salaries of the Executive Board (gross, excluding payroll-related costs)	910	900	+1%
Average remuneration of other employees (gross, excluding payroll-related costs) [1]	70	69	+2%

1 Annual average full-time equivalents (FTE) at Frequentis AG, excluding variable salary components and benefits in kind

2 The 115% increase in the total remuneration of the Executive Board compared with the previous year is principally due to a one-off effect in connection with the resignation of Mrs. Sylvia Bardach from the Executive Board in 2021 and to the fact that no member of the Executive Board was entitled to short-term variable remuneration for the 2020 financial year due to the impairment loss on financial assets following the insolvency of Commerzialbank Mattersburg and the resulting loss for the period. In the 2021 financial year, by contrast, the Executive Board members were entitled to the maximum short-term variable remuneration (i.e. 100% of their annual base salary), not least as the company reported a profit for the period (EUR 20,767 thousand compared with a loss of EUR 3,389 thousand in the previous year).

Change 2020 vs. 2019

in EUR thousand (rounded)	2020	2019	+/- in %
Profit/loss for the period	-3,389	12,522	-127%
Total remuneration of the Executive Board (gross, excluding payroll-related costs)	1,271	2,074	-38.7%
Base salaries of the Executive Board (gross, excluding payroll-related costs)	900	882	+2%
Average remuneration of other employees (gross, excluding payroll-related costs) [1]	69	66	+3.5%

1 Annual average full-time equivalents (FTE) at Frequentis AG, excluding variable salary components and benefits in kind

Remuneration of Supervisory Board members

Principles of the remuneration policy

The present remuneration policy for the Supervisory Board was adopted by the 13th Annual General Meeting on 14 May 2020 and defines the following objectives and basic principles.

The objective of the remuneration policy is to ensure that the members of the Supervisory Board are granted remuneration that is commensurate with their tasks and responsibilities, and with the company's economic position. The remuneration policy also takes into account the size of the company, its international focus, the business model of Frequentis AG, and the role and qualifications of the Supervisory Board members.

The remuneration policy is structured to ensure that qualified persons can be gained to perform the tasks of the Supervisory Board of a listed company with global operations. Therefore, the overall structure of the remuneration must be competitive and market-oriented as well as ensuring an appropriate relationship to the customary remuneration at comparable companies. In addition, it should allow a balanced professional and personal composition of the board. Special attention is paid to diversity with regard to the representation of both genders, a balanced age structure, and the professional background of the members.

In accordance with Section 5.7.1 of the company's articles of association, the remuneration of the members of the Supervisory Board is adopted by the General Meeting on the basis of a proposal submitted by the Executive Board and Supervisory Board, taking into account Section 98 AktG. The Executive Board and Supervisory Board draw up the remuneration proposal for each financial year at the start of the following financial year. Remuneration for a year is paid retrospectively following adoption of the resolution by the General Meeting.

The remuneration of the elected/delegated Supervisory Board members (shareholder representatives) comprises basic annual remuneration and attendance-related components. The employee representatives on the Supervisory Board perform their function voluntarily in accordance with Section 110 (3) of the Austrian Labour Relations Act (ArbVG) and do not receive separate remuneration therefor.

The basic annual amount is defined as a fixed amount per Supervisory Board member, and the amount may be graduated and measured on a different basis depending on the member's function and the scope of his/her tasks and responsibilities (e.g. chairperson, deputy chairperson). The attendance-related component is paid as an appropriate fee for attending meetings and is calculated as a flat rate for each meeting of the full Supervisory Board and of its committee that a member attends. The attendance fee may be graduated and measured on a different basis, in particular depending on the member's function and the scope of his/her tasks and responsibilities (e.g. chairperson, deputy chairperson). Further, the chairperson and deputy chairperson of the Supervisory Board may be granted appropriate attendance fees for attendance at and functions in connection with the company's general meetings. The attendance-related component of the remuneration policy reflects the fact that the number of meetings and the related time requirements can vary, especially in connection with membership of committees.

There is no provision for performance-related remuneration components (e.g. based on the performance of the share price) or share-based remuneration components for Supervisory Board members.

If a Supervisory Board member takes on a specific function in the interests of the company, he/she may be granted special remuneration for this by a resolution of the General Meeting.

Every Supervisory Board member, including the employee representatives on the Supervisory Board, is entitled to reimbursement of out-of-pocket expenses.

The Supervisory Board members are included in the company's directors' and officers' liability insurance (D&O insurance).

Presentation of total remuneration

Contingent upon the approval of the Annual General Meeting in 2023, the elected and delegated shareholder representatives on the Supervisory Board of Frequentis AG should be granted the following remuneration for their services in 2022:

Total remuneration of the Supervisory Board in EUR thousand (rounded)[1]		**Basic remu-neration 2022**	**Attendance fees 2022**	**Total remu-neration 2022[2]**	**Total remu-neration 2021[3]**	**Total remu-neration 2020[3]**	**Total remu-neration 2019[3]**
Johannes Bardach	Chairman of the Supervisory Board	15	19	34	31.5	31.5	25
Karl Michael Millauer	Deputy Chairman	13	20	33	31	33.5	29
Boris Nemsic	Member of the Supervisory Board	12	14	26	24	26	18
Reinhold Daxecker	Member of the Supervisory Board	12	16	28	26	30	26
Petra Preining	Member of the Supervisory Board	12	12	24	22	24	5
Sylvia Bardach	Member of the Supervisory Board	12	10	22	13	-	-
Total		**76**	**91**	**167**	**147.5**	**145**	**103**

1 The employee representatives on the Supervisory Board perform their function voluntarily in accordance with Section 110 (3) of the Austrian Labour Relations Act (ArbVG).

2 Contingent upon the approval of the General Meeting.

3 The amounts stated correspond to the remuneration approved by the General Meeting, which is paid in the year following the reporting period.

Other information and explanations

The remuneration granted to the members of the Executive Board and Supervisory Board of Frequentis AG in the reporting period in conformity with the relevant remuneration policy of the company is designed to ensure that suitably qualified individuals can be recruited and retained for the respective functions. This ensures that the composition of the Executive Board and Supervisory Board is balanced and qualified and supports the company's positive long-term development.

In the reporting period, there were no deviations from the company's remuneration policies for the Executive Board and the Supervisory Board and the implementation procedures set out in these policies.

There were no demands for repayment of variable remuneration components in the reporting period.

Vienna, 29 March 2023

Notes / Disclaimer

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

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

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

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All references to people are gender neutral.

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

Frequentis AG
Headquarters
Innovationsstraße 1, 1100 Vienna, Austria
Tel: +43 1 81150 0
investor@frequentis.com

www.frequentis.com

www.frequentis.com

FOR A SAFER WORLD

Long Term Incentive Plan 2023

1. Plan purpose and objectives

The performance based share plan (Long Term Incentive Plan 2023 – **"LTIP2023"**) is a long-term compensation instrument for the Chairman of the Management Board that promotes mid and long-term value creation at Frequentis AG.

The LTIP2023 seeks to align the interests of the Chairman of the Management Board and the shareholders of the Company by providing the Chairman of the Management Board with the possibility to receive – on a performance basis, dependent on the fulfilment of certain mid and long-term targets – shares in the Company. The plan also seeks to prevent inadequate risk-taking and to set the focus on the long-term development of the Company. In this respect, the LTIP2023 draws on sustainable, long-term and multi-annual performance criteria and includes also non-financial criteria.

2. Participation

The Chairman of the Management Board of FREQUENTIS AG, Norbert Haslacher, is the participant in the LTIP2023.

It is envisaged, to also provide in subsequent years – subject to approval by the respective general meeting – for a long term incentive plan. With respect to potential future long term incentive plans, also other members of the Management Board as well as selected senior executives of FREQUENTIS AG or of its affiliated companies, are eligible to participate.

3. Personal share ownership rules

There is no requirement for an ex ante investment in Frequentis shares in order to participate in the LTIP2023. However, the Chairman of the Management Board is obliged to build up, out of the LTIP2023 (and preceding and potential future long term incentive plans) an appropriate volume of shares in the Company and to hold such shares until his retirement or departure from the Company. The shareholding requirement amounts to 7,000 shares in the Company. Subject to such shareholding requirement, the Chairman of the Management Board may sell – as from the date of pay out – per calendar year one third of the shares acquired under the LTIP2023.

4. Grant levels

The maximum number of shares which may be allocated to the Chairman of the Management Board under the LTIP2022 amounts to 18,000 shares in the Company (gross) whereby no increase of shares under the LTIP2023 shall take place in case of capital increases or other capital measures. The term "gross" in connection with shares refers to the number of shares before deduction of taxes and duties. Due to the aforementioned deductions, in case of a pay out of shares, as a general rule approximately only half of the stated share number is actually transferred to the Chairman of the Management Board.

In accordance with Rule 27 of the Austrian Corporate Governance Code it is, in addition, determined as maximum value amount that under the LTIP2023 the Chairman of the Management Board may not be allocated more than 200% of his yearly gross base salary in form of shares. The calculation of such maximum value amount is to be made on the basis of the average share price of the Frequentis shares at the Vienna Stock Exchange during the three-month period following the end of the calendar year 2025.

In any case, the total accumulated number of shares paid out under the LTIP2023 (and preceding and potential future long term incentive plans and/or other share transfer or share option programs) will amount to less than 5% of the outstanding nominal capital of FREQUENTIS AG.

5. Effective Date and term

Plan commencement: 1 January 2023, subject to approval by the general meeting

Performance period: 3 years (1 January 2023 to 31 December 2025)

Vesting date: 30 April 2026, subject to approval by the Supervisory Board of the Company

6. Performance criteria and weightings

The number of shares is calculated by multiplying the maximum number of shares that can be allocated (gross) by the total percentage of target achievement, whereby the target achievement is measured over the entire performance period of three years. When doing such calculation, rounding is made in any event down to one full share.

In case of a 100% target achievement, all shares allocable under the LTIP2023 – observing, however, the limits of the maximum value amount – are allocated. However, also in case of an over-achievement of targets (i.e. more than 100% target achievement) the allocation of shares will not exceed the maximum value amount and the maximum number of shares. An over-achievement with respect to one performance target/criterion may equate an under-achievement with respect to another performance target/criterion within the limits of the aforementioned maximum determinations.

In case of a lesser target achievement, the number of shares is reduced accordingly (linear). Should the target achievement amount to less than 50%, no shares are allocable under the LTIP2023.

The performance criteria aim for a sustainable creation of value in the following performance areas:

- <u>Shareholders</u>

  20% of the total allocation (in case of 100% target achievement; up to 30% in case of more than 100% target achievement) are based on the Total Shareholder Return ("TSR") relative to a group of peer companies. The performance criterion is calculated as described below under "Calculation of relative TSR outcome".

- <u>Company:</u>

  30% of the total allocation (in case of 100% target achievement; up to 35% in case of more than 100% target achievement) are based on achievement of a target figure for the average relation of the order backlog at the end of a financial year and the operating performance in such financial year over the period of the performance period.

  20% of the total allocation (in case of 100% target achievement; up to 25% in case of more than 100% target achievement) are based on opening new geographical markets for defined group companies, which is measured against orders of end customers from “new” countries.

  20% of the total allocation (in case of 100% target achievement; up to 30% in case of more than 100% target achievement) are based on achievement of a target figure for growth of operating performance derived from the business segment Public Safety & Transport.

- Sustainability:

  10% of the total allocation (in case of 100% target achievement; up to 15% in case of more than 100% target achievement) are based on achievement of a target figure for running various trainee-programmes, aimed to broaden age diversity and to foster junior leadership development, in order to maintain the group's attractivity as employer for all ages.

The defined performance criteria must not be amended during the performance period of the LTIP2023. However, in order to maintain the incentivizing character of the LTIP2023, the Supervisory Board has the discretion to adjust the figures for target achievement if market conditions change significantly and/or special situations occur. In this respect the Supervisory Board has to consider in line with Section 78 Para 1 of the Stock Corporation Act that an allocation of shares under the LTIP2023 is proportionate to the tasks and the performance of the member of the Management Board, to the situation of the Company and to the usual remuneration and that the criterion of a long-term incentive for a sustainable development of the Company is preserved.

In addition, the Supervisory Board may, in case that FREQUENTIS has in two years out of the three-year performance period a negative annual result (in the individual or consolidated accounts), reduce the number of shares allocable under the LTIP2023 in full or in part, depending on the reasons and the extent of the losses within its reasonable discretion.

Calculation of relative TSR outcome

Performance of the relative TSR criterion is calculated by comparing the TSR of FREQUENTIS AG over the three-year performance period against the TSR of a peer group of companies. The relative TSR peer group was determined by the Supervisory Board and includes the following companies:

CS Communication et Systemes AS

Indra Sistemas SA

Kapsch TraffiCom AG

Kontron AG

SAAB AB

Kongsberg Gruppen ASA

OHB SE

TSR is the percentage change in the value of an investment in a company over a given period and is calculated as (i) the growth in share price over a given period plus (ii) the value of dividends paid out over the period, assuming they are reinvested in shares of the Company.

For the TSR calculation the average share price in the period from 1 January 2023 to 31 March 2023 (as initial share price) and the average share price in the period from 1 October 2025 to 31 December 2025 (as end share price) are used (with respect to FREQUENTIS AG, the respective share price at the Vienna Stock Exchange shall apply).

The TSR for the performance period is determined for each company in the peer group, including FREQUENTIS AG, and is ranked in descending order of the performance. The allocation of shares depends on the position of the TSR of FREQUENTIS AG in the four quartiles of the ranking, whereby the forth quartile includes the lowest TSR and the first quartile the highest TSR. Target for such performance criterion (100% target achievement) is a relative position of FREQUENTIS AG in the second quartile.

7. Vesting/payout/clawback

The determination of target achievement is to be done by the Supervisory Board of the Company until the vesting date, if possible. If approval for pay out of the shares is granted by the Supervisory Board on the vesting date or prior thereto, the pay out shall be effected on the business day following the vesting date. Otherwise, pay out shall be effected at the beginning of the month following the approval, in each case to the extent as legally permissible, considering in particular defined time periods and restriction in relation to the Company's sale of own shares. The Company does not cover any share price risk caused by the delay or the transfer.

In case of specific circumstances (pay out of shares based on evidently incorrect data; adjustment of approved financial statements for a financial year in the performance period due to a mistake; serious misconduct by the Chairman of the Management Board constituting a material violation of applicable laws, the Articles of Association of the Company, the bylaws for the Management Board or internal guidelines; material failure of the risk management which results in significant damages for the Company), the Supervisory Board may, in its reasonable discretion, reduce the number of shares allocable under the LTIP2023 in full or in part or claim full or partial repayment of paid out shares.

8. Rules for Leavers prior to the Vesting Date

In case the Company terminates the contract with the Chairman of the Management Board for good cause or the Chairman of the Management Board ends his membership to the Management Board without good cause, no shares under the LTIP2023 shall be allocable.

In case the Chairman of the Management Board ceases to be a member of the Management Board without his fault (premature termination of the contract with the Chairman of the Management Board by the Company without good cause; Chairman of the Management Board ending his membership to the Management Board with good cause; retirement of the Chairman of the Management Board; expiry of the tenure of his mandate as member of the Management Board without extension or re-appointment and no good cause being at hand for not extending or re-appointing him) the shares allocable under the LTIP2023 are to be allocated pro rata, to the extent the targets have been fulfilled until the date the Chairman of the Management Board has ceased to be a member of the Management Board.

In case of death or permanent occupational disability of the Chairman of the Management Board, claims for shares which are not due are valued and settled in cash per the date of death/permanent occupational disability; the value is to be determined on the basis of actual target achievement until the date of death/permanent occupational disability.

In case of an amicable termination of the contract with the Chairman of the Management Board, also an agreement on the LTIP2023 is to be made between the Company and the Chairman of the Management Board.

9. Plan termination

In case the Chairman of the Management Board ceases prematurely to be a member of the Management Board for any reason whatsoever, the LTIP2023 terminates with immediate effect. Other than that, a premature termination of the LTIP2023 is – except for a termination for good cause – excluded. A good cause is given if e.g. the Chairman of the Management Board commits a serious misconduct or if the Company ceases to be publicly listed.