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

Agenda and proposed resolutions for the 15th Annual General Meeting on 2 June 2022

1. **Item 1: Report of the Executive Board; presentation of the following documents for the financial year 2021: 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 2022 from 12 May 2022 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 2021 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 2021 amounting to EUR 46,061,592.98 as follows:

Distribution of a dividend amounting to EUR 0.20 (20 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 Friday, 10 June 2022.

3. **Item 3: Resolution on the discharge of the members of the Executive Board for the financial year 2021.**

The Executive Board and the Supervisory Board propose that the actions of the members serving on the Executive Board in the 2021 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 2021.**

The Executive Board and the Supervisory Board propose that the actions of the members serving on the Supervisory Board in the 2021 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 2021.

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 2021 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 20.05.2021 as Chairman of such General Meeting
- For the Deputy Chairman of the Supervisory Board:
  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 20.05.2021 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 Committees of the Supervisory Board shall be entitled to an additional attendance fee of EUR 2,000.00 for every meeting of a respective Committee attended.

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 Austrian Companies Act (AktG). 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 Austrian Companies Act (AktG)), 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 (1) of the Austrian Companies Act (AktG)).

The Executive Board and the Supervisory Board shall make a resolution proposal on the remuneration report in accordance with Section 108 (1) of the Austrian Companies Act (AktG).

At the meeting on 30 March 2022, 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 Austrian Companies Act (AktG) and proposed a resolution in accordance with Section 108 (1) of the Austrian Companies Act (AktG).

The Executive Board and the Supervisory Board propose that the remuneration report for the 2021 financial year, as made available on the FREQUENTIS AG website registered in the commercial register, www.frequentis.com > Investor Relations > General Meeting > General Meeting 2022 from 12 May 2022 at the latest, be adopted. The remuneration report for the 2021 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 2022.

The Supervisory Board proposes that BDO Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, be appointed as the auditor of the financial statements of the company and the consolidated financial statements for the 2022 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 2022.

The Executive Board and the Supervisory Board propose that the share-based and performance-related incentive and remuneration programme (“Long-Term Incentive Plan 2022”), as made available on the FREQUENTIS AG website registered in the commercial register, www.frequentis.com > Investor Relations > General Meeting > General Meeting 2022 from 12 May 2022 at the latest, be adopted. The Long-Term Incentive Plan 2022 is attached to this resolution proposal as Appendix ./2.

9. Item 9: Resolution on the authorization of (i) the Executive Board to purchase own shares pursuant to Section 65 Para 1 No. 4 and No. 8 Austrian Companies Act (AktG) both via the stock exchange and off-market in a volume of up to 10% of the nominal capital and to also exclude the general selling possibility of the shareholders that may be related to such purchase, (ii) the Executive Board to reduce the nominal capital by cancelling own shares without any further resolution by the General Meeting, and (iii) the Supervisory Board to adopt amendments to the Articles of Association arising from the cancellation of shares.

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

a) The Executive Board shall be authorized pursuant to Section 65 Para 1 No. 4 and No. 8 Austrian Companies Act (AktG) to purchase both via the stock exchange and off-market no-par value bearer shares in the Company in a volume of up to 10% of the nominal capital of the Company for a period of 30 months from the date of such resolution of the General Meeting, whereby the minimum consideration per share may 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 prior to the purchase of the shares. Trade in own shares is excluded as a purpose of the purchase. This authorization may be exercised in total or partially and also in several tranches and for one or several purposes by the Company, by a subsidiary (Section 189a No. 7 of the Austrian Business Enterprise Code - "UGB") or for the account of the Company or a subsidiary (Section 189a No. 7 UGB) by third parties. In case of a purchase of shares off-market, such purchase may also be effected under the exclusion of the general selling possibility of shareholders, and may also be effected only from certain shareholders or from one single shareholder.

b) Furthermore, the Executive Board shall be authorized to reduce the nominal capital by cancelling own shares without any further resolution by the General Meeting.

c) The Supervisory Board shall be authorized to adopt amendments to the Articles of Association arising from the cancellation of shares.

Apart from that, reference is made to the report of the Executive Board regarding this item of the agenda, which is attached to this resolution proposal as Appendix ./3.

Appendix ./1	Remuneration Report
Appendix ./2	Long Term Incentive Plan 2022
Appendix ./3	Report on Item 9

This document represents a convenience translation of the official (German) version. In case of discrepancies between the official (German) version and this English convenience translation the official (German) version shall prevail.

FREQUENTIS

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Remuneration Report 2021

Appendix 1 - Remuneration Report

Remuneration Report 2021

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 2021 financial year. In addition to the statutory requirements, the structure and content of the remuneration report 2021 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 30 March 2022. 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 14th Annual General Meeting on 20 May 2021, the remuneration report for the 2020 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 2020.

Business performance of the Frequentis Group in the reporting period

The COVID-19 pandemic continued to influence the operating business in 2021. Thanks to Frequentis' stable business model as a provider of communication and information solutions for control centres in the safety-critical sector, demand did not deteriorate. As in 2020, travel restrictions prevented many business trips. Although travel expenses were higher than in 2020, they were nevertheless lower than before the pandemic.

In February 2021, Frequentis signed an agreement to acquire civil and military ATM voice communications product lines and software and cloud solutions for air traffic optimisation (traffic synchronisation) of the US group L3Harris Technologies, Inc. (subsequently referred to as L3Harris). The transaction, which comprised the acquisition of three L3Harris companies in Germany, Australia, and Canada, as well as taking on a customer contract between L3Harris and the British air navigation service provider NATS, was closed in the reporting period, and the newly acquired entities contributed around EUR 19 million to Group revenues in 2021.

The good business performance of the companies acquired from L3Harris and the profitable project business enabled Frequentis to continue to grow despite the restrictions on travel.

Order intake in the Frequentis Group was EUR 333.2 million in 2021, an increase of 5.9% compared with 2020 (EUR 314.6 million). The distribution of order intake between the two segments in 2021 was as follows: Air Traffic Management 69% (2020: 64%), Public Safety & Transport 31% (2020: 36%).

Despite the ongoing impact of the COVID-19 pandemic, revenues rose by 11.4% or EUR 34.2 million to EUR 333.5 million in 2021 (2020: EUR 299.4 million). In the Air Traffic Management segment, revenues increased by 8.2% to EUR 219.8 million and in the Public Safety & Transport segment revenues grew by 18.0% to EUR 113.6 million. The revenue split between the Air Traffic Management and Public Safety & Transport segments was 66% : 34% in 2021 (2020: 68% : 32%).

The other operating income increased to EUR 9.5 million (2020: EUR 8.6 million). The biggest single items here are grants and subsidies for research and development costs and income from research subsidies.

The cost of materials and purchased services increased by 0.9% to EUR 75.7 million (2020: EUR 75.0 million). While the cost of materials declined due to the lower material-intensity of projects, the cost of purchased services rose. Personnel expenses increased by 15.3% to EUR 182.1 million (2020: EUR 157.9 million). This was attributable to the increase in the headcount (+13.1%, mainly as a result of the new companies in the consolidated group), higher provisions for bonuses, and salary rises.

The other operating expenses rose by 22.6% to EUR 40.5 million (2020: EUR 33.0 million). Multi-year comparison: in 2019, before the outbreak of the COVID-19 pandemic, the other operating expenses were EUR 43.7 million, mainly because travel expenses were higher. Travel expenses amounted to EUR 5.4 million in 2021 (2020: EUR 4.1 million; 2019: EUR 11.9 million).

EBITDA (earnings before interest, taxes, depreciation, amortisation, and impairment losses) improved by EUR 4.6 million to EUR 46.5 million in 2021 (2020: EUR 41.9 million). The EBITDA margin (relative to revenues) was 13.9%, compared with 14.0% in 2020.

Despite the COVID-19 pandemic, EBIT increased by EUR 2.2 million to EUR 29.0 million in 2021 (2020: EUR 26.8 million). The EBIT margin (relative to revenues) was 8.7%, compared with 9.0% in 2020.

In 2021, the Group reported a profit for the period of EUR 20.8 million, compared with a loss of EUR 3.4 million in 2020. Basic and diluted earnings per share were EUR 1.50 in 2021 (2020: EUR -0.30).

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 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.

There was a change on the Executive Board in the reporting period. Mr. Peter Skerlan took over the function of the company's Chief Financial Officer (CFO) from Mrs. Sylvia Bardach on 16 April 2021. 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)	2021	2020
Norbert Haslacher (Chairman of the Executive Board)	360	360
Hermann Mattanovich	280	270
Peter Skerlan (Executive Board member since 16 April 2021)	191	-
Sylvia Bardach (Executive Board member until 15 April 2021)	79	270
Total	**910**	**900**

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 company 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 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. 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 the 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 2021 in accordance with Section 96 AktG, the Executive Board members have earned the following entitlements to short-term variable remuneration for the reporting period (the variable remuneration entitlements have been calculated without taking into account the inorganic EBIT contributions from the M&A transaction with L3Hrris Technologies, Inc., which was closed in the reporting period):

Short-term variable remuneration (gross, excluding payroll-related costs) in EUR thousand (rounded)	2021[1]	2020[2]
Norbert Haslacher (Chairman of the Executive Board)	360	0
Hermann Mattanovich	280	0
Peter Skerlan (Executive Board member since 16 April 2021)	191	-
Sylvia Bardach (Executive Board member until 15 April 2021)	0	0
Total	**831**	**0**

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.

LTIP 2019, 2020, and 2021

Since 2019, Frequentis AG has agreed three long-term incentive plans with the Chairman of the Executive Board, Norbert Haslacher (LTIP 2019, LTIP 2020, and LTIP 2021, 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 CEO 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 14,000 shares (LTIP 2019) or 17,000 shares (LTIP 2020 and 2021) – in each case gross, i.e., before deduction of taxes and fees – but no more than 200% of the beneficiary's annual gross base salary for the 2019, 2020, or 2021 financial year, as applicable, will be granted. Settlement is effected by transferring the number of shares corresponding to the net amount of the award to the respective securities account. Subject to the approval of the Supervisory Board, the settlement date is 30 April 2022 for the LTIP 2019, 30 April 2023 for the LTIP 2020, and 30 April 2024 for the LTIP 2021.

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%.

In order to qualify for the allocation of shares in the company, targets must be achieved. The achievement of each target is measured over a three-year performance period.

The targets agreed for the LTIP 2019 are based on the total shareholder return (TSR), organic growth of the operating performance, the EBIT margin, the profit margin, the development of key accounts, employee satisfaction, and customer satisfaction.

The targets agreed for the LTIP 2020 are based on the total shareholder return (TSR), orders on hand, regional growth, and growth through acquisitions.

The targets agreed for the LTIP 2021 are based on the total shareholder return (TSR), the increase in operating performance through key accounts, and growth via new business development.

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:

	LTIP 2021	LTIP 2020	LTIP 2019
Start of plan	1 Jan. 2021	1 Jan. 2020	1 Jan. 2019
Grant date	15 Jun. 2021	14 May 2020	30 Sep. 2019
End of service period	31 Dec. 2023	31 Dec. 2022	31 Dec. 2021
Vesting date	30 Apr. 2024	30 Apr. 2023	30 Apr. 2022
Expected target achievement	126%	130%	103%
Expected no. of shares	17,000	17,000	14,000
Maximum no. of shares	17,000	17,000	14,000
Bonus shares allocated	None	None	None

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 2019, the LTIP 2020, and the LTIP 2021, it is assumed that both the market-oriented target 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.

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)	2021 Norbert Haslacher	Hermann Mattanovich	Peter Skerlan Executive Board member since 16 April 2021	Sylvia Bardach Executive Board member until 15 April 2021	2020 Norbert Haslacher	Hermann Mattanovich	Sylvia Bardach
Fixed remuneration							
• Annual base salary	360.0	280.0	191.4	78.6	360.0	270.0	270.0
• Premiums for pension reinsurance	50.0	49.9	50.0	50.0	50.0	50.0	50.0
• Benefits in kind (company cars and reimbursement of travel expenses)[1]	8.7	11.6	5.6	0.0[2]	8.7	11.6	0.0[2]
Subtotal fixed remuneration	**418.7**	**341.5**	**247.0**	**128.6**	**418.7**	**331.6**	**320.0**
Variable remuneration							
• Short-term variable remuneration							
Amount paid out in reporting period for target achievement in previous year[3]	0.0	0.0	0.0	0.0	180.0	135.0	126.0
thereof not covered by provisions in previous year[4]	-	-	-	-	14.4	10.8	6.3
Amount paid out for target achievement in the reporting period	90.0	0.0	0.0	0.0			
Provisions for expected target achievement in the reporting period[5]	270.0	280.0	191.4	-	0.0	0.0	0.0
• Long-term variable remuneration (share-based payment)							
Payments due to end of LTIP	0.0	-	-	-	0.0	-	-
Provisions for current LTIPs[6]	369.7	-	-	-	169.0	-	-
Subtotal variable remuneration[7]	**729.7**	**280.0**	**191.4**	**0.0**	**183.4**	**10.8**	**6.3**
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**	**400.1**	**0.0**	**0.0**	**0.0**
Total remuneration							
• Fixed remuneration	418.7	341.5	247.0	128.6	418.7	331.6	320.0
• Variable remuneration	729.7	280.0	191.4	0.0	183.4	10.8	6.3
• Remuneration from affiliated companies	-	-	-	-	-	-	-
• Other remuneration	0.0	0.0	0.0	400.1	0.0	0.0	0.0
Total remuneration	**1,148.4**	**621.5**	**438.4**	**528.7**	**602.1**	**342.4**	**326.3**
• Fixed remuneration in % of total	36%	55%	56%	100%	70%	97%	98%
• Variable remuneration in % of total	64%	45%	44%	0%	30%	3%	2%
Total remuneration of all Executive Board members			**2,737.0**			**1,270.8**	

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).

6 Annual addition to provisions (change versus cumulative provisions from previous years); this amount may differ from the amount paid out in the year of settlement. Cumulative amount as at 31 December 2021: approx. EUR 601.7 thousand.

7 The subtotal is calculated from differences between the amount allocated to provisions in the previous year (footnote 3) plus the amount allocated to provisions in the reporting period (footnote 5) and long-term remuneration components (footnote 6).

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 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, excl. 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 the reporting period 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 due to the reported 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, excl. 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 article 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 2022, the elected and delegated shareholder representatives on the Supervisory Board of Frequentis AG should be granted the following remuneration for their services in 2021:

Total remuneration of the Supervisory Board in EUR thousand (rounded)[1]		Basic remuneration 2021	Attendance fees 2021	Total remuneration 2021[2]	Total remuneration 2020[3]	Total remuneration 2019[3]
Johannes Bardach	Chairman of the Supervisory Board	15	16.5	31.5	31.5	25
Karl Michael Millauer	Deputy Chairman	13	18	31	33.5	29
Boris Nemsic	Member of the Supervisory Board	12	12	24	26	18
Reinhold Daxecker	Member of the Supervisory Board	12	14	26	30	26
Petra Preining	Member of the Supervisory Board	12	10	22	24	5
Sylvia Bardach	Member of the Supervisory Board (since 20 May 2021)	7	6	13	-	-
Total		**71**	**76.5**	**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, 30 March 2022

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.

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FREQUENTIS
FOR A SAFER WORLD

Long Term Incentive Plan 2022

1. Plan purpose and objectives

The performance based share plan (Long Term Incentive Plan 2022 – **"LTIP2022"**) 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 LTIP2022 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 LTIP2022 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 LTIP2022.

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, shall be 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 LTIP2022. However, the Chairman of the Management Board is obliged to build up, out of the LTIP2022 (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 LTIP2022.

4. Grant levels

The maximum number of shares which may be allocated to the Chairman of the Management Board under the LTIP2022 amounts to 17,000 shares in the Company (gross) whereby no increase of shares under the LTIP2022 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 LTIP2022 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 2024.

In any case, the total accumulated number of shares paid out under the LTIP2022 (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 2022, subject to approval by the general meeting

Performance period: 3 years (1 January 2022 to 31 December 2024)

Vesting date: 30 April 2025, 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 LTIP2022 – 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 LTIP2022.

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

- <u>Shareholders</u>

  30% of the total allocation (in case of 100% target achievement; up to 40% 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>

  25% of the total allocation (in case of 100% target achievement; up to 35% in case of more than 100% target achievement) are based on compliance with a target figure for growth of group turnover.

  35% of the total allocation (in case of 100% target achievement; up to 45% in case of more than 100% target achievement) are based on compliance with a target figure for the EBIT margin.

- <u>Sustainability:</u>

  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 compliance with a target figure for employee satisfaction, measured upon the fluctuation of employees within the group.

The defined performance criteria must not be amended during the performance period of the LTIP2022. However, in order to maintain the incentivizing character of the LTIP2022, 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 LTIP2022 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 LTIP2022 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

S&T 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 2022 to 31 March 2022 (as initial share price) and the average share price in the period from 1 October 2024 to 31 December 2024 (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. 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 LTIP2022 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 LTIP2022 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 LTIP2022 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 LTIP2022 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 LTIP2022 terminates with immediate effect. Other than that, a premature termination of the LTIP2022 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.

Report on item 9 of the 15th Annual General Meeting on 2 June 2022

Report by the Executive Board of FREQUENTIS AG in connection with the authorizations of the Executive Board to purchase own shares in the Company pursuant to Section 65 Para 1 No. 4 and No. 8 of the Austrian Companies Act (AktG) both via the stock exchange and off-market in a volume of up to 10% of the nominal capital of the Company and to also exclude the general selling possibility of the shareholders that may be related to such purchase

The Executive Board of FREQUENTIS AG has prepared the following report on item 9 of the agenda.

1. Authorization

The Executive Board and the Supervisory Board of FREQUENTIS AG intend to propose to the General Meeting of the Company on item 9 of the agenda a resolution on the authorization of the Executive Board pursuant to Section 65 Para 1 No. 4 and No. 8 of the Austrian Companies Act (AktG) to purchase both via the stock exchange and off-market no-par value bearer shares in the Company in a volume of up to 10% of the nominal capital of the Company for a period of 30 months from the date of such resolution of the General Meeting, whereby the minimum consideration per share may 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 prior to the purchase of the shares. Trade in own shares is excluded as a purpose of the purchase. This authorization may be exercised in total or partially and also in several tranches and for one or several purposes by the Company, by a subsidiary (Section 189a No. 7 of the Austrian Business Enterprise Code - "UGB") or for the account of the Company or a subsidiary (Section 189a No 7 UGB) by third parties. In case of a purchase of shares off-market, such purchase may also be effected under the exclusion of the general selling possibility of shareholders, and may also be effected only from certain shareholders or from one single shareholder. Furthermore, (i) the Executive Board shall be authorized to reduce the nominal capital by cancelling own shares without any further resolution by the General Meeting, and (ii) the Supervisory Board shall be authorized to adopt amendments to the Articles of Association arising from the cancellation of shares.

With regard to the possibility of off-market purchases of own shares pursuant to Section 65 Para 1 No. 4 and No. 8 of the Austrian Companies Act (AktG), the Executive Board presents a written report on the reason for the exclusion of the general selling possibility of the shareholders related to such purchase.

2. Purpose of the purchase authorization excluding the general selling possibility / Interest of the Company

The proposed authorization to purchase own shares in the Company, also excluding the general selling possibility of shareholders in the event of an off-market purchase of shares, is in the interest of the Company, in particular with regard to the use, respectively the disposal of own shares, within the scope of the authorization granted to the Executive Board by resolution of the Extraordinary General Meeting of 20 September 2019 on item 6 of the agenda.

In particular, the shares in question may also be granted to employees, senior employees and/or members of the Company's Executive Board or the management boards of its affiliates, including for purposes of share transfer programs, in particular stock options, long term incentive plans or other stock ownership plans (such as, in particular, programs under which employees may acquire shares in the Company at a reduced price or receive bonus shares up to a certain maximum amount in case they acquire shares in the Company). In addition, the Executive Board shall be granted a high degree of flexibility and rapid action shall be made possible for future corporate acquisitions and for servicing any convertible bonds issued.

For a detailed description of the purpose of the authorisation of the Executive Board to use, respectively dispose of, own shares also under the exclusion of the general purchasing possibility of the shareholders, please refer to the report of the Executive Board on items 5 and 6 of the agenda of the Extraordinary General Meeting 2019, which is available on the FREQUENTIS AG website registered in the commercial register at www.frequentis.com > Investor Relations > General Meeting > Extraordinary General Meeting 2019.

With respect to the present proposal for the authorization to purchase own shares also under the exclusion of the general selling possibility of the shareholders in case of an off-market purchase of own shares, the following is stated:

Due to the available time frame, the general and special market and share price development, the trading volumes available on the stock exchange or any volume restrictions for share buyback programs via the stock exchange, it may be necessary to exclude the general selling possibility of the shareholders in the event of an off-market acquisition of shares. For example, if the Company is unable to acquire own shares on the stock exchange or by public offering within the required time or for an appropriate price. The authorization of the Executive Board enables the Company to acquire the own shares required to service stock transfer programs or other employee participation programs flexibly and on optimized terms. This also applies to the acquisition of own shares for the purpose of future corporate acquisitions or to service any convertible bonds issued.

3. Weighing of interests

The authorization of the Executive Board to repurchase own shares, under exclusion of the general selling possibility of the shareholders in the case of an off-market purchase of shares, for the sourcing of own shares for the servicing of share transfer programs or other employee participation programs may be necessary, suitable and appropriate after consideration of the circumstances to be considered and may be in the interest of the Company. This will in particular be the case if – for example due to the available time frame, the general and special market and share price development, the trading volumes available on the stock exchange or any volume restrictions for share buyback programs via the stock exchange – own shares cannot be acquired by the Company within the required time or at an appropriate price via the stock exchange or by public offer.

The rapid availability of shares in the amount required as acquisition currency for future corporate acquisitions and for servicing any convertible bonds issued also constitutes an objective justification for the exclusion of the shareholders' general selling possibility.

The exclusion of the general selling possibility of the shareholders in the case of an off-market purchase of shares is due to the reasons described above, under consideration of all circumstances which have to be considered, necessary, suitable, appropriate, and in the interest of the Company and is, therefore, objectively justified. In these cases the overall interest of the Company prevails over the disadvantage of the shareholders resulting from the exclusion of the general selling possibility.

The repurchase of the Company's own shares under exclusion of the general selling possibility of the shareholders in the case of an off-market purchase of shares as well as the determination of all conditions of such a repurchase may only take place with the consent of the Supervisory Board of the Company. If the Executive Board exercises its authorization to exclude the general selling possibility of the shareholders, a new written report by the Executive Board will have to be established and published at least two weeks prior to such resolution by the Supervisory Board.

In summary, the Executive Board of FREQUENTIS AG concludes that the granting of authorization to the Executive Board of the Company to purchase own shares off-market, is fully in line with the statutory rules. The Executive Board kindly asks for approval.

Vienna, May 2022

The Executive Board