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Agenda and proposed resolutions for the 17th Annual General Meeting on 6 June 2024

1. **Item 1: Report of the Executive Board; presentation of the following documents for the financial year 2023: 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 2024 from 16 May 2024 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 2023 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 2023 amounting to EUR 75,552,148.10 as follows:

Distribution of a dividend amounting to EUR 0.24 (24 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 14 June 2024.

3. **Item 3: Resolution on the discharge of the members of the Executive Board for the financial year 2023.**

The Executive Board and the Supervisory Board propose that the actions of the members serving on the Executive Board in the 2023 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 2023.**

The Executive Board and the Supervisory Board propose that the actions of the members serving on the Supervisory Board in the 2023 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 2023.**

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 2023 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 01.06.2023 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 01.06.2023 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.

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 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 27 March 2024, 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 2023 financial year, as made available on the FREQUENTIS AG website registered in the commercial register, www.frequentis.com > Investor Relations > General Meeting > General Meeting 2024 from 16 May 2024 at the latest, be adopted. The remuneration report for the 2023 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 as well as (if applicable) the auditor of the sustainability reporting for the financial year 2024.

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 2024 financial year as well as, to the extent legally required for the financial year 2024, also as auditor of the consolidated sustainability reporting for the financial year 2024. The proposal of the Supervisory Board is based on a corresponding recommendation by the Supervisory Board's Audit Committee.

8. Item 8: Elections to the Supervisory Board.

The term of office of Mag. Petra Preining as member of the Supervisory Board ends at the end of the Annual General Meeting on 6 June 2024.

Pursuant to Article 5 of the Articles of Association of FREQUENTIS AG the Supervisory Board comprises at least three and at most six members elected by the General Meeting or delegated by the shareholders (shareholder representatives). The Supervisory Board currently comprises nine members (six shareholder representatives and three employee representatives). One member has to be elected at the upcoming General Meeting to keep the number of shareholder representatives at the present level.

FREQUENTIS AG falls within the scope of Section 86 Para 7 Stock Corporation Act and therefore has to fulfil the minimum quota mentioned therein.

Pursuant to Section 86 Para 9 Stock Corporation Act, no objection to the overall fulfilment of the minimum quota requirements of Section 86 Para 7 Stock Corporation Act has been raised no later than six weeks before the election. Therefore, the minimum quota of 30% women and 30% men in the Supervisory Board shall be fulfilled jointly by the shareholder and employee representatives on the Supervisory Board. Due to the overall fulfillment of the minimum quota in the Supervisory Board at least three seats on the Supervisory Board are required to be filled by women and at least three seats on the Supervisory Board are required to be filled by men. Currently, six seats of the Supervisory Board are held by men and three seats of the Supervisory Board are held by women. Due to the expiry of the mandate of one woman, at least one woman must be proposed in the present election proposal, in order to comply with the minimum quota requirements pursuant to Section 86 Para 7 Stock Corporation Act.

The Company's Supervisory Board proposes that Mag. Petra Preining be elected to the Company's Supervisory Board with effect as from the end of this General Meeting for the longest term permitted by Section 87 Para 7 Stock Corporation Act – that is, until the end of the General Meeting that resolves on ratification for the fourth financial year after the election, not including the financial year in which the election is held, in other words, until the end of the General Meeting that resolves on the 2028 financial year.

For information: The nominee has submitted a declaration pursuant to Section 87 Para 2 Stock Corporation Act regarding her professional qualifications and professional or comparable functions and stating that there are no circumstances that may give rise to concerns regarding conflicts of interest. This declaration is made available in the internet at www.frequentis.com > Investor Relations > General Meeting > General Meeting 2024 no later than 16 May 2024.

9. Item 9: Resolution on the remuneration policy for the Executive Board of FREQUENTIS AG.

The Supervisory Board proposes that the remuneration policy for the Executive Board as discussed and drawn up by the Supervisory Board in its meeting of 27 March 2024 in accordance with Section 78a Stock Corporation Act (principles for the remuneration of Executive Board members), which is made available on the website of FREQUENTIS AG registered with the commercial register, www.frequentis com > Investor Relations > General Meeting > General Meeting 2024 no later than 16 May 2024, be adopted. The remuneration policy for the Executive Board is attached to this document as Appendix ./2.

For information: Since the business year 2020, the Supervisory Board of a publicly listed company is obliged pursuant to Section 78a Stock Corporation Act to draw up a clear and comprehensible remuneration policy establishing the principles for the remuneration of the members of the Executive Board. The remuneration policy for the Executive Board must be submitted to the General Meeting for vote at least every fourth financial year and whenever a material change is made. The remuneration policy for the Executive Board was last adopted at the Ordinary General Meeting on 14 May 2020. The Supervisory Board has revised the remuneration policy and is now submitting it to the General Meeting for approval. The vote at the General Meeting on the remuneration policy for the Executive Board is of a recommendatory nature. No legal challenge is possible (Section 78b Para 1 Stock Corporation Act).

10. Item 10: Resolution on the remuneration policy for the Supervisory Board of FREQUENTIS AG.

The Supervisory Board proposes that the remuneration policy for the Supervisory Board as discussed and drawn up by the Supervisory Board in its meeting of 27 March 2024 in accordance with Section 98a in conjunction with Section 78a Stock Corporation Act (principles for the remuneration of Supervisory Board members), which is made available on the website of FREQUENTIS AG registered with the commercial register, www.frequentis com > Investor Relations > General Meeting > General Meeting 2024 no later than 16 May 2024, be adopted. The remuneration policy for the Supervisory Board is attached to this document as Appendix ./3.

For information: Since the business year 2020, the Supervisory Board of a publicly listed company is obliged pursuant to Section 98a in conjunction with Section 78a Stock Corporation Act to draw up a clear and comprehensible remuneration policy establishing the principles for the remuneration of the members of the Supervisory Board. The remuneration policy for the Supervisory Board must be submitted to the General Meeting for vote at least every fourth *financial year and whenever a material change is made. The remuneration policy for the Supervisory Board was last adopted at the Ordinary General Meeting on 14 May 2020. The Supervisory Board has revised the remuneration policy and is now submitting it to the General Meeting for approval. The vote at the General Meeting on the remuneration policy for the Supervisory Board is of a recommendatory nature. No legal challenge is possible (Section 98a in conjunction with 78b Para 1 Stock Corporation Act).*

11. Item 11: Resolution on the Long Term Incentive Plan 2024.

The Executive Board and the Supervisory Board propose that the share-based and performance-related incentive and remuneration programme ("Long Term Incentive Plan 2024"), as made available on the FREQUENTIS AG website registered in the commercial register, www.frequentis.com > Investor Relations > General Meeting > General Meeting 2024 from 16 May 2024 at the latest, be adopted. The Long Term Incentive Plan 2024 is attached to this resolution proposal as Appendix ./4.

12. Item 12: Resolution on the authorization of (i) the Executive Board to purchase own shares pursuant to Section 65 Para 1 No. 4 and No. 8 Stock Corporation Act 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 as well as revocation of the respective resolution of the General Meeting of 2 June 2022.

The Executive Board and the Supervisory Board of FREQUENTIS AG propose to revoke the authorization of the Executive Board to purchase own shares in the Company in accordance with Section 65 Para 1 No. 4 and 8 Stock Corporation Act and to cancel shares and of the Supervisory Board to adopt the amendments to the Articles of Association resulting from such cancellation, granted by resolution in the Ordinary General Meeting of 2 June 2022 under item 9 of the agenda, to the extent not yet utilized, and at the same time,

a) to authorize the Executive Board 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, in accordance with Section 65 Para 1 No. 4 and 8 Stock Corporation Act, 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, unweighted closing price on the stock exchange over the preceding ten trading days prior to the respective 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 parts 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) to authorize the Executive Board to reduce the nominal capital by cancelling own shares without any further resolution by the General Meeting; and

c) to authorize the Supervisory Board 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 ./5.

13. Item 13: Resolution on the authorization of the Executive Board pursuant to Section 65 Para 1b Stock Corporation Act to dispose of, or utilize own shares also in other ways than a disposal via the stock exchange or a public offering for any legally permissible purpose and to also exclude the general purchasing possibility of the shareholders as well as revocation of the respective resolution of the General Meeting of 20 September 2019.

The Executive Board and the Supervisory Board of FREQUENTIS AG propose to revoke the authorization of the Executive Board to dispose of, or utilize own shares in the Company in accordance with Section 65 Para 1b Stock Corporation Act, granted by resolution in the Extraordinary General Meeting of 20 September 2019 under item 6 of the agenda, to the extent not yet utilized, and at the same time, authorize the Executive Board pursuant to Section 65 Para 1b Stock Corporation Act to dispose of, or utilize, own shares repurchased for a period of five years from the day of the resolution, therefore until and including 5 June 2029 with the consent of the Supervisory Board and without a further resolution by the General Meeting, also in other ways than a disposal via the stock exchange or a public offering, in particular

a) to grant own shares 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,

b) to deliver own shares to service any convertible bonds issued,

c) as consideration for the acquisition of entities, business operations, parts of business operations or shares in one or several companies at home or abroad, and

d) for any other legally permissible purpose,

and to exclude the general purchasing possibility of the shareholders. This authorization may be exercised in total or partially and also in several parts and for several purposes.

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 ./6.

14. Item 14: Resolutions on the following amendments of the Articles of Association.

a) Resolution on the amendments of the Articles of Association in Article 6 (Virtual or Hybrid General Meeting).

The Executive Board and the Supervisory Board propose to amend the Articles of Association in Article 6 by adding a new Article 6.1.6 as follows:

After Article 6.1.5 a new Article 6.1.6 is added, which reads as follows:

"6.1.6 Virtual or Hybrid General Meeting

(a) The Executive Board is authorized, with the approval of the Supervisory Board, to stipulate, in accordance with the provisions of the Federal Act on the Conduct of Virtual Shareholders' Meetings (*Bundesgesetz über die Durchführung virtueller Gesellschafterversammlungen – VirtGesG*) and the articles of association of the company, on a case-by-case basis for General Meetings of the company, that the General Meeting shall be held as a virtual or hybrid General Meeting.

(b) The Executive Board shall decide, with the approval of the Supervisory Board, on the form of the conduct, i.e. whether the General Meeting is to be held (i) with the physical presence of the participants, (ii) without the physical presence of the participants (virtual General Meeting), either as simple virtual meeting or as moderated virtual meeting, or (iii) as General Meeting at which the individual participants can choose between a physical and a virtual participation (hybrid General Meeting). If the General Meeting is convened by the Supervisory Board, the latter shall be free to decide on the form of the conduct in the aforementioned sense.

(c) In all other respects, the Executive Board or the Supervisory Board, as the convening body, shall be responsible to make all decisions necessary to hold a virtual General Meeting or a hybrid General Meeting.

(d) The holding of a moderated virtual General Meeting is permitted in accordance with the VirtGesG and the provisions of the articles of association. A virtual General Meeting is broadcast optically and acoustically in real time for the participants; a hybrid General Meeting is broadcast optically and acoustically in real time for those participants who have opted for virtual participation. The Executive Board or the Supervisory Board, as the convening body, is authorized to stipulate the public broadcast of the virtual General Meeting or the hybrid General Meeting.

(e) Shareholders have the opportunity to request to speak at any time during a moderated virtual General Meeting by means of electronic communication. This applies equally to a (moderated) hybrid General Meeting with regard to those shareholders who have opted for a virtual participation. If a shareholder is given the floor by the Chairman, he or she must be given the opportunity to speak via video communication. The Chairman decides on the order in which speeches are made and also on the time up to which speeches may be made and up to which questions may be asked.

(f) For all votes in a moderated virtual General Meeting, the shareholders may exercise their voting rights by way of electronic communication and also raise objections in this way, as the case may be; this applies equally to a (moderated) hybrid General Meeting with regard to those shareholders who have opted for a virtual participation. The company may – subject to technical possibilities – either (i) set up and announce a special e-mail address to which the exercise of voting rights or the objection can be sent to the company, or (ii) offer the use of a special voting software or a respective function on the company's website (General Meeting portal) for the purpose of exercising voting rights or raising objections.

(g) The Executive Board shall have the power to stipulate that shareholders may cast their votes electronically, e.g. by e-mail, up to a date before the General Meeting to be determined. The respective shareholders may revoke their votes up to the time of voting in the virtual or hybrid General Meeting and, if necessary, vote again. In all other respects Section 126 of the Austrian Stock Corporation Act shall apply mutatis mutandis.

(h) At a virtual or hybrid General Meeting, the company shall provide the shareholders, at its own expense, with two suitable special proxies who are independent of the company and who may be authorized by the shareholders to propose resolutions, cast votes and, if necessary, raise objections at the virtual or hybrid General Meeting.

(i) The provisions of Article 6.1.6 of these articles of association are limited in time until 31 December 2028."

<u>For information</u>: With the entry into force of the Federal Act on the Conduct of Virtual Shareholders' Meetings (Bundesgesetz über die Durchführung virtueller Gesellschafterversammlungen – VirtGesG), a permanent legal basis for virtual and hybrid General Meetings was established.

This temporary amendment to the Articles of Association at hand is intended to enable the Company to react to practical necessities (such as those that may arise in the course of a pandemic) or circumstances (such as a shareholder need in this regard) accordingly. A hybrid General Meeting, for example, can also contribute to an increase and diversification of attendance at the General Meeting. Of course, the amendment does not exclude the standard practice of holding the General Meeting as an in-person meeting.

The provisions of the Articles of Association on the virtual/hybrid General Meeting are limited to four financial years. At the end of this period, the experience gained up to that point will be evaluated and assessed.

b) Resolution on the amendments of the Articles of Association in Article 8.1 (Publications – EVI)

The Executive Board and the Supervisory Board propose to amend the Articles of Association in Article 8.1 as follows:

Article 8.1 of the Articles of Association is amended so that it now reads as follows:

"The company's publications shall be made via the company's website and, insofar as and for as long as is mandatory by law, on the electronic announcement and information platform of the federal government (*Elektronische Verlautbarungs- und Informationsplattform des Bundes – EVI*). Further, the company's publications shall be disseminated via certain electronic information platforms in accordance with the applicable legal requirements, especially ordinances of the financial market supervisory authorities."

For information: According to the amended legal provisions, announcements, publications and notices must now be made via the electronic announcement and information platform of the federal government (EVI) instead of the Wiener Zeitung.

Appendix ./1	Remuneration Report
Appendix ./2	Remuneration Policy for the Executive Board
Appendix ./3	Remuneration Policy for the Supervisory Board
Appendix ./4	Long Term Incentive Plan 2024
Appendix ./5	Report on Item 12
Appendix ./6	Report on Item 13

Remuneration Report 2023

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Appendix 1: Frequentis Remuneration Report 2023

Remuneration Report 2023

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 2023 financial year. In addition to the statutory requirements, the structure and content of the remuneration report 2023 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 27 March 2024. 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 Annual General Meeting on 1 June 2023, the remuneration report for the 2022 financial year was approved by 100% 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 2022.

Business performance of the Frequentis Group in the reporting period

In addition to the war in Ukraine, which started in February 2022 and is now entering its third year, Hamas' attack on Israel in October 2023 led to the outbreak of a new war with potentially global consequences. Moreover, there are longer-term crises such as the climate crisis and distortion and price volatility on the energy market. It is possible to talk about a polycrisis, where individual crises have a compound effect.

These crises affect Frequentis' internal and external stakeholders in many different ways. However, the wars had an indirect effect through higher prices, especially for electricity, gas, and fuel. Consequently, prices of other everyday products increased. Overall, inflation therefore rose sharply almost everywhere in the world and was well above the average for previous years in both 2022 and 2023. This resulted in the need to adjust prices for existing and new customer projects.

The inflation-related salary adjustments based on individual and collective salary agreements are reflected in the Frequentis Group's personnel expenses in both 2022 and 2023. Further cost rises are anticipated in 2024.

Order intake in the Frequentis Group was EUR 504.8 million in 2023, an increase of 24.7% (EUR 100.0 million) compared with 2022, when order intake was EUR 404.8 million. The distribution of order intake between the two segments in 2023 was as follows: Air Traffic Management 68% (EUR 345.4 million) compared with 68% in 2022 (EUR 275.4 million), Public Safety & Transport 32% (EUR 159.3 million), compared with 32% in 2022 (EUR 129.4 million).

In 2023, revenues increased by 10.8% (EUR 41.5 million) to EUR 427.5 million (2022: EUR 386.0 million). Revenues in the Air Traffic Management segment grew by 13.8% to EUR 293.3 million. In the Public Safety & Transport segment, revenues increased by 4.8% to EUR 133.8 million. The revenue split between the Air Traffic Management and Public Safety & Transport segments was 69% : 31% in 2023 (2022: 67% : 33%).

The cost of materials and purchased services increased by 5.5% to EUR 104.7 million (2022: EUR 99.2 million), which was less than the rise in revenues. Personnel expenses rose 11.8% to EUR 227.9 million (2022: EUR 203.9 million), which was above the rise in revenues. This was attributable to the increase in the headcount, pay rises, which reflected the high inflation rate, and the acquisitions made in 2023.

The other operating expenses increased by 24.1% to EUR 62.4 million (2022: EUR 50.3 million), driven principally by higher travel and advertising expenses, for example for trade shows, the change in project provisions, and increased energy costs. Since the COVID-19 pandemic has subsided, allowing unrestricted travel, and air fares have risen, travel expenses increased by EUR 2.0 million year-on-year to EUR 12.7 million, which was 3.0% of revenues in 2023. In absolute terms, travel expenses were therefore higher than in 2019, before the pandemic, but relative to revenues they were lower than in 2019 (2019: EUR 11.9 million, which was 3.9% of revenues).

EBITDA (earnings before interest, taxes, depreciation, and amortisation) declined to EUR 44.2 million in 2023 (2022: EUR 45.6 million). The EBITDA margin (relative to revenues) was 10.3% in 2023, compared with 11.8% in 2022.

Depreciation and amortisation were almost unchanged at EUR 17.5 million (2022: EUR 17.5 million). No impairment losses were recognised in 2023.

As a result of all the changes outlined above, EBIT increased to EUR 26.6 million in 2023 (2022: EUR 25.0 million). The EBIT margin (relative to revenues) was 6.2%, compared with 6.5% in 2022.

Profit before tax was EUR 26.4 million in 2023 (2022: EUR 24.7 million). Income tax expense was EUR 6.4 million (2022. EUR 5.9 million), giving a tax rate of 24.4% (2022: 23.7%).

The profit for the period increased to EUR 20.0 million in 2023 (2022: EUR 18.9 million). Basic earnings per share were EUR 1.39 in 2023 (2022: EUR 1.41) and diluted earnings per share were EUR 1.38 (2022: EUR 1.41).

Remuneration of Executive Board members

Principles of the remuneration policy and remuneration components

The remuneration policy of relevance for the members of the Executive Board of Frequentis AG in the reporting period was adopted by the 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 1,225 thousand. This amount was split as follows among the individual Executive Board members:

Base salary (gross, excluding payroll-related costs) in EUR thousand (rounded)	2023	2022
Norbert Haslacher (Chairman of the Executive Board)	405	360
Monika Haselbacher (Member of the Executive Board since 1 January 2023)	270	-
Hermann Mattanovich	280	280
Peter Skerlan	270	270
Total	**1,225**	**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 reporting period, premiums of EUR 200,000.00 were paid for this pension reinsurance.

In the reporting period, pension benefits totalling EUR 123,502.40 (gross, excluding payroll-related costs) were paid to former Executive Board members Sylvia Bardach and Dr. Christian Pegritz (EUR 34,801.20 to Sylvia Bardach and EUR 88,701.20 to Dr. Christian Pegritz). In the reporting period, the company received this amount from the reinsurance taken out in connection with these pension commitments.

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 base 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 2023 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)	**2023[1]**	**2022[2]**
Norbert Haslacher (Chairman of the Executive Board)	228.9	309.2
Monika Haselbacher (Member of the Executive Board since 1 January 2023)	147.1	-
Hermann Mattanovich	152.6	205.5
Peter Skerlan	147.1	198.2
Total	**675.5**	**712.9**

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 relevant financial year and were paid out to the Executive Board members in the reporting period.

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 2021, LTIP 2022, and LTIP 2023, 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 2021) or a maximum of 18,000 shares (LTIP 2022 and 2023) – 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 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 2023	LTIP 2022	LTIP 2021
Start of plan	1 Jan. 2023	1 Jan. 2022	1 Jan. 2021
Date of approval by General Meeting	1 June 2023	2 June 2022	20 May 2021
Grant date	1 June 2023	2 June 2022	15 June 2021
End of service period	31 Dec. 2025	31 Dec. 2024	31 Dec. 2023
Vesting date	30 Apr. 2026	30 Apr. 2025	30 Apr. 2024
Expected target achievement	86.5%	67%	119%
Expected no. of shares	15,570	12,060	17,000
Maximum no. of shares	18,000	18,000	17,000
Bonus shares allocated	None	None	None

The agreed targets are measured against the following performance indicators:

LTIP 2023	LTIP 2022	LTIP 2021
Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)
Orders on hand / book-to-bill ratio	Revenue growth	Increase in operating performance through key accounts
Order intake from selected Group companies	Earnings increase	Growth through new business development
Increase in operating performance in the PST segment	Employee satisfaction	-
Trainee programmes in the areas of sales, project management, and/or systems engineering	-	-

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 2021, the LTIP 2022, and the LTIP 2023, 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.

The Supervisory Board has decided to modify the peer group used to calculate the total shareholder return for the LTIPs 2021, 2022, and 2023. The background is the de-listing in May 2023 of shares in CS Communication et Systemas AS ("CS"). Since the peer group should still comprise seven companies, CS has been replaced by IVU Traffic Technologies AG. Since OHB SE Group has publicly announced that it is to be de-listed in 2024, the Supervisory Board has decided that for the LTIPs 2022 and 2023, it will be replaced by Fabasoft AG.

End of LTIP 2020

The LTIP 2020 agreed by Frequentis AG with the CEO ended on 31 December 2022. The agreed targets for this LTIP were total shareholder return (TSR), orders on hand, order intake from new countries, and inorganic growth through M&A transactions in the performance period (1 January 2020 to 31 December 2022).

In the reporting period, the company's Supervisory Board – represented by the Committee for Executive Board Issues – determined the target achievement for the LTIP 2020 to be 100% overall so under the LTIP 2020 the CEO is entitled to receive 17,000 shares (gross) in Frequentis AG. Taking into account the applicable tax rates, 7,925 shares (net number of shares after taxes) were therefore transferred to the CEO on 8 May 2023 from the company's treasury shares (net theoretical value EUR 235,372.50). The theoretical value of the gross number of shares was EUR 504,900 (based on the opening share price on the Vienna stock exchange on 8 May 2023).

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)	2023				2022		
in EUR thousand (rounded)	Norbert Haslacher	Monika Haselbacher since 1 Jan. 2023	Hermann Mattanovich	Peter Skerlan	Norbert Haslacher	Hermann Mattanovich	Peter Skerlan
Fixed remuneration							
• Annual base salary	405.0	270.0	280.0	270.0	360.0	280.0	270.0
• Premiums for pension reinsurance	50.0	50.0	50.0	50.0	50.0	50.0	50.0
• Benefits in kind (company cars and reimbursement of travel expenses)[1] and allowances	9.3	21.3[2]	11.8	8.0	8.9	11.7	7.8
Subtotal fixed remuneration	**464.3**	**341.3**	**341.8**	**328.0**	**418.9**	**341.7**	**327.8**
Variable remuneration							
• Short-term variable remuneration							
Amount paid out in reporting period for target achievement in previous year[3]	309.2	-	205.5	198.2	270.0	280.0	191.4
thereof not covered by provisions in previous year[4]	0.0	-	0.0	0.0	0.0	0.0	0.0
Provisions for expected target achievement in the reporting period[5]	228.9	147.1	152.6	147.1	309.2	205.5	198.2
• Long-term variable remuneration (share-based payment)							
Payments due to end of LTIP[6]	504.9	-	-	-	429.8	-	-
thereof not covered by provisions in previous years[4]	204.6	-	-	-	177.1	-	-
Provisions for current LTIPs[7]	359.4	-	-	-	389.6	-	-
Subtotal variable remuneration[8]	**792.9**	**147.1**	**152.6**	**147.1**	**875.9**	**205.5**	**198.2**
Remuneration from affiliated companies	-	-	-	-	-	-	-
Subtotal (other remuneration)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Total remuneration							
• Fixed remuneration	464.3	341.3	341.8	328.0	418.9	341.7	327.8
• Variable remuneration	792.9	147.1	152.6	147.1	875.9	205.5	198.2
• 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	0.0
Total remuneration	**1,257.2**	**488.4**	**494.4**	**475.1**	**1,294.8**	**547.2**	**526.0**
• Fixed remuneration in % of total	37%	70%	69%	69%	32%	62%	62%
• Variable remuneration in % of total	63%	30%	31%	31%	68%	38%	38%
Total remuneration of all active Executive Board members[9]	**2,715.1**				**2,368.0**		

1 Taxable benefits in kind.

2 Including allowance instead of a company car.

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 the 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 2023 (offset against utilisation of reserves): EUR 798.1 thousand (2022: EUR 739.1 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 2023 vs. 2022

in EUR thousand (rounded)	2023	2022	+/- in %
Profit/loss for the period	19,981	18,878	+5.8%
Total remuneration of the Executive Board (gross, excluding payroll-related costs)	2,715	2,368	+14.7% / -6.0%[2]
Base salaries of the Executive Board (gross, excluding payroll-related costs)	1,225	910	+34.6% / +4.9%[2]
Average remuneration of other employees (gross, excluding payroll-related costs)[1]	76	71	+6.8%

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

2 The increase of 14.7% in the total remuneration of the Executive Board and the increase of 34.6% in the base salaries of the Executive Board compared with the previous year are due to the fact that Ms. Haselbacher was appointed as an additional member of the Executive Board in the reporting period. Excluding the additional remuneration of Ms. Haselbacher (compared with the previous year), the total remuneration of the Executive Board was 6.0% lower than in the previous year due to lower variable remuneration, and the aggregate base salaries of the Executive Board members increased by 4.9%.

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 was 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 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 an attendance-related component. 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 each member's function and the scope of their 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 committees that a member attends. The attendance fee may be graduated and measured on a different basis, in particular depending on each member's function and the scope of their 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.

Supervisory Board members who take on a specific function in the interests of the company 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, the elected and delegated shareholder representatives on the Supervisory Board of Frequentis AG should be granted the following remuneration for their services in the reporting period:

Total remuneration of the Supervisory Board in EUR thousand (rounded)[1]		Basic remuneration 2023[2]	Attendance fees 2023[2]	Total remuneration 2023[2]	Total remuneration 2022[3]	Total remuneration 2021[3]	Total remuneration 2020[3]	Total remuneration 2019[3]
Johannes Bardach	Chairman of the Supervisory Board	15	16.5	31.5	34	31.5	31.5	25
Karl Michael Millauer	Deputy Chairman	13	16	29	33	31	33.5	29
Boris Nemsic	Member of the Supervisory Board	12	12	24	26	24	26	18
Reinhold Daxecker	Member of the Supervisory Board	12	12	24	28	26	30	26
Petra Preining	Member of the Supervisory Board	12	8	20	24	22	24	5
Sylvia Bardach	Member of the Supervisory Board	12	8	20	22	13	-	-
Total		**76**	**72.5**	**148.5**	**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, 27 March 2024

Notes / Disclaimer

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

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

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

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

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Remuneration policy
for members of the Executive Board of Frequentis AG

1. Establishment of principles for the remuneration of Executive Board members

   In its resolution of 27 March 2024, the Supervisory Board adopted the following revised principles for the remuneration (remuneration policy) of the members of the Executive Board of Frequentis AG (subsequently referred to as Frequentis AG or the company) on the basis of the proposal made by the Committee for Executive Board Issues in its role as remuneration committee, in accordance with C rule no. 43 of the Austrian Code of Corporate Governance; in compliance with Section 78 (1) of the Austrian Companies Act (AktG), the principles shall be applied after submission to the 17th Annual General Meeting of Frequentis AG.[1]

   From the 2024 financial year, this remuneration policy replaces the company's previous remuneration policy, which was adopted by the 13th Annual General Meeting of the company with a majority of 99.99% of the valid votes cast. With regard to the significant changes to the present remuneration policy compared with the previous remuneration principles, please see subsection 10.

2. Objective of the remuneration policy

   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 and creates incentives for behaviour that is supportive of the sustainable development of the company and the company's business strategy and long-term development. The remuneration policy also takes into account the size of the company, its international focus, its business model, and the tasks and qualifications of the Executive Board members.
   The remuneration policy is structured to ensure that it is possible to attract 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 remuneration policy provides incentives for the members of the Executive Board to play an active part in developing and pursuing the strategy of the Frequentis Group, permanently support the sustainable development of the company, and avoid taking inappropriate risks. When defining financial and non-financial performance criteria, attention shall be 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

[1] To enhance readability, in this remuneration policy, the Supervisory Board's Committee for Executive Board Issues in its role as remuneration committee is referred to simply as the "Remuneration Committee".

implementation of the strategy. The overriding aim is the positive long-term development of the company and the entire Frequentis Group.

3. Remuneration components

The overall remuneration of the members of the company's Executive Board shall comprise 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.

4. Fixed remuneration components

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

4.1 Base salary

Executive Board members receive an annual base salary payable in arrears in fourteen monthly instalments. This covers all overtime and all work that goes beyond the normal working hours of company employees. It also covers the assumption of offices on governance bodies within the Frequentis Group.
This remuneration component 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.
The employment contract may include an agreement that, if the Executive Board member is unable to perform their duties due to illness or an accident, they shall continue to receive the agreed base salary in full for a defined period of no more than six months and at a reduced level for a further period of no more than six months.
Taking these criteria into account, the fixed remuneration must ensure competitive and market-oriented remuneration that enables the company to recruit and retain suitable executives.
The level of the annual base salary is therefore set individually for each member of the Executive Board on the basis of the criteria outlined in this policy and in accordance with the provisions of Section 78 of the Austrian Companies Act (AktG). In order to ensure it maintains its value, the agreed annual base salary may be adjusted once by the Remuneration Committee, at its sole discretion, but not before the end of the first half of the term of office of the Executive Board member, with effect from 1 January of the following financial year; the maximum adjustment shall be aligned with the applicable collectively agreed salary rises for the company's employees.

4.2 Benefits in kind and other perquisites

Benefits in kind and other perquisites can be granted as follows:

(a) Collective accident insurance and death insurance for the benefit of the Executive Board members or for a third party named by the respective Executive Board member;

(b) Collective supplementary health insurance:

(c) D&O insurance and legal expenses insurance with appropriate cover for the risks;

(d) Company car, fully comprehensive motor insurance, and driver's/passenger insurance with appropriate cover; if an Executive Board member does not claim a company car, such Executive Board member shall be entitled to a monthly company car compensation payment in the form of a flat-rate incremental increase in their salary;

(e) Other perquisites: mobile phone and mobile communication media and discounts for the Frequentis staff restaurant.

4.3 Social security and pension contributions

Contributions to the statutory social security scheme are paid for members of the Executive Board; these change annually depending on the maximum contribution base set in accordance with Section 108 of the Austrian General Social Security Act (ASVG).
The members of the Executive Board are granted lifelong defined contribution entitlements to pension benefits. Accordingly, the beneficiaries shall receive a monthly retirement pension or pension benefits for surviving dependants; these benefits shall be refunded to the company out of a reinsurance policy taken out by the company for this purpose.

4.4. Severance payment

For every Executive Board member whose employment with the company commenced on or after 1 January 2003, contributions are made to an occupational insurance fund (severance fund new) in compliance with the legal requirements.
For those Executive Board members whose employment with the company commenced prior to 1 January 2003 – whether or not as a member of the Executive Board – and who did not transfer to the new severance fund model, are subject to a contractual severance payment based on the provisions of the Austrian Employees Act (AngG) (severance fund old; see subsection 10.2). Furthermore, the employment contracts entered into with two Executive Board members after 1 January 2003, grant a contractual severance payment based on the terms of the old severance arrangements, whereas the new Executive Board contracts concluded since 1 January 2020 do not contain any such commitment.

5. Variable non-share-based remuneration components

5.1 Basic principles of variable remuneration

The variable remuneration is designed to support the sustained positive business development of the company. In accordance with C rule 27 of the Austrian Code of

Corporate Governance, it is linked to both short-term financial targets and sustainable, multi-year non-financial performance criteria.

First, the short-term variable remuneration for all Executive Board members comprises a typical short-term incentive as outlined in subsection 5.3.1 (“**STI**”), which is based on the achievement of short-term financial targets.

To prevent an unbalanced focus on solely short-term economic targets and to set specific goals for sustainable business development, in addition to the STI component, two-year financial performance criteria can be defined as a mid-term incentive (“**MTI**”) as outlined in subsection 5.3.2.

To supplement the financial targets, individual multi-year performance criteria set incentives for sustainable optimisation of the specific areas of responsibility of the individual Executive Board members based on the business allocation plan, where possible including a focus on the company’s ecological and social responsibility in conformance with the ESG initiatives (“Personal Incentive, **PI**” as outlined in subsection 5.3.3).

To align the interests of the Executive Board members with those of the shareholders, a long-term variable remuneration component is provided for every member of the Executive Board. This is linked to (i) an increase in the company’s share price and (ii) the value of the dividend per share paid out during the performance period, compared with a defined peer group of other publicly listed companies (“Total Shareholder Return Incentive, “**TSRI**”, as outlined in subsection 5.3.4).[2]

The variable remuneration resulting from the STI, MTI, PI, and TSRI described in this subsection 5 is not share-based remuneration and will always take the form of a cash payment to the respective Executive Board members[3].

5.2 Setting the targets and entitlement to the non-share-based variable remuneration

The number and content of the performance criteria for the STI, MTI, PI, and TSRI, together with their performance periods and relative weighting, shall be fixed by the Remuneration Committee in advance of the relevant performance period and set out in a target agreement with the Executive Board members. These shall be based on the parameters set out in subsection 5.3 but may deviate from them in individual circumstances. The targets are set on the basis of the information available at this time.

For each target an interval must be defined to set the relationship between over- or under-achievement of the target and the corresponding increase / reduction in the amount of the short-term remuneration.

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[2] Executive Board members with whom an LTIP with a TSR target is agreed in accordance with this remuneration policy do not receive an additional (non-share-based) TSRI.

[3] Alongside the non-share-based variable remuneration, a share-based long-term variable remuneration component (Long-Term Incentive Plan [“LTIP”]) can be agreed with (all or individual) Executive Board members; any LTIP must be approved by a resolution of the General Meeting in conformance with C rule 28 of the Austrian Code of Corporate Conduct (see subsection 6).

The basis for calculating the non-share-based variable remuneration entitlements is the (gross) annual base salary of the respective Executive Board member in the year prior to the relevant performance period. The actual entitlement to remuneration is therefore a percentage of the annual basis salary of the Executive Board member, depending on achievement of the targets, and is modified by the PI modifier factor as set out in subsection 5.3.3.

The target for the non-share-based variable remuneration, based on 100% achievement of all agreed performance criteria, is 50% of the annual base salary. Overall, even in the event of over-achievement of all agreed performance targets, the maximum non-share-based short-term variable remuneration is capped at 100% of the (gross) annual base salary of the respective Executive Board member.

If the consolidated financial statements or the individual financial statements of the company show a loss in a financial year, there shall be no entitlement to non-share-based variable remuneration for that financial year. This shall also apply for entitlements to remuneration for non-financial targets agreed for the relevant performance period (including the PI and TSRI). However, if the loss for the period is due to an unforeseeable external event outside the sphere of influence of the Executive Board, the Remuneration Committee may, at its discretion, award the Executive Board members the variable remuneration for the achievement of the non-financial targets in the relevant performance period, either in full or in part.

In any case, the calculation of the non-share-based variable remuneration must also take into account the earnings before tax reported by the company in accordance with the Austrian Commercial Code (UGB EBT); a minimum amount shall be defined for this purpose each year. If the UGB EBT after provisions for the non-share-based variable remuneration of all Executive Board members (including statutory payroll-related costs) drops below the defined minimum amount, the claim by all Executive Board members to variable remuneration shall be reduced by the same percentage until the planned minimum UBG EBT is reached.

5.3 Performance criteria, performance periods, and weighting

5.3.1 Short-Term Incentive, STI

The STI is linked to the achievement of financial targets for the company within a performance period of one year. The applicable performance criteria for the STI are financial targets at Group or company level for one financial year, for example, the achievement of the planned EBIT, cash flow, equity ratio, net debt, etc.).

For 100% achievement of the STI targets, each Executive Board member is entitled to variable remuneration equivalent to 30% of their annual base salary.

5.3.2 Mid-Term Incentive, MTI

The MTI is linked to the achievement of primarily financial targets for the company within a performance period of two years. The applicable performance criteria for the

MTI are targets at Group, company, or business domain level (individual Group companies, business segments/areas, specific products, or similar), for example, an improvement in certain KPIs or the achievement of targets in the performance period.

For 100% achievement of the MTI targets, each Executive Board member is entitled to variable remuneration equivalent to 10% of their annual base salary in the last year of the performance period.

5.3.3 Personal Incentive, PI

The PI is linked to the achievement of personal, non-financial targets within a performance period of two years. These targets should support, in particular, the company's business policy and strategic focus as well as its ecological and social responsibility and should set ESG-related incentives with regard to the individual sphere of responsibility of the Executive Board member (e.g. a reduction in energy consumption, measures in the areas of cybersecurity, compliance, etc.).

The achievement of the PI targets is reflected in the variable remuneration in the form of a "modifier", by which the other, non-share-based variable remuneration components (i.e. STI, MTI, and TSRI) are multiplied. The PI-modifier should be in a range of 0.8 to 1.2, with a factor of 1.0 being applied for 100% target achievement.

5.3.4 TSRI

The TSRI is linked to (i) the increase in the company's share price within a three-year performance period and (ii) the value of the dividends per share paid out during the performance period, compared with a defined peer group of other publicly listed companies. The targets and relevant peer group will be identical to the relevant parameters for the TSR target for any share-based Long-Term Incentive Plan (LTIP) agreed for the same performance period.

If no share-based LTIP with a TSR target is agreed for a TSRI-relevant performance period, the relevant parameters for the TSRI shall be set by the Remuneration Committee, which shall take as its guide the criteria for the LTIPs currently running or the most recently concluded LTIP with a TSR target.

5.4 Determining the entitlement to non-share-based variable remuneration

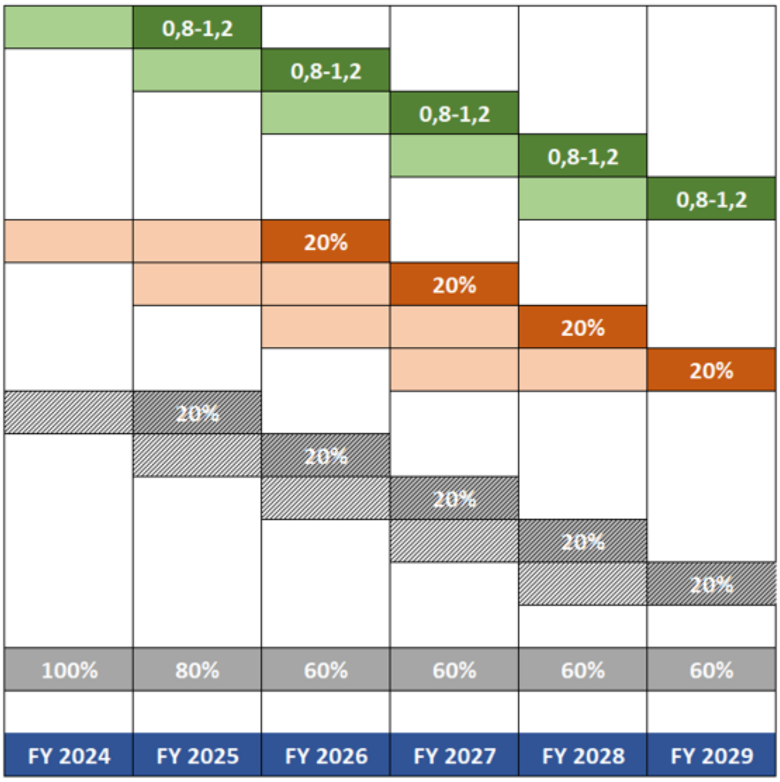
At the end of a relevant performance period, the Remuneration Committee shall evaluate achievement of the targets and determine the final level of target achievement and the resulting entitlement to non-share-based variable remuneration.
The STI, MTI, and LTI shall be paid as soon as the basis and amount have been determined by the Remuneration Committee.

5.5 Schematic illustration of the non-share-based variable remuneration and incremental arrangement.

Incentive	Quantifier	Entitlement upon 100% target achievement (quota of annual base salary)
TSRI	20%	10%
MTI	20%	10%
STI	60%	30%
PI	Modifier	1,0

Calculation of non-share-based variable remuneration		
TSRI	x	PI-Modifier
MTI		
STI		

In view of the different performance periods for the individual remuneration components, in the first two years (i.e. for the non-share-based variable remuneration for 2024 and 2025), the weighting of the remuneration components will differ.



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.

6. Share-based long-term variable remuneration (Long-Term Incentive Plan, LTIP)

6.1 Basic principles

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.
An LTIP is a share-based remuneration instrument for an Executive Board member that is designed to support the medium and long-term creation of value by the company. The aim of the LTIP is to combine the interests of the Executive Board member and the company's shareholders by giving the Executive Board member a performance-related opportunity to acquire shares in the company, based on the achievement of certain medium and long-term targets. The LTIP is based, in particular, on sustainable, long-term and multi-year performance criteria, including non-financial criteria. Further, the LTIP is designed to avoid enticements to take unnecessary risks and is focused on the positive long-term development of the company. In this way, the LTIP takes into account the specific recommendations of the Austrian Code of Corporate Governance (especially rules 27 and 28).

6.2 Design and entry into force of the LTIP

An LTIP may be agreed at annual or multi-year intervals. Every LTIP is designed by the Remuneration Committee, submitted to the full Supervisory Board for a resolution, and comes into effect, following approval by the General Meeting, on the commencement date set out in the LTIP. Every LTIP meets the requirements of the Austrian Code of Corporate Governance.

6.3 Participants, performance targets, maximum limit for long-term variable remuneration

When designing an LTIP, the Remuneration Committee defines, in particular, the eligible participants, the performance criteria to be used for the LTIP and their relative weighting, and the specific targets for each criterion.
To comply with C rule 28 of the Austrian Code of Corporate Governance, care must be taken, in particular, to agree clear, full and differentiated and measurable targets for the LTIP that support the positive long-term development of the company and avoid a focus on purely short-term effects.
It is not possible to change the performance criteria retrospectively.
Further, the Remuneration Committee sets the maximum number of shares that may be allocated to an Executive Board member. 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 and there is no entitlement to amounts exceeding this level.

6.4 Performance period, waiting period, payment, retention period

In accordance with C rule no. 28 of the Austrian Code of Corporate Governance, the duration of each LTIP is three years (performance period). Entitlement to the disbursement of shares

under an LTIP arises at the end of the third financial year provided that the targets agreed in the LTIP are achieved.
Achievement of the targets is determined by the company’s Supervisory Board, represented by the Remuneration Committee; over-achievement of one performance criterion/target may offset under-achievement of another performance criterion/target. Assuming 100% target achievement in the performance period, the Executive Board member will be allocated the total number of shares that can be allocated under the LTIP – within the framework of the maximum amount set. The maximum amount and the maximum number of shares may not be exceeded even in the event of over-achievement of the targets set for the performance period. If target achievement is lower, the number of shares is reduced analogously on a straight-line basis. If total target achievement is less than 50%, the Executive Board member shall not be entitled to any shares under the LTIP.
The shares are transferred to the Executive Board member after determination of target achievement and approval of the disbursement by the Supervisory Board.
The LTIP must specify that, after the expiry of the performance period, the Executive Board member may sell a maximum of 30% of the shares acquired in an LTIP in any calendar year. Further, it shall define that the Executive Board member shall maintain a minimum shareholding of 7,000 shares, until the member leaves the company's Executive Board.

7. Sign-on bonus

With the approval of the full Supervisory Board, the Remuneration Committee may, in individual cases, grant a one-time sign-on bonus for a candidate who is to be appointed (for the first time) to the Executive Board in order to gain the most suitable candidate to fill a post on the Executive Board. The amount of the sign-on business must be appropriate and may not exceed 20% of the (gross) annual base salary that is to be agreed.

8. Claw-back clause

A claw-back clause for variable remuneration components in accordance with C rule 27 of the Austrian Code of Corporate Governance shall be included in all employment contracts with Executive Board members, insofar as such remuneration was determined and disbursed on the basis of obviously incorrect data. In particular, this shall also apply for any extension of existing Executive Board contracts. Repayment in instalments may be agreed, depending on the individual circumstances.

9. Remuneration and employment conditions of employees

There should be an appropriate relationship between the annual base salary (gross, including payroll-related costs) of the Executive Board members and the remuneration and employment conditions of the company's employees (based on average annal base salary [gross, including payroll-related costs] of employees of Frequentis AG, calculated on the basis of full-time employment).

10. Duration and termination of contracts with Executive Board members

10.1 Duration and termination

The maximum duration of employment contracts of Executive Board members is five years. In any case, it is coupled to their term of office. If an Executive Board member is reappointed, the duration of their employment contract is extended accordingly.
If the appointment of an Executive Board member is terminated for good cause within the meaning of Section 75 (4) AktG, the company is entitled to terminate the employment contract before it ends if, at the same time, there is a gross breach of duty by the Executive Board member that would entitle the company to dismiss him/her in application, mutatis mutandis, of Section 27 of the Austrian Employees Act (AngG).
The withdrawal of confidence by the General Meeting without any such reason for dismissal therefore does not entitle the company to prematurely terminate the employment contract. In such case, the employment contract shall be dissolved by mutual agreement at the end of the next half year. If an Executive Board member steps down, this shall also be deemed to be notice of termination of the employment contract as of the same effective date.

10.2 Consequences of termination

10.2.1 (Voluntary) termination and severance pay

In the case of Executive Board members who are entitled to severance pay within the meaning of Section 23 AngG – on either statutory or contractual grounds (see subsection 4.4 above) – the severance pay shall be due and payable on the day on which the employment contract ends.
However, there is no entitlement to such payments if the appointment of the Executive Board member is terminated as a result of gross breach of duty according to Section 75 (4) AktG and the employment contract is terminated prematurely in application, mutatis mutandis, of Section 27 AngG, or if the Executive Board member resigns without good reason or without the agreement of the Supervisory Board. One present Executive Board contract contains an agreement that the Executive Board member is entitled to a voluntary severance payment, which may not, however, exceed 50% of the member's (gross) annual base salary, if the appointment of the Executive Board member is not renewed by the Supervisory Board, without good cause within the meaning of Section 75 (4) AktG. If an employment contract is dissolved by mutual agreement as a result of the withdrawal of confidence by the General Meeting, the Executive Board member concerned shall receive the further remuneration to which they are entitled for the original term of the contract as a severance payment, but at most two years' total remuneration.

10.2.2. Long-Term Incentive Plan

If an employment contract ends during the performance period of an LTIP agreed with the Executive Board member concerned, the LTIP also ends with immediate effect.
If the company terminates the employment contract for good cause within the meaning of Section 27 AngG or if the Executive Board member resigns from the

company's Executive Board without good cause, the Executive Board member shall not be entitled to any shares under the LTIP. If the Executive Board member leaves the company's Executive Board before the end of the performance period for the LTIP due to premature termination of the contract with the Executive Board member by the company without good cause or if the Executive Board member leaves for good cause or due to retirement, they shall be entitled to the proportionate number of shares allocable under the LTIP insofar as the targets were achieved by the leaving date. This shall also apply if the Executive Board member leaves the company's Executive Board before the vesting date because the term of office ends and the Supervisory Board does not resolve on reappointment of the member without the member having given good cause therefor. If the employment contract ends as a result of the death or permanent incapacity of the Executive Board member, the share-based payment under an LTIP that was not yet due will be calculated as at the date of death or date of permanent incapacity to work and disbursed in cash; the amount shall be based on the actual target achievement as at the date of death or the date of commencement of the permanent incapacity to work. If the employment contract of an Executive Board member is dissolved by mutual agreement, an agreement on the current LTIP shall be made.

11. Procedure for the remuneration policy

This remuneration policy was drafted by the Remuneration Committee and adopted by the Supervisory Board of Frequentis AG in its resolution of 27 March 2024. The remuneration policy will be submitted to the vote at the 17th Annual General Meeting of Frequentis AG. In accordance with Section 78b (1) AktG, the remuneration policy must be submitted to he General Meeting for a vote at least every fourth financial year.
At least every fourth financial year, the Remuneration Committee shall therefore review the remuneration policy – if necessary, in consultation with internal and external experts – and assess whether a revision is necessary. The Remuneration Committee shall then make a recommendation to the Supervisory Board. The same applies for every significant change in the remuneration policy before this time. The Supervisory Board shall then adopt a resolution on the remuneration policy and make a corresponding proposal for a resolution by the General Meeting.
If a member of the Remuneration Committee and/or a member of the Supervisory Board of Frequentis AG has a conflict of interest with regard to the remuneration of the Executive Board, the member shall proactively report this conflict of interest and shall abstain from voting.

12. Temporary deviation from the remuneration policy

Deviation from this remuneration policy to the benefit of an Executive Board member is only possible in exceptional circumstances and only on a temporary basis. Such deviation may only relate to subsections 4.1 and 5. Exceptional circumstances are defined exclusively as situations where deviation from the remuneration policy is necessary for the long-term development of the company or to ensure its profitability.

Any member of the Executive Board or Supervisory Board may apply for a deviation, which requires a resolution of approval by the Supervisory Board. This resolution shall set out whether exceptional circumstances apply and whether, and for how long and in what form deviation from this remuneration policy is necessary for the long-term development of the company or to ensure its profitability. Any deviation from this remuneration policy, including an explanation of the exceptional circumstances and the duration of such deviation, must then be outlined in the next remuneration report.

13. Significant changes to the remuneration policy

Some editorial changes have been made to this remuneration policy compared with the version adopted at the 13th Annual General Meeting and the following amendments have been made:

- The possibility of adjusting the annual base salary of Executive Board members during a term of office (on a one-off basis following the first half of the term of office), at the sole discretion of the Remuneration Committee, has been added.
- The previous scope to agree non-share-based variable remuneration components has been defined in more detail and extended. Within the meaning of C rule 27 of the Austrian Code of Corporate Governance, it is proposed that it should be possible to agree mid- and long-term performance criteria for all Executive Board members that include individual non-financial targets, especially in connection with the company's ecological and social responsibility, and the development of the company's share price relative to a peer group.
- The former ability to grant a special bonus on an ad-hoc basis has been restricted to the granting of a sign-on bonus for newly designated Executive Board members.

Remuneration policy
for members of the Supervisory Board of Frequentis AG

1. Establishment of principles for the remuneration of Supervisory Board members

   In its resolution of 27 March 2024, the Supervisory Board of Frequentis AG (subsequently referred to as Frequentis AG or the company) adopted the following revised principles for the remuneration (remuneration policy) of the Supervisory Board members elected by the General Meeting or delegated by shareholders in accordance with article 5.1.2 of the company's articles of association; the principles shall be applied after submission to the17th Annual General Meeting of Frequentis AG.

   From the 2024 financial year, this remuneration policy replaces the company's previous remuneration policy, which was adopted by the 13th Annual General Meeting of the company with a majority of 99.99% of the valid votes cast. With regard to the significant changes to the present remuneration policy compared with the previous remuneration principles, please see subsection 8.

2. Objective of the remuneration policy

   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 situation. The remuneration policy also takes into account the size of the company, its international focus, its business model, 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.
   The remuneration policy supports the balanced and qualified composition of the Supervisory Board and provides appropriate compensation for the tasks and responsibilities of the office. In this way, the remuneration policy supports the implementation of the business strategy and the long-term positive development of the company and the entire Frequentis Group.

3. Remuneration of the members of the Supervisory Board

   The remuneration of the Supervisory Board members is adopted on the basis of a proposal submitted to the General Meeting by the Executive Board and the Supervisory Board. The Executive Board and Supervisory Board draw up the remuneration proposal for each

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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 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 remuneration of the elected/delegated Supervisory Board members comprises basic annual remuneration and attendance-related components.

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 their tasks and responsibilities (e.g. chairperson, deputy chairperson, membership of a Supervisory Board committee).

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 committees that a member attends, provided that such meetings last for more than two hours. The attendance fee may be graduated and measured on a different basis, in particular depending on the member's function and the scope of their 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 performed 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.

Insofar as the General Meeting resolves on the annual remuneration in part or in full as a total amount for all Supervisory Board members, the chairperson of the Supervisory Board shall allocate the total amount among the Supervisory Board members, taking into account the above principles.

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

If Supervisory Board members take on a specific function in the interests of the company, they 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 members of the Supervisory Board may be included in a customary directors' and officers' liability insurance and a legal expenses insurance policy offering appropriate cover.

4. Remuneration and employment conditions of employees

Furthermore, there should be an appropriate relationship between the total annual remuneration of a Supervisory Board member and the average gross annual remuneration of the employees of Frequentis AG, calculated on the basis of full-time employment.

5. Term of office of the Supervisory Board

The Supervisory Board members elected by the General Meeting shall, unless they are elected for a shorter term of office, be elected for the period until the end of the General Meeting that resolves on ratification of their actions for the fourth financial year after their election. The financial year in which they are elected is not included in this calculation. The members of the Supervisory Board delegated by shareholders are members of the Supervisory Board for an unlimited period. The parties who delegated them may revoke their appointment at any time and replace them by others.
There is no employment contract between the elected or delegated Supervisory Board members and the company. Therefore, no details are given of the term of contracts with Supervisory Board members, the main elements of supplementary pension systems, early retirement arrangements, or severance conditions and the related payments.
Business relations between Frequentis AG and Supervisory Board members and companies where Supervisory Board members have a significant investment or a seat on the supervisory board are undertaken at arm’s length. The company is required to report on contracts with related parties (companies and individuals) in its annual financial statements.

6. Procedure for the remuneration policy

This remuneration policy was drafted by the Committee for Executive Board Issues in its role as remuneration committee and adopted by the Supervisory Board of Frequentis AG in its resolution of 27 March 2024. The remuneration policy will be submitted to the vote at the 17th Annual General Meeting of Frequentis AG. In accordance with Section 98a in conjunction with Section 78b (1) AktG, the remuneration policy must be submitted to the General Meeting for a vote every fourth financial year.
The Supervisory Board is required to adopt a resolution on the remuneration policy at least every fourth financial year and on every significant change in the remuneration policy and to submit a corresponding proposal for a resolution to the General Meeting. The General Meeting takes a binding decision on the remuneration entitlements of the Supervisory Board members; in this, conflicts of interest of the Supervisory Board members in connection with the remuneration policy shall be avoided.

7. Temporary deviation from the remuneration policy

With the approval of the General Meeting, a temporary deviation from this remuneration policy is possible in exceptional circumstances; such deviation may only relate to subsection 3. Exceptional circumstances are defined exclusively as situations where deviation from the remuneration policy is necessary for the long-term development of the company or to ensure its profitability.

8. Significant changes to the remuneration policy

Some editorial changes have been made to this remuneration policy compared with the version adopted at the 13th Annual General Meeting and the following amendments have been made:

- The possibility of flat-rate basic remuneration for membership of Supervisory Board committees has been added.
- Attendance at short meetings of the full Supervisory Board or a committee that last less than two hours is covered by the fixed remuneration. Therefore, no attendance fee is paid for such meetings.

Long Term Incentive Plan 2024

1. Plan purpose and objectives

The performance based share plan (Long Term Incentive Plan 2024 – **"LTIP2024"**) 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 LTIP2024 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 LTIP2024 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 LTIP2024.

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 LTIP2024. However, the Chairman of the Management Board is obliged to build up, out of the LTIP2024 (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 LTIP2024.

4. Grant levels

The maximum number of shares which may be allocated to the Chairman of the Management Board under the LTIP2024 amounts to 18,000 shares in the Company (gross) whereby no increase of shares under the LTIP2024 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 LTIP2024 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 2026.

In any case, the total accumulated number of shares paid out under the LTIP2024 (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 2024, subject to approval by the general meeting

Performance period: 3 years (1 January 2024 to 31 December 2026)

Vesting date: 30 April 2027, 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 LTIP2024 – 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 LTIP2024.

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

- <u>Shareholders</u>

  25% 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>

  25% 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 organic growth of order intake during the performance period.

  25% of the total allocation (in case of 100% target achievement; up to 20% in case of more than 100% target achievement) are based on achievement of a target figure for organic growth of the operating performance in the “ATM Civil” market during the performance period.

- <u>Sustainability:</u>

  25% of the total allocation (in case of 100% target achievement; up to 30% in case of more than 100% target achievement) are based on compliance with target figures for customer satisfaction.

The defined performance criteria must not be amended during the performance period of the LTIP2024. However, in order to maintain the incentivizing character of the LTIP2024, 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 LTIP2024 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 LTIP2024 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:

- Fabasoft AG
- Indra Sistemas SA
- IVU Traffic Technologies AG
- Kapsch TraffiCom AG
- Kongsberg Gruppen ASA
- Kontron AG
- SAAB AB

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 2024 to 31 March 2024 (as initial share price) and the average share price in the period from 1 October 2026 to 31 December 2026 (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.

The Supervisory Board is entitled to replace a member of the TSR peer group with a suitable company of its choice if events occur that prevent calculating a meaningful TSR value for that member. Such events could include the unavailability of a stock price due to a (announced) delisting, a permanent trading suspension, or other comparable circumstances. Any replacement has to be reported in the compensation report.

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 LTIP2024 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 LTIP2024 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 LTIP2024 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 LTIP2024 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 LTIP2024 terminates with immediate effect. Other than that, a premature termination of the LTIP2024 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 12 of the 17th Annual General Meeting on 6 June 2024

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 Stock Corporation 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 12 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 12 of the agenda a resolution on the authorization of the Executive Board pursuant to Section 65 Para 1 No. 4 and No. 8 Stock Corporation Act 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, unweighted closing price on the stock exchange over the preceding ten trading days prior to the respective 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 parts 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 Stock Corporation Act, 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 of the Executive Board proposed under item 13 of the agenda of this year's Annual General Meeting.

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 acquisitions of entities, (parts of) business operations or shares 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 item 13 of the agenda of this year's Annual General Meeting, which is available on the FREQUENTIS AG website registered in the commercial register at www.frequentis.com > Investor Relations > General Meeting > General Meeting 2024.

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 acquisitions of entities, (parts of) business operations or shares 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 acquisitions of entities, (parts of) business operations or shares 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 2024

The Executive Board

Report on item 13 of the 17th Annual General Meeting on 6 June 2024

Report by the Executive Board of FREQUENTIS AG in connection with the authorization of the Executive Board pursuant to Section 65 Para 1b of the Austrian Stock Corporation Act (AktG) to dispose of, or utilize own shares in the Company also in other ways than a disposal via the stock exchange or a public offering for any legally permissible purpose and to also exclude the general purchasing possibility of the shareholders (Section 65 Para 1b in conjunction with Section 170 Para 2 and Section 153 Para 4 of the Austrian Stock Corporation Act (AktG))

The Executive Board of FREQUENTIS AG has prepared the following report on item 13 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 13 of the agenda a resolution on the authorization of the Executive Board pursuant to Section 65 Para 1b Stock Corporation Act to dispose of, or utilize, own shares repurchased for a period of five years from the day of the resolution, therefore until and including 5 June 2029 with the consent of the Supervisory Board and without a further resolution by the General Meeting, also in other ways than a disposal via the stock exchange or a public offering, in particular a) to grant own shares 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, b) to deliver own shares to service any convertible bonds issued, c) as consideration for the acquisition of entities, business operations, parts of business operations or shares in one or several companies at home or abroad, and (d) for any other legally permissible purpose, and to exclude the general purchasing possibility of the shareholders. This authorization may be exercised in total or partially and also in several parts and for several purposes.

With regard to the possibility of own shares purchased being disposed of/utilized pursuant to Section 65 Para 1b Stock Corporation Act also in other ways than a disposal via the stock exchange or a public offering, the Executive Board must present a written report pursuant to Section 65 Para 1b in connection with Section 170 Para 2 Stock Corporation Act and Section 153 Para 4 Stock Corporation Act on the reason for the related exclusion of the general purchasing possibility of the shareholders.

2. <u>Purpose of the utilization or disposal authorization excluding the general purchasing possibility / Interest of the Company</u>

The proposed authorization to utilize or dispose of own shares also whilst excluding the general purchasing possibility of existing shareholders is in the interest of the Company and its shareholders.

In particular, own shares 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). This may also include the transfer of own shares to individuals or legal entities who hold such shares in trust or otherwise on behalf of or for the benefit of employees and executives, including board members. In this respect, the intention of FREQUENTIS AG is, in particular, to increase the focus of the participants on the long-term value of the Company and to strengthen their identification with the Company. In addition, FREQUENTIS AG and its affiliated companies are heavily dependent on the employment of qualified personnel. Since it is difficult to replace qualified personnel, it is necessary to bind them to the Company. Furthermore, the Company may become more attractive for employees.

The preferential grant of shares to employees, senior employees and/or members of the Company's Executive Board or the management boards of its affiliates also constitutes a sufficient reason for the exclusion of the general purchasing possibility of existing shareholders pursuant to Section 153 Para 5 of the Austrian Stock Corporation Act. Own shares may also be used to settle stock options held by employees, senior employees, and members of the Company's Executive Board or the management boards of its affiliates. For such use a resolution to exclude the general purchasing possibility of the shareholders is not required.

Furthermore, the expansion and opening of new markets in all fields of business will be one of the strategic targets of FREQUENTIS AG in the future in order to strengthen the profitability of the group of companies and to promote the sustainable growth of FREQUENTIS AG. The preparation and structuring of transactions connected to the accomplishment of these targets require the best possible flexibility of the Executive Board with regard to the utilization of the available financing instruments. For the strategy pursued by the Company it is of major importance that the Executive Board is also able to seize the opportunity to acquire existing entities, business operations, parts of business operations or shares in one or several companies for the preparation of an entrance into a new market, for the stabilization of an already existing market position or for the expansion of the product and service portfolio of the Company. The acquisition of existing entities, business operations or parts of business operations may be advantageous because it allows a quick market entrance, to build-up on an already existing customer stock and to acquire employees familiar with the local markets. Furthermore, strategic partners are often interested in contributing businesses or other assets as contributions in kind in exchange for shares, to the Company or to implement a share for share exchange. In order to be able to seize the opportunity for the acquisition of entities, business operations, parts of business operations or shares in one or several companies as well as for the conclusion of strategic partnerships by way of contributions in kind to the Company, if necessary without any delay, the Executive Board needs to have the authorization to exclude the general purchasing possibility of the shareholders.

The possibility of a disposal of own shares with the exclusion of the general purchasing possibility of the shareholders therefore in particular allows financing expansion measures, seizing market opportunities as well as occasions which arise in the new markets, in a quick and flexible way and covering the capital demand resulting therefrom in a time-efficient manner. By sparing the time and cost intensive implementation of the general purchasing possibility of the shareholders, it is e.g. possible to cover the capital demand of the Company arising from short term market occasions in a very time efficient manner when own shares in the Company are sold. By an exclusion of the general purchasing possibility of the shareholders in the case of a disposal, the Executive Board shall have the possibility to offer the own shares by way of an accelerated-bookbuilding-procedure, in particular in order to get as favourable conditions as possible for the financing of the Company or to extend the Company's investor base. Excluding the shareholders' general purchasing possibility shall also be permissible in order to avoid fractional shares or to satisfy over-allotment options (greenshoe). Furthermore, it may be necessary to utilize own shares for the servicing of convertible bonds (as an alternative to a conditional capital increase pursuant to Sections 159 et seq. of the Austrian Stock Corporation Act). Also in this context, the exclusion of the general purchasing possibility can offer the necessary flexibility and, in particular, enable the Executive Board to act quickly, obtain favourable conditions for financing the Company or broaden the investor base.

In order to facilitate the execution of granting own shares, the Executive Board shall also have the possibility to exclude the general purchasing possibility of shareholders by way of an indirect subscription right in accordance with Section 153 Para 6 Stock Corporation Act. Further, it is always possible to offer own shares only to shareholders existing at the time of the offer by way of issuing a subscription invitation.

3. Weighing of interests

Due to the reasons described, the exclusion of the general purchasing possibility (subscription possibility) is, 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.

With regard to the aforementioned authorization of the Executive Board for the utilization and disposal of own shares – also with exclusion of the general purchasing possibility – the overall interest of the Company therefore prevails over the disadvantage of the shareholders resulting from the exclusion of the general purchasing possibility in the course of a utilization respectively disposal of own shares of the Company. In the case of share transfer programs and other employee participation programs the authorization to exclude the general purchasing possibility of the shareholders is objectively justified, as such programs are in the overriding interest of the Company, serve the objective of strengthening the Company's success and as such programs represent an efficient mean for achieving this objective. As consideration for the acquisition of entities, business operations, parts of business operations or shares in one or more companies as well as an alternative to a conditional capital increase for the servicing of any convertible bonds issued, the authorization to exclude the general purchasing possibility of the shareholders (subscription possibility) is objectively justified because it offers in particular the Executive Board the necessary flexibility, ensures rapid action and/or thereby enables additional business or market opportunities, which in turn are for the benefit of the shareholders. Even if disadvantages occur for the existing shareholders because of the exclusion of the general purchasing possibility, such disadvantages will remain within tight limits due to the statutory maximum amount for own shares held by the Company of 10% of the nominal capital.

The utilization, respectively the disposal of own shares as well as the determination of all conditions of the utilization and respectively the disposal also in other ways than via the stock exchange or a public offering may only be implemented with the consent of the Supervisory Board of the Company. If the Executive Board exercises its authorization to exclude the general purchasing possibility, a new written report by the Executive Board will have to be established and pursuant to Section 171 Para 1 Stock Corporation Act 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 pursuant to Section 65 Para 1b Stock Corporation Act to dispose of, or utilize own shares purchased, with the involvement of the Supervisory Board as required under the Stock Corporation Act, also in other ways than a disposal via the stock exchange or a public offering, is fully in line with the statutory rules. The Executive Board kindly asks for approval.

Vienna, May 2024

The Executive Board