

## **Report on item 12 of the 17<sup>th</sup> 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.

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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](http://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.

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### 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

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