



Report of the Supervisory Board

The geopolitical situation remained tense and challenging in 2024. In addition to the war in Ukraine, which has now been going on for more than three years, and the armed conflict between Israel and Hamas, uncertainty was caused by political events in Austria and abroad, as well as the continued high volatility of energy prices and the associated risk of inflation.

Therefore, I am exceptionally pleased that the Frequentis Group was once again able to withstand the tough conditions thanks to its stable business model, and successfully continued to grow.

Order intake rose 15.7% to EUR 583.8 million, Group revenues grew 12.4% to EUR 480.3 million, and Group EBIT increased by 20.5% to EUR 32.1 million, significantly exceeding the prior-year figures.

The Frequentis Group is soundly placed to continue its development in the still challenging economic situation with orders on hand of EUR 724.0 million, a net cash position of EUR 81.8 million, and an equity ratio of 44.3% (as at end-2024 in each case).

Changes on the Executive Board and (unchanged) composition of the Supervisory Board

Mr. Hermann Mattanovich, who made a significant contribution to the development of the Frequentis Group and the achievement of significant technological milestones during his 30 years of service, including 15 as Chief Technology Officer, stepped down from the Executive Board on 30 June 2024 as part of the long-term succession planning. The Supervisory Board appointed Mr. Karl Wannemacher to the Executive Board as CTO with effect from 1 July 2024. Mr. Wannemacher has worked for the Frequentis Group since 2005 and has extensive experience in the design and implementation of complex systems for international customers in the safety-critical area.

Ms. Petra Preining, whose original term of office as a member of the Supervisory Board expired at the end of the Annual General Meeting on 6 June 2024, was re-elected by the General Meeting for the maximum legally permitted period as a Supervisory Board member. Therefore, there were no changes to the members of the Supervisory Board in the reporting period.

Work of the Supervisory Board and its committees

In 2024, the Supervisory Board performed the tasks imposed on it by the law, the articles of association, and the rules of procedure with the utmost care. We regularly advised and supervised the Executive Board in the management of the company. The Executive Board kept the Supervisory Board informed at all times about the business situation and development of Frequentis AG. In addition, the chairmen of the committees and I maintained regular contact with the Executive Board to discuss opportunities and risks for the company.

The Supervisory Board of Frequentis AG held five meetings in 2024. At these meetings, the Supervisory Board received detailed reports from the Executive Board on the company's strategy, business performance, and situation, as well as the principal projects in progress, material events, possible acquisitions, and the related questions. In this context, the Supervisory Board discussed, questioned, and examined the information provided by the Executive Board. This examination, which took the form of an open discussion between the Executive Board and the Supervisory Board, did not result in any objections. The approval of the Supervisory Board was obtained on matters where this was required by the articles of association or rules of procedure.

The Audit Committee held three meetings in the reporting period and performed all the tasks entrusted to it. In particular, it examined the company's financial statements, the consolidated financial statements, and the consolidated corporate governance report, supervised the audit of the financial statements and consolidated financial statements and the independence of the auditor, prepared a proposal for the appointment of the auditor of the financial statements and consolidated financial statements, and oversaw the company's accounting, internal control and internal audit system, and its risk management system. In addition, the Audit Committee performed the preliminary examination of the consolidated non-financial report. The Supervisory Board was regularly informed of the outcome of the meetings of the Audit Committee.

The Committee for Executive Board Issues met twice in the reporting period, mainly to prepare for the change on the Executive Board, which took place in July 2024. Furthermore, the committee examined remuneration issues relating to the Executive Board. As well as preparing the remuneration report, it evaluated the achievement of the targets set for the 2023 financial year and prepared a proposal for the Long-Term Incentive Plan (LTIP) 2024 for the Chairman of the Executive Board. The remuneration report and the LTIP 2024 were subsequently adopted at the company's Annual General Meeting on 6 June 2024.

The special committee established in connection with the insolvency of Commercialbank Mattersburg in 2020 held two meetings in 2024 and advised the Executive Board on the ongoing judicial proceedings to assert possible claims by the company on the bank and third parties.

Except for one representative delegated to represent the workforce, who was excused from attending one meeting of the Supervisory Board, all members took part in all Supervisory Board meetings in the reporting period. One employee representative on the Special Committee on Commercialbank Mattersburg was excused from attending one meeting. All other committee meetings in the reporting period were attended by all committee members.

Financial statements of Frequentis AG and consolidated financial statements for 2024

The annual financial statements of Frequentis AG and the consolidated financial statements as at 31 December 2024 submitted by the Executive Board, as well as the management report for the company and the Group for the 2024 financial year were audited by the appointed auditors, BDO Assurance GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft ("BDO"). The audit did not give rise to any objections and the statutory requirements were complied with in full, so the auditors issued an unqualified audit opinion. BDO performed a limited assurance review of the consolidated non-financial statement for 2024, which forms part of the Group management report. This did not result in any objections.

The Supervisory Board's Audit Committee examined the annual financial statements, the consolidated financial statements, including the consolidated non-financial statement, the auditor's reports, the Executive Board's proposal for the distribution of the profit, and the consolidated corporate governance report in detail with the auditors at its meeting on 27 March 2025 and proposed that they should be approved by the Supervisory Board. The Supervisory Board examined the documents in accordance with Section 96 of the Austrian Companies Act (AktG) and agreed with the findings of the Audit Committee. The annual financial statements for Frequentis AG for 2024 were accepted by the Supervisory Board, so they are deemed to be approved pursuant to Section 96(4) of the Austrian Companies Act. The management report, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS), the Group management report, the consolidated corporate governance report, and the consolidated non-financial statement were approved by the Supervisory Board. The Supervisory Board agreed to the Executive Board's proposal for the distribution of the profit. A proposal will therefore be put to the Annual General Meeting on 5 June 2025 that a dividend of EUR 0.27 per share should be paid for the 2024 financial year.

On behalf of the entire Supervisory Board, I would like to express my sincere thanks and appreciation to the Executive Board and all employees of the Frequentis Group for their commitment and successful work in the past financial year. We would also like to express our special thanks to our customers and to the shareholders of Frequentis AG for their trust in us in these challenging times.

Vienna, 27 March 2025



Dr. Johannes Bardach
Chairman of the Supervisory Board of
Frequentis AG