



Remuneration Report 2023

**FREQUENTIS**  
FOR A SAFER WORLD

# Remuneration Report 2023

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# 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:

<b>Base salary (gross, excluding payroll-related costs) in EUR thousand (rounded)</b>	<b>2023</b>	<b>2022</b>
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
<b>Total</b>	<b>1,225</b>	<b>910</b>

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 UGB 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 <sup>1</sup>	2022 <sup>2</sup>
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
<b>Total</b>	<b>675.5</b>	<b>712.9</b>

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

<sup>2</sup> 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		
	Norbert Haslacher	Monika Haselbacher since 1 Jan. 2023	Hermann Mattanovich	Peter Skerlan	Norbert Haslacher	Hermann Mattanovich	Peter Skerlan
in EUR thousand (rounded)							
<b>Fixed remuneration</b>							
• 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) <sup>1</sup> and allowances	9.3	21.3 <sup>2</sup>	11.8	8.0	8.9	11.7	7.8
<b>Subtotal fixed remuneration</b>	<b>464.3</b>	<b>341.3</b>	<b>341.8</b>	<b>328.0</b>	<b>418.9</b>	<b>341.7</b>	<b>327.8</b>
<b>Variable remuneration</b>							
• Short-term variable remuneration							
Amount paid out in reporting period for target achievement in previous year <sup>3</sup>	309.2	-	205.5	198.2	270.0	280.0	191.4
thereof not covered by provisions in previous year <sup>4</sup>	0.0	-	0.0	0.0	0.0	0.0	0.0
Provisions for expected target achievement in the reporting period <sup>5</sup>	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 <sup>6</sup>	504.9	-	-	-	429.8	-	-
thereof not covered by provisions in previous years <sup>4</sup>	204.6	-	-	-	177.1	-	-
Provisions for current LTIPs <sup>7</sup>	359.4	-	-	-	389.6	-	-
<b>Subtotal variable remuneration<sup>8</sup></b>	<b>792.9</b>	<b>147.1</b>	<b>152.6</b>	<b>147.1</b>	<b>875.9</b>	<b>205.5</b>	<b>198.2</b>
<b>Remuneration from affiliated companies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Subtotal (other remuneration)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total remuneration</b>							
• 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
<b>Total remuneration</b>	<b>1,257.2</b>	<b>488.4</b>	<b>494.4</b>	<b>475.1</b>	<b>1,294.8</b>	<b>547.2</b>	<b>526.0</b>
• Fixed remuneration in % of total	37%	70%	69%	69%	32%	62%	62%
• Variable remuneration in % of total	63%	30%	31%	31%	68%	38%	38%
<b>Total remuneration of all active Executive Board members<sup>9</sup></b>	<b>2,715.1</b>				<b>2,368.0</b>		

<sup>1</sup> Taxable benefits in kind.

<sup>2</sup> Including allowance instead of a company car.

<sup>3</sup> 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).

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

<sup>5</sup> 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).

<sup>6</sup> 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.

<sup>7</sup> 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).

<sup>8</sup> 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).

<sup>9</sup> 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% <sup>2</sup>
Base salaries of the Executive Board (gross, excluding payroll-related costs)	1,225	910	+34.6% / +4.9% <sup>2</sup>
Average remuneration of other employees (gross, excluding payroll-related costs) <sup>1</sup>	76	71	+6.8%

- <sup>1</sup> Annual average full time equivalents (FTE) at Frequentis AG, excluding variable salary components and benefits in kind.
- <sup>2</sup> 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) <sup>1</sup>	71	70	+1.9%

- <sup>1</sup> 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% <sup>2</sup>
Base salaries of the Executive Board (gross, excluding payroll-related costs)	910	900	+1%
Average remuneration of other employees (gross, excluding payroll-related costs) <sup>1</sup>	70	69	+2%

- <sup>1</sup> Annual average full time equivalents (FTE) at Frequentis AG, excluding variable salary components and benefits in kind.
- <sup>2</sup> 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 Commercialbank 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) <sup>1</sup>	69	66	+3.5%

<sup>1</sup> 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) <sup>1</sup>		Basic remuneration 2023 <sup>2</sup>	Attendance fees 2023 <sup>2</sup>	Total remuneration 2023 <sup>2</sup>	Total remuneration 2022 <sup>3</sup>	Total remuneration 2021 <sup>3</sup>	Total remuneration 2020 <sup>3</sup>	Total remuneration 2019 <sup>3</sup>
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	-	-
<b>Total</b>		<b>76</b>	<b>72.5</b>	<b>148.5</b>	<b>167</b>	<b>147.5</b>	<b>145</b>	<b>103</b>

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

<sup>2</sup> Contingent upon the approval of the General Meeting.

<sup>3</sup> 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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