

FREQUENTIS

COMMUNICATION AND
INFORMATION SOLUTIONS

FOR A SAFER WORLD

Remuneration Report **2022**

Remuneration Report 2022

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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 2022 financial year. In addition to the statutory requirements, the structure and content of the remuneration report 2022 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 29 March 2023. 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 15th Annual General Meeting on 2 June 2022, the remuneration report for the 2021 financial year was approved by 99.9% of the valid votes cast. In view of this result, the present remuneration report was prepared using the same system and principles as the remuneration report 2021.

Business performance of the Frequentis Group in the reporting period

The operating business was still held back to some extent by the COVID-19 pandemic, which subsided during 2022. The war in Ukraine, which started in February 2022, indirectly impacted the Frequentis Group through higher inflation (initially for electricity, gas, and fuels). Inflation then filtered through to the cost of goods sourced from suppliers, salary rises, and thus earnings.

Revenues rose, partly due to the companies acquired from L3Harris Technologies during 2021, which were included in the financial statements for the full year in 2022, and the acquisition of the Italian company Regola in January 2022. Thanks to Frequentis' stable business model as a provider of communication and information systems for control centres in the safety-critical sector, demand remains high, as shown by the increase in order intake.

Order intake in the Frequentis Group was EUR 404.8 million in 2022, an increase of 21.5% (EUR 71.6 million) compared with 2021, when order intake was EUR 333.2 million. The distribution of order intake between the two segments in 2022 was as follows: Air Traffic Management 68% (EUR 275.4 million) compared with 69% in 2021 (EUR 230.4 million), Public Safety & Transport 32% (EUR 129.4 million), compared with 31% in 2021 (EUR 102.8 million).

In 2022, revenues increased by 15.7% (EUR 52.4 million) to EUR 386.0 million (2021: EUR 333.5 million). Organic growth – i.e. growth excluding the acquisition of the Italian company Regola in 2022 – was 12.7%. Revenues in the Air Traffic Management segment grew by 17.3% to EUR 257.8 million. In the Public Safety & Transport segment revenues increased by 12.4% to EUR 127.7 million. The revenue split between the Air Traffic Management and Public Safety & Transport segments was 67% : 33% in 2022 (2021: 66% : 34%).

The cost of materials and purchased services increased by 31.1% to EUR 99.2 million (2021: EUR 75.7 million). This was attributable, among other things, to the acquisitions and to supply chain bottlenecks, which affected Frequentis to some extent (at times, it registered significant price rises and delays in the delivery of purchased goods). Personnel expenses rose 11.9% to EUR 203.9 million (2021: EUR 182.1 million). This was attributable to the acquisitions made in 2021 and 2022, salary rises, and the increase in the workforce.

The other operating expenses were 24.3% higher at EUR 50.3 million (2021: EUR 40.5 million), driven principally by higher travel and advertising expenses, for example for trade shows and the new companies acquired in 2021 and 2022. Since unrestricted travel is now possible and air fares have risen, travel expenses increased by EUR 5.3 million year-on-year to EUR 10.7 million in 2022. Even so, they are still lower than in 2019, before the COVID-19 pandemic (2019: EUR 11.9 million).

EBITDA (earnings before interest, taxes, depreciation, amortisation, and impairment losses) declined to EUR 45.6 million in 2022 (2021: EUR 46.5 million). The EBITDA margin (relative to revenues) was 11.8%, compared with 13.9% in 2021.

Depreciation and amortisation increased to EUR 17.5 million (2021: EUR 15.8 million). The increase was mainly due to the higher additions of property, plant and equipment. Impairment losses of EUR 3.1 million were recognised in 2022 (2021: EUR 1.7 million) due to the impairment of product rights at ATRiCS Advanced Traffic Solutions GmbH and Frequentis Comsoft GmbH.

As a result of all the changes outlined above, EBIT decreased to EUR 25.0 million in 2022 (2021: EUR 29.0 million). The EBIT margin (relative to revenues) was 6.5%, compared with 8.7% in 2021.

Profit before tax was EUR 24.7 million in 2022 (2021: EUR 27.9 million). Income tax expense was EUR 5.9 million (2021: EUR 7.2 million), giving a tax rate of 23.7% (2021: 25.6%).

The profit for the period was EUR 18.9 million in 2022 (2021: EUR 20.8 million). Basic and diluted earnings per share were EUR 1.41 in 2022 (2021: EUR 1.50).

Remuneration of Executive Board members

Principles of the remuneration policy and remuneration components

The present remuneration policy for the members of the Executive Board of Frequentis AG was adopted by the 13th Annual General Meeting of Frequentis AG on 14 May 2020 on the basis of the proposal submitted by the Supervisory Board and contains the 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 910 thousand. This amount was split as follows among the individual Executive Board members:

Base salary (gross, excluding payroll-related costs) in EUR thousand (rounded)	2022	2021
Norbert Haslacher (Chairman of the Executive Board)	360	360
Hermann Mattanovich	280	280
Peter Skerlan (Executive Board member since 16 April 2021)	270	191
Sylvia Bardach (Executive Board member until 15 April 2021)	-	79
Total	910	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 second half of 2022, pension benefits of EUR 17,400.60 (gross, excluding payroll-related costs) were paid to Mrs. Sylvia Bardach, who was a member of the Executive Board until 15 April 2021. In the reporting period, the company received this amount from the reinsurance taken out in connection with this pension commitment. In the first half of 2022, premiums of EUR 25,000.00 were paid for this pension reinsurance.

In the reporting period, pension benefits of EUR 88,701.20 (gross, excluding payroll-related costs) were paid to Dr. Christian Pegritz, a former member of the Executive Board. In the reporting period, the company received this amount from the reinsurance taken out in connection with this pension commitment.

Variable remuneration components

The **variable remuneration components** are incentives to ensure the sustained development of the company and avoid a focus on merely short-term effects. When defining financial and non-financial performance criteria, attention is paid to avoiding enticements to take risks and an excessive focus on short-term profits. Ambitious targets should be set to provide an incentive for exceptional performance and to encourage implementation of the strategy of Frequentis AG. By including non-financial performance criteria, the aim is, in particular, to support the social and strategic alignment of the company. The overriding aim is the positive long-term development of the company. Accordingly, the variable remuneration is divided into short-term and long-term components.

With the approval of the full Supervisory Board, in exceptional circumstances Executive Board members may also be granted special bonus payments (for example, a sign-on bonus in the event of relocation or a retention bonus). The amount of the special bonus must be commensurate with the specific circumstances and may not exceed 50% of the member's (gross) annual salary.

Short-term variable remuneration components

The **short-term variable remuneration components** are based primarily on the achievement of short-term financial targets for the company.

Achievement of the targets is measured by an indicator of 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 2022 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)	2022 ¹	2021 ²
Norbert Haslacher (Chairman of the Executive Board)	309.2	360
Hermann Mattanovich	205.5	280
Peter Skerlan (Executive Board member since 16 April 2021)	198.2	191
Sylvia Bardach (Executive Board member until 15 April 2021)	-	0
Total	712.9	831

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

² The amounts stated are the final entitlement for the financial year and were paid out to the Executive Board members in the following year.

Long-term variable remuneration components (share-based payment)

The company may grant a **long-term variable remuneration component**, structured as a share-based Long-Term Incentive Plan (LTIP), to one or more members of the Executive Board on a one-off or repeated basis.

The LTIP is based, in particular, on sustainable, long-term, and multi-year performance criteria, including non-financial criteria. It is not possible to change the performance criteria retrospectively.

An LTIP may be granted at annual or multi-year intervals and must be adopted by a resolution of the General Meeting based on a proposal submitted by the Supervisory Board. The LTIP defines the maximum number of shares that may be allocated to an Executive Board member under the plan. In accordance with C rule no. 27 of the Austrian Code of Corporate Governance, the maximum limit for the amount of the LTIP that may be paid out in the form of shares in the company is set at 200% of the (gross) annual base salary of the respective Executive Board member.

Current LTIPs

Frequentis AG has currently agreed three long-term incentive plans with the Chairman of the Executive Board, Norbert Haslacher (LTIP 2020, LTIP 2021, and LTIP 2022, 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 2020 and 2021) or a maximum of 18,000 shares (LTIP 2022) – 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, as applicable, 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 2022	LTIP 2021	LTIP 2020
Start of plan	1 Jan. 2022	1 Jan. 2021	1 Jan. 2020
Date of approval by General Meeting	2 June 2022	20 May 2021	14 May 2020
Grant date	2 June 2022	15 June 2021	14 May 2020
End of service period	31 Dec. 2024	31 Dec. 2023	31 Dec. 2022
Vesting date	30 Apr. 2025	30 Apr. 2024	30 Apr. 2023
Expected target achievement	97%	126%	130%
Expected no. of shares	17,370	17,000	17,000
Maximum no. of shares	18,000	17,000	17,000
Bonus shares allocated	None	None	None

The agreed targets are measured against the following performance indicators:

LTIP 2022	LTIP 2021	LTIP 2020
Total shareholder return (TSR)	Total shareholder return (TSR)	Total shareholder return (TSR)
Revenue growth	Increase in operating performance through key accounts	Orders on hand
Earnings increase	Growth through new business development	Growth in the regions
Employee satisfaction		Growth through acquisitions

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 2020, the LTIP 2021, and the LTIP 2022, 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.

End of LTIP 2019

The LTIP 2019 agreed by Frequentis AG with the Chairman of the Executive Board ended on 31 December 2021. The targets agreed for the LTIP 2019 were based on the total shareholder return (TSR), organic growth of the operating performance, the EBIT margin and the profit margin, the development of key accounts, the range of non-refinanced R&D expenditures in percent of the total performance, employee satisfaction, and customer satisfaction in the performance period (1 January 2019 to 31 December 2021).

In the reporting period, the company's Supervisory Board determined the target achievement for the LTIP 2019 to be 100% overall so under the LTIP 2019 the Chairman of the Executive Board is entitled to receive 14,000 shares (gross) in Frequentis AG. Taking into account the applicable tax rates, 6,590 shares (net number of shares after taxes) were therefore transferred to the Chairman of the Executive Board on 6 May 2022 from the company's treasury shares (net theoretical value EUR 202,313). The theoretical value of the gross number of shares was EUR 429,800 (based on the opening share price on the Vienna stock exchange on 6 May 2022).

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)	2022					2021	
	Norbert Haslacher	Hermann Matta- novich	Peter Skerlan	Norbert Haslacher	Hermann Matta- novich	Peter Skerlan Executive Board member since 16 April 2021	Sylvia Bardach Executive Board member until 15 April 2021
in EUR thousand (rounded)							
Fixed remuneration							
• Annual base salary	360.0	280.0	270.0	360.0	280.0	191.4	78.6
• Premiums for pension reinsurance	50.0	50.0	50.0	50.0	49.9	50.0	50.0
• Benefits in kind (company cars and reimbursement of travel expenses) ¹	8.9	11.7	7.8	8.7	11.6	5.6	0.0 ²
Subtotal fixed remuneration	418.9	341.7	327.8	418.7	341.5	247.0	128.6
Variable remuneration							
• Short-term variable remuneration							
Amount paid out in reporting period for target achievement in previous year ³	270.0	280.0	191.4	0.0	0.0	0.0	0.0
thereof not covered by provisions in previous year ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Amount paid out for target achievement in the reporting period	0.0	0.0	0.0	90.0	0.0	0.0	0.0
Provisions for expected target achievement in the reporting period ⁵	309.2	205.5	198.2	270.0	280.0	191.4	-
• Long-term variable remuneration (share-based payment)							
Payments due to end of LTIP ⁶	429.8	-	-	0.0	-	-	-
thereof not covered by provisions in previous years ⁴	177.1	-	-	-	-	-	-
Provisions for current LTIPs ⁷	389.6			369.7	-	-	-
Subtotal variable remuneration⁸	875.9	205.5	198.2	729.7	280.0	191.4	0.0
Remuneration from affiliated companies				-	-		-
Other remuneration							
• Special bonus	-	-	-	-	-	-	-
• Payment in lieu of holiday	-	-	-	-	-	-	4.1
• Contractual claim to severance payment (under "old" Austrian legislation)	-	-	-	-	-	-	396.0
Subtotal (other remuneration)	0.0	0.0	0.0	0.0	0.0	0.0	400.1
Total remuneration							
• Fixed remuneration	418.7	341.7	327.8	418.7	341.5	247.0	128.6
• Variable remuneration	875.9	205.5	198.2	729.7	280.0	191.4	0.0
• 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	400.1
Total remuneration	1,294.7	547.1	525.9	1,148.4	621.5	438.4	528.7
• Fixed remuneration in % of total	32%	62%	62%	36%	55%	56%	100%
• Variable remuneration in % of total	68%	38%	38%	64%	45%	44%	0%
Total remuneration of all active Executive Board members⁹	2,368.0					2,737.0	

¹ Taxable benefits in kind.

² Electric car (not a benefit in kind).

³ Amount to be paid out after establishment of target achievement (this may differ from the provisions established for this in the previous year, see footnote 5).

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

⁵ Provisions recognised in the reporting period for expected entitlement (this amount may differ from the actual amount paid out in the following year based on actual target achievement 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 2022 (offset against utilisation of reserves): approx. EUR 739.1 thousand (2021: approx. EUR 601.7 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 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 is 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 13th Annual General Meeting on 14 May 2020 and defines the following objectives and basic principles.

The objective of the remuneration policy is to ensure that the members of the Supervisory Board are granted remuneration that is commensurate with their tasks and responsibilities, and with the company's economic position. The remuneration policy also takes into account the size of the company, its international focus, the business model of Frequentis AG, and the role and qualifications of the Supervisory Board members.

The remuneration policy is structured to ensure that qualified persons can be gained to perform the tasks of the Supervisory Board of a listed company with global operations. Therefore, the overall structure of the remuneration must be competitive and market-oriented as well as ensuring an appropriate relationship to the customary remuneration at comparable companies. In addition, it should allow a balanced professional and personal composition of the board. Special attention is paid to diversity with regard to the representation of both genders, a balanced age structure, and the professional background of the members.

In accordance with 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 attendance-related components. The employee representatives on the Supervisory Board perform their function voluntarily in accordance with Section 110 (3) of the Austrian Labour Relations Act (ArbVG) and do not receive separate remuneration therefor.

The basic annual amount is defined as a fixed amount per Supervisory Board member, and the amount may be graduated and measured on a different basis depending on the member's function and the scope of his/her tasks and responsibilities (e.g. chairperson, deputy chairperson). The attendance-related component is paid as an appropriate fee for attending meetings and is calculated as a flat rate for each meeting of the full Supervisory Board and of its committee that a member attends. The attendance fee may be graduated and measured on a different basis, in particular depending on the member's function and the scope of his/her tasks and responsibilities (e.g. chairperson, deputy chairperson). Further, the chairperson and deputy chairperson of the Supervisory Board may be granted appropriate attendance fees for attendance at and functions in connection with the company's general meetings. The attendance-related component of the remuneration policy reflects the fact that the number of meetings and the related time requirements can vary, especially in connection with membership of committees.

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

If a Supervisory Board member takes on a specific function in the interests of the company, he/she may be granted special remuneration for this by a resolution of the General Meeting.

Every Supervisory Board member, including the employee representatives on the Supervisory Board, is entitled to reimbursement of out-of-pocket expenses.

The Supervisory Board members are included in the company's directors' and officers' liability insurance (D&O insurance).

Presentation of total remuneration

Contingent upon the approval of the Annual General Meeting in 2023, the elected and delegated shareholder representatives on the Supervisory Board of Frequentis AG should be granted the following remuneration for their services in 2022:

Total remuneration of the Supervisory Board in EUR thousand (rounded) ¹		Basic remuneration 2022	Attendance fees 2022	Total remuneration 2022 ²	Total remuneration 2021 ³	Total remuneration 2020 ³	Total remuneration 2019 ³
Johannes Bardach	Chairman of the Supervisory Board	15	19	34	31.5	31.5	25
Karl Michael Millauer	Deputy Chairman	13	20	33	31	33.5	29
Boris Nemsic	Member of the Supervisory Board	12	14	26	24	26	18
Reinhold Daxecker	Member of the Supervisory Board	12	16	28	26	30	26
Petra Preining	Member of the Supervisory Board	12	12	24	22	24	5
Sylvia Bardach	Member of the Supervisory Board	12	10	22	13	-	-
Total		76	91	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, 29 March 2023

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.

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