



Remuneration Report

for financial year 2020/21.

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1 Summary.

In the 2020/21 financial year, the Executive Board of Kapsch TrafficCom AG received total remuneration in the amount of EUR 1.6 million. The Supervisory Board remuneration of Kapsch TrafficCom AG was EUR 120,000. Kapsch TrafficCom does not have a stock option program, neither for the Executive Board nor for the Supervisory Board.

Remuneration of the Executive Board for financial year 2020/21.

In EUR thousand		Fixed	Variable	Pension fund	Other	Total
Georg Kapsch	Chairman, Chief Executive Officer	705.6	0.0	n.a.	11.6	717.2
André Laux	Member, Chief Operating Officer	455.0	0.0	25.0	48.7	528.7
Alfredo Escribá Gallego	Member, Chief Technology Officer	349.0	0.0	10.5	35.3	394.7
Total		1,509.6	0.0	35.5	95.5	1,640.6

The total remuneration of the Executive Board for the 2020/21 financial year decreased by 16.9%. The main reasons for this were the departure of an Executive Board member in 2019 and a salary waiver in the reporting period. The average remuneration of employees at Kapsch TrafficCom AG (excluding the Executive Board and based on full-time equivalents) increased by 2.8%.

As in the previous year, no entitlements to profit-related remuneration arose for the members of the Executive Board because the requirement of EBIT of at least EUR 20 million was not met in the financial year.

Remuneration of the Supervisory Board.

In EUR thousand	Functions	2019/20	2020/21
Franz Semmernegg	Chairman of the Supervisory Board, the Audit Committee, and the Remuneration Committee	50.0	46.0
Harald Sommerer	Until September 2020 member, then Deputy Chairman of the Supervisory Board. Member of the Audit Committee and the Remuneration Committee	24.0	32.0
Kari Kapsch	Until September 2020 Deputy Chairman, then Supervisory Board member	30.0	24.5
Sabine Kauper	Member of the Supervisory Board	16.0	17.5
Total		120.0	120.0

With the resolution of the Annual General Meeting of September 9, 2015, the total remuneration of the Supervisory Board was determined to be EUR 120,000 per year, whereby the Chairman is responsible for distributing this amount.

Shares owned by members of the Executive Board and Supervisory Board.

Supervisory Board members Franz Semmernegg and Claudia Rudolf-Misch each held 228 shares of Kapsch TrafficCom on the balance sheet date. The other members of the Supervisory Board and the members of the Executive Board held no shares.

2 Introduction.

The 2019 Stock Corporation Law Amendment Act implemented Directive (EU) 2017/828 for the promotion of long-term shareholder participation. In accordance with Sec. 78c (1) AktG (Aktiengesetz [Stock Corporation Act]), the Executive Board and Supervisory Board of a listed company shall prepare a clear and comprehensible remuneration report. This must include the remuneration of both the Executive Board and the Supervisory Board members. This remuneration report of Kapsch TrafficCom for the 2020/21 financial year (April 1, 2020 to March 31, 2021) is the first according to the new legal regulations. The 2020/21 Remuneration Report has been prepared by the Executive Board and Supervisory Board and will be submitted to the Annual General Meeting in September 2021 for approval.

Course of business 2020/21.

Management took an optimistic look at the future to begin financial year 2020/21. Some negative effects from the previous year would negatively impact the new financial year, but the assumption was that the worst was behind the company. What only became apparent over the course of the year, however, was the scope of the repeatedly necessary margin adjustments in North America and the impact of COVID-19. Therefore, it was even more important to initiate the "Mission re/invent" program before summer 2020 in order to introduce short-term cost reduction measures and create the basis for sustainable growth.

At the beginning of October 2020, it was clear that another negative EBIT was to be anticipated. The consequence of this was that management suspended the existing dividend policy for the foreseeable future and announced that no dividend was to be expected for financial year 2020/21. Furthermore, the company began to work on a restructuring concept that would strengthen and complement the measures laid out in Mission re/invent. In November 2020, a competitor in the USA filed a lawsuit and accused Kapsch TrafficCom of patent infringement. The company is reviewing the claims and set up provisions for the expected costs of the lawsuit.

In financial year 2020/21, Kapsch TrafficCom generated revenues of EUR 505 million and an operating result (EBIT) of EUR -123 million. These figures include special effects of around EUR -132 million. The free cash flow improved over the course of the year from EUR -27 million (Q1) and EUR -30 million (H1) to EUR 1 million (Q1–Q3) and was ultimately EUR 4 million for the full year (Q1–Q4). This reflects the success of the cost reduction and restructuring measures.

COVID-19.

The impact of COVID-19 on Kapsch TrafficCom appeared to be minimal at the beginning of the financial year. The most obvious change was the shift of large parts of staff to home office. In this context, the company profited from its outstanding IT infrastructure. Naturally, the number of business trips and thus travel expenses fell substantially. As the year progressed, four developments were observed:

- > Revenues in the implementation business decreased sharply by more than 40%.
- > Revenues from the profitable Components segment suffered as a result of decreased transportation volume. They were more than a third lower relative to the same period in the previous year. Revenues from tolling services also fell substantially due to the lower transportation volume – in Europe by around two-thirds relative to the budget.
- > There were more delays, on the one hand, in tenders and contract awards – these related primarily to the implementation business – and, on the other, in the supply chain in individual cases.
- > The acquisition of new business was sluggish throughout the entire financial year.

Mission re/invent.

This is a transformation program with the central goal to reduce the company's cost basis over the long term, so that operating profits can be generated even with substantially lower revenues than in previous years. At the same time, the company should be set up for future growth. As financial year 2020/21 progressed, it became increasingly clear that the expectations for revenues and profit would have to be rolled back more and more. That is why a restructuring plan was prepared in Q3 on top of the activities in Mission re/invent.

The restructuring program was largely implemented in financial year 2020/21; some of the expenses related to the measures will be recognized in the following financial year, however.

Impact of the course of business on the remuneration of the Executive Board members.

No entitlements to profit-related remuneration arose for the members of the Executive Board because the requirement of EBIT of at least EUR 20 million was not met in the financial year. As a sign of support for the cost reduction measures Georg Kapsch waived 10% of his fixed remuneration for the entire 2020/21 financial year, while André Laux and Alfredo Escribá Gallego did so for six months

3 Remuneration of the members of the Executive Board of Kapsch TrafficCom AG.

The Executive Board of Kapsch TrafficCom consisted of three members in the 2020/21 financial year:

Name and function	Areas of responsibility	Born	Year first appointed	Year current term expires
Georg Kapsch Chairman Chief Executive Officer	Finance, investor relations, legal, human relations, marketing and communication, corporate development, "Environment, Social & Governance", transformation office, international subsidiaries & management systems, IT, tolling services as well as sales region North America	1959	2002	2025
André Laux Member Chief Operating Officer	Sales regions: Europe-Middle East-Africa, South and Central America, Asia-Pacific as well as supply chain management, production & logistics	1962	2010	2024
Alfredo Escribá Gallego Member Chief Technology Officer	Corporate Technology and the Solution Centers: Tolling, Traffic, Back Office	1969	2019	2024

Mr. Kapsch was employed by Kapsch Aktiengesellschaft until March 31, 2020. His services were part of the management and consulting services provided by Kapsch Aktiengesellschaft and invoiced to Kapsch TrafficCom. Since April 1, 2020, Mr. Kapsch has had a separate Executive Board contract with Kapsch TrafficCom AG. The new remuneration policy (Remuneration Policy 2020) was not available in its final form at the time the contract with Mr. Kapsch was drafted. However, it had already reached a very advanced stage and served as a reference for the Executive Board contract.

The remuneration amounts of André Laux and Alfredo Escribá Gallego are based on the Previous Remuneration Policy until their current Executive Board mandates expire.

3.1 Basic features of the Executive Board remuneration policy.

3.1.1 Remuneration Policy 2020 (to be applied to Georg Kapsch).

At the Supervisory Board meeting of June 15, 2020, the Supervisory Board adopted the Remuneration Policy for the Executive Board and the Supervisory Board as proposed by the Remuneration Committee (former Committee for Executive Board Matters).

The Supervisory Board presented the Remuneration Policy to the ordinary Annual General Meeting on September 9, 2020, for a vote. With 70.4% of the shares present for the vote, more than 99.9% approved the Remuneration Policy. The result has the character of a recommendation and cannot be contested. Thereafter, the Remuneration Policy shall be presented to the Annual General Meeting at least every fourth financial year for a vote.

Fundamentals.

- > The remuneration ensures that the Executive Board acts in the interests of the business, the employees, shareholders and the Company.
- > The remuneration should promote the Company's strategy.
- > The remuneration takes account of the economic position of the Company and the corporate group on the one hand and the qualifications, scope of duties and performance of the individual member of the Executive Board on the other.
- > The remuneration takes account of national and international circumstances on the market and the remuneration levels at comparable companies. Only in this way is it possible to ensure that the Company remains attractive for suitable members of the Executive Board in the future.
- > At the same time, the remuneration and employment conditions of the Company's employees should be taken into account in the remuneration of the members of the Executive Board.
- > Variable remuneration for the Executive Board should offer an adequate incentive to perform, but not entice members of the Executive Board to take inappropriate, excessive risks.

Overview of the remuneration components.

The remuneration for members of the Executive Board consists of the following:

- > Fixed remuneration
- > Variable Remuneration
 - > Profit-based component
 - > Variable Remuneration I: non-financial criteria
 - > Variable Remuneration II: non-financial criteria (employee satisfaction)
- > Benefits equally enjoyed by all employees
- > D&O insurance
- > Optional benefits
 - > Company pension plan
 - > Severance payment
 - > Insurance
 - > Continued payment of remuneration in the event of illness or death
 - > Fringe benefits

The Company does not grant any share-based remuneration.

Fixed remuneration.

The members of the Executive Board receive fixed annual remuneration that is agreed individually. It should be more than EUR 300,000 (gross) per member of the Executive Board and financial year and may not exceed the value of EUR 1,200,000 (gross). If a member of the Executive Board works for the Company for less than one financial year or a member of the Executive Board departs prior to the end of a financial year, the indicated limits will be applied proportionately.

The fixed remuneration is usually adjusted once a year in accordance with a recognized index (e.g. in the case of remuneration in euros: the Consumer Price Index calculated by the Austrian Federal Statistical Office [Bundesanstalt Statistik Österreich]; in the case of remuneration in US dollars: US Consumer Price Index [CPI-U] provided by the Bureau of Labor Statistics). The Remuneration Committee decides on adjustments in excess thereof.

Profit-based remuneration.

This remuneration component should create suitable incentives for management to act in accordance with the interests of the business and its shareholders, investors and the Company without making it attractive to take excessive risks. The profit-based remuneration is consistent with the Company's strategy of long-term added value and the targets formulated within the strategy. Specifically, the Group's operating income should increase sustainably.

The basis for the profit-based remuneration is the consolidated operating result (earnings before interest and taxes, EBIT) as reported in the Company's consolidated financial statements. The EBIT is the most important key performance indicator for controlling profitability in the Kapsch TrafficCom Group. The percentage of EBIT to be applied for the calculation of the "bonus entitlement" is agreed individually with the members of the Executive Board.

There will only be an entitlement to the profit-based remuneration component if the EBIT is at least EUR 20 million in a financial year. The amount of the profit-based remuneration to be paid out is limited to the amount of the fixed remuneration. An amount in excess of this shall be forfeited.

Payout terms. The payout of the profit-based remuneration is determined by the EBIT in the preceding financial year ("base value") and is made in three annual tranches, each in November. A member of the Executive Board is entitled to a payment of 60% of the bonus entitlement in the first year; 30% in the second year, and 10% in the third year.

Deferred payments. The entitlements to the second and third tranches ("deferred payments") are tied to future EBIT performance as an incentive to ensure sustainable EBIT performance. To this end, there are corridors that represent deviations from the base value (within the scope of a defined Compound Annual Growth Rate, CAGR) and can result in adjustments to the amounts to be paid out in tranches two and three. Tranches two and three can fall into different corridors.

Variable remuneration I: non-financial criteria.

The Remuneration Committee (former: Committee for Executive Board Matters) sets four non-financial targets for each financial year, with at least two targets covering a multi-year timeframe.

In the selection of the targets, the Remuneration Committee uses the key performance indicators in the Company's current consolidated non-financial report as a reference point, but can also autonomously define them.

A member of the Executive Board shall be entitled to an amount of EUR 10,000 for the achievement of each target. This remuneration component will be paid out in each November.

Variable remuneration II: non-financial criteria (employee satisfaction).

Satisfied employees are an essential component for the success of the Kapsch TrafficCom Group. There is therefore an additional variable remuneration component linked to the sustainable achievement of non-financial criteria – specifically to certain results of the employee survey. This survey takes place at intervals that are several years apart. Once the results are available and if all defined criteria have been met, an amount of EUR 10,000 per Executive Board member will be paid out for each year since the last such survey. The condition for the payout is an Executive Board mandate that has been in effect for at least two years.

Benefits equally enjoyed by all employees.

Kapsch TrafficCom provides certain benefits to all employees. This may include members of the Executive Board, in each case under the same conditions and to the same extent as all other employees. If a benefit is available to a different extent in the future or no longer available in general, this shall apply analogously to the members of the Executive Board. Examples of such a benefit are:

- > Business trip health insurance to cover medical costs on business trips.
- > Business trip emergency help provides support in medical or safety-relevant emergencies. Furthermore, it offers advice on questions about the destination before starting a business trip (particularly on risk factors). It is not possible to individually categorize this service for specific members of the Executive Board

D&O insurance.

The members of the Executive Board, the Supervisory Board and senior executives at Kapsch TrafficCom are insured against financial loss as part of a directors and officers liability insurance (D&O insurance). Due to the payment of a collective premium, it is not possible to individually categorize the insurance for specific members of the Executive Board. The insurance contract contains standard market conditions; the premiums do not have to be covered by the members of the Executive Board. This insurance is not classified as remuneration in kind subject to income tax according to applicable Austrian law.

Optional benefit: company pension plan.

The importance of a company pension plan alongside the government pension insurance is increasing. For this reason, Kapsch TrafficCom can agree with the members of the Executive Board that a share of the total remuneration is contributed to an external pension fund in the form of payments. The amount of these contributions shall be agreed individually upon conclusion of the contract and may not exceed EUR 100,000 per year and member of the Executive Board. The pension commitments are defined contribution plans; the Company is not obligated to make additional payments in the case of unsatisfactory investment performance at the pension fund. After the end of a mandate due to the passage of time, an Executive Board member has no further claims against the Company.

Optional benefit: severance payment.

Independently of other benefits, an Executive Board member can be granted an entitlement to a severance payment in his or her Executive Board contract. This can only occur

- a) on the expiration of the Executive Board mandate without another extension or
- b) in the case of premature dissolution of the contract without the existence of misconduct.

The severance payment for a member of the Executive Board may not amount to more than the total remuneration in two years. The underlying total annual remuneration is calculated as the average of the respective total remuneration in the last two financial years. The amount of the contractual severance payment must be reduced in any case

- > by the account balance on the balance sheet date according to the pension fund and
- > any ongoing entitlement to continued payment of the fixed remuneration.

Optional benefit: insurances.

For members of the Executive Board employed in Austria, insurance (particularly travel accident insurance, accident insurance, supplementary health insurance) can be concluded and its premiums covered by the Company. The total annual premiums may not exceed EUR 10,000 per Executive Board member.

Adequate private insurance can be concluded for Executive Board members that are employed in other countries without comparable government health insurance. The premiums for this are covered by the Company up to an annual maximum amount of EUR 50,000 per Executive Board member.

Optional benefit: continued payment of remuneration in the event of illness or death.

In deviation from the regulations regarding the fixed remuneration, the Executive Board contract can include for the special case of illness or accident that the entitlements to remuneration remain in effect in the event of an incapacity to work for a maximum of the remaining term of the employment contract.

In the event that an Executive Board member dies, an entitlement to continued payment of the remuneration may be granted for the benefit of the statutory heirs for a maximum of the month of death and the two following months.

Optional benefit: fringe benefits.

Executive Board members have an entitlement to a company car. A driver can be provided. The company car and the driver can also be used privately.

The Company covers the cost of the standard electronic work equipment (smartphone, notebook, etc.) for office and home use. The secretaries may be used by Executive Board members for private purposes (e.g., the booking of private trips or cultural events, etc.) to the standard extent in the industry.

Kapsch TrafficCom can provide members of the Executive Board with a company apartment or an allowance for housing. A condition for this is that the Executive Board member's place of residence is not in Vienna or within 100 kilometers of Vienna as the crow flies at the time the Executive Board mandate is accepted. The company apartment or allowance for housing may amount to a maximum of EUR 3,500 net per month.

The Company can assume expenses for health care, if not already covered by an insurance, for an amount of up to EUR 1,500 per financial year.

Kapsch TrafficCom may offer members of the Executive Board relevant training for their duties and cover the costs incurred.

Optional benefit: extraordinary remuneration.

Extraordinary remuneration is not provided.

3.1.2 Previous Remuneration Policy (to be applied to André Laux and Alfredo Escribá Gallego).

The Remuneration Policy 2020 does not interfere with existing Executive Board contracts. Therefore, the Previous Remuneration Policy applies to the remuneration of two of the three Executive Board members until the end of their current mandates.

General information.

The remuneration takes into consideration the size, international orientation, the business model and the financial situation of the company, as well as the scope of tasks and qualifications of the individual persons. In doing so, the payment to the Executive Board members should offer an incentive on the one hand, and on the other should not promote the taking of excessive risk. External benchmarks shall be drawn upon in order to ensure a payment which corresponds with the level on the market. There exists no stock option plan.

Fixed remuneration.

The amount of fixed remuneration is agreed individually. In addition to pecuniary benefits, it may also include benefits in kind, for example, for company cars and living arrangements. Since Executive Board salaries are not subject to the provisions of a collective agreement, fixed remuneration can be secured in value

Variable remuneration I: profit-based remuneration.

This is determined by the EBIT. The percentage to be applied for the calculation shall be agreed individually upon conclusion of the contract. The profit-related remuneration must be limited to the amount of the fixed remuneration. As a prerequisite for

the payment of such a performance bonus, EBIT must reach at least EUR 20 million in the financial year. If this is not the case, profit-related remuneration for this financial year shall be forfeited without replacement.

Variable remuneration II: sustainable, non-financial criteria.

Satisfied employees are an essential component for the success of the Kapsch TrafficCom Group. There is therefore an additional variable compensation component linked to the sustainable achievement of non-financial criteria – specifically to certain results of the employee survey. This survey takes place at intervals that are several years apart. Once the results are available and all defined criteria have been met, an amount of EUR 10,000 per Executive Board member will be paid out for each year since the last such survey. The prerequisite for this is an Executive Board mandate that has been in effect for at least two years.

Pension fund.

Due to the increasing importance of company pension plans in addition to state pension insurance, Kapsch TrafficCom AG makes contributions to an external pension fund for the members of its Executive Board who it employs. The amount of these payments shall be agreed individually upon conclusion of a contract. After termination of the mandate by the passage of time, an Executive Board member has no further pension claims against the company.

D&O insurance.

The members of the Executive Board, the Supervisory Board and senior executives at Kapsch TrafficCom are insured against financial loss as part of a directors and officers liability insurance (D&O insurance). Due to the payment of a collective premium, it is not possible to individually categorize the insurance for specific members of the Executive Board.

3.2 Executive Board remuneration.

The total compensation to the Executive Board for the 2020/21 financial year decreased by 16.9% to EUR 1.6 million. The two main reasons for this were:

- > Alfredo Escribá Gallego was appointed Chief Technology Officer (CTO) in May 2019. His predecessor continued to receive full remuneration until the end of October 2019. Therefore, four Executive Board remuneration payments were made for a period of six months.
- > Georg Kapsch waived 10% of his fixed remuneration for the entire 2020/21 financial year, while André Laux and Alfredo Escribá Gallego did so for six months.

Executive Board remuneration in financial year 2020/21.

In EUR	Georg Kapsch	André Laux	Alfredo Escribá Gallego ¹⁾	Total
Fixed remuneration	784,000	482,510	376,326	2,909,346
-Salary waiver	-78,400	-27,502	-27,361	-239,166
Fixed remuneration	705,600	455,008	348,965	1,509,573
Profit-based remuneration	-	-	-	-
thereof deferred payments ³⁾	(0.75% of EBIT ²⁾)	(0.45% of EBIT ²⁾)	(0.35% of EBIT ²⁾)	
Variable remuneration I ³⁾	-	n.a.	n.a.	-
Variable remuneration II (employee satisfaction)	n.a.	n.a.	n.a.	n.a.
Variable remuneration	-	-	-	-
Pension fund	n.a.	25,000	10,469	35,469
Other remuneration ⁴⁾	11,564	48,702	35,276	95,542
Total remuneration	717,164	528,709	394,711	1,640,584

¹⁾ Payments in US dollar. Applied average exchange rate in the reporting period: 1.166

²⁾ EBIT = Earnings Before Interest and Taxes, operating result

³⁾ Pursuant to the remuneration policy 2020

⁴⁾ Other remuneration comprises: various insurances, company car as a compensation in kind (Georg Kapsch und André Laux) or car allowance (Alfredo Escribá Gallego), allowance for housing (compensation in kind for André Laux)

In the 2020/21 financial year, there were no payments to members of the Executive Board for variable remuneration components from previous periods.

Profit-related remuneration. As in the previous year, no entitlements to profit-related remuneration arose for the members of the Executive Board because the requirement of EBIT of at least EUR 20 million was not met in the financial year.

Variable remuneration I. Two of Georg Kapsch's four targets under Variable Remuneration I were for one year. Neither goal was achieved:

- > In the 2020/21 financial year, the proportion of relevant employees who completed the online training on the General Data Protection Regulation had to reach at least 50%.
- > In the 2020/21 financial year, the proportion of relevant employees who completed the IT security training had to reach at least 80%.

The multi-year targets under Mr. Kapsch's Variable Remuneration I were set as follows:

- > The proportion of women in management positions (calculated as in the non-financial report) must reach at least 28.5% in the 2021/22 financial year.
- > In the 2020/21 and 2021/22 financial years, there must be no proven material lawsuit, sanction or fine for Kapsch TrafficCom Group companies in connection with corruption or human rights violations.

Georg Kapsch will be granted a bonus of EUR 10,000 for the achievement of each of these goals.

Variable remuneration II. A survey is conducted at multi-year intervals to ascertain employee satisfaction. Results of the employee survey form the basis for entitlements to Variable Remuneration II (employee satisfaction). Each member of the Executive Board is granted a bonus of EUR 10,000 for each financial year since the previous survey if 100% of the following criteria are met in the employee survey:

- > A response rate of over 55%
- > A positive response more than 85% of the time when answering the question of "If you had to choose again, would you still choose Kapsch as an employer?"
- > A positive response more than 80% of the time when answering the question of "Would you recommend Kapsch as an employer?"

As no survey was conducted in the reporting period, there was no Variable Remuneration II.

Severance pay. Mr. Laux is entitled to the following severance pay after the end of the current Executive Board mandate:

- > 75% of his annual income (average over the last 12 months or – if better – 36 months) less the account balance according to the pension fund. This was approximately EUR 335,650 as of March 31, 2021.
- > In addition, an additional half year's salary (average over the last 36 months) if the existing Executive Board contract is not being renewed at Mr. Laux's request and he is not retiring either, or an average annual salary upon retirement.

Relative composition of the Executive Board remuneration in financial year 2020/21.

	Fixed	Variable	Pension fund	Other	Total
Georg Kapsch	98%	0%	n.a.	2%	100%
André Laux	86%	0%	5%	9%	100%
Alfredo Escribá Gallego	88%	0%	3%	9%	100%

Development of the remuneration.

	2019/20	Change		2020/21
		absolute	in %	
Total Executive Board remuneration (in EUR)				
Georg Kapsch	765,599	-48,435	-6.3%	717,164
André Laux	547,826	-19,117	-3.5%	528,709
Alfredo Escriba Gallego ^{1) 2)}	399,862	-5,151	-1.3%	394,711
Alexander Lewald ³⁾	260,996	-260,996	-100%	n.a.
Total	1,974,283	-333,699	-16.9%	1,640,584
Average remuneration (in EUR)				
Average remuneration of an Executive Board member ⁴⁾	564,081	-17,220	-3.1%	546,861
Average remuneration per employee ⁵⁾	64,431	1,801	2.8%	66,232
Financial performance of Kapsch TrafficCom				
Revenues (EUR million)	731	-226	-30.9%	505
EBIT ⁶⁾ (EUR million)	-39	-84	> -100%	-123
Equity ratio ⁷⁾	25.1%	n.a.	-10.8%p	14.3%

¹⁾ Payments in US dollars. Applied average exchange rate in the reporting period: 1.166

²⁾ Member of the Executive Board since May 1, 2019

³⁾ Executive Board contract terminated as of October 31, 2019

⁴⁾ Calculation: Total Executive Board remuneration : Number of Executive Board members; appointments or resignations during the year are recorded on a pro-rata basis

⁵⁾ Average remuneration of employees at Kapsch TrafficCom AG (excluding the Executive Board) on a full-time equivalent basis

⁶⁾ Operating result

⁷⁾ Calculation: total equity : total assets

3.3 Event after the balance sheet closing date.

The Supervisory Board of Kapsch TrafficCom adopted a resolution to expand the Executive Board of the company. Mr. Andreas Hämmerle will assume the position of Chief Financial Officer (CFO) as of July 1, 2021. The obligations in this regard will shift from Georg Kapsch to Andreas Hämmerle.

The mandate for the Executive Board has a term of three years and can be extended by another two years by Kapsch TrafficCom. Mr. Hämmerle will be remunerated in accordance with the Remuneration Policy 2020. His fixed remuneration will be EUR 450,002. Profit-based remuneration will correspond to 0.5% of EBIT, provided that this key figure reaches a value of at least EUR 20 million. Kapsch TrafficCom pays EUR 20,000 per year into a pension fund for Mr. Hämmerle.

4 Remuneration of the Members of the Supervisory Board of Kapsch TrafficCom AG.

In financial year 2020/21, the members of the Supervisory Board were:

	Position	Year of birth	Year first appointed	Year current term expires
Franz Semmernegg	Chairman	1968	2002	2023
Harald Sommerer	Deputy Chairman ²⁾	1967	2013	2023
Kari Kapsch	Member ²⁾	1964	2002	2023
Sabine Kauper	Member	1968	2011	2022
Christian Windisch	Member ¹⁾	1963	2002	-
Claudia Rudolf-Misch	Member ¹⁾	1967	2018	-

¹⁾ Delegated by the works council which may recall a member it has delegated at any time

²⁾ At the meeting convened on September 9, 2020, the Supervisory Board elected Harald Sommerer as Deputy Chairman of the Board. He succeeded Kari Kapsch who remains a member of the Supervisory Board.

The Supervisory Board has established an Audit Committee and a Remuneration Committee. The Audit Committee is made up of Franz Semmernegg (Chairman and financial expert), Harald Sommerer (financial expert) and Christian Windisch. Franz Semmernegg (Chairman) und Harald Sommerer form the Remuneration Committee.

4.1 Fundamentals of the Supervisory Board remuneration policy.

4.1.1 Fundamentals.

- > The remuneration policy for the Supervisory Board (one part of the Remuneration Policy 2020) aims to adequately compensate members for their tasks and responsibilities. This is intended to make it possible to acquire and retain appropriately qualified persons for this work.
- > Highly-qualified Supervisory Board members are necessary so that they can properly fulfill their supervisory duties and act as sparring partners for management. This helps to promote the business strategy and the long-term development of the Company.
- > When drafting the remuneration policy for the Supervisory Board, the remuneration and employment conditions of the employees at Kapsch TrafficCom were not taken into account due to their lack of relevance.

4.1.2 Remuneration.

The Supervisory Board consists of the members elected at the Annual General Meeting ("Capital Representatives") and the members appointed by the Works Council. The latter exercise their duty voluntarily on account of mandatory statutory provisions and do not receive any remuneration for their work.

The total remuneration is divided between the Capital Representatives, the amount of which is determined at the Annual General Meeting. The allocation of this amount is the responsibility of the Chair of the Supervisory Board. He/She shall take account of the duties handled by the Capital Representatives (e.g. chair work, membership on committees). The remuneration for the members of the Supervisory Board can be paid out monthly, quarterly or annually.

The Company expects that members of the Supervisory Board will also handle their duties outside of regular meetings (e.g., dealing with circular resolutions). For this reason, Kapsch TrafficCom considers the paying of meeting fees to be inappropriate.

Members of the Supervisory Board are not entitled to any bonuses, incentive systems, share-based remuneration or other variable remuneration components. These would only encourage members to take risks and would contradict the purpose of this body.

Expenses and Infrastructure.

Members of the Supervisory Board are reimbursed for travel expenses.

All Capital Representatives can make use of the office infrastructure (particularly the printers, fax, phone) and secretary support in exercising their duties at the headquarters of the Company. Kapsch TrafficCom also assumes the costs for phone and video conferences if they are connected with the work as Capital Representative on the Supervisory Board at Kapsch TrafficCom.

Kapsch TrafficCom may offer members of the Supervisory Board relevant training for their duties and cover the costs incurred.

D&O insurance.

The members of the Supervisory Board, the Executive Board and senior executives at Kapsch TrafficCom are insured against financial loss as part of a directors and officers liability insurance (D&O insurance). Due to the payment of a collective premium, it is not possible to individually categorize the insurance for specific members of the Supervisory Board. The insurance contract contains standard market conditions; the premiums do not have to be covered by the members of the Supervisory Board. This insurance is not classified as remuneration in kind subject to income tax according to applicable Austrian regulations

4.2 Supervisory Board member remuneration.

With the resolution of the Annual General Meeting of September 9, 2015, the total remuneration of the selected members of the Supervisory Board was determined to be EUR 120,000 per year, whereby the Chairman is responsible for distributing this amount. This shall apply until a future Annual General Meeting decides on another remuneration. The following amounts were paid out:

In EUR	Functions	2019/20	2020/21
Franz Semmernegg	Chairman of the Supervisory Board, the Audit Committee, and the Remuneration Committee	50,000	46,000
Harald Sommerer	Until September 2020 member, then Deputy Chairman of the Supervisory Board. Member of the Audit Committee and the Remuneration Committee	24,000	32,000
Kari Kapsch	Until September 2020 Deputy Chairman, then Supervisory Board member	30,000	24,500
Sabine Kauper	Member of the Supervisory Board	16,000	17,500
Total		120,000	120,000

The breakdown of the total remuneration of EUR 120,000 was revised as of the 2020/21 half-year and was based on the following scheme:

In EUR	Up to H1 2020/21	As of H2 2020/21	For 2020/21
Supervisory Board			
Chairman	38,000	30,000	34,000
Deputy Chairman	30,000	30,000	30,000
Member	16,000	19,000	17,500
Committees ¹⁾			
Chairman	12,000	12,000	12,000
Member	8,000	10,000	9,000

¹⁾ A total for the Audit Committee and the Remuneration Committee (formerly the Committee for Executive Board Matters)

Vienna, June 15, 2021



Georg Kapsch
Chief Executive Officer



Franz Semmernegg
Chairman of the Supervisory Board

Disclaimer.

Certain statements in this report are forward-looking statements. They contain the words “believe,” “intend,” “expect,” “plan,” “assume,” and terms of a similar meaning. Forward-looking statements reflect the beliefs and expectations of the company. Actual events can deviate significantly from the expected developments, due to a range of factors. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. Kapsch TrafficCom AG disclaims any obligation to update forward-looking statements made herein.


This report was created with care and all data has been checked conscientiously. Nevertheless, the possibility of layout and printing errors cannot be excluded. Differences in calculations may arise due to the rounding of individual items and percentages. The English translation is for convenience; only the German version is authentic.

When referring to people, the authors strive to use both the male and female forms as far as possible (for example: he or she). For readability reasons, occasionally only the masculine form is used. However, it is always referred to women, men and non-binary persons.

This report does not constitute a recommendation or invitation to purchase or sell securities of Kapsch TrafficCom.

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Kapsch TrafficCom is a globally renowned provider of transportation solutions for sustainable mobility. Innovative solutions in the application fields of tolling, tolling services, traffic management and demand management contribute to a healthy world without congestion.

Kapsch TrafficCom has brought projects to fruition in more than 50 countries around the globe. With one-stop-shop solutions, the company covers the entire value chain of customers, from components to design and implementation to the operation of systems.

Headquartered in Vienna, Kapsch TrafficCom has subsidiaries and branches in more than 25 countries. It has been listed in the Prime Market segment of the Vienna Stock Exchange since 2007 (ticker symbol: KTCG). In its 2020/21 financial year, around 4,660 employees generated revenues of EUR 505 million.

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