

Kapsch TrafficCom

Remuneration Report *for financial year 2021/22.*

*Report pursuant to Sec. 78c
Austrian Stock Corporation Act (AktG).*

Table of contents.

| | |
|--|-----------|
| 1 Summary. | 2 |
| 2 Introduction. | 3 |
| 3 Remuneration of the members of the Executive Board. | 4 |
| 3.1 Basic features of the Executive Board remuneration policy. | 4 |
| 3.1.1 Fundamentals and overview. | 5 |
| 3.1.2 Fixed remuneration. | 5 |
| 3.1.3 Profit-based remuneration. | 5 |
| 3.1.4 Variable Remuneration I: non-financial criteria. | 6 |
| 3.1.5 Variable Remuneration II: non-financial criteria (employee satisfaction). | 6 |
| 3.1.6 Benefits equally enjoyed by all employees. | 6 |
| 3.1.7 D&O insurance | 6 |
| 3.1.8 Optional benefits | 7 |
| 3.2 Executive Board remuneration. | 8 |
| 3.2.1 Total remuneration. | 8 |
| 3.2.2 Executive Board remuneration in financial year 2021/22. | 8 |
| 3.2.3 Relative composition of the Executive Board remuneration in financial year 2021/22. | 9 |
| 3.2.4 Development of the remuneration. | 10 |
| 4 Remuneration of the Members of the Supervisory Board. | 10 |
| 4.1 Fundamentals of the Supervisory Board remuneration policy. | 11 |
| 4.1.1 Fundamentals. | 11 |
| 4.1.2 Remuneration. | 11 |
| 4.2 Supervisory Board member remuneration. | 12 |

1 Summary.

In the 2021/22 financial year, the Executive Board of Kapsch TrafficCom AG received a total remuneration in the amount of EUR 4.6 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 2021/22.

| In EUR thousand | | Fixed | Variable | Pension fund | Other | Total |
|--------------------------|-----------------------------------|----------------|-------------|--------------|----------------|----------------|
| Georg Kapsch | Chairman, Chief Executive Officer | 732.9 | 30.0 | n.a. | 17.7 | 780.6 |
| Andreas Hämmerle | Member, Chief Financial Officer | 321.7 | 20.0 | 15.0 | 2.6 | 359.3 |
| Alfredo Escribá Gallego | Member, Chief Technology Officer | 417.3 | 20.0 | 0.0 | 40.2 | 477.5 |
| André Laux ¹⁾ | Member, Chief Operating Officer | 425.5 | 0.0 | 25.0 | 2,514.7 | 2,965.2 |
| Total | | 1,897.4 | 70.0 | 40.0 | 2,575.2 | 4,582.6 |

¹⁾ Left the Executive Board in October 2021.

The total remuneration of the Executive Board for the 2021/22 financial year increased by 179.3%. This was mainly due to the severance payment for the early termination of an Executive Board mandate in 2021 and a salary waiver in the previous financial year. Without the severance payment, total compensation would have increased by 27% to EUR 2,085 k. The average remuneration of employees at Kapsch TrafficCom AG (excluding the Executive Board and based on full-time equivalents) increased by 6.1%.

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 in | | | 2020/21 | 2021/22 |
|--------------------|----------------------|-----------------|------------------------|--------------|--------------|
| | Supervisory Board | Audit Committee | Remuneration Committee | | |
| Franz Semmernegg | Chairman | Chairman | Chairman | 46.0 | 42.0 |
| Harald Sommerer | Deputy Chairman | Member | Member ¹⁾ | 32.0 | 39.3 |
| Sabine Kauper | Member | | Member ²⁾ | 17.5 | 19.8 |
| Sonja Hammerschmid | Member ²⁾ | | | n.a. | 9.5 |
| Kari Kapsch | Member ¹⁾ | | | 24.5 | 9.5 |
| Total | | | | 120.0 | 120.0 |

¹⁾ Until September 8, 2021

²⁾ From September 8, 2021

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 Remuneration Report 2021/22 has been prepared by the Executive Board and Supervisory Board and will be submitted to the Annual General Meeting in September 2022 for approval.

Group results 2021/22

- Revenues: EUR 520 million
- EBIT: EUR 11 million
- Employees at March 31, 2022: 4,220

Business performance 2021/22.

The financial year 2021/22 has essentially delivered what Kapsch TrafficCom had promised in the outlook of the consolidated financial statements of the previous financial year: Revenues showed slight growth and EBIT was again positive. Nevertheless, there were a number of reportable events and developments.

After a difficult phase, Kapsch TrafficCom succeeded in achieving a visible turnaround as from the first quarter. This was accomplished despite a restrained revenue development, which was primarily due to two reasons. On the one hand, the main focus in North America continued to be on stabilizing the organization following extensive restructuring measures. Secondly, the Group continued to feel the **effects of the COVID-19 pandemic**:

- New business momentum was persistently low, especially in the European implementation business, due to a lack of sufficient market opportunities. The majority of the company's customers are public institutions, authorities or corporations. In most countries, their focus was either on combating the pandemic or on supporting the economy and labor markets. Strengthening budgets and investments to support environmental goals have not yet been sufficiently prioritized.
- In addition, shortages of electronic components meant that existing demand for components could not be met as desired, resulting in a backlog of orders.

Margin adjustments had to be made again for some implementation projects in the USA – to a much lesser extent than in the previous financial year, but nevertheless to a noticeable extent. This had a negative effect on revenues and EBIT.

There is also something to report on the larger **operations projects**: In Poland, two major projects came to an end at the end of September and in November in line with the contract. On the other hand, a much smaller one began in this country in the summer of 2021 for the provision of direct distribution services for the new, satellite-based toll system. 2021/22 was the first full financial year in which Kapsch TrafficCom was responsible for the technical operation of the e-vignette system for passenger cars and the electronic truck tolling system in Bulgaria. In South Africa, business developed well and exceeded expectations.

In November 2020, a competitor in the USA opened a lawsuit accusing Kapsch TrafficCom of patent infringements. In the third quarter of 2021/22, Kapsch TrafficCom succeeded in settling this patent dispute.

Andreas Hämmerle was appointed to the Executive Board as Chief Financial Officer effective July 1, 2021. He previously headed the Finance division as Executive Vice President Finance. In October 2021, the contract of André Laux, Chief Operating Officer (COO), was terminated by mutual agreement. Georg Kapsch took over his sales agendas and is now responsible for all sales regions. Since then, Andreas Hämmerle has been responsible for supply chain management and production in Europe in addition to his financial responsibilities; Alfredo Escribá's responsibilities have not changed as a result of Mr. Laux's departure. There were also changes in the **Supervisory Board**: Kari Kapsch left the board, of which he had been a member since 2002, at the end of the Annual General Meeting on September 8, 2021. In his place, the Annual General Meeting elected Dr. Sonja Hammerschmid to the Supervisory Board.

As of February 24, 2022, the attention of the world public was focused on the fighting in **Ukraine**. Kapsch TrafficCom has no customers in this country. In 2021, a Group company was established with its registered office in Kiev. This company employs a group of external software developers, primarily from Ukraine. In particular, the team is working on solutions for the tolling services business in the USA. As a result of the sanctions imposed by the European Union against **Russia**, Kapsch TrafficCom did not accept any new orders from this country. In recent

years, revenues in Russia have always been below 1% of Group revenues. The sanctions against **Belarus** affected Kapsch TrafficCom only to a minor extent. They resulted in the fact that certain components and services could no longer be delivered or provided. Kapsch TrafficCom operates the nationwide tolling system for cars and trucks in Belarus and has a contract for this until 2032. Sales in this country corresponded to a higher single-digit percentage of Group revenues in the reporting period.

Shortly before the end of the financial year, Kapsch TrafficCom received an **interim arbitral award** which affirms a claim for compensation of the joint venture of Kapsch TrafficCom and CTS EVENTIM against the Federal Republic of Germany on the merits. After termination of the operating agreement for the collection of the infrastructure charge ("passenger car toll") in Germany, the joint venture asserted claims for compensation in the amount of approximately EUR 560 million against the Federal Republic of Germany. The amount of the claim will now be decided in the following phase of the arbitration proceedings.

3 Remuneration of the members of the Executive Board.

The Executive Board of Kapsch TrafficCom was composed as follows in the 2021/22 financial year:

| Name and function | Areas of responsibility | Born | Year first appointed | Year current term expires |
|---|---|------|----------------------|---------------------------|
| Georg Kapsch Chairman Chief Executive Officer | Sales, Production (Canada), Legal, People Management, Marketing & Communications, Corporate Development, "Environment, Social & Governance" (ESG), Corporate Information & Management Systems (CIMS), Demand Management, Tolling Services | 1959 | 2002 | 2025 |
| Andreas Hämmerle Member (from July 1, 2021) Chief Financial Officer | Finance, Supply Chain Management, Production (Austria), Investor Relations, Internal Audit and Risk Management | 1970 | 2021 | 2024 |
| Alfredo Escribá Gallego Member Chief Technology Officer | Technology & Platforms, Global Services, Software Excellence, Product Management, and the Application Centers: Tolling, Traffic, Back Office (as of April 1, 2022, integrated into the Application Center Traffic) | 1969 | 2019 | 2024 |
| André Laux Member (until Oct. 20, 2021) 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 | n.a. |

3.1 Basic features of the Executive Board remuneration policy.

At the Supervisory Board meeting of June 15, 2020, the Supervisory Board adopted the Remuneration Policy ("Remuneration Policy 2020") for the Executive Board and the Supervisory Board as proposed by the Remuneration Committee. 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 2020. The result has the character of a recommendation and could not be contested. Thereafter, the Remuneration Policy shall be presented to the Annual General Meeting at least every fourth financial year for a vote.

Georg Kapsch was remunerated in accordance with Remuneration Policy 2020 in financial year 2021/22, Andreas Hämmerle as of his appointment to the Executive Board (July 1, 2021). In the course of an increase in the remuneration of Alfredo Escribá as of October 1, 2021, his contract was adjusted to the provisions of Remuneration Policy 2020. Mr. Laux's Executive Board mandate was terminated by mutual agreement on October 20, 2021. Since then, the entire Executive Board of Kapsch TrafficCom has been subject to the Remuneration Policy 2020.

3.1.1 Fundamentals and overview.

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.

3.1.2 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.

3.1.3 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.

3.1.4 Variable Remuneration I: non-financial criteria.

The Remuneration Committee 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.

3.1.5 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.

3.1.6 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.

3.1.7 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.

3.1.8 Optional benefits.

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.

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.

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.

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.

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.

Extraordinary remuneration.

Extraordinary remuneration is not provided.

3.2 Executive Board remuneration.

3.2.1 Total remuneration.

The total compensation to the Executive Board of Kapsch TrafficCom in the 2021/22 financial year increased by 179.3% auf EUR 4.6 million The main reasons for this were:

- The Supervisory Board and André Laux agreed on a mutually agreed termination of the Executive Board contract as of October 20, 2021. Mr. Laux received a payment in the amount of EUR 2.5 million to settle his claims.
- As Andreas Hämmerle was appointed to the Executive Board as of July 1, 2021, Kapsch TrafficCom had four (instead of otherwise three) members of the Executive Board until the departure of Mr. Laux.
- As of October 1, 2021, the remuneration of Alfredo Escribá was increased. It reflected the generally increased level of remuneration in the USA (where he resides) and the successes achieved by him. In addition, there was an alignment with the remuneration level of other colleagues on the Executive Board.
- In the previous financial year, Georg Kapsch waived 10% of his fixed compensation, André Laux and Alfredo Escribá Gallego for a period of six months.
- As non-financial targets were achieved, claims to Variable Remuneration I arose.

In contrast,

- Georg Kapsch waived 10% of his fixed compensation from April 1 to December 31, 2021, and
- Alfredo Escribá Gallego waived payments into his US pension plan in the reporting period.

3.2.2 Executive Board remuneration in financial year 2021/22.

| In EUR | Georg Kapsch | Andreas Hämmerle | Alfredo Escribá Gallego ¹⁾ | André Laux ²⁾ | Total |
|--|--------------------------------|--------------------------------|---------------------------------------|--------------------------------|------------------|
| Fixed remuneration | 732,877 | 321,694 | 417,346 | 425,519 | 1,897,436 |
| Profit-based remuneration | - | - | - | n.a. | - |
| | (0.75% of EBIT ³⁾) | (0.50% of EBIT ³⁾) | (0.40% of EBIT ³⁾) | (0.45% of EBIT ³⁾) | |
| thereof deferred payments | - | - | - | n.a. | - |
| Variable Remuneration I | 30,000 | 20,000 | 20,000 | n.a. | 70,000 |
| Variable Remuneration II (employee satisfaction) | n.a. | n.a. | n.a. | n.a. | n.a. |
| Variable remuneration | 30,000 | 20,000 | 20,000 | - | 70,000 |
| Pension fund | n.a. | 15,000 | - | 25,000 | 40,000 |
| Other remuneration ⁴⁾ | 17,687 | 2,583 | 40,202 | 2,514,708 | 2,575,180 |
| | - | - | - | - | |
| Total remuneration | 780,564 | 359,277 | 477,549 | 2,965,227 | 4,582,617 |

¹⁾ Payments in US dollar. Applied average exchange rate in the reporting period: 1.161. Pension fund means payments into the US pension account 401 (k). In financial year 2021/22 he waived such contributions.

²⁾ Left the Executive Board in October 2021.

³⁾ EBIT = Earnings Before Interest and Taxes, operating result

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) as well as the severance pay for André Laux.

In the 2021/22 financial year, there were no payments to members of the Executive Board for variable remuneration components from previous periods. The payment of the Variable Remuneration I will be made in November 2022.

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. The multi-year targets from financial year 2020/21 that relate to financial year 2021/22 were:

- Proportion of women in leadership positions (calculated as in the Non-Financial Report) must reach at least 28.5 percent in financial year 2021/22.
- In the financial years 2020/21 and 2021/22, there shall be no proven material claim, sanction or fine for Kapsch TrafficCom Group companies in connection with corruption or human rights violations.

These targets were relevant for Georg Kapsch and were partially met: The proportion of women in leadership positions did not reach the required level.

The one-year targets from financial year 2021/22 were:

- In the 2021/22 financial year, the proportion of relevant employees who completed the online training on the General Data Protection Regulation has to reach at least 80%.
- In the 2021/22 financial year, the proportion of relevant employees who completed the IT security training has to reach at least 80%.

These targets were relevant for Georg Kapsch, Andreas Hämmerle and Alfredo Escribá and were met.

Multi-year targets were defined as:

- In the 2022/23 financial year, the employee turnover rate must be below 10%. The calculation of this ratio shall be the same as in the Non-Financial Report 2020/21.
- The number of flight tickets used in financial year 2022/23 is more than 50% lower than in financial year 2018/19 (i.e., the last financial year before travel was significantly curtailed as a consequence of COVID-19).

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.

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.

3.2.3 Relative composition of the Executive Board remuneration in financial year 2021/22.

| | Fixed | Variable | Pension fund | Other | Total ¹⁾ |
|--------------------------|-------|----------|--------------|-------|---------------------|
| Georg Kapsch | 94% | 4% | n.a. | 2% | 100% |
| Andreas Hämmerle | 90% | 6% | 4% | 1% | 100% |
| Alfredo Escribá Gallego | 87% | 4% | 0% | 8% | 100% |
| André Laux ²⁾ | 14% | 0% | 1% | 85% | 100% |

¹⁾ For ease of presentation, amounts have been rounded. However, calculations are done using exact amounts which may lead to rounding differences.

²⁾ Left the Executive Board in October 2021 and received a severance payment.

3.2.4 Development of the remuneration.

| | 2020/21 | Change | | 2021/22 |
|---|------------------|------------------|---------------|------------------|
| | | absolute | in % | |
| Total Executive Board remuneration (in EUR) | | | | |
| Georg Kapsch | 717,164 | 63,400 | 8.8% | 780,564 |
| Andreas Hämmerle ¹⁾ | n.a. | 359,277 | n.a. | 359,277 |
| Alfredo Escriba Gallego ²⁾ | 394,711 | 82,838 | 21.0% | 477,549 |
| André Laux ³⁾ | 528,709 | 2,436,518 | 460.8% | 2,965,227 |
| Total | 1,640,584 | 2,942,033 | 179.3% | 4,582,617 |
| Exclusive severance payment | | 464,167 | 28.3% | 2,104,751 |
| Average remuneration (in EUR) | | | | |
| Average remuneration of an Executive Board member ⁴⁾ | 546,861 | 840,229 | 153.6% | 1,387,090 |
| thereof: exclusive severance payment | 546,861 | 90,215 | 16.5% | 637,077 |
| Average remuneration per employee ⁵⁾ | 66,232 | 4,062 | 6.1% | 70,294 |
| Financial performance of Kapsch TrafficCom | | | | |
| Revenues (EUR million) | 505 | 15 | 3.0% | 520 |
| EBIT ⁶⁾ (EUR million) | -123 | 134 | n.a. | 11 |
| Equity ratio ⁷⁾ | 14.3% | n.a. | 0.9pp | 15.2% |

¹⁾ Member of the Executive Board since July 1, 2021

²⁾ Payments in US dollars. Applied average exchange rate in the reporting period: 1.161

³⁾ Executive Board contract terminated in October 2021

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⁾ EBIT = Earnings Before Interest and Taxes, operating result

⁷⁾ Calculation: total equity : total assets

4 Remuneration of the Members of the Supervisory Board.

In the 2021/22 financial year, 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 | 1967 | 2013 | 2023 |
| Sabine Kauper | Member | 1968 | 2011 | 2022 |
| Sonja Hammerschmid | Member ³⁾ | 1968 | 2021 | 2025 |
| Kari Kapsch | Member ²⁾ | 1964 | 2002 | 2021 |
| 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⁾ Until September 8, 2021

³⁾ From September 8, 2021

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) and Sabine Kauper form the Remuneration Committee.

4.1 Fundamentals of the Supervisory Board remuneration policy.

4.1.1 Fundamentals.

- The remuneration policy for the Supervisory Board 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 | 2020/21 | 2021/22 |
|--------------------|---|----------------|----------------|
| Franz Semmernegg | Chairman of the Supervisory Board, Chairman of the Audit Committee, Chairman of the Remuneration Committee | 46,000 | 42,000 |
| Harald Sommerer | Deputy Chairman of the Supervisory Board, Member of the Audit Committee, Member of the Remuneration Committee ¹⁾ | 32,000 | 39,250 |
| Sabine Kauper | Member of the Supervisory Board, Member of the Remuneration Committee ²⁾ | 17,500 | 19,750 |
| Sonja Hammerschmid | Member of the Supervisory Board ²⁾ | - | 9,500 |
| Kari Kapsch | Member of the Supervisory Board ¹⁾ | 24,500 | 9,500 |
| Total | | 120,000 | 120,000 |

¹⁾ Until September 8, 2021

²⁾ From September 8, 2021

Of the remuneration entitlement in financial year 2021/22, EUR 34,750 was paid after the balance sheet date. The compensation claim in financial year 2020/21 was settled in full before the balance sheet date. The breakdown of the total remuneration of EUR 120,000 was revised as of the 2021/22 half-year and was based on the following scheme:

| In EUR | Up to H1 2020/21 | H2 2020/21 until H1 2021/22 | As of H2 2021/22 |
|---------------------------------|---------------------|--------------------------------|---------------------|
| Supervisory Board | | | |
| Chairman | 38,000 | 30,000 | 30,000 |
| Deputy Chairman | 30,000 | 30,000 | 30,000 |
| Member | 16,000 | 19,000 | 19,000 |
| Audit Committee | | | |
| Chairman | | | 10,000 |
| Member | | | 8,500 |
| Remuneration Committee | | | |
| Chairman | | | 2,000 |
| Member | | | 1,500 |
| Committees ¹⁾ | | | |
| Chairman | 12,000 | 12,000 | |
| Member | 8,000 | 10,000 | |

¹⁾ At the constituent meeting of the Supervisory Board on September 8, 2021, it was decided that the Audit and Remuneration Committees would be made up with partly different capital representatives. Whereas until this meeting a collective compensation was paid for both committee activities, the compensation for each committee had to be regulated individually thereafter.

Vienna, June 14, 2022



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 always refers to people of all gender categories.

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

Imprint.

Media owner and publisher: Kapsch TrafficCom AG

Place of publishing: Vienna, Austria

Editorial deadline: June 14, 2022

Kapsch TrafficCom

Kapsch TrafficCom is a globally renowned provider of transportation solutions for sustainable mobility with successful projects in more than 50 countries. Innovative solutions in the application fields of tolling, tolling services, traffic management and demand management contribute to a healthy world without congestion.

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.

Kapsch TrafficCom, headquartered in Vienna, has subsidiaries and branches in more than 25 countries and is listed in the Prime Market segment of the Vienna Stock Exchange (ticker symbol: KTCG). In its 2021/22 financial year, 4,220 employees generated revenues of about EUR 520 million.

>>> **www.kapsch.net**