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Kapsch TrafficCom

Financial Report 2024/25

of Kapsch TrafficCom AG as of March 31, 2025.

Management Report and Financial Statements 2024/25.

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CONSOLIDATED MANAGEMENT REPORT.

1 Business performance and economic situation.

1.1 Business performance.

1.1.1 Economic environment.

- Energy prices and trade conflicts had a negative impact on the economy, particularly in the eurozone.
- Interest rate cuts by central banks followed the slowing of inflation.
- Supply chains stabilized but remained vulnerable due to geopolitical tensions and new trade barriers.

Global economic performance.
In financial year 2024/25, the global economy remained stable despite ongoing uncertainties. The International Monetary Fund (IMF) estimated global GDP growth at 3.3% for 2024, following 3.5% in the previous year. While the US and major emerging markets continued to record robust growth rates, the economy in the eurozone remained subdued. Weak consumer demand and a subdued investment climate had a dampening effect here. In addition, increasing protectionist tendencies and new trade barriers between major economic areas weighed on the global investment climate. The IMF forecasts global economic growth of 2.8% for 2025.

Supply chain.
The global supply chain situation continued to stabilize over the course of 2024. However, ongoing conflicts in the Red Sea and a severe drought in the Panama Canal led to significant disruptions on two key shipping routes. Shipping traffic through the Suez Canal declined by 50% due to security concerns. Significant restrictions on daily ship passages were introduced in the Panama Canal in October 2023 due to the drought. In addition, increasing trade tensions – in particular a tariffs crisis between leading economies – caused uncertainty in global procurement and sales markets. For Kapsch TrafficCom, the supply chain situation in connection with the availability of components for production played a significant role.

Interst rates.
In response to the economic slowdown, both the European Central Bank (ECB) and the Federal Reserve (FED) decided to lower key interest rates again after a phase of interest rate hikes. In Europe, the interest rate for main refinancing operations, which had been in effect since September 2023, as well as the interest rates for the marginal lending facility and the deposit facility, were lowered in several steps from 4.50%, 4.75%, and 4.00% to 2.65%, 2.9% and 2.5% in March 2025. In September, the Fed lowered its key interest rate for the first time in four years from a range of 5.25% to 5.50% to 4.75% to 5.00% and in December 2024 made a further interest rate cut to a range of 4.25% to 4.50%. Interest rates are particularly important for Kapsch TrafficCom in terms of financing costs.

Inflation.
Inflation rates continued to decline in financial year 2024/25. According to the International Monetary Fund (IMF), the average global inflation rate fell to 5.7% in 2024, compared with 6.6% in 2023. In Austria, inflation fell from 7.7% in 2023 to 2.9% in 2024 and is expected to decline to 2.7% in 2025, according to WIFO forecasts. Despite this decline, inflation remained elevated in some areas, which continued to weigh on consumers and businesses in particular. Inflation plays a significant role for Kapsch TrafficCom, particularly in relation to personnel costs.

Currencies
On the foreign exchange markets, the development of the US dollar (USD) is particularly important for Kapsch TrafficCom. The currency's influence on business development results from the international nature of the Group, with a large number of projects and locations in the US and other countries where transactions are settled in USD. In the 2024/25 fiscal year, the euro (EUR) fluctuated within a moderate range against the US dollar. The average exchange rate was 1.07 EUR/USD (previous year: 1.08). The maximum was reached on September 30, 2024, at 1.12 EUR/USD, while the minimum was 1.02 EUR/USD on January 13, 2025.

Austria.
The Austrian economy recorded a 1.2% decline in gross domestic product in 2024, making it the EU's economic laggard. The main causes were weak consumer demand and a decline in investment, particularly in the construction sector. Exports also fell sharply by 4.3%.

1.1.2 Market definition and products.
This information complies with the requirements of ESRS 2 SBM-1 in the Non-Financial Statement 2024/25.

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

Vision and mission.
Kapsch TrafficCom's mission is to develop innovative transportation solutions for sustainable mobility. Road users should be able to arrive at their destination conveniently, safely, efficiently, and on time with a minimal environmental impact

Market.
Kapsch TrafficCom addresses the market for Intelligent Transportation Systems (ITS). These support and optimize traffic (including infrastructure, vehicles, users and industry) and use information and communication technologies for this purpose.

Grand View Research estimates the global market size in 2024 at EUR 30.6 billion (USD 31.79 billion, converted at an exchange rate of 0.9626 as of December 31, 2024) and expects a compound annual growth rate (CAGR) of 8.3% from 2025 to 2030.

Within the ITS market, Kapsch TrafficCom addresses the areas of tolling and traffic management. The core regions of its business activities are EMEA (Europe, Middle East, Africa), Americas (North, Central, and South America), and APAC (Asia-Pacific). The remaining six market segments of the ITS market are not currently addressed. This results in an addressable market with a global market size of EUR 14.1 billion according to Grand View Research, with an expected average annual growth rate of 7.8%

Addressable market for Kapsch TrafficCom.

The addressable market for the Company – all markets worldwide addressed by Kapsch in 2024/25 with all Kapsch products and solutions – had a market size of EUR 6.9 billion in the 2024/25 fiscal year according to internal calculations. Kapsch TrafficCom expects the market to grow by an average of 8.1% per year to EUR 8.7 billion by fiscal year 2027/28.

Market drivers.
Kapsch TrafficCom has identified the following market drivers:

Environmental protection. The Paris Agreement is an important global climate protection agreement and was adopted in December 2015 at the Paris Climate Change Conference. The European Commission (as part of the "European Green Deal") and the USA are pursuing a reduction in greenhouse gas emissions. Road traffic plays a significant role here, as it is responsible for a substantial portion of the greenhouse gas emissions. Both traffic management and tolling solutions are recognized tools for influencing traffic and means of transportation.

Need for traffic infrastructure and its maintenance. Studies expect not only an increase in the global population, but also more private vehicles on the roads. As the volume of vehicles grows, it will be inevitably necessary to increase investments in road construction and maintenance. This is usually extremely expensive. At the same time, the increasing number of hybrid or electric vehicles is having a negative impact on mineral oil tax revenues. This means that an increase in the need for alternative financing models, including tolling solutions, can be assumed.

Urbanization. The percentage of people living in cities is increasing. Whereas in the year 1800 only 2% of the world's population was urban, in 2007 for the first time more than half of the world's population lived in cities. Based on a current figure of around 56%, the United Nations forecasts that the urban population will account for more than 60% of the population in 2030 and almost 68% in 2050. At the same time, the world's population will rise from around 8.2 billion people today to 8.6 billion in 2030 and 9.7 billion in 2050. It is precisely in urban areas that private and professional mobility gives rise to major challenges. After all, houses cannot simply be moved to make way for wider roads or new construction. Furthermore, as the urban population grows, there will be an increase in the volume of business within a city as well as with business partners outside of the city. Since products must be delivered, an increase in the urban population tends to lead to higher transport volumes.

New means of transportation and services. Analysts expect that urban passenger traffic will more than double by 2050. Autonomous vehicles could intensify this trend. The existing road infrastructure will not be able to meet these needs. This results in two consequences: the increased use of public transport and shared means of transportation, and – if no appropriate countermeasures are taken – more extensive congestion. In addition, the trend toward electric vehicles will continue. While this reduces immediate CO_2 emissions, the particulate matter problem will remain.

Connected vehicles. Technological advances in the exchange of information between vehicles (vehicle-to-vehicle, V2V), between vehicles and traffic infrastructure (vehicle-to-infrastructure, V2I), and in the area of autonomous driving are rapid. Already today, these developments are enabling increasingly better and more extensive applications for better driving comfort and greater driving safety. In addition, the new communication channels and the enormous volumes of data enable substantial improvements in traffic management.

Data and artificial intelligence. Open data and open interfaces enable more extensive and higher-performing applications. Connected vehicles are an important data source. Machine learning and artificial intelligence create new opportunities for data analysis, simulation, forecasting, and management.

Data security. Due to the use of large amounts of data, the protection of personal data and how it is handled is becoming increasingly important.

Fundamental changes in the business environment of Kapsch TrafficCom. The aforementioned market drivers have already sparked the following trends:

- While the ITS industry relied heavily on hardware in the past, it is increasingly shifting towards software platforms. More and more, module solutions and cloud applications are playing a role.
- Offered services (anything-as-a-service) put the focus on the user and are integrated into platforms and devices preferred by them.
- Payment solutions are integrated into vehicle technology, and new payment technologies will enter the market.
- Intelligent traffic infrastructure can be achieved with more affordable sensors, modules, and connection technologies. Specific domain knowledge and the need for customer-specific solutions will remain significant, however.
- New solutions can be rolled out on a global scale.

1.1.3 Business performance 2024/25 (Group outlook).

In financial year 2024/25, Kapsch TrafficCom was able to consolidate the foundation for a successful future. In addition to the operating business, the company also recorded cash inflows from intercompany charges and income from investments and therefore reported stable business development.

Strategically, the year was characterised by a comprehensive strategy review and the deconsolidation of some companies. This particularly affected the South African TMT Services and Supplies Proprietary Limited (TMT) at the beginning of the financial year and the Belarusian Kapsch Telematic Services IOOO in the fourth quarter.

The geopolitical situation remained unstable in the reporting period, which meant that the supply chain also required special attention. Nevertheless, Kapsch TrafficCom recorded a further improvement in its financial position and net assets, which is also reflected in the corresponding key figures. In March, the company also agreed long-term financing with its main banking partners at, which secures liquidity.

Project developments. The operating projects continued to perform well, with several construction projects entering the operational phase or having their operating life extended. In addition, order intake was extremely encouraging at EUR 802 million (previous year: EUR 734 million).

On the one hand, increasing projects for urban traffic management are worth highlighting: In January, a major city toll project went into operation in Gothenburg, Sweden. It comprises a multi-lane free flow (MLFF) toll system for the entire city center with automatic vehicle identification. Kapsch TrafficCom also received an order in Guatemala for an urban mobility management solution that includes traffic light control for 511 intersections.

On the other hand, Kapsch TrafficCom can now point to reference projects in North America, Europe, and the APAC region, as well as large rollouts of applications for connected vehicles. Particularly noteworthy here are Europe's largest project for cooperative intelligent transport systems (C-ITS) in regular highway traffic in Germany and the completion of two projects in Spain that include connected vehicle applications: Spain's first connected corridor in the greater Bilbao area, which enables communication between vehicles and infrastructure, and the MLFF toll system in the Bizkaia region with additional roadside units for connected vehicle applications in a C-ITS corridor. All these systems enable information about traffic or hazardous situations to be transmitted directly to vehicles or drivers.

The operation of the toll system in the South African province of Gauteng was extended again during the reporting period, but ended at the end of March 2025. Although the nationwide tolling system in Belarus continues to operate, Kapsch TrafficCom relinquished the majority of voting rights and control in the operating company Kapsch Telematic Services IOOO during the reporting period.

1.2 Financial and non-financial performance indicators.

1.2.1 Results of operations

Revenues of Kapsch TrafficCom AG amounted to EUR 187.7 million in the financial year 2024/25 and were thus below the previous year's figure of EUR 221.9 million. EUR 66.3 million of the previous year's revenues were primarily attributable to the settlement with the Federal Republic of Germany. In the Toll segment, sales totaled EUR 156.9 million (previous year: EUR 193 million). In the Traffic Management segment, revenue increased from EUR 28.9 million in the previous year to EUR 30.8 million in the 2024/25 financial year.

At EUR 55.1 million, personnel expenses increased compared to the previous year (EUR 50.0 million). The average number of employees at increased by 50 to 499.

Other operating expenses decreased by EUR 4.8 million to EUR 43.9 million (previous year: EUR 48.7 million). The change was mainly due to lower expenses for value adjustments on loans and receivables from affiliated companies and the reduction in legal and consulting costs.

The result from operating activities of Kapsch TrafficCom AG amounted to EUR -27.4 million in the reporting year and was thus below the previous year's figure of EUR 33.1 million. The result in the financial year 2023/24 was influenced by one-off effects These related to revenues of EUR 66.3 million in connection with the German passenger vehicle toll and other operating income of EUR 10.1 million from the reversal of a valuation allowance for a receivable from a customer.

The financial result reduced by EUR 5.6 million to EUR 1.9 million (previous year: EUR 7.5 million). The main deviation is due to income from the write-up of financial assets and reduced interest expenses.

1.2.2 Net assets positions.

Total assets of EUR 442.0 million as at the balance sheet date of 31 March 2025 increased by EUR 43.2 million compared to the end of the financial year 2023/24 (31 March 2024: EUR 398.8 million).

Fixed assets decreased by EUR 5.3 million to EUR 204.7 million as at 31 March 2025 (previous year: EUR 210.0 million). The change results mainly from intangible assets and financial assets.

Inventories rose from EUR 7.1 million to EUR 8.5 million. This was due to an increase in inventories of EUR 1.9 million.

Group receivables also include receivables from companies in which an equity investment is held (incl. loans). They increased from EUR 193.5 million in the previous year to EUR 217.6 million in the reporting year 2024/25.

At EUR 19.2 million, cash and cash equivalents were significantly higher than the previous year's figure of EUR 2.0 million.

At EUR 176.0 million, equity is below the comparative figure as at 31 March 2024 (EUR 198.9 million). The equity ratio fell to 39.8% as at 31 March 2025 (previous year: 49.9%).

Non-current liabilities increased from EUR 100.2 million in the previous year to EUR 125.2 million as at the reporting date 31 March 2025. The main reason for this is the new long-term financing with a term until 29 March 2030 with the longstanding principal banks.

Group liabilities increased by EUR 21.7 million to EUR 103.1 million (previous year: EUR 81.4 million). Other liabilities decreased from EUR 7.6 million in the previous year to EUR 6.4 million as at 31 March 2025.

1.2.3 Financial position.

Net cash flow from operating activities decreased to EUR 3.7 million. In the previous year, it was EUR 96.7 million due to one-off effects related to the agreement with Germany.

Net cash flow from investing activities of EUR -30.1 million (previous year: EUR -3.2 million) resulted primarily from payments for financial investments.

Net cash flow from financing activities was significantly positive at EUR 42.8 million in the 2024/25 fiscal year (previous year: EUR -93.6 million). This change resulted from the completion of the refinancing and the associated increase in liquidity.

Cash and cash equivalents as at 31 March 2025 amounted to EUR 19.2 million (31 March 2024: EUR 2.0 million).

1.2.4 Non-financial information.

Kapsch TrafficCom Group prepares a consolidated non-financial statement in the group management report that meets the legal requirements according to §267a UGB.

1.3 Research and develpoment.

In the financial year 2024/25, Kapsch TrafficCom invested 5% of its revenue in generic development, innovation, development support, and product management.

In line with the corporate strategy “Strategie 2027“ Kapsch TrafficCom launched a multi-year technology transformation program in the financial year 2021/22. The goal of this program is to safeguard the company’s technology portfolio and reinforce its leadership in the marketplace. During the reporting period, the focus remained on further developing organizational capabilities and expertise, improving development and delivery processes, rapidly and flexibly developing the company’s technologies, adapting the current product and solution portfolio to constantly changing market requirements, and reducing redundancies in order to create a global, uniform portfolio. This enables faster time to market and more efficient delivery of solutions, leading to higher revenues and margins as well as a better competitive position in the market.

With a strong focus on customers and their needs, the transformation is based on four pillars:

- **Product portfolio.** o. In the product area the product management team focused on guiding and overseeing the portfolio through a holistic approach and a targeted portfolio strategy focused on consolidation and optimization. This approach enables the identification of commonalities and synergies, leveraging intelligent platforms as a foundation.
- **Technology stack**. The understanding and supporting of leading edge and cloud technologies, and how it can enable customers to take advantage of these to improve cost and operational outcomes, has been identified as a critical core competence across the organization. To achieve this an up-skilling plan for the different core technologies has been established. In addition AI technologies have played a pivotal role in shaping our technological advancements.
- **Organization and processes.** Since the initial introduction of leaner & more agile ways of working using the SAFe© methodology, Kapsch TrafficCom has expanded its adoption to most development teams thus contributing to reduce variability in how engineering teams plan, develop and deliver innovative software solutions. During the last fiscal year, a particular emphasis was put on the principle of ‘shifting left’ of quality practices through the introduction of more robust code quality practices & tools earlier in the development workflow as well as the introduction of global software development standards.
- **Culture.** Fostering and nurturing a culture of collaboration, curiosity and innovation is the fourth pillar of transformation and a key success factor. Fostering innovation, capturing untapped potential, and generating ideas with a positive business impact from every corner of our organization has been one of the key focus areas.

In the financial year 2024/25, the patent portfolio of Kapsch TrafficCom was further optimized. The focus was on topics of high strategic importance. As of March 31, 2025, the patent portfolio consisted of 117 patent families with 820 individual patents and 39 pending patent applications.

Kapsch TrafficCom strives to minimize the risk of patent infringements and to foster the patenting of new ideas. Hence, the Intellectual Property Rights (IPR) management focuses on supporting product management and product development. Patent analysis in various areas ensures that products and solutions are actually free to operate. Based on these patent analyses and the expertise gained from them, Kapsch TrafficCom also intends to file more of its own patents in order to secure its freedom to operate and its unique selling proposition for its products and solutions.

In addition, the global patent monitoring system was further developed. Its task is to analyze patent applications from competitors and in relevant technology segments in order to gain a better overview of competitors’ strategies

The development expenses of Kapsch TrafficCom amounted to EUR 48.3 million in the financial year 2024/25 (previous year: EUR 51.7 million).

2 Anticipated develpoment and risks.

2.1 Outlook to financial year 2024/25.

Expectation for financial year 2024/25:
> Revenue up to EUR 200 million
> EBIT increase over previous year

As the lead company of the Kapsch Group, which participates in the development of the entire group not only through its own operating business but also through intercompany accounting and investment results, the Group's outlook also applies to the parent company. For the 2025/26 fiscal year, management expects revenue growth to exceed the average annual market growth of 7.5% from 2025 to 2030 forecast by Grand View Research. EBIT should nevertheless be above the previous year's figure, although additional positive one-off effects are possible.

Revenues.
Revenues continue to be affected by the economic and political uncertainties in connection with the global conflicts. In the past financial year, net revenues were also negatively impacted by a customer credit note and deferred revenues.

The high order intake and order backlog will increasingly be reflected in revenues and form a solid basis for further growth. In the medium term, revenuess of at least EUR 200 million should be possible again.

EBIT (operating result).
Last year's EBIT was impacted by deconsolidation effects. According to current expectations, management anticipates an increase in EBIT for the 2025/26 fiscal year compared to the previous year. Additional positive one-off effects are possible in the 2025/26 fiscal year.

Although Kapsch TrafficCom has already achieved significant efficiency improvements in recent years, costs remain a focus. Kapsch TrafficCom also continues to analyze its operational organization from the ground up using a zero-base approach. The goal is to further increase efficiency through global standards and tools. This will also contribute to further increasing competitiveness and profitability.

Liquidity.
The revenues invoiced during the reporting period, as well as the newly acquired projects, will be reflected in both earnings and liquidity. Furthermore, a renewed bank financing agreement led to a longer-term financing structure. In this context, the pledge of the shares of core shareholder KAPSCH Group Beteiligungs GmbH was released.

Management continues to seek inflows from deconsolidations of companies, pending proceedings, and other measures in order to further reduce net debt. The medium-term goal is to fall below the net debt to EBITDA threshold of around 1.5x.

Non-financial targets.
Sustainability management was expanded during the reporting period and reporting was increasingly combined with financial reporting.

Strategy.
In addition, a comprehensive strategy review was conducted in the 2024/25 financial year. As a result, Kapsch TrafficCom will continue to develop its core business in the areas of tolling and traffic management. In the tolling segment, Kapsch TrafficCom will secure its technological leadership through innovation and the expansion and development of expertise. In the future, the company will increasingly seek strategic partnerships for related tolling services.

In the segment of traffic management, the development of conventional systems into intelligent systems, known as “smart traffic management,” is continuing. Demand management and the associated optimization of user behavior are becoming closer to reality thanks to artificial intelligence and predictive analytics. Kapsch TrafficCom will continue to expand this business.

2.2 Risk report.

2.2.1 Risk management system and internal control system (ICS).

The Kapsch TrafficCom Group has a Company-wide risk management system (Enterprise Risk Management, ERM) that is based on the internationally recognized COSO Enterprise Risk Management – Integrated Framework. The aim of the system is to identify, evaluate, and control risks that could significantly impair the achievement of strategic, operational, and financial objectives at an early stage. The ERM thus makes a valuable contribution to corporate management and security.

The focus is not on blanket risk avoidance, but on conscious, controlled risk management – including the exploitation of opportunities that arise. Risks are regularly identified, assessed, aggregated and documented in a structured process. The resulting risk report is prepared on a quarterly basis and made available to the Executive Board and the Audit Committee of the Supervisory Board. The Audit Committee is informed immediately of any significant individual events. The design and implementation quality of the risk management system is reviewed annually by the auditor in accordance with Rule 83 of the Austrian Corporate Governance Code (ÖCGK). In addition, internal audits are conducted to assess operational effectiveness.

Project-oriented risk management is embedded in all major customer and development projects and begins with a systematic risk analysis during the quotation phase. This ensures that a basis for decision-making is established at an early stage and that appropriate control measures can be planned.

The Internal Control System (ICS) is an integral part of the governance structure of the Kapsch TrafficCom Group and is designed to ensure the regularity of accounting and compliance with legal and internal requirements. It comprises organizational regulations, control mechanisms at the process level, and technical measures within the IT systems. Through clear responsibilities, the dual control principle, automated system controls, and regular training, the ICS contributes to reducing operational risks and ensuring compliance with regulatory requirements.

The interaction between risk management and ICS ensures structured risk control at all levels of the company and supports sound decision-making in a dynamic environment.

2.2.2 Strategic risks.

The business activities of the Kapsch TrafficCom Group are characterized by long-term strategic objectives, particularly with regard to technological market leadership, international expansion, and digitalization. These are associated with strategic risks that may arise from changing market conditions, new competitive structures, or technological and regulatory developments.

A significant strategic risk lies in the high dependence on publicly financed infrastructure projects. Political changes, changes in funding priorities or macroeconomic developments in target markets can influence the availability and implementation of tenders. In emerging and developing countries in particular, there is also increased uncertainty regarding regulatory stability, economic conditions and legal enforceability.

The increasing focus on sustainability and low-emission mobility may also mean that technologies or business models become less relevant or need to be adapted. Strategic risks arise in this context, particularly if regulatory requirements are not anticipated or if appropriate technological innovation measures are taken too late.

The international expansion of business activities opens up new opportunities, but also entails risks in terms of political stability, legal frameworks, access to markets, and the availability of skilled labor.

To manage risk, Kapsch TrafficCom continuously monitors the market and its environment, regularly evaluates new technological and regulatory developments, and flexibly adapts its strategic planning. The diversification approach with regard to markets, products, and technologies, as well as targeted investments in R&D, contribute to risk minimization. Strategic cooperation models and alliances are used to respond specifically to new requirements and secure access to key technologies.

As part of its strategic development, Kapsch TrafficCom regularly reviews potential company acquisitions or investments. This involves generic risks relating to the valuation, integration, and management of acquired entities. These include, among other things, synergy deviations, cultural integration problems, or duplicate operational structures. Such risks are taken into account as part of a structured M&A process and, where relevant, included in the risk assessment.

2.2.3 Market and industry risks.

The Kapsch TrafficCom Group operates in a specialized and highly competitive market environment. Its customers are primarily public authorities, operators of transportation infrastructures, and licensed project companies. Access to the market is largely gained through public tendering procedures, which involve high requirements in terms of technical performance, pricing, and regulatory compliance.

A material industry-specific risk lies in the volatility of order intake. Tenders for large-volume traffic management or toll systems may be delayed or canceled entirely due to political changes, legal challenges from unsuccessful bidders, or changes to subsidy programs. The decision-making process at government agencies is often lengthy and associated with increased uncertainty. There are also risks associated with the social acceptance of toll systems, particularly in politically sensitive regions.

To mitigate risk, Kapsch TrafficCom pursues geographical diversification in both the public and private sectors, as well as the expansion of recurring revenues through the operation and maintenance of existing systems. The latter are characterized by greater predictability and lower dependence on individual projects.

The technological dynamics in the industry require constant further developments in the areas of software, sensor technology, and connectivity. Successful competitors are increasingly operating globally, and price pressure is increasing due to international and regional providers and new market entrants, particularly from the IT and platform sectors.

In addition, individual markets are highly dependent on a few large public-sector customers, which can lead to temporary declines in sales when projects are completed or not renewed. This customer structure provides a stable revenue base, but also requires active customer relationship management and diversification strategies.

Kapsch TrafficCom counters these risks with a broad technology portfolio, systematic market analyses, and the development of new business areas. The market is continuously monitored in order to identify trends at an early stage and address them through targeted development and acquisition activities.

2.2.4 Project and supply chain risks.

The Kapsch TrafficCom Group implements complex traffic technology systems, often in response to public tenders and under demanding contractual, technical, and time constraints. This results in a wide range of project risks, particularly with regard to quality, deadlines, costs, and contractual obligations.

A key risk lies in underestimating technical and organizational requirements during the bidding phase. The actual project environment is often impossible to predict in its entirety. Risks arise, for example, from a lack of complete transparency regarding existing IT and infrastructure interfaces, unexpected dependencies on third-party systems, or delays in obtaining approvals.

Missed deadlines, performance deviations, or system defects can have financial consequences in the form of contractual penalties, claims for damages, or, in extreme cases, premature termination of the contract by the client. In individual cases, there are contractual provisions for compensation for lost toll revenues, which increase the economic impact. In addition, the company's reputation may be negatively affected by project delays, particularly in connection with future tenders in sensitive markets.

Kapsch TrafficCom uses structured project and risk management based on international standards (including IPMA) to manage risk. Systematic risk analysis is carried out during the bidding phase. During project implementation, close monitoring of performance progress, costs, and milestones is ensured. The pooling of expertise in interdisciplinary project teams and intensive involvement of the customer in critical phases also help to reduce risk.

Another significant area of risk concerns the supply chain, particularly for hardware and software components used in the overall systems. Global bottlenecks—for example, in the semiconductor market—can lead to availability and price risks due to production downtimes, geopolitical conflicts, logistical disruptions, or currency fluctuations. Dependence on individual suppliers or extended procurement cycles also entail operational risks.

To hedge these risks, Kapsch TrafficCom diversifies its supply chain for critical components, giving preference to suppliers with high delivery reliability and certified quality, and initiates project-related procurement measures at an early stage. Risks are monitored continuously and evaluated in close coordination with the project teams and the purchasing function.

2.2.5 Technological and innovation risks.

The competitiveness of the Kapsch TrafficCom Group is based primarily on its technological expertise and innovative capabilities. As a provider of intelligent transportation systems, the company is subject to intense pressure to innovate. New technologies, regulatory requirements, and changing customer needs require continuous development of the product and solution portfolio. A significant risk is that new technological developments will not be identified, implemented, or made marketable in a timely manner. A delayed response to technological trends can weaken the competitive position, especially against new market entrants from the IT or platform sector with high innovation speeds.

There is also a risk that developed solutions will not meet market expectations – whether in terms of scalability, interoperability, life cycle costs, or environmental requirements. Regulatory changes (e.g., in data protection or safety standards) may also mean that existing products have to be adapted or recertified at short notice.

Another risk arises from the possible infringement of third-party property rights during the development of new technologies. Conversely, there is a risk that the Company's own technologies and know-how could be compromised by product piracy or reverse engineering. Both could have financial and reputational consequences.

Kapsch TrafficCom addresses these risks with a structured innovation process that systematically monitors market, customer, and technology trends and integrates them into strategic product development. Research and development activities are carried out according to defined roadmaps and are continuously reviewed for relevance and feasibility. Property rights are actively managed, secured by patents, utility models, or confidentiality agreements, and enforced legally if necessary.

The involvement of partners, research institutions, and start-ups in cooperation agreements helps to strengthen innovative capabilities. In addition, Kapsch TrafficCom lays the foundation for future technological leadership by providing its employees with targeted further training in the areas of technology, software development, and system integration.

2.2.6 ESG-related risks.

Sustainability issues – particularly in the areas of environment, sociale and governance (ESG) – are becoming increasingly important for the business activities of the Kapsch TrafficCom Group. These issues also involve risks that could affect the company's economic development, the operational implementation of projects and its reputation.

In the environmental sector, risks arise from factors such as increasing regulatory pressure to reduce emissions, improve energy efficiency and optimize product life cycles. Climate change can also have medium to long-term impacts on infrastructure projects, supply chains and the use of certain technologies. Projects in climate-sensitive regions may face particular challenges in terms of resilience, reliability and transport logistics.

Social risks arise in particular in relation to occupational safety, fair working conditions along the supply chain, and compliance with international standards in third countries. Project delays or reputational damage may occur if ESG requirements are not met or violations become publicly known.

In the area of governance, risks primarily relate to regulatory requirements for the compliance organization, transparency obligations, data protection, and integrity in tender procedures.

These ESG-related risks are considered, analyzed, and evaluated as part of the Company-wide risk management process. They are described in detail in >> Chapter 4, "Consolidated Non-Financial Statement," in accordance with the European Sustainability Reporting Standards (ESRS) and the key sustainability topics of the Kapsch TrafficCom Group.

2.2.7 Financial risks.

As an internationally active tech company, Kapsch TrafficCom Group faces a bunch of financial risks. These are mainly foreign exchange risks, interest rate risks, liquidity risks, and credit risks.

Foreign exchange risk. Due to global project management and purchasing in different currency areas, there is a significant risk of exchange rate volatility. This can affect both project calculations and key figures for earnings and the balance sheet. Transaction risks arise primarily from project revenues and expenses in different currencies, while translation risks result from the conversion of individual financial statements of non-eurozone Group companies into the Group currency.

Kapsch TrafficCom addresses this risk with a project-based currency hedging policy. Where economically viable, hedging transactions are concluded to minimize exchange rate fluctuations. In addition, foreign exchange positions are analyzed on an ongoing basis and taken into account in corporate planning.

Interest rate risk. Part of the project and corporate financing is based on variable interest rates. An increase in the general interest rate level may increase financing costs and have a negative impact on earnings. Appropriate financial instruments are used to hedge against interest rate risks where necessary.

Liquidity risk. The availability of sufficient liquid funds is crucial for financing large-scale projects, especially those with delayed payments from clients. This also applies to the fulfillment of security obligations (e.g., bid or performance bonds) required in connection with tenders.

To manage this risk, the Kapsch TrafficCom Group has a Group-wide liquidity management system with rolling cash flow planning. This enables early identification of potential bottlenecks and the initiation of appropriate countermeasures. Liquidity reserves and existing credit lines also ensure a high degree of financial flexibility.

Credit risk. Credit risks arise primarily from receivables from customers, particularly in connection with large-scale projects. Although public-sector customers are among the company's main customers, Kapsch TrafficCom also acts as a contractor for private consortia or concession companies. Payment defaults or delays can have a negative impact on liquidity and earnings.

Credit checks are carried out prior to concluding contracts in order to reduce credit risk. In addition, hedging instruments such as state export guarantees (e.g. via OeKB) are used. Receivables are monitored on an ongoing basis and impaired if necessary.

2.2.8 IT and cyber risks.

The Kapsch TrafficCom Group relies heavily on stable, secure, and available IT systems—both for internal business operations and for providing customer solutions. Due to the increasing digitalization of products, processes, and services, the requirements for information security and cyber resilience have risen significantly in recent years.

A material risk lies in the impairment of system availability, data integrity, or confidentiality due to cyber attacks, malware, ransomware, or other external influences. Targeted attacks on the traffic management systems, cloud platforms, locally operated software solutions, or backend infrastructures used can also cause considerable operational, legal, or reputational damage. Compliance with international data protection and information security requirements (e.g., GDPR, NIS2, AI Act) is also becoming increasingly critical.

IT or cyber incidents can also cause disruptions in the supply chain—for example, through third-party providers whose systems are integrated into customer solutions.

Kapsch TrafficCom has a Group-wide information security management system that complies with the international ISO/IEC 27001 standard. The security approach is based on a risk-oriented analysis of critical systems, data flows, and interfaces. Security incidents are centrally recorded, evaluated, and documented. An established incident response procedure and a continuously updated emergency plan ensure that we are able to act in the event of an emergency.

Preventive measures include access and authorization concepts, network segmentation, encryption technologies, and regular penetration tests. Employees are made aware of these measures through mandatory training and internal awareness campaigns. Information security is also an integral part of project and product development processes (“security by design”).

The company continuously monitors the threat situation, adapts technical and organizational measures to new attack patterns, and actively participates in industry-specific security initiatives.

2.2.9 Legal and compliance risks.

The business activities of the Kapsch TrafficCom Group are subject to a wide range of national and international legal requirements. These include public procurement law, export controls, tax regulations, data protection, competition law, labor law, and industry-specific standards. Violations of legal or regulatory requirements can result in significant financial burdens, damage to reputation, or exclusion from tendering procedures.

A material risk exists in connection with participation in public tenders, particularly with regard to compliance with complex award requirements, formal criteria, and subcontractor structures that must be disclosed. Errors in this context can not only lead to disqualification, but also to legal disputes with competitors or authorities in the event of violations of public procurement law.

With the increasing internationalization of business, the risk of inadvertently operating in legally uncertain or sanctioned markets has also risen. Political instability, unclear ownership structures, or rapidly changing legal frameworks can significantly impair business activities. Hidden compliance risks in the supply chain, such as environmental or human rights violations by suppliers, are also coming under greater scrutiny as a result of new regulatory requirements (e.g., EU supply chain legislation).

In addition, there are risks associated with intellectual property rights infringements, whether through the unintentional use of protected third-party technologies or through inadequate protection of the Company’s own developments.

To manage risk, there are Company-wide compliance structures in place that are continuously adapted to new legal requirements. These include internal guidelines, mandatory training, clearly defined responsibilities, and a whistleblower system that is available to both employees and external stakeholders.

Special attention is paid to public procurement law, export control, data protection, competition law, and anti-corruption law. New markets or partnerships are reviewed from a legal perspective prior to market entry. Intellectual property is protected through structured patent management and contractual protection mechanisms in development partnerships. Kapsch TrafficCom has set up a dedicated department for the systematic pursuit of strategic partnerships.

Events such as project delays, contractual disputes, technical defects, or public criticism of tolling and traffic management systems can have a negative impact on the reputation of the Kapsch TrafficCom Group, both locally and across the Group. Maintaining long-term customer relationships, high quality standards, and transparent communication are key control measures for preventing damage to reputation.

2.2.10 Personnel risk.

The success of the Kapsch TrafficCom Group depends to a large extent on the competence, motivation, and availability of qualified employees. In particular, specialists with technical expertise, international project experience, and knowledge in the areas of software development, system integration, and traffic telematics are of central importance.

A material risk arises from the loss of key personnel with business-critical expertise or from difficulties in recruiting qualified specialists, particularly in an increasingly competitive global labor market. Technological developments, hybrid working models, and changing employee expectations are further intensifying the competition for talent. A shortage of suitable personnel can result in project delays, loss of expertise, and a reduction in innovation and implementation capabilities.

Personnel risks can also arise in international project implementation—for example, due to restrictions on mobility and secondment, cultural barriers, or differences in labor law between individual countries.

To manage risk, Kapsch TrafficCom pursues a comprehensive human resources development strategy with a focus on talent retention, qualification, and international cooperation. This includes, among other things:

- An internal career and learning platform for self-directed development
- Targeted training opportunities in technology, leadership, and soft skills
- Mentoring and onboarding programs
- Flexible working hours and home office options to increase employer attractiveness

To promote employee retention, the company also relies on regular feedback formats and transparent internal communication. Periodic employee surveys and direct access to management via the “OpenLine2CEO” format enable the company to respond quickly to moods, challenges, and potential for improvement.

2.2.11 Opportunities.

In addition to systematically identifying and assessing risks, the Kapsch TrafficCom Group also considers opportunities arising from technological developments, market changes, or regulatory conditions as part of its enterprise risk management. The aim is to identify potential at an early stage, evaluate it strategically, and actively exploit it.

A major opportunity arises from the global trend toward sustainable, connected, and digitally controlled mobility. The growing need to reduce emissions, relieve urban areas, and increase traffic flow efficiency is creating new demand for intelligent mobility solutions, environmental zone systems, dynamic traffic control, and toll technology.

The shift in public investment towards digitization and transport modernization – often supported by national or European subsidy programs – is also opening up additional market potential. Kapsch TrafficCom is able to respond to different customer requirements with a modular technology portfolio, both in the area of systems and services.

At the project level, opportunities arise through so-called “change requests,” customer adaptations during projectimplementation, which can be commissioned and billed as separate services. Even when existing systems are in operation, enhancements, upgrades, or new regulatory requirements regularly give rise to additional business opportunities.

There is also an opportunity for further geographical diversification, particularly in high-growth regions with increasing demand for transport infrastructure and mobility management.

Kapsch TrafficCom is responding to these opportunities with an innovation-driven product strategy, active market development, and close cooperation with strategic partners, cities, and transportation authorities.

2.2.12 Overall assessment of the risk situation.

From today’s perspective, there are no individual risks that could directly threaten the continuity of Kapsch TrafficCom. The material risks identified are continuously monitored, systematically evaluated, and addressed with appropriate control measures. The Company-wide risk management system, including the internal control system, is set up to ensure risk-bearing capacity at all times.

Compared with the previous year, the overall risk situation has become generally more stable. Increased uncertainties are evident in certain areas relating to geopolitics, regulation, and the market. These developments are being addressed with appropriate measures as part of corporate management.

From the current perspective, the individual risks identified are manageable and sufficient organizational, financial, and structural precautions are in place to limit potential effects on the net assets, financial position, and results of operations of Kapsch TrafficCom.

2.3. Internal control system with respect to the accounting process.

Kapsch TrafficCom has a Group-wide internal control system (ICS) that is specifically designed to ensure that accounting is carried out in accordance with legal requirements and that statutory and internal regulations are complied with. The ICS is part of the company-wide risk management system and is based on the internationally recognized COSO framework.

In line with a process-integrated control approach, the ICS covers all significant companies and processes relevant to accounting. Operational accounting is primarily carried out in local units using Navision. Consolidation is carried out centrally in Group Accounting using the OneStream consolidation software. Additional manual and system-supported control mechanisms are used for Group-wide reporting.

The control environment is characterized by clearly defined responsibilities, Group-wide guidelines (e.g., IFRS Accounting Manual), and uniform approval processes. These guidelines form the basis for the consistent application of accounting and valuation methods.

Risk assessment is carried out as part of a risk-oriented internal control system. The focus is on the early identification of potential sources of error in the accounting process, particularly in the posting of complex business transactions, intercompany reconciliations, or balance sheet-relevant estimates. The identified risk points are incorporated into the design and further development of control measures. Close coordination with risk management supports consistent assessment and prioritization.

Comprehensive control measures are in place to reduce these risks, both automated in the systems used and manual at local and central level. These include system-based checks, standardized controls for bookings, intercompany reconciliations, and the dual control principle in critical process steps.

Efficient information and communication are ensured through structured reporting lines, regular monthly and forecast reports, and central coordination between the units and Group Accounting. The Supervisory Board is also regularly informed about accounting-related developments, including financial statements, forecasts, and relevant aspects of the internal control system.

The effectiveness of the internal control system is monitored by the departments responsible for the respective processes and by the internal audit department, which operates on the basis of a risk-oriented audit plan. Audit findings are documented and appropriate measures to improve the control system are derived.

The ICS is regularly evaluated and adapted to changes in regulatory, procedural, or technological conditions as necessary. In doing so, close integration with the risk management system and with the external audit is ensured.

3 Other disclosures.

3.1 Disclosures on capital, share, voting and control rights and related agreements.

The fully paid-in share capital of Kapsch TrafficCom AG amounts to EUR 14.3 million. It is divided into 14.3 million shares. There are no legal or statutory caps or restrictions on the exercise of voting rights or the transfer of shares. KAPSCH-Group Beteiligungs GmbH held roughly 63.3% of the shares as of March 31, 2025.

In the 2023/24 financial year, KAPSCH-Group Beteiligungs GmbH pledged all of its shares in Kapsch TrafficCom AG to the financing banks in connection with a refinancing. On March 26, 2025, Kapsch TrafficCom AG agreed on new long-term financing with its house banks until 2030, and the pledge of all shares held by KAPSCH-Group Beteiligungs GmbH in the company was released.

KAPSCH-Group Beteiligungs GmbH is a wholly owned subsidiary of DATAX HandelsgmbH, whose shares are held partly indirectly, partly directly) in equal parts by Traditio-Privatstiftung and Children of Elisabeth-Privatstiftung, two private foundations under the Austrian Private Foundation Act. Each of these private foundations is managed by its own Executive Board, with no individual serving on both boards. The beneficiaries of these private foundations are Georg Kapsch and members of his family (Traditio-Privatstiftung), including Samuel Kapsch, who has been a member of the Executive Board of Kapsch TrafficCom AG since April 1, 2025, as well as Elisabeth Kapsch and members of her family (Children of Elisabeth-Privatstiftung).

There was no other shareholder holding more than 10% of the voting rights in Kapsch TrafficCom AG as of March 31, 2025. In the financial year 2024/25, Kapsch TrafficCom did not acquire or dispose of any treasury shares and did not hold any as of the balance sheet date.

No shares with special control rights exist. No restrictions exist with respect to the exercising of the voting right by employees with capital participation. There are no special provisions regarding the appointment and recall of the members of the Executive Board and the Supervisory Board as well as the modification of the articles of association.

The Company currently has no conditional capital authorizing the Executive Board, with the approval of the Supervisory Board, to issue shares without (further) referral to the Annual General Meeting.

Conventional “change of control” clauses, which may lead to termination of the contract, relate to financing agreements totaling approximately EUR 105 million and the promissory note bond (“Schuldscheindarlehen”) of EUR 8.5 million, or are related to individual customer contracts.

No compensation agreements exist between Kapsch TrafficCom AG and its Executive Board and Supervisory Board Members or employees for the event of a public takeover offer

3.2 Corporate-Governance-Report.

In accordance with C-rule 61 of the Austrian Corporate Governance Code, it is pointed out that the Consolidated Corporate Governance Report can be accessed on the internet at https://www.kapsch.net/en/ir/Corporate-Governance.

Vienna, June 25, 2025

Georg Kapsch Chief Executive Officer	Alfredo Escribá Gallego Executive Board Member	Samuel Kapsch Executive Board Member (as of April 1, 2025)

FINANCIAL STATEMENTS.

Primaries.

Balance sheet as at March31, 2025.

in EUR		March 31, 2024		March 31, 2025
ASSETS				
A. Fixed assets				
I. Intangible assets				
1. Industrial property and similar rights and assets, and licenses in such rights and assets		8,430,816		4,039,217
2. Prepayments made and assets under construction		230,959		1,663,428
Total intangible assets		**8,661,775**		**5,702,645**
II. Tangible assets				
1. Leasehold improvements		235,391		643,245
2. Technical equipment and machinery		278,180		440,124
3. Other equipment, factory and office equipment		1,285,824		1,672,843
4. Prepayments made and assets under construction		370,387		32,091
Total tangible assets		**2,169,782**		**2,788,303**
III Financial assets				
1. Shares in affiliated companies		138,442,198		134,356,839
2. Loans to affiliated companies		58,213,521		60,571,622
thereof with a remaining maturity of more than one year	0		60,571,622	
3. Participating interests		2,556,035		1,315,962
4. Securities		4,375		4,375
Total financial assets		**199,216,129**		**196,248,798**
Total fixed assets		**210,047,686**		**204,739,746**
B. Current assets				
I. Inventories				
1. Merchandise		4,058,352		6,004,831
2. Services not yet invoiced		2,645,204		2,191,620
3. Prepayments made		361,998		343,539
Total inventories		**7,065,554**		**8,539,990**
II. Receivables and other assets				
1. Trade receivables		11,757,766		12,594,067
thereof with a remaining maturity of more than one year	2,241,201		1,599,447	
2. Receivables from affiliated companies		134,897,838		156,232,507
thereof with a remaining maturity of more than one year	12,383,601		21,725,324	
3. Receivables from companies in which the Company has a participating interest		411,254		822,509
thereof with a remaining maturity of more than one year	0		0	
4. Other receivables and assets		6,544,662		11,875,832
thereof with a remaining maturity of more than one year	0		0	
Total receivables and other assets		**153,611,520**		**181,524,915**
II. Cash on hand, cash at banks		**1,975,656**		**19,207,190**
Total current assets		**162,652,730**		**209,272,095**
C. Prepaid expenses and deferred charges		**3,634,961**		**3,008,077**
D. Deferred tax assets		**22,502,291**		**25,007,500**
TOTAL ASSETS		**398,837,668**		**442,027,417**

Balance sheet as at March 31, 2025.

in EUR		March 31, 2024		March 31, 2025
SHAREHOLDERS' EQUITY AND LIABILITIES				
A. Shareholders' equity				
1. Share capital called up and paid in		14,300,000		14,300,000
Share capital subscribed	14,300,000		14,300,000	
2. Capital reserves		127,800,000		127,800,000
3. Unappropriated retained earnings		56,834,210		33,858,569
thereof prior period unappropriated retained earnings brought forward	21,319,208		56,834,210	
Total shareholders' equity		**198,934,210**		**175,958,569**
B. Accruals and provisions				
1. Accruals for severance payments		5,074,200		5,369,739
2. Other accruals and provisions		19,434,055		17,611,491
Total accruals and provisions		**24,508,255**		**22,981,230**
C. Accounts payable				
1. Promissory note bonds		8,509,749		8,509,749
thereof convertible	0		0	
thereof with a remaining maturity of less than one year	9,749		9,749	
thereof with a remaining maturity of more than one year	8,500,000		8,500,000	
2. Bank loans and overdrafts		60,886,463		104,559,000
thereof with a remaining maturity of less than one year	0		15,000,000	
thereof with a remaining maturity of more than one year	60,886,463		89,559,000	
3. Prepayments received		1,789,018		2,772,739
4. Trade payables		13,893,779		16,375,926
thereof with a remaining maturity of less than one year	13,893,779		16,375,926	
thereof with a remaining maturity of more than one year	0		0	
5. Payables to affiliated companies		81,392,229		103,086,570
thereof with a remaining maturity of less than one year	56,971,499		82,648,320	
thereof with a remaining maturity of more than one year	24,420,730		20,438,250	
6. Payables to companies in which the Company has a participating interest		0		747,473
thereof with a remaining maturity of less than one year	0		747,473	
thereof with a remaining maturity of more than one year	0		0	
7. Other liabilities		7,581,423		6,427,049
thereof taxes	75,415		91,576	
thereof social security payables	908,906		1,017,132	
thereof with a remaining maturity of less than one year	7,581,423		6,427,049	
thereof with a remaining maturity of more than one year	0		0	
Total accounts payable		**174,052,661**		**242,478,507**
D. Other current liabilities and deferred income		**1,342,542**		**609,112**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**398,837,668**		**442,027,417**

Income statement.

in EUR		2023/24		2024/25
1. Net sales		221,903,376		187,688,126
2. Change in services not yet invoiced		-21,794		-453,584
3. Other operating income				
a) Income from the retirement of fixed assets excluding financial assets		3,000		29,167
b) Income from the reversal of accruals and provisions		420,830		482,006
c) Other		19,434,122		8,365,233
		19,857,952		8,876,406
4. Cost of materials and other purchased services				
a) Cost of materials		-43,379,569		-51,053,394
b) Cost of purchased services		-60,044,490		-68,344,270
		-103,424,059		-119,397,664
5. Personnel expenses				
a) Wages		0		0
b) Salaries		-39,602,854		-43,258,552
c) Social benefits		-10,371,825		-11,859,205
thereof expenses for pensions	-35,925		-79,643	
thereof expenses for severance payments and contributions to staff provision funds	-1,038,897		-1,170,670	
thereof expenses for statutory social security, payroll-related taxes and mandatory contributions	-9,071,271		-10,319,940	
		-49,974,679		-55,117,758
6. Depreciation and amortization of fixed tangible and intangible assets		-5,061,460		-5,092,897
7. Other operating expenses		-48,679,359		-43,858,639
thereof taxes not included in line 16	-73,284		0	
8. Subtotal of lines 1 to 7		**33,126,210**		**-27,356,009**
9. Income from participating interests		52,991,600		20,883,842
thereof from affiliated companies	22,991,600		18,383,842	
10. Other interest and similar income		5,902,692		5,303,321
thereof from affiliated companies	4,070,380		3,750,432	
11. Income from the disposal of fixed financial assets		641,494		4,316,478
12. Exp. on fixed fin. assets a. securites of curr. assets		-35,263,581		-23,321,714
thereof write-downs	-32,037,244		-23,273,849	
thereof relating to affiliated companies	-6,327,424		-21,991,900	
13. Interest and similar expenses		-16,815,052		-5,276,164
thereof relating to affiliated companies	-731,976		-522,687	
14. Subtotal of lines 9 to 13		**7,457,151**		**1,905,764**
15. Profit/Loss before taxation (subtotal of lines 8 and 14)		**40,583,361**		**-25,450,245**
16. Taxes on income		-5,068,358		2,474,604
thereof recharged to group parent	0		0	
thereof deferred taxes	-2,280,348		2,505,210	
17. Profit/Loss after taxation		35,515,002		-22,975,641
18. Net profit/loss for the year		**35,515,002**		**-22,975,641**
19. Prior period unappropriated retained earnings brought forward		21,319,208		56,834,210
20. Unappropriated retained earnings		**56,834,210**		**33,858,569**

Notes to the financial statements.

A. General principles.

The financial statements as at March 31, 2025 have been prepared in accordance with the financial reporting requirements of the UGB (Austrian Company Code) as amended.

In preparing these financial statements, the previous form of presentation has been maintained.

The financial statements, prepared under Austrian generally accepted accounting principles, present a true and fair view of the assets and liabilities, the financial situation of the Company, as well as its results of operations.

Accounting and valuation methods are based on generally accepted accounting principles. Section 201 para. 2 UGB was adhered to, as were the provisions on classification and valuation of balance sheet and income statement items under sections 195 to 211 and 222 to 235 UGB. The income statement was prepared in accordance with the total expenditure format.

The principle of completeness was observed in preparing the financial statements. With regard to the valuation, the Company's ability to continue as a going concern was assumed.

The principle of individual valuation was applied in the valuation of assets and liabilities

Taking into account the principle of prudence, the Company only reported the profits realized as of the balance sheet date. All identifiable risks and impending losses occurred until the balance sheet date were taken into account.

Estimates are based on prudent assessment. If statistical experience exists for similar circumstances, it was taken into account by the Company in its estimates

Developments in the Ukraine war, the Middle East conflict, and other geopolitical tensions are continuously monitored in order to be able to address potential impacts on Kapsch TrafficCom AG promptly and appropriately. However, these currently have no significant impact on the company's discretionary decisions and estimates.

B. Group relations.

The Company is a 63.291% subsidiary of KAPSCH-Group Beteiligungs GmbH, Vienna, and thus is related to its shareholder and its affiliated companies as a group company.

DATAX HandelsgmbH, Vienna, prepares the consolidated financial statements for the largest group of companies. These consolidated financial statements are deposited at the Commercial Court Vienna.

The Company prepares the consolidated financial statements for the smallest group of companies.

With regard to the disclosure on the legal and economic relations with affiliated companies, the protection-of-interest clause pursuant to section 242 UGB was used.

C. Accounting and valuation methods.

The previously applied accounting and valuation methods have been maintained

1. Fixed assets.

Purchased intangible assets and tangible assets are valued at acquisition cost less scheduled straight-line amortization/depreciation charged according to the estimated useful life of the assets

Low-value fixed assets with individual acquisition costs of up to EUR 1,000.00 (previous year EUR 1.000.00) were fully written off in the year of acquisition or production

1.1 Intangible assets.

Intangible assets, such as acquired computer software and computer licenses, are amortized based on a useful life of four to eight years.

In the reporting year, intangible assets in the amount of EUR 0.00 (prior year: EUR 0k) were acquired from affiliated companies

1.2 Tangible assets.

Tangible assets were depreciated on a straight-line basis over the following useful lives:

	Years
Investments in leasehold buildings	2-12
Technical equipment and machinery	2-5
Other equipment, factory and office equipment	2-15

No write-downs were charged in the financial year.

Additions to fixed assets are depreciated according to the date of their initial use

1.3 Financial assets.

Financial assets are stated at acquisition costs or the lower market values at the balance sheet date. Write-downs/write-ups are made only in case a diminution/increase in value is expected to be permanent.

Write-ups of fixed assets.
Write-ups of fixed assets are made when the reasons for the extraordinary depreciation no longer apply. The write-up is made up to a maximum of the net book value, which results taking into account the normal depreciation that would have had to be made in the meantime.

2. Current assets.

2.1 Inventories.

The stocks of purchased goods, recorded by means of electronic data processing, were stated using the moving average price method. Inventories denominated in foreign currencies were stated using the exchange rate at the date of acquisition. Where required, write-downs were made to the lower replacement costs. A proportional deduction from acquisition or production cost was made for goods with diminished usability or marketability, which was derived from the respective inventory turnover ratio.

Services not yet invoiced were stated at acquisition or production cost which include direct costs as well as proportionate material and production overheads.

In case of long-term contracts, no administrative and selling overheads were capitalized, directly attributable finance cost was capitalized depending on the project. At the balance sheet date, there are no services not yet invoiced for which finance cost was capitalized. Expenses for social benefits were not included. To provide for losses from pending transactions arising from the projects, the asset affected is written off or provisions are set up.

2.2 Receivables and other assets.

Receivables and other assets were stated at nominal values. Identifiable risks were considered in the valuation of the individual receivables by write-downs. Non-interest-bearing receivables or receivables bearing particularly low interest were discounted.

Receivables in foreign currencies are translated using the exchange rate at the date of the original transaction or the lower bank buying rate prevailing at the balance sheet date.

2.3 Cash on hand, cash at banks.

Cash on hand and cash at banks denominated in foreign currencies are reported using the exchange rate at the date of the original transaction or the lower rate prevailing at the balance sheet date.

3. Prepaid expenses and deferred charges.

Prepaid expenses include payments effected before the balance sheet date as far as they relate to expenses for a specific time after the balance sheet date

4. Deferred tax assets.

Deferred tax assets are recognized on differences between the valuation according to company law and the valuation according to tax law with respect to assets, accruals and provisions, accounts payable, prepaid expenses and deferred charges as well as deferred income which are expected to decrease in later financial years.

The option to recognize deferred tax assets for tax loss carryforwards (internal loss carryforwards that are recorded as part of Group management and offset against future positive taxable results) is used.

Deferred tax assets for existing tax loss carryforwards are created to the extent that there are sufficient deferred tax liabilities or there are convincing, substantial indications that sufficient taxable income will be available to utilize these loss carryforwards in the future (planning horizon of six years, whereby the Group applies appropriate discounts in later planning periods due to greater uncertainty in the utilization of the loss carryforwards).

Deferred taxes are measured at a tax rate of 23% for temporary differences that reverse in the following fiscal year and for other temporary differences and loss carryforwards, without taking into account any discounting (previous year: 23%.

Deferred tax assets were offset against deferred tax liabilities because it is legally possible to offset the actual tax refund claims against the actual tax liabilities.

5. Accruals and provisions.

The accruals and provisions were set up in accordance with the principle of prudence at the estimated amounts.

The accruals for severance payments and the provisions for anniversary bonuses were calculated as stated in the AFRAC (Austrian Financial Reporting and Auditing Committee) opinion 27 “Accruals for pensions and severance payments, provisions for anniversary bonuses and comparable obligations falling due in the long term under the provisions of the Austrian Company Code” (June 2022, available in German only) pursuant to accepted actuarial methods in accordance with IAS 19 using the projected unit credit method.

A discount rate of 3.15% (prior year: 3.55%) was used for the calculation of the provisions for anniversary bonuses and a discount rate of 3.10% (prior year: 3.50%) for the calculation of accruals for severance payments. A rate of 3.0% (prior year: 3,0%) was assumed for salary increases. Furthermore, the calculation was based on the earliest possible retirement age in accordance with the transitional statutory provisions and the mortality tables AVÖ 2018-P ANG for salaried employees. Staff turnover rates were determined based on the period of service.

The interest rate used is the interest rate at the balance sheet date.

All changes in personnel-related accruals and provisions (including interest expense) were recorded entirely in personnel expenses.

In accordance with the principle of prudence, other accruals and provisions take into account all risks identifiable at the time the balance sheet was prepared and all liabilities uncertain as to their amounts or bases. Other accruals and provisions were stated at the best possible estimate of the settlement amount

6. Accounts payable.

In accordance with the principle of prudence, accounts payable were valued at the settlement amount.

Payables in foreign currencies are translated using the exchange rate at the date of the original transaction or the higher bank selling rate prevailing at the balance sheet date.

Exchange gains or losses from foreign currency valuation are recorded entirely in the operating result (other operating income or other operating expense)

D. Comments on items in the balance sheet.

Assets.

Movements in fixed assets:

	Acquisition cost			
in EUR	**Balance April 1, 2024**	**Additions**	**Disposals**	**Balance March 31, 2025**
I. Intangible assets				
1. Industr. property and similar rights and assets, and licenses in such rights and assets	49,459,246	0	-234	49,459,012
2. Prepayments made and assets under constr.	230,959	1,432,469	0	1,663,428
	49,690,205	**1,432,469**	**-234**	**51,122,440**
II. Tangible assets				
1. Leasehold improvements	6,625,884	617,364	0	7,243,248
2. Technical equipment and machinery	2,586,434	283,353	0	2,869,787
3. Other equipment, factory and office equipment	7,716,883	817,668	-91,473	8,443,078
4. Prepayments made and assets under constr.	370,387	197,565	-535,861	32,091
	17,299,588	**1,915,950**	**-627,334**	**18,588,204**
III. Financial assets				
1. Shares in affiliated companies	272,730,155	17,927,372	-6,782,311	283,875,216
2. Loans to affiliated companies	79,719,682	2,358,101	0	82,077,783
3. Participating interests	40,181,472	68,909	0	40,250,381
4. Securities	4,375	0	0	4,375
	392,635,684	**20,354,382**	**-6,782,311**	**406,207,755**
Total fixed assets	**459,625,477**	**23,702,801**	**-7,409,879**	**475,918,399**

	Accumulated amortization/depreciation					Net book values	
in EUR	Balance April 1, 2024	Additions	Disposals	Write-ups	Balance March 31, 2025	Balance March 31, 2025	Balance March 31, 2024
I. Intangible assets							
1. Industr. Prop. and similar rights and assets, and licenses in such rights and assets	41,028,430	4,391,365	0	0	45,419,795	4,039,217	8,430,816
2. Prepayments made and assets under construction	0	0	0	0	0	1,663,428	230,959
	41,028,430	**4,391,365**	**0**	**0**	**45,419,795**	**5,702,645**	**8,661,775**
II. Tangible assets							
1. Leasehold improvements	6,390,493	209,510	0	0	6,600,003	643,245	235,391
2. Technical equipment and machinery	2,308,254	121,409	0	0	2,429,663	440,124	278,180
3. Other equipm., factory and office equipm.	6,431,058	339,176	0	0	6,770,234	1,672,843	1,285,824
4. Prepaym. made and assets under constr.	0	0	0	0	0	32,091	370,387
	15,129,805	**670,095**	**0**	**0**	**15,799,900**	**2,788,303**	**2,169,782**
III. Financial assets							
1. Shares in affiliated companies	134,287,956	21,964,867	6,734,446	0	149,518,377	134,356,839	138,442,198
2. Loans to affiliated companies	21,506,160	0	0	0	21,506,160	60,571,622	58,213,521
3. Participating interests	37,625,438	1,308,982	0	0	38,934,420	1,315,962	2,556,035
4. Securities	0	0	0	0	0	4,375	4,375
	193,419,554	**23,273,849**	**6,734,446**	**0**	**209,958,957**	**196,248,798**	**199,216,129**
Total fixed assets	**249,577,789**	**28,335,309**	**6,734,446**	**0**	**271,178,652**	**204,739,746**	**210,047,686**

Financial obligations of the Company from the use of tangible assets not recognized in the balance sheet amount to:

Obligations from rental and lease agreements	2023/24	2024/25
	in EUR k	in EUR
In the following financial year	3,443	4,041,739
In the next 5 financial years	10,457	12,716,918

Financial assets.

Loans

Of the loans to affiliated companies amounting to EUR 60.571.622 (previous year: EUR 58,214 thousand), EUR 0 have a remaining term of up to one year (previous year: EUR 0 thousand).

Shares in affiliated companies and participations as well as loans to affiliated companies.

Supplementary disclosures pursuant to section 238 para. 1 subsec. 4 UGB.

Figures as at March 31, 2025	Share in %	Sharehold-ers' equity in EUR k	Result of financial year in EUR k	FN
a) Shares in affiliated companies				
Kapsch TrafficCom AB, Jönköping, Sweden	100.00	14,009	408	1)
Kapsch TrafficCom Argentina S.A., Buenos Aires, Argentina	95.00	2,303	-1,325	1)
Kapsch Components GmbH & Co KG, Vienna	100.00	7,307	2,309	1)
Kapsch Components GmbH, Vienna	100.00	157	4	1)
Kapsch TrafficCom B.V., Amsterdam, Netherlands	100.00	10,527	70	1)
Kapsch Telematic Services GmbH, Vienna	93.00	-7,413	-8	1)
Kapsch Telematic Technologies Bulgaria EAD, Sofia, Bulgaria	100.00	464	55	1)
Kapsch TrafficCom Ltd., Middlesex, United Kingdom	100.00	1,774	594	1)
Kapsch TrafficCom France SAS, Paris, France	30.20	1,951	1,116	1)
Electronic Toll Collection (Pty) Ltd., Cape Town, South Africa	9.62	8,850	6,230	1)
Kapsch TrafficCom South Africa Holding (Pty) Ltd., Cape Town, South Africa	100.00	2,034	259	1)
KTS Beteiligungs GmbH, Vienna	100.00	-271	12	1)
Transport Telematic Systems LLC, Abu Dhabi, United Arab Emirates	49.00	-92	-523	1)
Kapsch TrafficCom Transportation S.A.U., Madrid, Spain	100.00	5,204	-1,980	1)
tolltickets GmbH, Rosenheim, Germany	100.00	-17,995	-6,737	1)
Kapsch TrafficCom S.A.S., Bogota, Colombia	100.00	-5,801	-1,786	1)
MTS Maut & Telematik Services GmbH, Berlin, Germany	100.00	-2,160	-767	1)
Kapsch TrafficCom Dominican Republic S.R.L., Santo Dominigo, Dominican Republic	99.00	-933	-138	1)
SIMEX, Integracion de Sistemas, S.A.P.I. de C.V. Mexico City, Mexico	69.50	-3,819	-1,109	1)
Kapsch TrafficCom Peru S.A.C., Lima, Peru	99.93	-1,102	-563	1)
Kapsch TrafficCom Transportation Argentina S.A., Buenos Aires, Argentina	22.03	-539	-39	1)
Kapsch TrafficCom Ireland Limited, Dublin, Ireland	100.00	463	103	1)
Kapsch Telematic Services Sp.z.o.o., Warzaw, Poland	100.00	-4,158	-15	1)
Kapsch TrafficCom Zagreb d.o.o.; Zagreb, Croatia	100.00	0	0	1)
Kapsch TrafficCom Riyadh Ltd. Riyadh, Saudi Arabia	100.00	-12	0	1)
Kapsch Telematic Services GmbH, Rosenheim, Germany	100.00	1,232	-21	1)
Kusa Kokutsha (Pyd) Ltd., Cape Town, South Africa	5.00	0	0	1)
Kapsch TrafficCom Guatemala S.A., Guatemala Stadt, Rep. Guatemala	1.00	318	318	1)
b) Participating interests				
MoKA SAS, Paris, France	50.00	125	1	2)
Natras AG, Adliswil, Swiss	50.00	270	27	1)
autoTicket GmbH, Berlin, Germany	50.00	994	-98	1)
Kapsch Telematic Services IOOO, Minsk, Belarus	33.45	4,269	3,634	2)
Parat Ltd., Abu Dhabi, United Arab Emirates	24.50	8,313	3,248	2)

1) Figures as at March 31, 2025 (IFRS)
2) Figures as at December 31, 2025 (local law)

In July 2024, Kapsch TrafficCom Guatemala S.A., Guatemala City, Republic of Guatemala, was jointly founded through the investments of Kapsch TrafficCom AG, Vienna (99.0% stake) and Kapsch TrafficCom Chile S.A., Santiago de Chile (1.0% stake).
Kapsch Trafficcom Riyadh Limited, Riyadh, Saudi Arabia, was also founded in March 2025.

In April 2024, the shares of TMT Services and Supplies (PTY) Ltd., Cape Town, South Africa, were sold, and in the first quarter of 2024, the de facto control of Inteligent Mobility Solutions Limited, Lusaka, Zambia, was lost through the disposal.

Kapsch TrafficCom Russia LLC, Moscow, Russia, was liquidated in August 2024.

ArtiBrain Software Entwicklungsgesellschaft mbH, Vienna, Austria, was liquidated in September 2024.

The accesses to the financial investments mainly concern capital measures at affiliated companies.

In the 2024/25 fiscal year, there were additions to investments amounting to EUR 68,909 thousand (2023/24: EUR 270 thousand). These relate to the associated companies Parat Ltd, Abu Dhabi, United Arab Emirates, with EUR 48,077 thousand and Kapsch Telematic Services IOOO, Belarus with EUR 20,832 thousand.

On September 20, 2024, Parat Ltd., Abu Dhabi, United Arab Emirates, was founded by Kapsch Traffic Com AG, Vienna.

Parat Ltd. acquired 66.55% of the shares and thus the majority stake in Kapsch Telematic Services IOOO, Belarus. The remaining 33.45% stake in Kapsch Telematic Services IOOO continues to be held by Kapsch TraffiCom AG, Vienna.

Subsequently, Kapsch TrafficCom AG sold 75.5% of its shares in Parat Ltd., United Arab Emirates. The share transfer was recorded in the local register on January 6, 2025. Following the sale, 24.5% of the shares in Parat Ltd., United Arab Emirates, remain with Kapsch TrafficCom AG, Vienna.

The purchase price for the sale of the shares in Parat Ltd. consisted of a deferred base purchase price of EUR 2,800 thousand and other purchase price components and is reported under other current receivables in the amount of EUR 4,174 thousand as of March 31, 2025.

By selling its shares in Parat Ltd., United Arab Emirates, Kapsch TrafficCom AG, Vienna, lost control of its subsidiary Kapsch Telematic Services IOOO Minsk, Belarus.

Depreciation of **shares in affiliated companies** totaling EUR 21,991,899.92 in the 2024/25 fiscal year relates to Kapsch TrafficCom South Africa Holding (Pty) Ltd., Cape Town, South Africa, EUR 11,284,269.44; Kapsch Telematic Services GmbH, Vienna, EUR 3,909,836.84; SIMEX Integgracion de Sistemas, S.A.P.I. de C.V., Mexico City, Mexico, EUR 3,631,268.92; Kapsch Telematic Services Sp.z.o.o., Warsaw, Poland, EUR 3,109,924.15; Transport Telematic Systems LLC, Abu Dhabi, United Arab Emirates, EUR 29,567.30; and Kapsch TrafficCom Russia LLC, Moscow, Russia, EUR 27,031.27.

Of the shares in affiliated companies, EUR 63,345,088.01 thousand is attributable to Kapsch TrafficCom B.V., Amsterdam, Netherlands, which acts as the holding company of the Kapsch TrafficCom North America Group. Furthermore, loans to affiliated companies amounting to EUR 60,571,622 exist to the US companies (subsidiaries/grandparent companies of Kapsch TrafficCom B.V.).

Current assets.

Inventories.
Inventories included write-downs on goods amounting to EUR 2,116,818 (previous year: EUR 3,272 thousand)

Receivables.
The accounts receivable from trade and services with a remaining term of more than one year amounting to EUR 1,599 thousand relate to a long-standing customer of Kapsch TrafficCom AG.

The accounts receivable from affiliated companies relate to accounts receivable from trade and services amounting to EUR 110,995,133.51 (previous year: EUR 108,505 thousand), loan receivables amounting to EUR 43,771,793.99 (previous year: EUR 17,394 thousand) and dividend receivables amounting to EUR 1,465,578.82 (previous year: EUR 8,998 thousand).

Receivables from companies with participations relate to loan receivables amounting to EUR 822,508.68 (previous year: EUR 0 thousand).

Other receivables and assets mainly include research bonuses, receivables from the tax office, accrued receivables and other receivables.

Other receivables include income of EUR 9.329.869,15 (previous year: EUR 4,896 thousand), that will affect cash low only after the balnace sheet date. The increase is mainly due to the sale of Parat Ltd.

Deferresd tax assets.
Deferred tax assets amounting to EUR 4,383,691.40 (previous year: EUR 2,310 thousand) result from temporary differences from severance pay provisions, open sevenths from depreciation of shares in affiliated companies and investments as well as from fixed assets and also include the amounts of the subsidiary Kapsch Components GmbH & Co KG, Vienna, whose tax result is attributable to Kapsch TrafficCom AG, Vienna. Deferred taxes include long-term temporary differences in the amount of EUR 3,987,520.82 (prior year: EUR 2,229 k).

Deferred tax assets are recognized for tax loss carryforwards (internal loss carryforwards from group taxation) to the extent that this tax benefit is likely to be offset by furture taxable income.. The company has capitalized deferred taxes for tax losses amounting to EUR 20,643,809.00 (previous year: EUR 20,192 thousand), that can be offset against future taxable income on the basis of the tax planning calculation.

Shareholders' equity and liabilities.

Shareholders' equity.

Disclosures on share capital.
The company's registered share capital amounts to EUR 14,300,000.00 (March 31, 2024: EUR 14,300,000) due to a capital increase carried out in November 2023. The share capital is fully paid in. The total number of shares issued is 14,300,000. The shares are no-par value bearer shares.

Capital increase
On November 21, 2023, the offer period for the capital increase resolved on that day ended, in which a total of 1,300,000 new voting bearer shares (ordinary shares) were issued, of which 477,217 shares against cash contributions and 822,783 shares against contributions in kind. The issue and subscription price was EUR 9.00 per new share and the gross proceeds EUR 11.7 million. The increase in the tied capital reserve in the amount of EUR 10.4 million stems from the difference between gross proceeds of EUR 11.7 million from the capital increase and the share capital increase in the amount of EUR 1.3 million.

Authorization of repurchase of shares.
As of March 31, 2025, Kapsch TrafficCom held, as in the previous year, no treasury shares, no shares retained for options retained for options and no conversion rights

Proposed appropriation of retained earnings.
At the 2025 Annual General Meeting, the Management Board of Kapsch TrafficCom AG will propose not to distribute a dividend for the 2024/25 financial year and to carry forward the retained profit.

Amount subject to a prohibition of profit distribution.
Of the retained profit of EUR 33.9 million, an amount of EUR 25.0 million is prohibited from distribution in accordance with Section 235 Para. 2 of the Austrian Commercial Code (UGB).

Accruals and provisions.

Other accruals and provisions include the following items:

	March 31, 2024	March 31, 2025
	in EUR k	in EUR k
Project-based accruals and provisions (including impending losses)	6,168	3,243
Invoices not yet received (excl. projects)	3,511	5,042
Personnel-related accruals and provisions (including vacation accruals of EUR 3.640.059,42; prior year: EUR 3.265 k)	7,316	7,223
Warranties and liabilities for construction flaws, as well as production and system defects	1,269	1,021
Other accruals and provisions	1,170	1,083
Total	**19,434**	**17,611**

Accounts payable.

Of the payables bank loans and overdrafts in the amount of EUR 0.00 (prior year: EUR 0 k) have a remaining maturity of more than 5 years.

As at June 9, 2016 five promissory note bonds were issued.

The remaining tranches as at the balance sheet date March 31, 2023 are as follows:

Tranche	Interest rate	Interest fixing and interest payment	Repayment
EUR 8.5 million	2.26%	yearly	June 16, 2026

On March 26, 2025, Kapsch TrafficCom AG reached an agreement with its principal banks on a new long-term financing facility, which runs until March 29, 2030.

The syndicated new financing facility was concluded in the amount of EUR 104.6 million. As part of the new financing, existing financing arrangements with the banks were covered, and the total loan amount was increased by EUR 21.1 million. Furthermore, as part of the new financing, the existing financing of KTC USA Inc. in the amount of USD 26 million was repaid and assumed by Kapsch TrafficCom AG as part of the new EUR financing. EUR 35 million of the financing was arranged in the form of a revolving credit facility, which allows Kapsch TrafficCom AG to repay and redraw the credit facility depending on its liquidity situation. This flexibility will improve and optimize the current financing structure.

Approximately half of the total volume is due on March 29, 2030, and the other half is to be repaid to the banks through semi-annual repayments beginning on September 30, 2025. Kapsch TrafficCom AG undertakes to repay EUR 12.3 million in the 2025/2026 financial year. This amount may increase to up to EUR 15.0 million due to extraordinary effects resulting from an agreed mandatory special repayment due to extraordinary cash inflows.

The financing was concluded at standard market conditions, and part of the interest rate risk was hedged using an interest rate swap.

The financing was concluded at standard market conditions, and part of the interest rate risk was hedged using an interest rate swap. The Austrian Kontrollbank (OeKB) also remains an important partner in this financing solution and is securing part of the new financing through bill guarantees amounting to EUR 48.3 million.

As part of the refinancing, the banks lifted the pledge on the shares held by the main shareholder, KAPSCH Group Beteiligungs GmbH.

Liabilities to affiliated companies include loan liabilities amounting to EUR 28,845,742.23 (previous year: EUR 24,421 thousand) and trade payables amounting to EUR 74,189,274.01 (previous year: EUR 56,971 thousand). The increase results from higher service charges from affiliated companies in the USA and increased product production in the EU.

Other liabilities include expenses amounting to EUR 3,226,812.46 (previous year: EUR 2,939 thousand) that will only be paid after the balance sheet date.

Contingent liabilities and other financial obligations.

Values in EUR	March 31, 2024	March 31, 2025
Assumption of liabilities on behalf of subsidiaries	34,238	33,349,246
Bank guarantees for the performance of contracts relating to projects	46,502	37,686,125
Payment guarantees	161	2,089,886
Performance bonds	165,845	257,842,327
Other guarantees (security deposits, bid bonds and sureties)	1,274	776,166
Total	**248,020**	**331,743,750**

The increase in performance bonds is related to new customer projects in the United States and Canada.

Furthermore, performance guarantees were assumed by Kapsch TrafficCom AG, Vienna, for export transactions and projects of Kapsch TrafficCom AB, Jönköping, Sweden, with a contract value of EUR 8,121,355.91 (previous year: EUR 7.8 million).

Derivative financial instruments.

Figures as of March 31, 2025	**Nominal amount**	**Number**	**Fair value** [1]	**Book value**	**Balance sheet item**
Type of financial instrument					
Interest rate-related products					
Interest rate swap (09/2027)		1	540,024.64	0.00	n/a
Interest rate swap (05/2025)		1	-39,591.63	0.00	n/a
Interest rate swap (05/2025)		1	-69,604.16	0.00	n/a

1) A positive amount in this column refers to a positive fair value, a negative amount to a negative fair value.

Figures as of March 31, 2024	**Nominal amount**	**Number**	**Fair value** [1]	**Book value**	**Balance sheet item**
Type of financial instrument					
FX Rate Swap		1	240,308.77	0.00	n/a
Interest rate-related products					
Interest rate swap (05/2025)		1	715,964.73	0.00	n/a
Interest rate swap (05/2025)		1	-62,498.60	0.00	n/a
Interest rate swap (09/2027)		1	1,262,883.11	0.00	n/a

1) A positive amount in this column refers to a positive fair value, a negative amount to a negative fair value.

No provision was established because the positive fair values of the transactions per portfolio predominate.

The fair value corresponds to the market value.

E. Comments on income statement items.

Breakdown of net sales.

	March 31, 2024	**March 31, 2025**
	in EUR k	**in EUR**
Toll	193,010	156,912,820
Traffic management	28,893	30,775,306
Total net sales by field of activity	**221,903**	**187,688,126**
Domestic	12,920	15,132,627
European Union, excl. Austria	114,009	82,412,302
Non-European Union	94,974	90,143,197
Total net sales by region	**221,903**	**187,688,126**

Revenue decreased by EUR 36 million in the 2024/25 fiscal year compared to the previous year. Revenue in the 2023/24 fiscal year included a one-off effect of EUR 66.3 million related to the German passenger car toll.

Other operation income.

In the previous year, the reversal of a valuation allowance for a receivable from a customer in the amount of EUR 10.1 million was recorded under other operating income.

The “**Salaries**” item includes expenses from changes in provisions for anniversary bonuses amounting to EUR 45,963.48 (previous year: EUR 35,000).

The “**Expenses for severance payments** and contributions to company employee pension funds” item includes expenses from severance payments amounting to EUR 595,094.04 (previous year: income of EUR 553,000) and expenses from contributions to company employee pension funds amounting to EUR 575,576.43 (previous year: EUR 486,000).

Other operating expenses were further reduced to EUR 43,858,638.52 (previous year: EUR 48,679 thousand). Legal and consulting expenses decreased to EUR 4,012,776.33 (previous year: EUR 7,096 thousand), as did maintenance expenses to EUR 1,505,167.42 (previous year: EUR 2,181 thousand), and rental expenses decreased from EUR 4,998,608.81 in the previous year to EUR 2,795,682.16 in the 2024/25 fiscal year due to the return of office space. On the other hand, IT expenses increased to EUR 12,101,739.50 (previous year: EUR 10,188 thousand), and license and patent expenses increased to EUR 6,176,726.22 (previous year: EUR 4,293 thousand).

Regarding **auditor expenses**, please refer to the 2024/25 Consolidated Financial Statements of Kapsch TrafficCom AG.

Financial result.

Income from investments relates to dividends received from affiliated companies in the amount of EUR 18,383,842.45 and is not phased in.

Interest expense was reduced to EUR 5,276,164. In the past fiscal year 2023/24, interest expense of EUR 16,815 thousand was significantly impacted, primarily by the financing restructuring agreement in May 2023.

In addition, a distribution of EUR 2.5 million from autoTicket GmbH, Germany, is included in the item.

Income from the disposal of financial assets primarily relates to the sale of 75.5% of the shares in Parat Ltd., United Arab Emirates.

Expenses from financial assets relate to the write-down of shares in affiliated companies in the amount of EUR 23.301 thousand.

Taxes on income.

The Company is member of a tax group. Parent of the tax group is KAPSCH-Group Beteiligungs GmbH, Vienna. In accordance with section 9 para. 1 KStG (Austrian Corporate Income Tax Act), the relevant tax result of the respective group member is allocated to the relevant tax result of the participating group member or the group parent in the respective financial year. Pursuant to section 7 para. 2 KStG, the income is determined at the group parent based on the consolidated result of the group and taxed. Tax is allocated using the stand-alone method, whereby an allocation to the group parent only takes place in the event of a taxable profit. Tax losses are carried forward in the form of an internal loss carryforward and offset against future positive results

F. Other disclosures.

Disclosures on board members and staf.

The average number of employees during the 2024/25 fiscal year was 499 (previous year: 449).

The current remuneration (including pension fund contributions) of the Executive Board amounted to EUR 1,783,000 in the 2024/25 fiscal year (previous year: EUR 3,171,000). The reasons for the decrease were the non-achievement of profit-related compensation this year and the termination of Andreas Hämmerle's employment contract in June 2024. Expenses for severance payments and pensions for Executive Board members amounted to EUR 25,000 and relate to contributions to company employee pension funds (previous year: EUR 32,000). This results in total remuneration of the Executive Board in the 2024/25 fiscal year of EUR 1,783,000 (previous year: EUR 3,171,000).

Supervisory Board remuneration (including travel expenses) for the members of the Supervisory Board amounting to EUR 141,750.00 (previous year: EUR 118,000) was expensed.

As in previous years, no advances or loans were granted to members of the Management Board or Supervisory Board, nor were any guarantees issued in their favor.

The Management Board and Supervisory Board comprise the following individuals:

Executive Board.

Georg Kapsch (Chairman)
Alfredo Escribá Gallego
Samuel Kapsch (from April1, 2025)

Supervisory Board.

Franz Semmernegg (Chairman until September 4, 2024)
Sonja Hammerschmid (chairman since September 4, 2024)
Harald Sommerer (deputy chairman until September 4, 2024)
Monika Brodey (deputy chairman since September 4, 2024)
Martin Fellendorf (member since September 4, 2024)
Sonja Wallner (member since September 4, 2024)

Delegated by the works council:

Christian Windisch
Robert Kutschera

Subsequent events.

There were no other events after the balance sheet date to report.

Vienna, June 24, 2025

Georg Kapsch
Chief Executive Officer

Alfredo Escribá Gallego
Executive Board Member

Samuel Kapsch
Executive Board Member
(as of April 1, 2025)

Statement of all Members of the Executive Board.

Pursuant to Sec. 124 (1) Stock Exchange Act 2018

We declare to the best of our knowledge that the Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the Management Report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, June 24, 2025

Georg Kapsch
Chief Executive Officer

Alfredo Escribá Gallego
Executive Board Member

Samuel Kapsch
Executive Board Member
(as of April 1, 2025)

AUDITOR'S REPORT.

Report on the Financial Statements.

Audit Opinion

We have audited the financial statements of Kapsch TrafficCom AG, Vienna, which comprise the balance sheet as at March 31, 2025, the income statement for the financial year then ended and the notes.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as at March 31, 2025, and of its financial performance for the financial year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Company in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:
- Description
- Audit approach and key observations
- Reference to related disclosures

1 Valuation of shares in affiliated companies and participating interests as well as loans to and loan receivables from affiliated companies and participating interests

Description

As a holding company, Kapsch TrafficCom AG, Vienna, holds material shares in affiliated companies (book values in the amount of EUR 134,357k (prior year: EUR 138,442k)) and participating interests (book values in the amount of EUR 1.316k (prior year: EUR 2,556k)) as at March 31, 2025. Moreover, loans in the amount of EUR 60,572k (prior year: EUR 58,214k) to affiliated companies as well as loan receivables from affiliated companies in the amount of EUR 43,772k (prior year: EUR 17,394k).

Pursuant to section 204 para. 2 UGB, shares in affiliated companies and participating interests as well as loans to affiliated companies are to be written down in case a diminution in value occurs that is expected to be permanent. Pursuant to section 207 UGB, the strict lower of cost or market principle is to be taken into account for current assets (loan receivables). Write-ups are made if the reasons for the write-down no longer apply, however they are capped at acquisition cost.

In the financial year 2024/25, write-downs on the shares in affiliated companies in the amount of EUR 21,965k were made based on the tests for write-downs (thereof mainly EUR 11,284k on Kapsch TrafficCom South Africa Holding (Pty) Ltd, South Africa, EUR 3,110k on Kapsch Telematic Services sp. z o.o., Poland, EUR 3,631k on SIMEX Integgracion de Sistemas, S.A.P.I. de C.V, and EUR 3,910k on Kapsch Telematic Service GmbH (KTS), Austria).

Based on the expected business development, in the financial year 2024/25, write-downs on loan receivables from affiliated companies were made in the amount of EUR 1,212k. These write-downs mainly relate in the amount of EUR 1,149k to Tolltickets GmbH, Germany. No write-downs on loan receivables from participating interests were made.

No requirement for value adjustment of the book value of loans to affiliated companies has been identified.

Management believes that no further diminutions in value or reversals of write-downs (up to a maximum of the amount of acquisition cost) apply to shares in affiliated companies, participating interests as well as loans to affiliated companies and loan receivables from affiliated companies and participating interests as at March 31, 2025 and that, consequently, no further write-downs or write-ups are required.

Valuation of shares in affiliated companies and participating interests as well as in loans to affiliated companies and loan receivables from affiliated companies requires management to make material estimates on future market developments and the probability of the subsidiaries winning contracts in the planning period. This is particularly true for implementation projects with regard to tolling systems in the Tolling segment, where the order inflow is very volatile and contracts are usually awarded based on invitations to tender, which usually is associated with certain uncertainties. Moreover, there is a significant area of judgement involved in the valuation, in particular with regard to the discount rate and the long-term growth rate. With regard to the financial statements, there is a risk of an overstatement of shares in affiliated companies and participating interests due to these estimation uncertainties and it was therefore identified as key audit matter. The valuation of loans to affiliated companies is also subject to significant management estimates. These estimates relate to the future prospects of the subsidiaries and their ability to repay the outstanding loans. Due to this uncertainty, there is a risk of overstatement of loans to affiliated companies and loan receivables from affiliated companies in the financial statements, which is why they were also identified as a key audit matter.

- **Audit approach and key observations**

We assessed management's approach to the valuation of shares in affiliated companies and loans to affiliated companies to determine whether it appropriately identifies a potential need for diminutions in value.

We first gained an understanding of the valuation model itself and the key value drivers of the current values.

With the partial involvement of our internal valuation experts, we examined whether the selected valuation method complies with recognized valuation principles and analyzed and critically assessed the main drivers for future development (such as net sales, expenses, project planning, investments, changes in working capital) as well as the main risks for possible deviations from the planning assumptions and discussed them with management. The assumptions regarding the discount rate and the growth rate were checked by means of external market and industry data, and the calculation model was tested for mathematical accuracy. In addition, we have checked if the corresponding loan receivables have been adjusted in value.

The valuation models used by the Company are suitable to assess the valuation of the shares in affiliated companies and the participating interests as well as the loans to affiliated companies and loan receivables. The assumptions and valuation parameters used in the valuation are reasonable.

Reference to related disclosures

For further information, reference is made to the notes to the financial statements of Kapsch TrafficCom AG, Vienna, Section D. Comments on items in the balance sheet "Shares in affiliated companies and participating interests as well as loans to affiliated companies" and "Current assets, Receivables."

2 Estimates and assumptions regarding net sales, services not yet invoiced and project-related accruals in the accounting of inventories

- **Description**

Services not yet invoiced as at March 31, 2025 amount to EUR 2,192k (prior year: EUR 2,645k), project-related accruals (including accruals for impending losses) amount to EUR 3,243k (prior year: EUR 6,168k). Implementation projects, in particular, require an ongoing assessment and update of the contract costs and the risks from fulfilling the contracts which may result from technical and time delays, supply chain bottlenecks or other external framework conditions and influence the project margin. Furthermore, damages or contractual penalties can arise from these contracts which have to be considered in the project valuation and require a risk assessment. The major projects of the Company usually are technologically complex individual contracts with specific terms of contract and therefore have to be assessed individually with regard to revenue recognition and project risks.

Due to the material impact of the major projects, in particular during the construction phase, on the Company's financial position and financial performance and the considerable estimates involved in the accounting for these contracts, there is the risk that the project revenue, the result and the related services not yet invoiced and project-related accruals contain a material misstatement, and this was therefore identified as key audit matter.

- **Audit approach and key observations**

Within the framework of our risk-based audit approach, we gained an understanding of the processes and internal controls relevant for the accounting of construction contracts and tested the effectiveness of selected internal key controls. This mainly referred to internal controls in connection with the approval of order calculation upon the conclusion of new contracts as well as approval of the ongoing recalculation. In the course of our detailed audit procedures, we requested the project valuations for random samples of projects and reperformed the calculation of the accruals/deferrals and accruals for those projects based on plan revenue and costs as well as the costs incurred up until the balance sheet date. We looked at project requests, customer contracts, Supervisory Board minutes, the project budgeting tool as well as detailed cost estimates and held discussions with the project managers and the management team regarding the status of the project, project risks and planning assumptions. In assessing the appropriateness of the estimates, a particular focus was on the review of the regular update of plan assumptions, in particular on the planned cost to complete and the planned project margin. In order to assess the accuracy of the estimates, we requested and checked the purchase orders and contracts for both actual and planned revenue.

The valuation methods used and the underlying assumptions in the valuation of the project are reasonable and comply with the provisions of the UGB.

- **Reference to related disclosures**

For further information, reference is made to the notes to the financial statements of Kapsch TrafficCom AG, Vienna, Section C. Accounting and valuation methods “2.1. Inventories” and “5. Accruals and provisions” as well as Section D. Comments on items in the balance sheet under “Accruals and provisions”.

3 Recognition of deferred tax assets

- **Description**

In the financial statements, deferred tax assets in the amount of EUR 25,008k (prior year: EUR 22,502k) are reported which are mainly attributable to internal loss carry-forwards from the tax group. The Company recognizes deferred tax assets up to the extent it is probable that sufficient taxable profits will be available against which the temporary differences as well as unused tax loss carry-forwards can be utilized. In the case of a history of losses, capitalization only occurs to the extent that there is convincing substantial evidence that sufficient taxable income will be available in the future. The planning horizon in this context is six years.

The recognition of deferred taxes requires management to make significant estimates as regards future market and business development within the planning horizon, which is usually subject to a degree of uncertainty. With regard to the financial statements, there is a risk of an overstatement of deferred tax assets due to these estimation uncertainties, and they were therefore identified as key audit matter.

- **Audit approach and key observations.**

We examined whether the assumptions used in the future cash flows are plausible and transparent, and we analyzed and critically assessed the essential drivers for future development (revenue growth, earnings margin, investment planning). Furthermore, we analyzed and critically assessed the adjustments to the tax planning result. The calculation model was tested for mathematical accuracy and the tax rates used were reconciled with external sources. We evaluated in particular whether there is convincing evidence that sufficient taxable profits will be available against which the unused tax loss carryforwards can be utilized. Further, we evaluated whether the disclosures on deferred taxes provided in the notes are appropriate.

The model used by the Company is suitable to recognize deferred tax assets in accordance with the provisions of the UGB. The assumptions used in the valuation are reasonable. The disclosures in the notes required by UGB are complete.

- **Reference to related disclosures.**

The Company's disclosures on the recognition of deferred taxes are included in Section C. Accounting and valuation methods under "Deferred tax assets" as well as Section D. Comments on items in the balance sheet under "Deferred tax assets".

Other Information.

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the management report and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements.

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Austrian Generally Accepted Accounting Principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.
We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, on measures taken to eliminate identified threats or on applied safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements.

Comments on the Management Report for the Company.

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the management report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report.

Opinion.

In our opinion, the management report for the Company was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a UGB, and is consistent with the financial statements.

Statement.

Based on the findings during the audit of the financial statements and due to the obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Additional Information in Accordance with Article 10 of the EU Regulation.

We were elected as statutory auditor at the ordinary general meeting dated September 4, 2024. We were appointed by the Supervisory Board on October 3, 2024. We have audited the Company’s financial statements for an uninterrupted period since 2002.

We confirm that the audit opinion in the “Report on the Financial Statements” section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner.

Responsible for the proper performance of the engagement is Frédéric Vilan, Austrian Certified Public Accountant.

Vienna,
June 24, 2025

PwC Wirtschaftsprüfung GmbH

Frédéric Vilain
Austrian Certified Public Accountant

signed

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the financial statements together with our auditor's report is only allowed if the financial statements and the management report are identical with the German audited version. This auditor's report is only applicable to the German and complete financial statements with the management report. For deviating versions, the provisions of section 281 para. 2 UGB apply.

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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 and traffic 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 2024/25 financial year, over 3,000 employees generated revenues of EUR 530 million.

>>> www.kapsch.net

Kapsch TrafficCom AG | Am Europlatz 2 | 1120 Vienna | Austria | www.kapsch.net
Investor contact | Marcus Handl, Teresa Hartlieb | Phone +43 50 811 1122 | IR.kapschtraffic@kapsch.net
Press contact | Sandra Bijelic | Phone +43 50 811 1720 | sandra.bijelic@kapsch.net