EN

Kapsch TrafficCom

Report on the first three quarters of 2018/19.

Selected key data.

2018/19 and 2017/18: refers to the respective fiscal year (April 1 – March 31)
Q1-Q3: first three quarters of the fiscal year (April 1 – December 31)
Q3: third quarter of the fiscal year (October 1 – December 31)
All figures presented in EUR million unless otherwise stated

Earnings Data	**2017/18**	**Q3 2017/18**	**Q3 2018/19**	**+/-**	**Q1-Q3 2017/18**	**Q1-Q3 2018/19**	**+/-**
Revenues	693.3	167.1	197.2	18.1%	506.9	533.1	5.2%
Share of ETC segment	75.2%	75.5%	73.4%	-2.1%p	76.3%	76.3%	0.0%p
Share of IMS segment	24.8%	24.5%	26.6%	2.1%p	23.7%	23.7%	-0.0%p
EBITDA	64.9	13.9	19.3	38.8%	46.7	44.1	-5.5%
EBITDA margin	9.4%	8.3%	9.8%	1.5%p	9.2%	8.3%	-0.9%p
EBIT	50.1	10.0	15.8	57.1%	35.3	33.6	-4.9%
EBIT margin	7.2%	6.0%	8.0%	2.0%p	7.0%	6.3%	-0.7%p
Result before taxes	44.2	11.8	19.3	63.7%	30.6	31.3	2.3%
Result for the period	28.0	8.9	13.5	52.5%	22.9	21.9	-4.5%
Result for the period attributable to equity holders	28.7	9.1	13.9	52.9%	23.4	23.0	-1.9%
Earnings per share in EUR	2.21	0.70	1.07	52.9%	1.80	1.77	-1.9%
Business segments	**2017/18**	**Q3 2017/18**	**Q3 2018/19**	**+/-**	**Q1-Q3 2017/18**	**Q1-Q3 2018/19**	**+/-**
Electronic Toll Collection (ETC)							
Revenues	521.6	126.1	144.8	14.8%	386.9	406.9	5.2%
EBIT	53.5	9.7	15.5	59.3%	41.8	40.3	-3.6%
EBIT margin	10.3%	7.7%	10.7%	3.0%p	10.8%	9.9%	-0.9%p
Intelligent Mobility Solutions (IMS)							
Revenues	171.6	41.0	52.4	28.0%	120.0	126.1	5.2%
EBIT	-3.4	0.3	0.3	-9.3%	-6.5	-6.7	-3.4%
EBIT margin	-2.0%	0.8%	0.6%	-0.2%p	-5.4%	-5.3%	0.1%p
Revenues by region	**2017/18**	**Q3 2017/18**	**Q3 2018/19**	**+/-**	**Q1-Q3 2017/18**	**Q1-Q3 2018/19**	**+/-**
EMEA	63.7%	65.9%	58.3%	-7.6%p	65.9%	60.3%	-5.6%p
Americas	30.2%	28.0%	34.1%	6.1%p	28.6%	32.8%	4.2%p
APAC	6.1%	6.1%	7.6%	1.5%p	5.5%	6.9%	1.4%p
Balance sheet data	**March 31, 2018**					**Dec. 31, 2018**	**+/-**
Total assets	621.1					632.2	1.8%
Total equity [1]	229.9					234.4	2.0%
Equity ratio [1]	37.0%					37.1%	0.2%p
Net cash (+)/debt (-) [2]	16.2					-42.9	—
Gearing [3]	—					18.3%	—
Capital employed [4]	398.4					403.1	1.2%
Net working capital [5]	239.2					236.4	-1.2%
Cash flow	**2017/18**	**Q3 2017/18**	**Q3 2018/19**	**+/-**	**Q1-Q3 2017/18**	**Q1-Q3 2018/19**	**+/-**
Net CAPEX [6]	8.8	2.4	3.2	37.6%	4.8	6.0	25.2%
Free cash flow [7]	33.1	41.6	-15.8	—	40.6	-32.7	—
Other information	**2017/18**				**Q1-Q3 2017/18**	**Q1-Q3 2018/19**	**+/-**
Employees, end of period	5,259				5,250	4,932	-6.1%
On-board units, in million units	12.65				9.73	10.58	8.8%

1) Incl. non-controlling interests
2) Cash and cash equivalents + other current financial assets - financial liabilities
3) Net debt/equity
4) Total equity + financial liabilities
5) Inventories + current tax receivables + trade receivables + current contract assets - trade payables - current tax payables - current contract liabilities
6) Investments for purchase and payments from the disposal of property, plant and equipment and intangible assets
7) Net cash flow from operating activities - net CAPEX

Highlights Q1-Q3 2018/19.

Revenues Q1-Q3

EUR 533.1 million
5.2%

EBIT Q1-Q3

EUR 33.6 million
-4.9%

Earnings/share Q1-Q3

EUR 1.77
-1.9%

Record revenues in the third quarter of 2018/19; EBIT increased sequentially and year-on-year.

- Revenues: +18.1% compared to Q3 2017/18, +11.0% compared to Q2 2018/19.
- EBIT: +57,1% compared to Q3 2017/18, +47,7% compared to Q2 2018/19.

Nation-wide toll systems.

- Germany: Joint venture with CTS EVENTIM commissioned to collect passenger vehicle toll.
- Germany: Contract for the automatic enforcement of the passenger vehicle toll.
- Poland: Support of the continued operation of the nation-wide toll system during a transition period of up to 27 months.
- Switzerland: Modernization of the truck toll system and maintenance until 2020, renewable annually until the end of 2024.

Select new business.

- Spain: Projects in León (IMS), Irún (ETC) and Bilbao (IMS). Kapsch TrafficCom offers solutions in more than 20 cities all over the country.
- Latin America: Three contracts for urban traffic management in Buenos Aires (Argentina), Lima (Peru) and Panama City (Panama).
- Texas, USA: Upgrade of the Traveller Information System in Dallas-Fort Worth.

M&A.

- Minority interest in ParkJockey, USA, sold.
- Acquisition of eTrans, USA.
- Increase of minority interest in Traffic Technology Services (TTS), USA.
- EETS: Joint Venture with Axxès to build and operate a sustainable technology platform.

Outlook for fiscal year 2018/19:

- Increase in revenues compared to the previous year.
- EBIT at previous year's level.

Women on the Supervisory Board.

- Sabine Kauper re-elected to the Supervisory Board by the Annual General Meeting. Term of office until the end of the Annual General Meeting which decides on the formal approval of the fiscal year 2021/22.
- As of November 21, 2018, the works council delegated Ms Claudia Rudolf-Misch to the Supervisory Board, where she replaced Mr Martin Gartler.
- Thus, two out of a total of six Supervisory Board positions are now filled by women.

Letter from the CEO.

Dear Shareholders,

Highest quarterly revenue in the history of the Group.

The **third quarter of 2018/19** was very successful for Kapsch TrafficCom. Compared to the period from October to December 2017, we were able to increase revenues by 18.1% to EUR 197.2 million. This are the highest quarterly revenues in the history of the Group. The operating result (EBIT) increased by 57.1% to EUR 15.8 million. The EBIT margin increased from 6.0% in the previous year to 8.0%. The write-down of a tax asset in Brazil amounting to EUR 4.0 million unfortunately prevented an even better EBIT.

In the third quarter, we were able to increase revenues in both segments: The Electronic Toll Collection (ETC) segment increased by 14.8% year-on-year to EUR 144.8 million and Intelligent Mobility Solutions (IMS) grew by 28.0% to EUR 52.4 million. The development of profitability in the ETC segment, where EBIT increased by 59.3% to EUR 15.5 million, was particularly pleasing. At EUR 0.3 million, the EBIT of the IMS segment was again positive and at the level of the previous year.

Q1-Q3 2018/19:
> Revenues 5.2%
> EBIT -4.9%

The last very successful months largely helped us make up for the disappointing results at the beginning of the fiscal year. Thus, revenues in the period **Q1-Q3 2018/19** increased by 5.2% to EUR 533.1 million. At EUR 33.6 million, the EBIT was 4.9% lower than during the same period of the previous year (at the half-year mark it was still 29.5%).

The financial result for the first nine months of 2018/19 amounted to EUR -2.3 million and was EUR 1.8 million better than in the same period of the previous year. This positive one-off effect was due to the sale of our minority interest in ParkJockey, USA, (EUR 5.1 million) and negative foreign currency effects, especially in connection with the South African Rand (EUR -5.3 million). Tax expenses amounted to EUR 9.4 million (previous year: EUR 7.7 million). Profit for the period of Q1-Q3 2018/19 was EUR 21.9 million (previous year: EUR 22.9 million), which corresponds to earnings of EUR 1.77 per share (previous year: EUR 1.80).

Solid balance sheet:
> Gearing: 18.3%
> Equity ratio: 37.1%

At EUR -32.7 million, the free cash flow was significantly below the previous year's level of EUR +40.6 million. This was primarily due to higher receivables and inventories. Due to the negative free cash flow and the dividend payment (EUR 19.5 million), net debt increased to EUR 42.9 million (March 31, 2018: net cash of EUR 16.2 million). This corresponds to a gearing ratio of 18.3%. The equity ratio remained strong at 37.1% (March 31, 2018: 37.0%).

Highlights.

The issue of car tolls in **Germany** certainly defined the third quarter. Our joint venture with CTS Eventim, in which both companies hold 50%, was commissioned to collect the tolls. After an implementation period, the term is 12 to 15 years from the collection of the toll (i.e. from October 2020). The total order volume for the minimum duration is approximately EUR 1.6 billion.

We will consolidate the joint venture according to the equity method, i.e. 50% of the profit for the period will be included in Kapsch TrafficCom's EBIT. As most of the project financing was provided by banks directly to the joint venture and most of the costs for the implementation of the toll system will (only) be compensated by the German federal government as a separate remuneration component over the minimum contract term, the financing costs in the first years have a significant impact on earnings for the period. For the calculation of taxes, we assume a mixed rate (for corporation tax and trade tax) of around 30%.

Furthermore, we were previously mandated as the sole service provider for the automatic control of the car toll in a separate awarding procedure. Depending on the call for optional services, an order volume (over the entire term) of less than EUR 100 million up to EUR 120 million is possible. The contract term is identical to that of the collection project.

In January 2018, the tender for the operation of the nation-wide toll system in **Poland** was stopped. That was certainly not good news for us and our shareholders. During very constructive talks, we were able to reach an agreement with the Polish authorities that benefited both parties. After the expiration of our (old) contract on November 2, Kapsch TrafficCom will support the operation of the toll system for another 27 months. Nonetheless, the scope of services was significantly reduced: the local team was scaled down by around 460 people – almost all of whom continue to work with truck tolls but are no longer employed by us. However, we continue to provide the value-added services. The average monthly revenue is EUR 2.4 million.

In **Bulgaria**, Kapsch TrafficCom has been tasked with the implementation of nation-wide toll systems for cars and trucks since the beginning of 2018. In December 2018, an important milestone was reached: the customer accepted the car toll system and it went into operation in January 2019. During the course of this year, the truck toll system will also be handed over to the customer and put into operation. All payments for our implementation services will be received in the coming fiscal year.

In the **Czech Republic**, where we operate the current truck toll system, the Minister of Transport signed a contract with a competitor for the implementation and operation of a new nation-wide toll system. We believe that both the tender and the contract should be seriously questioned for various reasons and have taken legal action in this regard. At the same time, we must acknowledge that the Minister's signature created facts that did not improve our position.

The European Electronic Toll Service (**EETS**) allows the payment of tolls in Europe through a single contractor (EETS provider) and with only one on-board unit. The group company tolltickets is already registered as an EETS provider and is currently working on certification for the various toll collectors. Furthermore, Kapsch TrafficCom already has EETS-enabled on-board units, which are approved even in Italy, where special technology is required. In the third quarter, we formed a joint venture with the French company Axxès, which operates a technology platform for the EETS activities of both companies (which remain competitors in the market). Furthermore, we are cooperating with the Austrian mineral oil company OMV in a joint solution for the payment of tolls under the EETS regime.

Business development in **North America** continues to be very dynamic. In the first three quarters of 2018/19, we secured more than 75 projects with an estimated total volume of around EUR 200 million. The market also offers considerable growth potential, even when looking to the future. Although we have increased the number of employees by more than 85 in the US alone in the last twelve months, we will continue to take on more staff in order to sustainably drive growth.

In 2017, we received a nation-wide concession for traffic safety and traffic management activities in **Zambia**. The formal start of the project was on January 1, 2018 and we are currently in the start-up phase. Although project progress is being delayed due to contractual and regulatory challenges, we are confident that we will soon overcome them.

Mergers & acquisitions.

Active acquisition policy:
> Strengthen portfolio
> Open up geographical markets
> Increase market share
> Sell holdings, if necessary

Kapsch TrafficCom's strategy continues to be to acquire companies and divisions in order to strengthen its own portfolio, open up geographical markets or increase market share. The aim is to achieve a leading position in all major regional markets. We aim to secure access to innovative technologies and solutions through strategic investments. In the third quarter of 2018/19, we acquired eTrans Systems (eTrans), a provider of connected and autonomous vehicle solutions based in Virginia, USA. In addition, we significantly increased our minority interest in Traffic Technology Services Inc. (TTS), USA.

At the same time, we are questioning existing holdings and companies with regard to these strategic objectives and are prepared to divest from them when the opportunity presents itself if they do not (or no longer) meet these objectives. For example, we no longer consider the 15.4% stake in Q-Free ASA of Norway to be strategic. We sold the minority interest in ParkJockey Global Inc. (ParkJockey), USA, in December 2018. Kapsch TrafficCom had been involved in this company since 2016. It provides intelligent parking solutions for parking garages and other off-street parking spaces. The increased integration of additional, non-transport-related services by ParkJockey, however, reduced the strategic contribution to the core business of Kapsch TrafficCom.

Corporate Governance.

Two of the six members of the Supervisory Board are women.

At the Annual General Meeting on September 6, 2018, Mrs. Sabine Kauper was re-elected to the Supervisory Board – her term of office ends at the close of the Annual General Meeting, which decides on the approval for the fiscal year 2021/22. On November 21, 2018, the Works Council delegated Mrs. Claudia Rudolf-Misch to the Supervisory Board, where she replaced Mr. Martin Gartler. Thus, two out of a total of six Supervisory Board positions are now filled by women.

Analysts.

The following financial institutions publish reports on the share: Erste Group Bank, Kepler Cheuvreux (here the analyst changed in December 2018), ODDO Seydler Bank (due to changes in the ODDO BHF Group, the analysis will in future be provided by FMR Frankfurt Main Research but the analyst remains the same), and Raiffeisen Centrobank. Matelan Research discontinued its analysis of Kapsch TrafficCom in the summer of 2018.

Outlook.

Outlook 2018/19:
> Increase in revenues
> EBIT at previous year's level

Based on the results for the first three quarters of 2018/19, I expect revenues to increase this fiscal year compared to the previous year. EBIT (excluding currency and special effects) is expected to reach the previous year's level.

The departure of the United Kingdom from the EU (Brexit) in spring 2019 should not have a significant impact on Kapsch TrafficCom's results. Our local revenues there are in the single-digit million range.

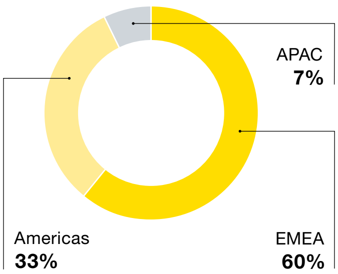
Sincerely,

Georg Kapsch
Chief Executive Officer

Analysis of the Results and Balance Sheet Q1-Q3 2018/19.

Revenues and earnings.

Revenues by region.



In the first three quarters of the current fiscal year, Kapsch TrafficCom's revenues reached EUR 533.1 million and were thus 5.2% above the previous year's level. The transition to the new accounting standard IFRS 15 did not result in any changes in revenue recognition.

The operating result (EBIT) of EUR 33.6 million was 4.9% below the previous year's figure. An impairment of other tax receivables of EUR 4.0 million in Brazil prohibited an increase in EBIT. The EBIT margin fell to 6.3% (previous year: 7.0%) mainly due to the disappointing result of the first quarter. Currency effects from operating activities (net) had a positive effect of EUR 1.5 million in the first three quarters of the current fiscal year, while they were negative with EUR -4.8 million in the same period of the previous year.

The financial result increased by EUR 1.8 million in the first three quarters of 2018/19 compared to the previous year. On the one hand the sale of the investment in ParkJockey Global Inc., USA, increased the financial result by EUR 5.1 million, on the other hand that was offset by negative exchange rate fluctuations (EUR -5.3 million). Higher currency losses and lower currency gains resulted mainly from exchange rate fluctuations of the South African rand in respect to the Euro.

In the first three quarters of 2018/19, a tax rate of 30% was applied to the Group's pre-tax result (previous year: 25%). This gives rise to a tax expense of EUR -9.4 million (previous year: EUR -7.7 million).

The profit for the period for the first three quarters of 2018/19 therefore decreased slightly by 4.5% to EUR 21.9 million.

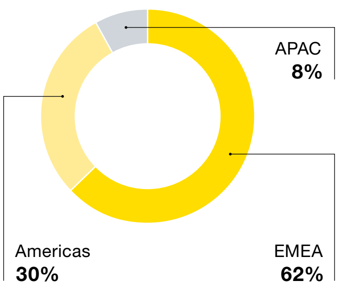
The segments developed as follows in the first three quarters of 2018/19:

**ETC revenues:
EUR 406.9 million (+5.2%).**

Electronic Toll Collection (ETC).

Revenues. Revenues in the ETC segment increased by 5.2% to EUR 406.9 million in Q1-Q3 2018/19 and thus contributed 76.3% to total revenues as in the previous year.

ETC revenues by region.



With EUR 250.3 million, the largest contribution to revenues continued to be generated in the EMEA region with the nation-wide toll projects in the Czech Republic, Poland, Belarus and Austria as well as projects in South Africa (previous year: EUR 265.5 million). The volume of implementation projects decreased compared to the same period of the previous year (-2.9%) as well as the volume of operations projects (-7.7%). The decrease in operations projects mainly relates to the expiration of the old contract relating to the nation-wide toll system in Austria and a new contract with a significantly lower project volume.

Revenues in the Americas region rose to EUR 121.6 million in the first three quarters of the year (Q1-Q3 2017/18: EUR 97.0 million). In particular, the volume of implementation projects increased in comparison with the same period of the previous year (+56.2%).

In the APAC region, a rise in revenues compared to the same period of the previous year was recorded as well (EUR +11.1 million to EUR 35.0 million), especially for implementation projects in Australia.

In the first three quarters of the fiscal year 2018/19, 10.58 million on-board units were sold (previous year: 9.73 million units). Increases were recorded primarily in the USA and Chile, while sales, particularly in Sweden and Denmark, declined compared to the same period in the previous year.

Revenues in this segment are broken down by business type as follows:

in EUR million	Q1-Q3 2017/18	Q1-Q3 2018/19	+/-
Revenues	**386.9**	**406.9**	**5.2%**
Implementation	99.4	125.1	25.8%
Operations	208.6	199.7	-4.3%
Components	78.8	82.1	4.2%
EBIT	**41.8**	**40.3**	**-3.6%**

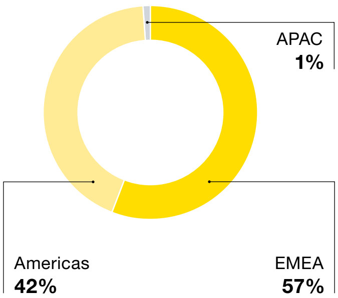
ETC EBIT:
EUR 40.3 million (-3.6%).

EBIT. The operating result in the ETC segment amounted to EUR 40.3 million for the first three quarters 2018/19. This constitutes a decrease of 3.6% compared to the first three quarters of 2017/18. The main reason was that cost of materials and other production services increased faster than revenues. In addition, legal and consulting fees rose (EUR +1.2 million). On the other hand, maintenance costs and marketing and advertising expenses fell by EUR 1.7 million and EUR 1.0 million respectively. The currency result from operating activities improved by EUR 6.4 million to EUR 2.1 million (foreign currency gains increased by EUR 1.5 million and foreign currency losses decreased by EUR 4.9 million).

IMS revenues:
EUR 126.1 million (+5.2%).

Intelligent Mobility Solutions (IMS).
Revenues. Revenues in the IMS segment increased by 5.2% to EUR 126.1 million, thus contributing 23.7% to total revenues as in the previous year.

IMS revenues by region.



Increases in revenues were recorded in the Americas region (+10.0%) and in the EMEA region (+4.2%) while in the APAC region revenues decreased (-52.6%). The growth in implementation volumes, especially in Zambia, and an increase in component sales yielded to that positive development.

Revenues in this segment are broken down by business type as follows:

in EUR million	Q1-Q3 2017/18	Q1-Q3 2018/19	+/-
Revenues	**120.0**	**126.1**	**5.2%**
Implementation	53.4	57.9	8.4%
Operations	59.6	59.0	-0.9%
Components	7.0	9.2	30.9%
EBIT	**-6.5**	**-6.7**	**-3.4%**

IMS EBIT:
EUR -6.7 million (-3.4%)

EBIT. The operating result in the IMS segment amounted to EUR -6.7 million in the first three quarters of 2018/19 and was at the previous year's level (EUR -6.5 million). Cost of materials and other production services decreased, staff costs remained on the previous year's level and other operating expenses increased sharply due to the impairment of other tax receivables amounting to EUR -4.0 million. The investment in Intelligent Mobility Solutions Ltd. in Zambia, which is fully consolidated from September 2018, recorded exchange rate losses that had a negative effect on the EBIT. In addition, operating losses in the business area Smart Urban Mobility contributed to the result.

Financial situation.

The balance sheet total of Kapsch TrafficCom as at December 31, 2018 amounted to EUR 632.2 million (March 31, 2018: EUR 621.1 million).

Assets.
"Intangible assets" increased by EUR 15.0 million in the first three quarters of 2018/19. This increase was primarily due to the full consolidation of Intelligent Mobility Solutions Ltd., Zambia (EUR 12.7 million). As a result, "interests in associates and joint ventures" decreased by EUR 7.5 million as at December 31, 2018. Due to the increase in shares in Traffic Technology Services Inc., USA, "interests in associates and joint ventures" increased by EUR 9.3 million. This company is reported as associated company as of December 31, 2018 (before as other investment). "Other non-current financial assets and investments" decreased due to the reclassification as well as due to the sale of the investment in ParkJockey Global Inc., USA to EUR 15.1 million (March 31, 2018: EUR 23.2 million).

Previously, amounts due from customers for contract work as well as for service and maintenance contracts (March 31, 2018: EUR 83.9 million) were included in "trade receivables and other current assets". In accordance with IFRS 15, the receivables now referred to as "contract assets" are presented separately for the first time in the fiscal year 2018/19 (non-current: EUR 22.2 million; current: EUR 127.2 million). As a result of this separate presentation, "trade receivables and other current assets" fell compared to March 31, 2018. The decline of EUR 101.6 million in total also resulted from lower trade receivables in the USA, in Czech Republic and Austria and higher receivables in Belarus.

"Cash and cash equivalents" decreased by EUR 56.6 million compared to the level as of March 31, 2018. This was mainly due to the dividend payment (EUR 19.5 million) and the negative free cash flow in the first three quarters of 2018/19.

Liabilities and equity.
"Contract liabilities" are presented separately for the first time in the fiscal year 2018/19, in accordance with IFRS 15 (non-current: EUR 10.5 million; current: EUR 37.7 million). Previously, amounts due to customers for

contract work (March 31, 2018: EUR 31.5 million) were included in the balance sheet item “other liabilities and deferred income”, which consequently fell significantly compared to March 31, 2018. The decrease also resulted from the final payment of earn-out liabilities in connection with the acquisition of Kapsch Telematic Services GmbH, Vienna, in the amount of EUR 3.5 million in the first quarter of 2018/19.

“Equity” increased by EUR 4.5 million to EUR 234.4 million compared to March 31, 2018. “Total comprehensive income for the period” amounting to EUR 21.9 million contributed positive to equity as well as the increase in minority interests due to the full consolidation of Intelligent Mobility Solutions Ltd., Zambia, in the amount of EUR 3.4 million. The paid dividend in the amount of EUR 19.5 million decreased equity as well as exchange rate differences (EUR 1.2 million). The first-time adoption of the new standards IFRS 15 and IFRS 9 had a negative impact of EUR 0.5 million. The equity ratio as at December 31, 2018 was at 37.1% (March 31, 2018: 37.0%).

Cash flow.

Net cash flow from operating activities amounted to EUR -26.7 million in the first three quarters of the fiscal year 2018/19 (previous year: EUR +45.4 million). The decline is due to the slightly lower operating result in the reporting period and mainly due to an increase in the amount of EUR 47.5 million in “trade receivables and other current assets” including “contract assets” (previous year: decrease of EUR 23.0 million) and an increase in the amount of EUR 13.9 million in inventory (previous year: EUR 0.3 million).

Net cash flow from investing activities amounted to EUR -1.0 million in the first three quarters of 2018/19, which is less negative than the figure in the first three quarters of 2017/18 (EUR -15.3 million). EUR 0.9 million were paid in the first three quarters of the year for the acquisition of additional shares in Intelligent Mobility Solutions Ltd., Zambia and EUR 6.8 million were paid for additional shares in Traffic Technology Services Inc., USA. The net CAPEX for property, plant and equipment and intangible assets increased to EUR -6.0 million compared to EUR -4.8 million in the previous year. The sale of ParkJockey Global Inc., USA contributed with EUR 10.7 million positive to the cash flow from investing activities for Q1-Q3 2018/19.

Net cash flow from financing activities was also negative at EUR -26.6 million in the first three quarters of the year (previous year: EUR -94.5 million). Thereof EUR -19.5 million resulted from the divided payment and EUR -5.8 million from the settlement of earn-out liabilities in connection with previous acquisitions. In the previous year the corporate bond was repaid (EUR -70.8 million).

Free cash flow (net cash flow from operating activities minus net CAPEX) of EUR -32.7 million was significantly below the previous year’s figure of EUR +40.6 million, reflecting the slightly weaker operating result and the increase in net working capital to EUR 48.7 million (previous year: decrease of EUR 22.7 million).

Cash and cash equivalents as of December 31, 2018 amounted to EUR 125.2 million (March 31, 2018: EUR 181.8 million).

Key figures.

Net working capital amounted to EUR 236.4 million as at December 31, 2018 (March 31, 2018: EUR 239.2 million). While “amounts due from customers for contract work” being part of the position “trade receivables and other current assets” have already been included in the calculation of net working capital, “amounts due to customers for contract work” being part of the position “other liabilities and deferred income” were not previously included. The separate presentation of “current contract liabilities” which is required in accordance with IFRS 15 prompted Kapsch TrafficCom to consider this position in the calculation of net working capital as of the current fiscal year.

As at December 31, 2018, Kapsch TrafficCom reported net debt in the amount of EUR 42.9 million (March 31, 2018: net cash of EUR 16.2 million). This corresponds to a gearing ratio of 18.3% (March 31, 2018: n/a).

Vienna, February 20, 2019

The Executive Board

Georg Kapsch
Chief Executive Officer

André Laux
Executive Board member

Alexander Lewald
Executive Board member

Condensed Consolidated Interim Financial Information *as of December 31, 2018.*[*)]

Kapsch TrafficCom – Consolidated statement of comprehensive income.

All amounts in TEUR	Note	Q3 2017/18	Q3 2018/19	Q1-Q3 2017/18	Q1-Q3 2018/19
Revenues	(3)	167,081	197,241	506,914	533,080
Other operating income	(4)	4,422	2,830	7,117	8,337
Changes in finished and unfinished goods and work in progress		24	5,296	1,645	9,180
Other own work capitalized		435	-224	540	-224
Cost of materials and other production services		-70,577	-86,133	-201,187	-226,661
Staff costs		-58,960	-64,508	-174,224	-184,665
Amortization and depreciation		-3,875	-3,542	-11,415	-10,551
Other operating expenses	(5)	-28,885	-35,171	-94,464	-95,179
Proportional result of associates and joint ventures [2)]	(8)	384	0	384	268
Operating result		**10,049**	**15,787**	**35,309**	**33,584**
Finance income		2,215	5,576	4,324	7,549
Finance costs		-447	-2,015	-8,351	-9,825
Financial result		**1,767**	**3,562**	**-4,027**	**-2,276**
Results from associates and joint ventures from financial investments [3)]	(8)	5	0	-683	0
Result before income taxes		**11,821**	**19,349**	**30,600**	**31,309**
Income taxes	(6)	-2,950	-5,825	-7,651	-9,393
Result for the period		**8,871**	**13,524**	**22,949**	**21,916**
Result attributable to:					
Equity holders of the company adjusted [1)]		9,095	13,908	23,399	22,954
Non-controlling interests adjusted [1)]		-224	-384	-450	-1,038
		8,871	**13,524**	**22,949**	**21,916**
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR)					
diluted and undiluted [1)]		0.70	1.07	1.80	1.77
Other comprehensive income for the period					
Items subsequently to be reclassified to the result for the period:					
Currency translation differences		-1,655	-397	1,157	-3,605
Currency translation differences from net investments in foreign operations		-681	482	-4,935	3,167
Fair value gains/losses on financial assets:					
Fair value gains/losses recognized in other comprehensive income		769	0	-21	0
Fair value adjustments of cash flow hedges		14	0	51	61
Income tax relating to items subsequently to be reclassified to the result for the period		167	-121	1,239	-792
Total items subsequently to be reclassified to the result for the period		**-2,926**	**-35**	**-2,509**	**-1,168**
Total items subsequently not to be reclassified to the result for the period		**0**	**0**	**0**	**0**
Other comprehensive income for the period net of tax		**-2,926**	**-35**	**-2,509**	**-1,168**
Total comprehensive income for the period		**5,945**	**13,489**	**20,440**	**20,748**
Total comprehensive income attributable to:					
Equity holders of the company adjusted [1)]		6,158	13,812	20,827	22,255
Non-controlling interests adjusted [1)]		-213	-323	-387	-1,507
		5,945	**13,489**	**20,440**	**20,748**

Earnings per share relate to 13.0 million shares.

1) Non-controlling interests were adjusted for the first three quarters of the fiscal year 2017/18. Details see note 8.
2) The proportional result of associates and joint ventures also includes gains from the revaluation of investments in the amount of TEUR 79 in the fiscal year 2018/19.
3) Income from associates and joint ventures from financial investments also includes losses from the revaluation of investments in the amount of TEUR -563 in the fiscal year 2017/18.

*) The condensed consolidated interim report has neither been audited nor been reviewed by an auditor.

Kapsch TrafficCom – Consolidated balance sheet.

All amounts in TEUR	Note	March 31, 2018	Dec. 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	(7)	21,409	19,230
Intangible assets	(7)	70,798	85,843
Interests in associates and joint ventures	(8)	7,502	9,474
Other non-current financial assets and investments	(9)	23,170	15,118
Non-current contract assets	(9)	-	22,208
Other non-current assets		385	3,734
Deferred tax assets		12,399	13,100
		135,663	**168,706**
Current assets			
Inventories		38,889	52,785
Trade receivables and other current assets	(9)	254,394	152,772
Current contract assets	(9)	-	127,226
Current tax receivables		7,563	4,972
Other current financial assets	(9)	2,804	566
Cash and cash equivalents	(9)	181,835	125,219
		485,484	**463,539**
Total assets		**621,147**	**632,245**
EQUITY			
Capital and reserves attributable to equity holders of the company			
Share capital		13,000	13,000
Capital reserve		117,509	117,509
Retained earnings and other reserves		100,466	102,717
		230,975	**233,226**
Non-controlling interests		**-1,045**	**1,199**
Total equity		**229,930**	**234,425**
LIABILITIES			
Non-current liabilities			
Non-current financial liabilities	(9, 10)	141,759	141,076
Liabilities from post-employment benefits to employees		23,706	23,694
Non-current provisions	(11)	8,911	5,106
Non-current contract liabilities	(9)	-	10,505
Other non-current liabilities	(9)	4,292	2,173
Deferred tax liabilities		1,910	6,416
		180,578	**188,969**
Current liabilities			
Current financial liabilities	(9, 10)	26,675	27,641
Trade payables	(9)	58,255	61,613
Current contract liabilities	(9)	-	37,671
Current tax payables		3,354	2,033
Current provisions	(11)	9,600	13,419
Other liabilities and deferred income	(9)	112,758	66,475
		210,640	**208,852**
Total liabilities		**391,218**	**397,821**
Total equity and liabilities		**621,147**	**632,245**

Kapsch TrafficCom – Consolidated statement of changes in equity.

All amounts in TEUR	Attributable to equity holders of the company				Non-controlling interests [1]	Total equity
	Share capital	Capital reserve	Other reserves	Retained earnings		
Carrying amount as of March 31, 2017	**13,000**	**117,509**	**-40,486**	**138,335**	**-1,052**	**227,306**
Effects from decrease in shares of subsidiaries adjusted [1]				0	0	0
Dividend				-19,500	0	-19,500
Result for the period [1]				23,399	-450	22,949
Other comprehensive income for the period:						
Currency translation differences [1]			-2,607		62	-2,544
Fair value gains/losses on available-for-sale financial assets			-15			-15
Fair value adjustments of cash flow hedges			51			51
Carrying amount as of December 31, 2017 adjusted [1]	**13,000**	**117,509**	**-43,058**	**142,234**	**-1,439**	**228,245**
Carrying amount as of March 31, 2018	**13,000**	**117,509**	**-47,050**	**147,515**	**-1,045**	**229,930**
Adjustments due to new IFRSs (see note 16)				-650		-650
Deferred taxes on adjustments				146		146
Reclassification from other reserves to retained earnings			-86	86		0
Carrying amount as of April 1, 2018 adjusted	**13,000**	**117,509**	**-47,136**	**147,097**	**-1,045**	**229,425**
Effects from acquisition of subsidiaries (see note 8)					3,426	3,426
Effects from capital contribution in a subsidiary				0	325	325
Dividend				-19,500	0	-19,500
Result for the period				22,954	-1,038	21,916
Other comprehensive income for the period:						
Currency translation differences			-761		-469	-1,229
Fair value gains/losses on financial assets			0			0
Fair value adjustments of cash flow hedges			61			61
Carrying amount as of December 31, 2018	**13,000**	**117,509**	**-47,835**	**150,552**	**1,199**	**234,425**

[1] Non-controlling interests and effects from decrease in shares of subsidiaries were adjusted for the first three quarters of the fiscal year 2017/18. Details see note 8.

The registered share capital of the company amounts to EUR 13,000,000. The share capital is fully paid in. The total number of ordinary shares issued is 13,000,000. The shares are ordinary bearer shares and have no par value.

Kapsch TrafficCom – Consolidated cash flow statement.

All amounts in TEUR	Note	Q3 2017/18	Q3 2018/19	Q1-Q3 2017/18	Q1-Q3 2018/19
Cash flow from operating activities					
Operating result		10,049	15,787	35,309	33,584
Adjustments for non-cash items and other reconciliations:					
Scheduled depreciation and amortization		3,875	3,542	11,415	10,551
Increase/decrease in obligations for post-employment benefits		-145	-329	-499	-12
Increase/decrease in other non-current liabilities and provisions [2]		-1,336	-3,468	-2,985	-5,218
Increase/decrease in other non-current receivables and assets [1]		164	-1,259	-368	-557
Increase/decrease in trade receivables (non-current)		-112	1	517	78
Increase/decrease in trade payables (non-current)		283	-165	326	-292
Other (net)		-718	-5,215	-1,978	-6,573
		12,059	**8,894**	**41,737**	**31,563**
Changes in net current assets:					
Increase/decrease in trade receivables and other assets [1]		36,719	-16,434	22,993	-47,525
Increase/decrease in inventories		-1,341	-6,738	-315	-13,896
Increase/decrease in trade payables and other current payables [2]		4,182	4,809	6,525	8,946
Increase/decrease in current provisions		-1,835	2,654	-6,480	3,819
		37,725	**-15,709**	**22,723**	**-48,656**
Cash flow from operations		**49,785**	**-6,815**	**64,461**	**-17,092**
Interest received		214	635	842	1,047
Interest payments		-918	-1,527	-3,965	-3,166
Net payments of income taxes		-5,165	-4,890	-15,954	-7,504
Net cash flow from operating activities		**43,916**	**-12,597**	**45,384**	**-26,715**
Cash flow from investing activities					
Purchase of property, plant and equipment	(7)	-2,080	-2,084	-4,282	-4,558
Purchase of intangible assets	(7)	-428	-1,732	-884	-2,663
Purchase of securities, investments and other non-current financial assets	(9)	-1,005	-49	-5,564	-2,221
Payments for the acquisition of entities (less cash and cash equivalents of these entities)	(8)	0	0	-1,017	3
Payments for the acquisition of shares in at-equity-consolidated entities	(8)	0	-4,749	-4,039	-5,701
Proceeds from the disposal of property, plant and equipment and intangible assets		157	580	376	1,227
Proceeds from the disposal of securities and other financial assets	(9)	0	12,860	70	12,930
Net cash flow from investing activities		**-3,356**	**4,826**	**-15,340**	**-985**
Cash flow from financing activities					
Contributions from shareholders in a subsidiary		0	0	0	325
Dividend paid to parent company's shareholders		0	0	-19,500	-19,500
Payments for the acquisition of non-controlling interests		-750	-750	-2,250	-5,750
Increase in non-current financial liabilities	(10)	68	-45	87	0
Increase in current financial liabilities	(10)	1,716	460	4,858	1,722
Decrease in current financial liabilities	(10)	-74,786	-135	-77,693	-3,386
Net cash flow from financing activities		**-73,752**	**-470**	**-94,498**	**-26,589**
Net increase/decrease in cash and cash equivalents		**-33,192**	**-8,241**	**-64,454**	**-54,289**
Change in cash and cash equivalents					
Cash and cash equivalents at beginning of year		175,676	133,529	211,299	181,835
Net increase/decrease in cash and cash equivalents		-33,192	-8,241	-64,454	-54,289
Exchange gains/losses on cash and cash equivalents		1,141	-69	-3,220	-2,327
Cash and cash equivalents at the end of the period		**143,625**	**125,219**	**143,625**	**125,219**

[1] Including "contract assets".
[2] Including "contract liabilities"

Selected notes to the condensed consolidated interim financial information.

1 General information.

Kapsch TrafficCom, headquartered in Vienna, Austria, is a global supplier of Intelligent Transportation Systems.

The Group operates in two segments:
- Electronic Toll Collection (ETC)
- Intelligent Mobility Solutions (IMS)

The ETC segment comprises activities relating to the installation and the technical and commercial operation of toll collection systems. Projects are generally awarded by public agencies or private concessionaires in the context of tender procedures. Toll collection systems may comprise both individual road sections and nation-wide road networks. The manufacture and procurement of components both for the expansion and adaptation of the systems installed by Kapsch TrafficCom and on behalf of third parties complete the portfolio of Kapsch TrafficCom; toll services further complete it.

The IMS segment comprises activities relating to the installation and the technical and commercial operation of systems for traffic monitoring, traffic control and traffic safety. Projects for the monitoring of utility vehicles and for electronic vehicle registration, as well as intelligent parking solutions and systems for intermodal mobility (networked modes of transport), are also allocated to this segment, as are systems and services for operational surveillance of public transportation and environmental installations. Components related business also completes the range of IMS services offered by Kapsch TrafficCom.

2 Basis of preparation.

This condensed interim financial information for the quarter ended December 31, 2018 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, as adopted by the EU, according to IAS 34 Interim Financial Statements, and should only be read in conjunction with the annual financial statements for the year ended March 31, 2018.

The interim report was neither subject to an audit nor to a review by an auditor.

For ease of presentation, amounts have been rounded and, unless indicated otherwise, are presented in thousands of euros (TEUR). However, calculations are done using exact amounts, including the digits not shown, which may lead to rounding differences.

3 Segment information.

The following table shows revenues by business type, which also correspond to performance obligations pursuant to IFRS 15.

	Q1-Q3 2017/18			Q1-Q3 2018/19		
	ETC	**IMS**	**Total**	**ETC**	**IMS**	**Total**
Revenues	**386,859**	**120,054**	**506,914**	**406,930**	**126,149**	**533,080**
Implementation	99,443	53,437	152,880	125,087	57,901	182,988
Operations	208,573	59,584	268,157	199,701	59,043	258,744
Components	78,843	7,033	85,876	82,143	9,205	91,348
Operating result	**41,813**	**-6,504**	**35,309**	**40,309**	**-6,724**	**33,584**
EBIT margin	**10.8%**	**-5.4%**	**7.0%**	**9.9%**	**-5.3%**	**6.3%**

The following table shows those customers who contributed more than 10% of revenues in the first three quarters of 2018/19 or in the same period of the previous year. The order of these customers is based on the amount of revenues in the current reporting period.

	Q1-Q3 2017/18			Q1-Q3 2018/19		
	Revenues	ETC	IMS	Revenues	ETC	IMS
Customer 1	59,923	x	x	56,440	x	x
Customer 2	67,131	x		39,368	x	

4 Other operating income.

	Q1-Q3 2017/18	Q1-Q3 2018/19
Exchange rate gains from operating activities	3,533	5,044
Sundry operating income	3,584	3,292
	7,117	**8,337**

Exchange rate gains from operating activities in the first three quarters of 2018/19 mainly relate to gains from exchange rate fluctuations of the currencies Argentine peso in respect to Euro and US dollar in respect to Euro as well as Canadian dollar in respect to US dollar. Argentina is classified as a hyperinflationary country, however the effects from IAS 29 are not material.

5 Other operating expenses.

	Q1-Q3 2017/18	Q1-Q3 2018/19
Communication and IT expenses	14,301	14,559
Rental expenses	13,314	13,952
Legal and consulting fees	11,626	13,400
Travel expenses	8,489	9,183
Marketing and advertising expenses	5,971	6,548
Taxes and charges	2,405	5,783
Automobile expenses	5,116	4,857
Maintenance	6,217	4,771
License and patent expenses	3,859	4,558
Exchange rate losses from operating activities	8,337	3,574
Insurance costs	3,538	3,509
Other	11,291	10,485
	94,464	**95,179**

Exchange rate losses from operating activities in the first three quarters of 2018/19 were primarily due to exchange rate fluctuations of the currencies Zambian kwacha and Polish zloty in respect to Euro. Maintenance expenses and exchange rate losses decreased, whereas legal and consulting fees as well as taxes and charges, mainly relating to prior years, increased. In total other operating expenses remain at prior year's level.

6 Income taxes.

Income taxes relate to current taxes and to deferred tax assets and liabilities. In the first three quarters of 2018/19 a tax rate of 30% was applied to the Group's pre-tax result to determine the theoretical value for the tax expense/income. At year end, the effective tax expense/income may differ from the above due to, among others, different tax regimes in the various countries, the treatment of tax losses, tax allowances and permanent differences.

7 Changes in property, plant and equipment and intangible assets.

	Q1-Q3 2017/18	Q1-Q3 2018/19
Carrying amount as of March 31 of prior year	**95,126**	**92,207**
Additions	5,166	7,221
Additions from business combinations (see note 8)	5,124	12,663
Additions from service concession agreements (see note 8)	0	5,504
Disposals	-465	-961
Depreciation, amortization and other movements	-11,416	-10,551
Currency translation differences	-1,318	-1,010
Carrying amount as of December 31 of fiscal year	**92,217**	**105,073**

8 Changes in the scope of consolidation, in associates and joint ventures.

Changes in the scope of consolidation in the first three quarters of 2018/19.

Kapsch TrafficCom Peru S.A.C., Peru, was founded on April 1, 2018 and MTS Maut & Telematik Services GmbH, Germany, on June 1, 2018. Both entities are wholly-owned subsidiaries of Kapsch TrafficCom.

In the third quarter the consortium “Kapsch TrafficCom – Rowing UTE”, Argentina, was founded with Kapsch TrafficCom holding 50%. Because of the voting rights stipulated in the consortium agreement, Kapsch TrafficCom has control over that consortium and, hence, fully consolidates it.

The shell company Athomstart Invest 253 AS, Norway, which was fully acquired in the fiscal year 2017/18, was renamed to Kapsch TrafficCom Norway AS, Norway, on April 4, 2018.

Kapsch TrafficCom do Brasil LTDA, Brazil, was liquidated in the first quarter of 2018/19 and Berrydust 51 (Pty) Ltd. South Africa in the third quarter of 2018/19.

Adjustments to the first three quarters of 2017/18.

Non-controlling interests were adjusted for the first three quarters of the fiscal year 2017/18. At the beginning of the fiscal year 2017/18, 17.1 % of the shares in TMT Services and Supplies (Pty) Ltd., South Africa, were indirectly transferred via MobiServe (Pty) Ltd., South Africa, to an Employee Participation Scheme Trust (hereinafter referred to as Trust South Africa), through which all employees of the Group in South Africa can voluntarily participate in the success of TMT. This measure aimed to increase both the motivation of the employees and the competitiveness of the company as part of the BBBEE assessment in South Africa. However, according to analysis in accordance with IFRS 10 as at March 31, 2018, the Trust South Africa is fully controlled by Kapsch TrafficCom. As a result, the shares of Trust South Africa were included for the first time, and those of MobiServe (Pty) Ltd. and TMT Services and Supplies (Pty) Ltd. were continued to be included in the consolidated financial statements at 100% and the non-controlling interests for the first three quarters of 2017/18 were adjusted.

Business combinations.

In the first half of 2017/18 Kapsch TrafficCom AG acquired 50 % of the shares in Intelligent Mobility Solutions Ltd., Zambia. The company is responsible for the design, construction and operation of systems and solutions for traffic surveillance, vehicle speed enforcement and vehicle inspection as well as vehicle registration. In May 2018 another one percent share was acquired, however without amendment of the partnership agreement and the representation rights in the committees that direct the relevant activities. The amendment was carried out end of August 2018, thus the Zambian entity is fully consolidated starting from September 2018. Up until this point the entity was accounted for as a joint venture. Part of the purchase price amounting to TEUR 4,135 is variable, conditional upon to the signing of another project in the company.

The fair value of the acquired assets and liabilities assumed of Intelligent Mobility Solutions Ltd., Zambia, at the acquisition date was as follows (preliminary calculation):

	Preliminary fair value
Intangible assets	7,182
Other non-current assets	2,828
Receivables and other current assets	5,030
Cash and cash equivalents	3
Non-current financial liabilities	-2,895
Trade payables	-3,576
Other liabilities and deferred income	-1,579
Net assets acquired	**6,992**

The entity‘s intangible assets include assets from a concession agreement, which covers a period of 17 years, amounting to TEUR 4,223, and other non-current assets relate to costs of obtaining a contract amounting to TEUR 2,828. Since the acquisition, additions to intangible assets in the amount of TEUR 5,504 relating to the concession agreement have been recorded. Cash and cash equivalents acquired in the context of the acquisition (thus the preliminary net cash inflow from the acquisition in the first three quarters of the fiscal year 2018/19) amounted to TEUR 3. Transaction costs directly attributable to the acquisition amounted to TEUR 0.

The difference between the fair value of the shares previously held and the fair value of the net assets acquired is calculated as follows (preliminary calculation):

Consideration	0
Fair value of the previously held shares	9,048
Fair value of non-controlling interest	3,426
Less fair value of net assets acquired	-6,992
Goodwill	**5,482**

The preliminary goodwill amounting to TEUR 5,482 was allocated to the cash-generating unit IMS-EMEA.

The above presentation is based on a preliminary purchase price allocation. The values may change as a result of the ongoing review of the opening balance sheet values and the current update of the planning data on which the valuation of the concession agreement is based, which will be available by the end of the year at the latest.

For the period from September 1 to December 31, 2018, the acquired company contributed an amount of TEUR 5,970 to revenues and of TEUR 3,905 to the Group‘s result for the period.

As of November 1, 2018, eTrans Systems Inc. (eTrans), USA, was acquired. eTrans is a provider of network and autonomous solutions for vehicles. As no business according to IFRS 3 was acquired, the IFRS 3 disclosures are not required. In the additions to intangible assets the amount of TUSD 1,000 (TEUR 856) from this transaction is included.

Interests in associates and joint ventures.

Proportional results from associates and joint ventures are split in the presentation in the income statement. Results from associated companies and joint ventures whose activities and strategic directions are part of the core business of Kapsch TrafficCom are reported in the operating result. Results from other associates and joint ventures are reported in the result before income taxes.

Details on associates and joint ventures can be found in the annual financial statements for the year 2017/18.

	Q1-Q3 2017/18	Q1-Q3 2018/19
Carrying amount as of March 31 of prior year	**2,131**	**7,502**
Addition	4,039	10,752
Share in result of the period as part of operating result	384	189
Adjustments for elimination of intercompany transactions	-487	0
Loss from revaluation of shares due to business combination	-563	0
Gain from revaluation of shares due to business combination	0	79
Disposal due to business combination	-1,370	-9,048
Share in result from financial investments	-119	0
Currency translation differences	-77	0
Carrying amount as of December 31 of fiscal year	**3,938**	**9,474**
thereof interests in associates	0	9,334
thereof interests in joint ventures	3,938	140

As described under “Business combinations” above, another one percent share was acquired in Intelligent Mobility Solutions Ltd., Zambia in the first quarter of 2018/19. Kapsch TrafficCom now holds 51% in the company. The interests were preliminarily measured at fair value based on the previous purchase price. Due to the revaluation of the interests as a result of the business combination a gain of TEUR 79 was recognized and is reported in the result from associates and joint ventures.

Furthermore the company autoTicket GmbH, Germany was acquired as a shell company together with a partner in the first three quarters of 2018/19. This entity was commissioned with the contract as of December 30, 2018 to collect the toll (“passenger vehicle toll”) in Germany on behalf of the authorities in Germany. Kapsch TrafficCom holds 50% in the entity, which is accounted for as a joint venture. The joint venture MoKA SAS, France, was founded together with the French company Axxès in the third quarter of 2018/19. The aim of the company is the set up and operation of a technology platform or the EETS activities of both companies. Kapsch TrafficCom holds 50% in the entity, which is accounted for as a joint operation.

In December 2018 Kapsch TrafficCom acquired further shares in Traffic Technology Services Inc., USA. On the one hand a loan was swapped to equity and on the other hand shares were purchased, both directly from Traffic Technology Services Inc. and from a third party. Due to this swap and the acquisition of additional shares, the company is reported as associated company and the shares included in other investments were reclassified to associated companies in the amount of TEUR 2,550. As of December 31, 2018 Kapsch TrafficCom holds 41.56% in the entity, additions in the third quarter of 2018/19 amount to TEUR 6,784.

The addition in the first three quarters of 2017/18 related to 50% of the shares in Intelligent Mobility Solutions Ltd., Zambia, the “loss from revaluation of shares due to business combination” and “disposal due to business combination” related to Simex, Integración de Sistemas, S.A.P.I. de C.V., Mexico.

9 Financial instruments by category.

Details on the fair value-hierarchies can be found in the annual financial statements for the year 2017/18. No reclassifications between fair value-hierarchy levels were made.

The carrying value of “trade receivables and other current assets”, “contract assets”, “other non-financial assets and investments”, “cash and cash equivalents”, “trade payables”, “contract liabilities”, and “other liabilities and deferred income”, which are valued at amortized cost, is a reasonable approximation of the fair value in accordance with IFRS 7.29. Therefore no fair value-hierarchy is disclosed.

The fair value of non-current and current financial liabilities amounts to TEUR 72,658 for the promissory note bond (March 31, 2018: TEUR 71,497) and TEUR 90,071 for other financial liabilities (March 31, 2018: TEUR 90,151).

Financial instruments by category at carrying amount	**March 31, 2018**	**Dec. 31, 2018**
Trade receivables and other current assets	**254,394**	**152,772**
At amortized cost	**217,503**	**112,132**
Trade receivables	133,600	112,132
Amounts due from customers for contract work	76,966	-
Amounts due from customers for service and maintenance contracts	6,937	-
At fair value through profit or loss	**12**	**23**
Derivative financial instruments (Fair value level 2)	12	23
Hedging instruments	**0**	**0**
Derivative financial instruments – Cash flow hedges (Fair value level 2)	0	0
Other non-financial assets [1]	**36,879**	**40,616**
Contract assets (non-current and current) at amortized cost	**-**	**149,434**
Other financial assets and investments (non-current and current)	**25,974**	**15,685**
At fair value through profit or loss	**18,388**	**14,480**
Securities (Fair value level 1) [2]	2,906	3,060
Securities (Fair value level 2) [2]	599	609
Derivative financial instruments (Fair value level 2)	154	131
Investments (Fair value level 1) [2]	10,657	10,643
Investments (Fair value level 3) [3]	4,072	36
At fair value through other comprehensive income (without recycling)	**2,550**	**0**
Investments (with option of fair value through OCI, fair value level 3) [3]	2,550	0
At amortized cost	**5,036**	**1,205**
Fixed income deposits	2,214	0
Other financial assets and loans	2,822	1,205
Cash and cash equivalents at amortized cost	**181,835**	**125,219**
Financial liabilities (non-current and current) at amortized cost	**168,434**	**168,717**
Promissory note bond (Fair value level 2)	73,622	74,543
Other financial liabilities (Fair value level 2)	94,812	94,174
Trade payables at amortized cost	**58,255**	**61,613**
Contract liabilities (non-current and current) at amortized cost	**-**	**48,176**
Other liabilities and deferred income (non-current and current)	**117,050**	**68,647**
At amortized cost	**46,073**	**8,733**
Amounts due to customers for contract work	31,486	-
Variable purchase price components (earn-out, fair value level 3)	12,751	7,344
Other financial liabilities	1,836	1,389
At fair value through profit or loss	**1**	**165**
Derivative financial instruments (Fair value level 2)	1	165
Hedging instruments	**6**	**0**
Derivative financial instruments – Cash flow hedges (Fair value level 2)	6	0
Other non-financial liabilities [1]	**70,970**	**59,749**

1) Non-financial receivables and liabilities are only included for reconciliation with the respective balance sheet item.
2) Shown as available-for-sale financial assets (AFS) as at March 31, 2018.
3) Shown as other investments as at March 31, 2018.

Level 3 earn-out liabilities and investments.

The development of level 3 earn-out liabilities is as follows:

Earn-out liabilities	Q1-Q3 2017/18	Q1-Q3 2018/19
Carrying amount as of March 31 of prior year	**11,851**	**12,751**
Addition	0	516
Disposal	-2,250	-5,956
Interest	28	34
Carrying amount as of December 31 of fiscal year	**9,629**	**7,344**

The valuation of investments which are valued according to level 3, is based on the company valuations of these entities. In the first three quarters of 2018/19 no adjustment was made.

Impairment on trade receivables and contract assets.
Impairment on "trade receivables" decreased by TEUR 335 and impairment on "contract assets" increased by TEUR 320 in the first three quarters of 2018/19. Both effects were recognized through profit or loss in the statement of comprehensive income.

Non-current and current financial assets and investments.
The additions to non-current and current financial assets mainly relate to loans to the former other investment in Traffic Technology Services Inc., USA that were swapped to equity. Due to this debt-equity swap and the acquisition of additional shares, Traffic Technology Services Inc. is now qualified as an associated company and the investment was reclassified. The valuation of investments that are classified at fair value through profit or loss led to a loss amounting to TEUR 14 which was recognized in total comprehensive income for the period in the first three quarters of 2018/19.

Kapsch TrafficCom regularly evaluates existing investments with regard to their strategic relevance. If strategic relevance is no longer given, it is possible to divest such investments and business operations at a favourable opportunity. Thus, Management no longer considers the 15.4%-investment in the Norwegian Q-Free ASA to be strategic. In the third quarter of 2018/19 Kapsch TrafficCom took the opportunity to sell its entire investment in ParkJockey Global Inc., USA. That investment was not considered to be strategic anymore. This transaction led to a gain amounting to TEUR 5,072 that is included in finance income. Additionally current financial investments were repaid in the first three quarters of 2018/19 amounting to TEUR 2,045.

10 Financial liabilities.

	March 31, 2017	Dec. 31, 2017	March 31, 2018	Dec. 31, 2018
Non-current financial liabilities	97,482	94,349	141,759	141,076
Current financial liabilities	97,902	26,345	26,675	27,641
	195,384	**120,694**	**168,434**	**168,717**

Movements in financial liabilities are as follows:

	Q1-Q3 2017/18			Q1-Q3 2018/19		
	Non-current	Current	Total	Non-current	Current	Total
Carrying amount as of March 31 of prior year	**97,482**	**97,902**	**195,384**	**141,759**	**26,675**	**168,434**
Reclassification	-1,883	1,883	0	-1,841	1,841	0
Additions	87	4,858	4,945	0	1,722	1,722
Additions from business combinations	152	1,832	1,984	227	0	227
Repayments	0	-77,693	-77,693	0	-3,386	-3,386
Currency translation differences and interest accrued	-1,488	-2,438	-3,926	932	789	1,720
Carrying amount as of December 31 of fiscal year	**94,349**	**26,345**	**120,694**	**141,076**	**27,641**	**168,717**

Additions and repayments are cash effective.

The fair values and gross cash flows (including interest) of financial liabilities are as follows:

	Dec. 31, 2017	Dec. 31, 2018
Carrying amount	**120,694**	**168,717**
Fair value	**116,058**	**162,729**
Gross cash flows		
In the next 6 months	22,863	5,018
In the next 7 to 12 months	4,079	24,943
Total up to 1 year	**26,942**	**29,960**
Between 1 and 2 years	5,748	18,102
Between 2 and 3 years	4,953	60,414
Between 3 and 4 years	47,332	16,899
Between 4 and 5 years	4,146	39,743
More than 5 years	37,538	10,383
	126,659	**175,500**

11 Provisions.

	March 31, 2017	Dec. 31, 2017	March 31, 2018	Dec. 31, 2018
Non-current provisions	9,993	9,224	8,911	5,106
Current provisions	17,640	11,234	9,600	13,419
	27,633	**20,458**	**18,510**	**18,524**

	March 31, 2018	Addition and accumulation	Utilization	Disposal	Reclassi-fication	Currency differences	Dec. 31, 2018
Obligations from anniversary bonuses	1,391	46	0	-11	0	0	1,427
Warranties	1,906	0	0	0	-770	0	1,136
Losses from pending transactions and rework	0	0	0	0	14	0	14
Projects (excl. impending losses)	689	0	0	0	-42	0	648
Other non-current provisions	4,923	266	-934	-660	-1,423	-292	1,881
Non-current provisions	**8,911**	**312**	**-934**	**-671**	**-2,220**	**-292**	**5,106**
Warranties	435	436	-114	-9	770	49	1,568
Losses from pending transactions and rework	0	2,677	-367	-138	-14	36	2,193
Projects (excl. impending losses)	4,887	0	-75	-361	42	38	4,530
Legal fees, costs of litigation and contract risks	3,033	474	-820	-70	237	204	3,058
Other current provisions	1,245	984	-1,218	-33	1,185	-93	2,070
Current provisions	**9,600**	**4,571**	**-2,594**	**-612**	**2,220**	**234**	**13,419**
Total	**18,510**	**4,883**	**-3,528**	**-1,283**	**0**	**-58**	**18,524**

	March 31, 2017	Addition from business combinations	Addition and accumulation	Utilization	Disposal	Reclassi-fication	Currency differences	Dec. 31, 2017
Obligations from anniversary bonuses	1,249	139	21	0	-11	0	-22	1,377
Warranties	1,516	0	0	0	0	-522	0	993
Projects (excl. impending losses)	872	0	0	0	0	-250	0	622
Other non-current provisions	6,356	599	262	0	-99	172	-1,058	6,232
Non-current provisions	**9,993**	**738**	**282**	**0**	**-110**	**-600**	**-1,080**	**9,224**
Warranties	1,371	0	261	-81	-48	522	-125	1,901
Projects (excl. impending losses)	10,430	0	11	-4,356	-191	250	-274	5,870
Legal fees, costs of litigation and contract risks	4,645	0	6	-556	-877	-112	-457	2,649
Other current provisions	1,195	73	218	-333	-65	-60	-213	815
Current provisions	**17,640**	**73**	**497**	**-5,327**	**-1,180**	**600**	**-1,069**	**11,234**
Total	**27,633**	**811**	**779**	**-5,327**	**-1,290**	**0**	**-2,149**	**20,458**

12 Contingent liabilities and other commitments.

The contingent liabilities of Kapsch TrafficCom primarily result from large-scale projects. Other commitments relate to both contract and warranty obligations, sureties and performance bonds issued by Kapsch TrafficCom, as well as guarantees and bid bonds issued by third parties (usually financial institutes and insurance companies). In case contractual obligations cannot be fulfilled, there is a risk of corresponding claims being brought by the customer in question. This can result in a recourse claim of the financial institute or insurance company against the Group.

The contingent and other liabilities solely comprise obligations owed to third parties, in line with standard industry practice. They detail as follows:

	March 31, 2018	Dec. 31, 2018
Contract, warranty, performance and bid bonds		
South Africa (toll collection systems)	34,197	30,378
Australia (toll collection systems)	19,236	29,190
Other	1,540	1,248
Total	**54,973**	**60,816**

Outflows of resources in connection with other commitments amounting to TEUR 359,449 (March 31, 2018: TEUR 351,401), the actual occurrence of which is considered to be unlikely, are not reported on the balance sheet or under contingent liabilities.

13 Related parties.

The following tables provide an overview of revenues and expenses in the past fiscal year as well as receivables and liabilities at the respective balance sheet dates for related parties.

	Q1-Q3 2017/18	Q1-Q3 2018/19
Parent company		
Revenues	8	0
Expenses	802	798
Income (+) / Expense (-) from tax allocation	-1,405	-2,005
Affiliated companies		
Revenues	4,555	4,816
Expenses	18,828	22,938
Associated companies		
Revenues	19	19
Expenses	0	0
Joint ventures		
Revenues	4	188
Expenses	0	0
Other related parties		
Revenues	111	90
Expenses	63	88

	March 31, 2018	Dec. 31, 2018
Parent company		
Trade receivables and other assets	0	47
Trade payables and other payables including liabilities from tax allocation	5,406	2,184
Liabilities from share purchase	3,500	0
Affiliated companies		
Trade receivables and other non-current and current assets	2,611	1,006
Trade payables and other payables	2,929	3,690
Associated companies		
Trade receivables and other non-current and current assets	318	329
Trade payables and other payables	0	0
Joint ventures		
Trade receivables and other non-current and current assets	4,316	0
Trade payables and other payables	0	0
Other related parties		
Trade receivables and other non-current and current assets	0	0
Trade payables and other payables including pension benefits	11,583	10,790

The immediate parent company of the reporting entity is KAPSCH-Group Beteiligungs GmbH, Vienna. Affiliated companies are all subsidiaries of KAPSCH-Group Beteiligungs GmbH which are not part of the Kapsch TrafficCom AG Group.

The liabilities from share purchase to the parent company amounting to TEUR 3,500 as at March 31, 2018 were related to the acquisition of Kapsch Telematic Services GmbH, Vienna, and were settled already in the first quarter of 2018/19.

Intelligent Mobility Solutions Ltd., Zambia, is included as a joint venture until end of August 2018, and fully consolidated starting from September 2018 (see note 8).

Individual members of the Executive and Supervisory Boards of Kapsch TrafficCom AG have management functions or are members in the Supervisory Boards of KAPSCH-Group Beteiligungs GmbH and/or its subsidiaries. In this context, please refer to the consolidated Corporate Governance Report 2017/18.

A comprehensive presentation of the relationships with related parties is shown in note 34 of the annual financial statements 2017/18.

14 Material accounting estimates and assumptions.

In the context of the preparation of the condensed consolidated interim financial information, the Group makes judgements, estimates and assumptions in relation to the application of accounting methods and the reported amounts of assets, liabilities, income and expenses. The actual results may differ from these estimates. All estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including expectations as to future events which are believed to be reasonable under the given circumstances.

The estimates made by the Management are in line with those adopted in the annual financial statements for the year ended March 31, 2018 and described therein.

Fair value measurement.
The Group bases its fair value measurement of assets and liabilities on observable market data to the greatest extent possible. The fair value can be assigned to one of various levels within a fair value hierarchy using a number of evaluation techniques. Further information on the fair value measurement can be found in the annual financial statements as of March 31, 2018.

15 Risk management.

The financial risks to which Kapsch TrafficCom is exposed are described in the annual financial statements for the year ended March 31, 2018 and have not changed significantly since then.

16 Accounting policies.

The accounting policies adopted in this condensed interim financial information for the quarter ended December 31, 2018 are generally consistent with those of the annual financial statements for the year ended March 31, 2018, and described therein, except for the application of the following new or amended IFRS and IFRIC:

	New/amended IFRS	Published by the IASB and adopted by the EU	Applicable to fiscal years beginning on or after	Material impact on Group's consolidated financial statement
IFRS 15	Revenue from Contracts with Customers	May 2014	January 1, 2018	Described below
IFRS 15	Clarifications to Revenue from Contracts with Customers	April 2016	January 1, 2018	Described below
IFRS 9	Financial Instruments	July 2014	January 1, 2018	Described below
IFRS 4	Applying IFRS 9 with IFRS 4	September 2016	January 1, 2018	None
AIP 2014–2016	Amendment of IFRS 1 "First-time adoption of International Financial Reporting Standards" and IAS 28 "Investments in Associates and Joint Ventures"	December 2016	January 1, 2018	None
IFRS 2	Classification and Measurement of Share-based Payment Transactions	June 2016	January 1, 2018	None
IAS 40	Transfers of Investment Property	December 2016	January 1, 2018	None
IFRIC 22	Foreign Currency Transactions and Advance Consideration	December 2016	January 1, 2018	None

IFRS 15 "Revenue from Contracts with Customers" regulates the recognition of revenue, replacing IAS 11 and IAS 18. Kapsch TrafficCom applies the new standard, including the **clarifications to IFRS 15**, for the first time in the fiscal year 2018/19 (from April 1, 2018) using the modified retrospective method. This results in no deviation from the previous revenue recognition and thus no equity effect arises from to the first-time application of the standard. The presentation and disclosure requirements of IFRS 15 are met in this condensed interim financial information, to the extent applicable to IAS 34.

The Group has carried out a comprehensive analysis of customer contracts and implemented a software solution that calculates the required accrued revenues for all customer projects differentiated according to the different performance obligations.

Revenues from implementation projects are recognized according to the percentage-of-completion method, but IFRS 15 includes new criteria for recognizing revenues over a certain period of time. The implementation projects meet the criteria for "fulfilling the performance obligation over a certain period of time", since assets are created for which there is no alternative use and the Group has a legal claim to payment of the services already provided.

Revenues from operations (services such as operating and maintenance services as well as other services) are recognized in the reporting period in which the corresponding service was rendered. Since the customer benefits from the service rendered, revenues from operations under IFRS 15 are recognized on a periodic basis.

When selling components, in contrast to IAS 18, which follows a risks and rewards approach, it must be judged when the transfer of control for a good takes place. At that point in time revenues are recognized under IFRS 15.

Certain costs incurred in obtaining or fulfilling a contract, must be capitalized in accordance with IFRS 15 if the criteria are met. In the first three quarters of 2018/19, such costs eligible for capitalization in the amount of TEUR 988 were incurred. In the course of the acquisition of Intelligent Mobility Solutions Ltd., Zambia, costs of obtaining the contract were taken into account in the initial consolidation.

IFRS 9 "Financial Instruments" addresses the classification, recognition and measurement of financial assets and financial liabilities.

IFRS 9 maintains the mixed measurement model with simplifications and creates three valuation categories for financial assets: amortized cost, fair value through other comprehensive income and fair value through profit or loss. The classification depends on the business model of the company and the characteristics of the contractual cash flows of the financial asset. Investments in equity instruments are generally required to be measured at fair value through profit or loss. Only at initial recognition the irrevocable option of recognizing changes in the fair value in other comprehensive income can be elected. The only exception concerns liabilities designated as at fair value through profit or loss, for which changes in fair value due to changes in own credit risk are now to be recognized in other comprehensive income.

Kapsch TrafficCom applies the new standard for the first time in the fiscal year 2018/19 (from April 1, 2018), with the exception of the new rules of hedge accounting, and takes advantage of the practical facilitations. The comparative figures for the fiscal year 2017/18 were not adjusted. The following information relating to IFRS 9 is relevant:

- Debt instruments that were classified as available-for-sale (AFS) instruments according to IAS 39, are categorized at fair value through profit or loss according to IFRS 9.

- Debt instruments, that include cash flows that are solely payments of principal and interest and that are held within the business model, are classified at amortized cost according to IFRS 9. Kapsch TrafficCom applies the option to classify them at fair value through profit and loss.

- Equity instruments that were valued as available-for-sale (AFS) instruments according to IAS 39, are categorized at fair value through profit or loss according to IFRS 9. In the first three quarters of 2018/19 the investment in Q-Free ASA, Norway and the investment in ParkJockey Inc., USA, until its entire sale, are included in this category.

- Investments previously included in the balance sheet of the Group that were valued at amortized costs, and were not available for sale, are valued at fair value through other comprehensive income (without recycling) according to IFRS 9. The investment in Traffic Technology Services Inc., USA, is included in this category in the first three quarters of 2018/19. In the third quarter of 2018/19 additional shares in Traffic Technology Services Inc. were acquired leading to a share of 41.56%. Thus the entity is included in associated companies as of December 2018. For new investments the decision of the category will be made individually.

- Derivative financial instruments continue to be classified as fair value through profit or loss. Derivative financial instruments that are designated as cash flow hedges remain in the category hedging instruments of IAS 39.

- Trade receivables and other financial assets and liabilities continue to be valued at amortized cost according to IFRS 9. There are no liabilities designated as at fair value through profit or loss.

- The Group uses the simplified impairment model for trade receivables without a significant financing component as well as for contract assets and calculates the impairment in the amount of credit losses expected over the term accordingly. The expected credit loss is determined on the basis of a provision matrix, in which the financial assets are broken down according to the age structure and the respective default rates are determined for different age bands. To create a provision matrix, historical data about actually occurred failures as well as future-oriented information and expectations are considered. Contract assets constitute receivables not yet due and do not differ significantly from trade receivables for similar contracts in terms of their risk criteria. Therefore the same default rates are used.

The application of the new standard IFRS 9 as of April 1, 2018 led to the following adjustments in equity in the Group: The valuation of other investments increased equity by TEUR 1,603, on the other hand the additional impairments due to expected credit losses of trade receivables and contract assets decreased equity in the amount of TEUR -1,846 and TEUR -408 respectively. Considering deferred taxes, the negative effect in equity resulted to TEUR -504. Due to the reclassification of securities that were valued as available-for-sale according to IAS 39 and are now valued at fair value through profit or loss according to IFRS 9, cumulated gains were reclassified in equity from other reserves to retained earnings in the amount of TEUR 86. The disclosure requirements of IFRS 9, to the extent applicable to IAS 34 reports, are included in this report.

First-time adoption of IFRS 15 and IFRS 9.
The following amounts as of March 31, 2018 were adjusted due to the first-time adoption of IFRS 15 and IFRS 9:

	March 31, 2018		April 1, 2018
	Carrying amount	Adjustments due to new IFRS	Carrying amount adjusted
Trade receivables and other current assets	**254,394**	**-85,749**	**168,645**
Trade receivables including impairment	133,600	-1,846	131,754
Amounts due from customers for contract work	76,966	-76,966	0
Amounts due from customers for service and maintenance contracts	6,937	-6,937	0
Other receivables and prepaid expenses	36,891	0	36,891
Contract assets including impairment (non-current and current)	**-**	**83,495**	**83,495**
Other financial assets and investments (non-current and current)	**25,974**	**1,603**	**27,577**
Securities	3,505	209	3,714
Derivative financial instruments	154	0	154
Investments	14,729	1,357	16,086
Investments (at fair value through comprehensive income without recycling)	2,550	0	2,550
Fixed-income securities	2,214	0	2,214
Other financial assets and loans	2,822	37	2,859
Contract liabilities (non-current and current)	**-**	**31,486**	**31,486**
Other liabilities and deferred income (non-current and current)	**117,050**	**-31,486**	**85,564**
Amounts due to customers for contract work	31,486	-31,486	0
Other liabilities and deferred income	85,564	0	85,564
Deferred tax assets	**12,399**	**146**	**12,545**
Equity	**229,930**	**-504**	**229,426**
Carrying amount as at March 31, 2018	229,930	0	229,930
Adjustment of impairment of trade receivables and contract assets	-	-2,254	-2,254
Adjustment of valuation of investments	-	1,603	1,603
Adjustment of deferred taxes	-	146	146

Not yet effective standard IFRS 16.
IFRS 16 “Leases” specifies the recognition, measurement, presentation as well as disclosure requirements with regard to leases in financial statements. In Kapsch TrafficCom mainly buildings, vehicles and IT equipment are leased. IFRS 16 introduces a single accounting model that recognizes future leases, regardless of whether they are operating or finance leases under the criteria of IAS 17, in the lessee’s balance sheet. A lessee recognizes a right-of-use asset on the underlying asset and a liability that represents its liability to lease payments. There are exemptions for short-term leases and leases of low value assets. The lessor continues to distinguish between finance or operating leases for accounting purposes. In this regard, the accounting model of IFRS 16 does not differ significantly from that in IAS 17. The Group will not apply the standard prematurely and plans to use the simplification rules and not to provide comparative figures for the previous period.

The Group has implemented a software solution for recording the lease contracts and is currently including all lease contracts in that software solution. After finalization of the input, the adjustment amount can be calculated. In the future, this software solution will calculate the effects of IFRS 16 and provide them for accounting purposes. The most significant effect is expected to result from the capitalization of assets and liabilities arising from operating leases for motor vehicles and buildings. Regarding the disclosure of non-cancellable operating leases as of March 31, 2018, please refer to the annual financial statements as of March 31, 2018. However, the Group has not yet assessed which further adjustments may be necessary, for example due to the change in the definition of the lease term, the different treatment of variable lease payments, and extension and termination options. It is therefore not yet possible to estimate the amount of the rights of use and the corresponding lease liabilities to be recognized when the new standard is first applied and how this affects the consolidated profit and the classification of cash flows. In any case, a significant balance sheet extension is to be expected, which in turn will have an effect on many balance sheet ratios (e.g. reduction of the equity ratio).

17 Significant events occurring after December 31, 2018.

No subsequent events to be reported, have occurred after December 31, 2018.

Vienna, February 20, 2019

The Executive Board

Georg Kapsch Chief Executive Officer	André Laux Executive Board member	Alexander Lewald Executive Board member

Financial calendar.

June 18, 2019	Results FY 2018/19
August 20, 2019	Results Q1 2019/20
August 31, 2019	Record date: Annual General Meeting
September 10, 2019	Annual General Meeting
September 13, 2019	Dividend ex date
September 16, 2019	Record date: dividend
September 18, 2019	Dividend payment date
November 20, 2019	Results H1 2019/20
February 18, 2020	Results Q1-Q3 2019/20

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Disclaimer.
Certain statements contained in this report constitute “forward-looking statements”. These statements, which contain the words “believe”, “intend”, “expect” and words of similar meaning, reflect the management's beliefs and expectations and are subject to risks and uncertainties that may cause actual results to differ materially. As a result, readers are cautioned not to place undue reliance on such forward-looking statements. Kapsch TrafficCom AG disclaims any obligation to publicly announce the result of any revisions to the forward-looking statements made herein, except where it would be required to do so under applicable law.

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

Imprint.
Media owner and publisher: Kapsch TrafficCom AG
Place of publishing: Vienna, Austria

Kapsch TrafficCom

Kapsch TrafficCom is a provider of intelligent transportation systems in the fields of tolling, traffic management, smart urban mobility, traffic safety and security, and connected vehicles. As a one-stop solutions provider, Kapsch TrafficCom offers end-to-end solutions covering the entire value creation chain of its customers, from components and design to the implementation and operation of systems. The mobility solutions supplied by Kapsch TrafficCom help make road traffic safer and more reliable, efficient, and comfortable in urban areas and on highways alike while helping to reduce pollution.

Kapsch TrafficCom is an internationally renowned provider of intelligent transportation systems thanks to the many projects it has brought to successful fruition in more than 50 countries around the globe. The family-owned company is headquartered in Vienna, Austria and in 2017 celebrated 125 years of successfully developing and implementing new technologies for the benefit of its customers. As part of the Kapsch Group, Kapsch TrafficCom has subsidiaries and branches in more than 30 countries. It has been listed in the Prime Market of the Vienna Stock Exchange since 2007 (ticker symbol: KTCG). Kapsch TrafficCom has more than 4,800 employees, and generated revenue of EUR 693.3 million in fiscal year 2017/18.

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