EN

Group Report 2020/21

as of March 31, 2021.

Kapsch TrafficCom

Consolidated Management Report and
Consolidated Financial Statements 2020/21.

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CONSOLIDATED MANAGEMENT REPORT.

1 Business performance and economic situation.

1.1 Business performance.

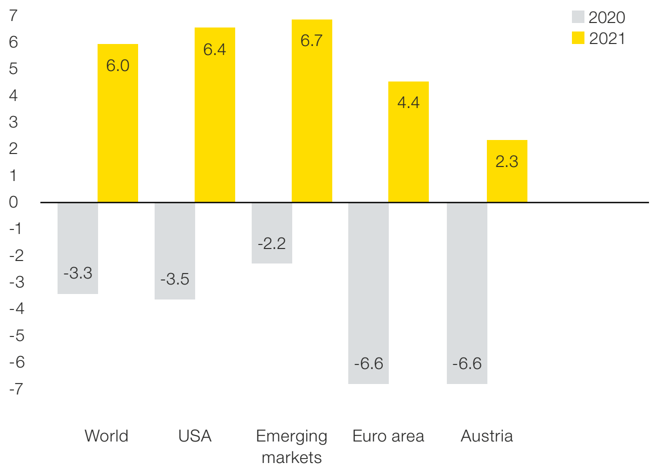
1.1.1 Economic environment.

Global economy.
In 2020, global business activity was marked by the coronavirus pandemic and the ensuing economic crisis. Aggregate output registered a decrease by 3.3 % (previous year: +2.8 %), which constitutes the deepest global recession in decades. Worldwide trade was adversely affected by a disruption of supply chains caused by far-reaching restrictions to fight the pandemic, most notably in the spring of 2020. Overall, the volume of goods exchanged around the globe was 5.3 % below the preceding year's level. The second half of 2020, however, saw a gradual economic recovery thanks to substantial fiscal and monetary support in many parts of the world. Industrial production, in particular, showed increasingly strong signs of resilience.

Global economic development: -3.3%.

Looking to 2021, economists predict a return to growth despite persistently high levels of infection.

GDP growth 2020 and 2021.
(in %)



USA.
The economic impact of the global crisis on the United States was less severe than expected. The gross domestic product went down by only 3.5%, owing to a relatively low dependence on exports.

US economy went down by 3.5%.

With a projected growth rate of 6.4% in 2021, the US is even among the global growth engines in the foreseeable future. This is primarily due to the USD 1.9 trillion stimulus package launched in March 2021 ("American Rescue Plan"). In addition, the US Federal Reserve's loose monetary policy continues to have a stabilising effect on the economy. Both the tense situation on the labour market and the subdued level of consumer confidence improved noticeably in the first quarter of 2021. By contrast, the protracted trade conflict between the US and China remains a major challenge.

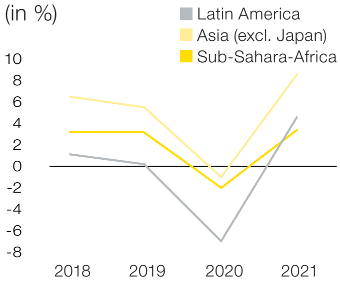
Emerging markets and developing economies.
The emerging and developing economies faced significant challenges in 2020 as a result of their limited capacities to deal with the fallout from the crisis. Overall, economic activity declined by 2.2% (previous year: +3.6%). Emergency funds provided by multilateral organisations helped to address the economic and social consequences of the pandemic, at least to some extent.

Economic activity of emerging markets and developing economies: -2.2%.

Asia. On a regional level, the emerging Asian economies continued to develop most dynamically. Contrary to the global trend, the Chinese economy even expanded by 2.3% due to massive public investment and strict containment measures. The ASEAN-5 economies (Indonesia, Malaysia, Thailand, Vietnam and the Philippines) are also set to witness a return to strong growth of up to 5% in 2021.

Commonwealth of Independent States (CIS). The Commonwealth of Independent States (CIS) was confronted with the additional economic burden of collapsing oil prices at the height of the crisis. In Russia, the largest market in the region, this led to a GDP contraction of 3.1% in 2020. A trend reversal occurred in the second half of 2020, though, as the alliance OPEC+ managed to agree on historic production cuts. The recovery of the oil price to pre-crisis levels in the first quarter of 2021 is expected to benefit the oil-exporting countries of the MENAP region (Middle East, North Africa, Afghanistan, Pakistan) as well.

GDP growth 2018–21.
(in %)



Following a recession in 2020, economists predict a rebound in GDP growth to over 3% for said group of states.

Latin America and Africa. Latin America was hit the hardest by the coronavirus pandemic. Regional output dropped by 7.0% in 2020, thus entrenching the north-south divide on the American continent even further. The situation in Sub-Saharan Africa proved less dire, with economic activity slowing down by only 1.9%. Growing debt levels, however, continue to pose a significant problem in this region despite temporary debt service suspension offered by official lenders. As far as 2021 is concerned, recovering commodity prices are expected to foster economic growth in Africa as well as in Latin America.

Europe.
The export-driven European economy was particularly exposed to the crisis in 2020.

European Union (EU). With aggregate GDP contracting by 6.3%, the European Union witnessed a deeper recession than in the aftermath of the 2008/09 financial and economic crisis.

EU economy contracted by 6.3%.

Regarding the prospects of recovery, a mixed picture is to be expected: While Europe's leading industrial powerhouses like Germany are more likely to make up for pandemic-induced losses as early as in 2021 thanks to reinvigorated global demand, the tourism-dependent economies in the south are set to take longer to bounce back. On the positive side, much-needed investment projects should result from the EUR 750 billion recovery fund agreed upon in July 2020. Another encouraging achievement in the year under review was the new trade and cooperation agreement between the EU and the UK, which entered into force at the beginning of 2021.

Eurozone. Economic activity in the Eurozone decreased by 6.6% in 2020 (previous year: +1.3%). First and foremost, this decline was attributable to the challenging situation in the service sector and to weak private consumption. The inflation rate shifted away from the European Central Bank's (ECB) medium-term target of 2% and averaged a mere 0.3%.

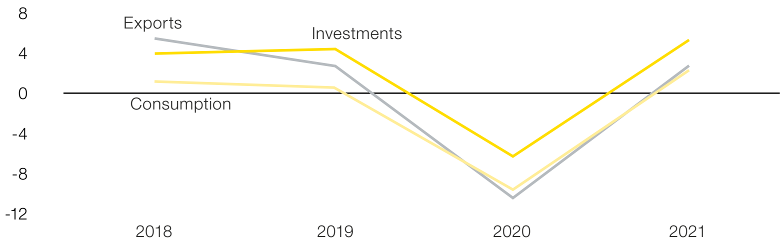
For 2021, an increase to 1.4% is predicted. Apart from its continuous low-interest policy, the ECB has also remained committed to bond purchases under the PEPP stimulus package ("Pandemic Emergency Purchase Programme"). A return of the Eurozone economy to its pre-crisis level is currently projected for the spring of 2022.

Central and Eastern Europe. Economic activity in Central and Eastern Europe (CEE) slowed as well in 2020. Disruptions in international supply and value chains, for instance, led to a GDP decrease ranging between 5.0% (Hungary) and 5.6% (Czech Republic) in Austria's neighbouring countries. The best-performing economy in the Western Balkans, Serbia, was much less affected by the crisis and registered a GDP drop of only 1.0%. Looking ahead, new growth opportunities for the CEE region may arise not only from expected EU transfers under the recovery fund, but also from the reshoring of strategically important production processes, especially from Asia.

Austria.
The Austrian economy was marked by a GDP decline of 6.6% in 2020. Despite signs of recovery over the summer months and a steady expansion of industrial production in the second half of the year, the downside effects of the pandemic-related containment measures could be mitigated only partially. The tourism and service sectors, in particular, bore the brunt of the restrictions. The national inflation rate was once again noticeably higher than the corresponding Eurozone value, averaging 1.8% in 2020.

GDP decline of 6.6% in Austria.

Export, investment & consumption growth in Austria 2018–21.
(in %)



Turning to 2021, economists forecast a moderate growth rate of around 2%, primarily driven by government-supported investment activities of Austrian businesses.

1.1.2 Definition of market.

Kapsch TrafficCom is a globally recognized provider of transportation solutions for sustainable mobility. Innovative solutions in the application areas of Tolling and Tolling Services as well as Transportation Management and Demand Management contribute to a healthier world without traffic jams.

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 amount of environmental pollution. Kapsch TrafficCom's vision is to probe the limits of mobility for the benefit of a healthy world without traffic jams.

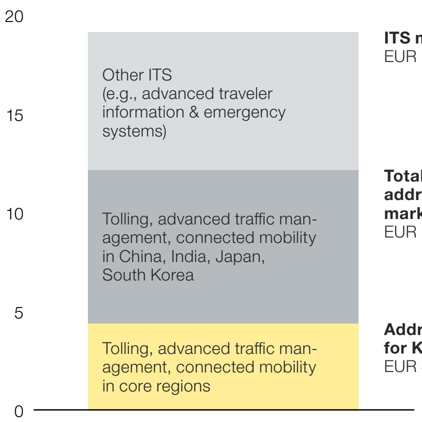
Target markets.
Kapsch TrafficCom targets the market for Intelligent Transportation Systems (ITS) to achieve its vision and mission. Intelligent transportation systems support and optimize transportation (including infrastructure, vehicles, users, and industry). They use information and communication technologies for this. In the ITS market, Kapsch TrafficCom focuses on the segments of Tolling and Tolling Services as well as Transportation Management and Demand Management.

Focus on niche markets with volumes of EUR 4.6 billion (year 2020).

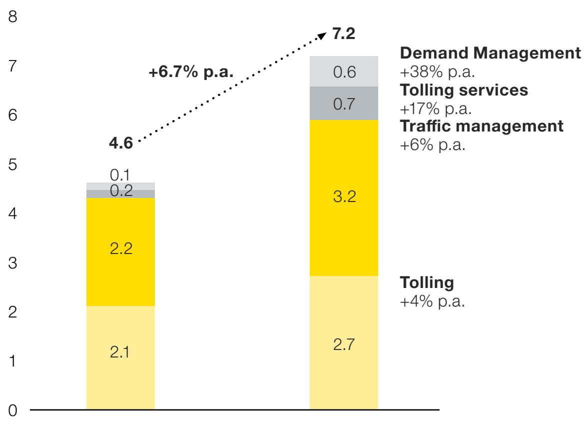
Core regions of business activity are Europe, the Americas, as well as Oceania (Australia and New Zealand).

Addressable market.
The addressable market for the company in 2020 had a volume of EUR 4.6 billion. It is expected that the market will grow annually by an average of 6.7% to EUR 7.2 billion in 2027.

Addressable market in 2020.
(in EUR billion)



Addressable market for Kapsch TrafficCom 2020–2027.
(in EUR billion)



Market drivers.
Kapsch TrafficCom 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 ("European Green Deal") and U.S. President Biden 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 transportation management and tolling solutions are recognized tools for influencing traffic and means of transportation.

Need for transportation 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 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 around 68% in 2050. At the same time, the world's population will rise from around 7.9 billion people today to 8.5 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, buildings cannot simply be moved any which way to expand roads or even rebuild them. 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, a higher urban population tends to bring about an increase in the volume of transportation.

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, resulting in two consequences: the greater use of public transportation and shared means of transportation as well as—if not countered in an appropriate manner—more traffic jams. Furthermore, the shift toward electric vehicles will continue. Although this will reduce direct CO_2 emissions, the particulate matter problem will remain.

Connected mobility. Rapid technological progress is being made in vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) communication as well as in the area of autonomous driving. Already today, these developments are enabling increasingly better and more extensive applications for better driving comfort and greater driving safety. Furthermore, the new communications paths and enormous quantities of data will allow for substantial improvements in transportation management.

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

Data security. The use of extensive quantities of data makes the protection of personal data and the handling of it more 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 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 are being launched on the market.
- Intelligent transportation infrastructure can be achieved with more affordable sensors, modules, and connection technologies. Specific domain knowledge and the need for customer-specific solutions will remain important, however.
- New solutions can be rolled out quickly on a global scale.

1.1.3 Course of business 2020/21.

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

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

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

North America.
At the beginning of the year, it was expected that the shortage of personnel in the U.S. would continue and additional expenses would continue to be incurred for the implementation of new software. The negative impact of these circumstances was, however, much more severe than originally expected. The losses are primarily due to two causes:

- In recent years, Kapsch TrafficCom grew dynamically in North America. This meant an increasing need for qualified employees who were also affordable for the company. It was not easy to find them on the local labor market, however. It must not be forgotten that new colleagues often need to be trained by experienced ones at the beginning. Before the optimal performance of a larger team can be taken advantage of, productivity decreases and costs rise as a result. The increased outsourcing to service providing companies to support our own team, price reductions to compensate for delays, and penalties in individual cases had a negative impact on project margins. The increase in performance pressure led to a rise in the susceptibility to make errors.
- Kapsch TrafficCom developed new software for special customer applications. It was substantially more challenging to implement than expected and led to significant cost overruns in some projects. To a very large extent, this related to customers in North America.

Higher costs mean lower margins. In accordance with IFRS 15, these are to be corrected over the course of the project, including for past periods. This results in a need to adjust EBIT and revenues. If the project margin is negative, a provision for losses from onerous contracts must be set up for the amount of the loss.

It was clear to management after the next round of margin adjustments that there was a need for greater intervention in North America. That is why external consultants were hired to analyze the financial figures as well as processes and structures. Furthermore, in fall 2020, a restructuring manager was hired to report directly to management on Mission re/invent. Finally, it should be mentioned that the regional management for North America, both the CEO and the CFO, were replaced in mid-April and the beginning of May 2021.

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

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

Kapsch TrafficCom made use of public sector support in various countries during this exceptional period. This primarily involved staff costs and amounted to around EUR 1.6 million in total.

Mission re/invent.

This is a transformation program that will be implemented in three overlapping parts:

- Part 1 is referred to as "re/charge" and was started before summer 2020. It will come to an end on March 31, 2021. The goal was to identify, initiate, and implement cost savings for financial years 2020/21 and 2021/22.
- Part 2 is called "re/focus." The main goal is to reduce the complexity of the corporate structure and internal processes. This should increase the efficiency of the organization and produce sustainable cost savings. Re/focus began in Q3 2020/21 and will run for one year.
- Part 3 is named "re/launch" and stands for a transformation process based on the Strategy 2027. Re/launch began in Q4 2020/21 and will also run for one year.

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

Focus in financial year 2020/21:
> Reducing the cost basis
> Preparing for future growth

It identifies, for example, the following measures that were implemented to reduce costs or are in the process of implementation:

- High degree of standardization in the product portfolio. This will decrease development and maintenance costs.
- Consolidation of development locations.
- Use of synergies and merging of competences, primarily in the area of project implementation.
- Adjustment of manager-to-employee ratio to reduce management levels.
- Reduction in personnel, reassignment of positions, reduction in expenditures for external employees.
- Adjustment of lease space and optimization of capacity utilization in existing space.

The restructuring program was largely implemented in financial year 2020/21; some of the expenses related to the measures will be recognized in the following financial year, however. A few individual steps in the implementation process will first take place over the course of financial year 2021/22.

Kapsch TrafficCom is working on improving the collaboration between global areas and transferring more autonomy and decision-making power to the local teams. This should enable the company to succeed in focusing more on the needs of customers locally and doing this more efficiently.

Acquisitions and share sales.

In financial year 2020/21, a number of company transactions were completed. They were intended for Kapsch TrafficCom's focus on strategic activities:

- Acquisition of shares: tolltickets GmbH (Germany).
  Kapsch TrafficCom acquired the remaining 35% in tolltickets. The company is a registered provider of the European Electronic Toll Service (EETS). Since, in the future, Kapsch TrafficCom plans to focus more on the toll services business, the complete takeover of this company was strategically important.
- Sale: FLUIDTIME Data Services GmbH (Austria).
  Kapsch TrafficCom sold the 75.5 percent stake in FLUIDTIME Data Services. The company offers solutions in the Mobility-as-a-Service (MaaS) segment. However, these are not part of the future core business of Kapsch TrafficCom. Customers can continue to use FLUIDTIME Data Services solutions based on a sales partnership between both companies.
- Sale: Kapsch TrafficCom Construction & Realization spol. s.r.o. (Czech Republic).
  After the contract to operate the nation-wide toll system in the Czech Republic ended in 2019, a local subsidiary of Kapsch TrafficCom still held some minor customer contracts, particularly for traditional transportation management solutions. As part of its focus on material core activities, Kapsch TrafficCom decided to take advantage of the opportunity to sell this subsidiary.
- Sale: Q-Free ASA (Norway).
  Finally, Kapsch TrafficCom sold its stake in Q-Free ASA. The 15.4% stake in the company had been offered for a while since it was no longer classified as strategic.

1.2 Financial and non-financial performance indicators.

1.2.1 Results of operations.

Revenues. In financial year 2020/21, revenues of Kapsch TrafficCom decreased to EUR 505.2 million, which was 30.9% (EUR 226.0 million) lower than the previous year's figure. Consolidated revenues are broken down geographically as follows:

- EMEA region (Europe, Middle East, Africa): 54.8% (previous year: 55.2%)
- Americas region (North, Central and South America): 40.6% (previous year: 40.2%)
- APAC region (Asia-Pacific): 4.6% (previous year: 4.6%)

Revenues by regions.
The slightly more than 30% decline in revenues was evenly spread across all the regions, which underscores the correlation with the global pandemic.

in EUR million	2019/20	2020/21	+/-
EMEA	**403.5**	**277.0**	**-31.3%**
Implementation	102.8	46.6	-54.7%
Operations	245.0	194.0	-20.8%
Components	55.7	36.5	-34.5%
Americas	**293.6**	**204.9**	**-30.2%**
Implementation	170.8	109.8	-35.7%
Operations	67.0	61.8	-7.6%
Components	55.9	33.3	-40.5%
APAC	**34.1**	**23.2**	**-31.9%**
Implementation	19.3	9.0	-53.1%
Operations	7.3	8.0	9.2%
Components	7.4	6.1	-17.6%
Total	**731.2**	**505.2**	**-30.9%**

The negative adjustments of project margins in the reporting period for a total of EUR 78.9 million also had an impact of EUR -71.9 million on revenues. These had a negative impact on the previous year's comparison.

Other operating income includes EUR 1.6 million in grants and support provided in some countries to alleviate the impact of the COVID-19 pandemic on Kapsch TrafficCom. Public sector grants for short-time work and for the compensation of staff costs are also included in this income. However, the operating foreign currency gains fell by EUR 5.6 million, leading to higher net operating foreign currency losses.

Cost of materials and other production services fell by 27.3% (EUR 91.5 million) to EUR 243.5 million (previous year: EUR 334.9 million). The ratio of materials and other production services to revenues rose from 45.8% to 48.2%.

The restructuring measures made it possible to reduce **staff costs** by 9.4% to EUR 243.8 million. The average number of staff fell by 258 persons. Restructuring provisions were made for staff reductions, which increased staff costs by EUR 4.5 million. The staff percentage (share of staff costs as a percentage of revenues) rose from 36.8% in the previous year to 48.3%.

Other operating expenses fell year on year by 28.7% to EUR 84.7 million, although legal and consulting costs rose by EUR 6.7 million. A major cause of this was a patent lawsuit in the USA that was filed in November 2020. The write-off and allowances of trade receivables and contract assets fell by EUR 9.3 million. Travel restrictions due to COVID-19 and internal savings programs led to a decline in travel expenses by EUR 11.0 million. Exchange rate losses (net, including exchange rate gains) from operating activities rose by EUR 8.2 million and primarily related to fluctuations in the exchange rate of the US dollar and the Swedish krona in respect to euro.

The proportional result from associates and joint ventures relates primarily to the joint venture with autoTicket GmbH in Germany for a total of EUR -3.8 million (previous year: EUR -4.6 million) and a joint venture in Colombia for a total of EUR -0.2 million (previous year: EUR 0.0 million).

EBITDA. The operating result before amortization, depreciation and impairment (EBITDA) was negative at EUR -67.1 million (previous year: EUR +13.6 million). The EBITDA margin therefore totaled -13.3% (previous year: +1.9%).

Expenses for amortization and depreciation fell to EUR 24.7 million (previous year: EUR 27.9 million), in particular due to a drop in net CAPEX.

Impairment charges totaled EUR 31.3 million (previous year: EUR 24.9 million). In the first half of the financial year, on account of the updated forecasts for the ongoing course of business, there were impairments of goodwill in the amount of EUR 21.3 million. This related to the cash-generating unit Tolling-EMEA (formerly: ETC-EMEA). On the other hand other intangible assets in the amount of EUR 3.5 million for the cash-generating unit TM-EMEA (formerly: IMS-EMEA) were written down, which, however, were written up again at the end of the financial year in the amount of EUR 1.8 million. Furthermore, property, plant, and equipment as well as rights-of-use from leasing agreements were impaired (EUR 8.3 million).

In the previous year, impairments in the amount of EUR 24.9 million were recognized. They related to the impairment of costs to obtain a contract (due to the early termination of German passenger vehicle toll projects) in the amount of EUR 4.1 million, goodwill in the IMS segment (now: Traffic Management) of EUR 6.9 million, and updated estimates on the ongoing course of business in Zambia in the amount of EUR 13.8 million.

EBIT. The operating result (EBIT) was negative at EUR -123.2 million (previous year: EUR -39.2 million). The following effects totaling EUR 131.9 million were the main drivers of this:

- Impairments of non-current assets as described above (EUR -31.3 million).
- Adjustments of project margins and provisions for losses from onerous contracts: for some projects, especially in North America, the project margins were adjusted, sales and contract assets were reduced and provisions for losses from onerous contracts had to be set up. This had a negative impact of EUR 78.9 million on EBIT.
- Impact of COVID-19: revenues from the profitable component segment suffered severely as a result of decreased transportation volume.
- Operating currency effects: the operating currency effects (net) were negative at EUR 8.3 million (previous year: EUR 0.0 million). The operating foreign currency profits fell (EUR 5.6 million), while the operating foreign currency losses rose by EUR 2.7 million. For the most part, the exchange rates of the US dollar (USD) and the Swedish krona (SEK) relative to the euro (EUR) were responsible for this.
- Provisions for lawsuits in the USA in the amount of EUR 8.1 million.
- Restructuring costs in the amount of EUR 5.3 million.

Restructuring. In financial year 2020/21, a restructuring plan was set up and largely implemented. Of the recognized restructuring costs in the amount of EUR 5.3 million, EUR 4.5 million related to staff costs and EUR 0.8 million related to other expenses. Of the total amount, EUR 3.9 million were set aside as a provision and will be paid out in the next financial year and the following year. The restructuring costs relate mainly to the USA, Sweden, and Austria.

Financial result. The financial result improved substantially from a loss of EUR 23.1 million in the previous year to a loss of EUR 9.6 million in this financial year. While shares in Q-Free ASA, Norway, had to be written down by EUR -5.7 million in the previous year, they could be sold in the reporting period. This led to a positive contribution of EUR 0.4 million to earnings (The sales price of the shares in Q-Free ASA, Norway, amounted to EUR 6.1 million; the fair value as of March 31, 2020, amounted to EUR 5.7 million). Foreign currency losses fell to EUR -2.0 million (previous year: EUR -9.0 million) and were primarily connected with the South African rand (ZAR) and the Zambian kwacha (ZMW), as well as the US dollar (USD) relative to the euro (EUR) in the financial year.

Result from associated companies and joint ventures from financial investments. Traffic Technology Services Inc., USA, contributed EUR -0.4 million (previous year: EUR -1.2 million) to the result.

Income taxes. Taxes were positive at EUR 27.8 million due to the negative result (previous year: EUR +7.7 million). This amount consists of current taxes as well as deferred tax claims (from permanent tax differences and carry-forward losses) and tax allocations. Solely the parent company, Kapsch TrafficCom AG, reported a positive tax allocation to the Austrian (tax) Group parent (KAPSCH-Group Beteiligungs GmbH) in the amount of EUR 12.7 million and in the Group taxes from losses were capitalized amounting to EUR 11.8 million.

Result for the period. The result for the period was very negative at EUR -105.3 million (previous year: EUR -55.7 million). A result of EUR -102.9 million was attributable to the shareholders of the company. This corresponds to earnings per share of EUR -7.91 (previous year: EUR -3.70).

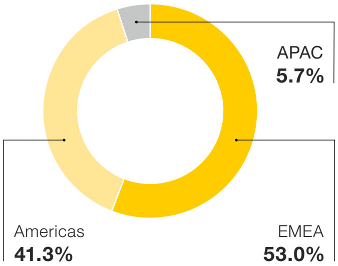
Other comprehensive income. This item mainly includes currency translation differences and remeasurements of liabilities from post-employment benefits. Other comprehensive income amounted to EUR 9.0 million (previous year: EUR 0.2 million).

Total comprehensive income. The total comprehensive result as a sum of the result for the period and other comprehensive income was EUR -96.2 million (previous year: EUR -55.5 million).

1.2.2 Results of operations by segment.

Tolling (formerly: Electronic Toll Collection, ETC).

Tolling-revenues by regions.



Revenues. Revenues in the Tolling segment collapsed by 36.4% to EUR 358.2 million in financial year 2020/21. Revenues contributed 70.9% (previous year: 77.1%) to total revenues.

The largest contribution to revenues at EUR 190.0 million was generated in the EMEA region, but this fell substantially relative to the value in the previous year (EUR 315.0 million).

Implementation projects fell by 82.0% and reached a revenue volume of EUR 13.2 million. The installation of the Bulgarian toll system was completed in the previous year. There have been no significant investments in expansion related to the restructuring of the activities in Poland.

The volume of operations projects fell by 25.1%, mainly due to the end of the nation-wide toll project in the Czech Republic by the end of 2019 and lower revenues in Poland. In Poland, the contract to operate the nation-wide toll system expired in November 2019. However, it was possible to reach an agreement with the Polish authorities: Kapsch TrafficCom will be supporting the operation of the toll system for another 27 months after the expiration of the old contract, and this was renewed for another five months in the financial year.

Furthermore, the revenues from components in financial year 2020/21 suffered substantially due to COVID-19 and collapsed by 33.7% in the EMEA region.

Revenues in the Americas region fell by one-third (-33.1%) to EUR 148.0 million. Implementation revenues and component revenues, primarily in the USA, fell by 39.9% and 39.7%. For some projects, especially in North America, the project margins had to be adjusted and provisions for losses from onerous contracts had to be set up. Declines in component sales due to COVID-19 played a major role here as well. Revenues from operation projects could be kept on the level of the previous year, by contrast.

In the APAC region, there was a decline in revenues of 25.3% to EUR 20.2 million relative to the comparable period of the previous year. Implementation revenues fell by 44.2%. This was due to a lower volume of new business and project margin adjustments. Component revenues fell by 19.1%, while operation revenues increased by 11.9%.

In financial year 2020/21, 9.9 million on-board units were sold, a decline of 3.3 million relative to the previous year. Declines were seen in most countries, with the most drastic being the collapse in the USA (-2.1 million units).

Segment Tolling by business type.

in EUR million	2019/20	2020/21	+/-
Revenues	**563.5**	**358.2**	**-36.4%**
Implementation	219.3	100.3	-54.3%
Operations	234.9	187.5	-20.2%
Components	109.3	70.5	-35.5%
EBIT	**1.5**	**-117.2**	**> -100%**

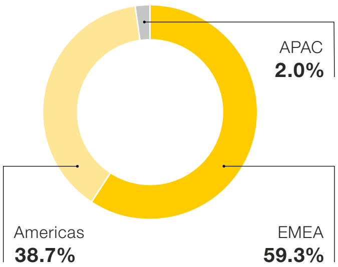
EBIT. The operating result totaled EUR -117.2 million (previous year: EUR +1.5 million). The main reasons was the margin adjustment and the creation of provisions for losses from onerous contracts. The cost of materials and other production services fell by 30.2% and therefore less than revenues (decline of 36.4%). Staff costs fell by 8.0% due to the restructuring measures. This varied greatly from region to region: in the EMEA region, staff costs fell by 17.6%, while they rose by 4.6% in the Americas region. The restructuring costs in staff costs totaled EUR 3.8 million.

While scheduled amortization and depreciation fell by EUR 4.7 million to EUR 17.0 million, impairment charges rose to EUR 28.3 million. The main reasons for this were the impairment of goodwill by EUR 21.3 million in the first half of 2020/21 and the impairment of "Property, plant, and equipment as well as right-of-use from lease agreements" in the amount of EUR 7.0 million, which had to be recognized on account of restructuring measures.

Other operating expenses fell to EUR 63.7 million (-21.2%). This was due to travel expenses (decline: EUR 7.7 million), marketing and advertising expenses (decline: EUR 2.4 million), and cases of damage (decline: EUR 2.1 million). By contrast, legal and consulting fees increased by EUR 5.9 million, and restructuring costs of EUR 0.7 million were recognized. The operating currency result (net) amounted to EUR -4.9 million (previous year: EUR +0.7 million).

Traffic Management (formerly: Intelligent Mobility Solutions, IMS).

Traffic Management-revenues by regions.



Revenues. In financial year 2020/21, revenues fell by 12.4% to EUR 147.0 million and contributed 29.1% (previous year: 22.9%) to total revenues.

Revenues of EUR 87.1 million were generated in the EMEA region (previous year: EUR 88.5 million). While implementation revenues rose relative to the previous year (13.3%), primarily due to a project in Ireland, operation revenues fell by 5.5%. Component revenues also fell by EUR 2.4 million in comparison to the previous year.

Revenues in the Americas region totaled EUR 57.0 million (-21.2%). This was seen primarily in the USA, where declines were observed in all types of business.

Revenues in the APAC region fell from EUR 7.0 million to EUR 3.0 million. The drop was primarily due to the implementation business in Australia.

Segment Traffic Management by business type.

in EUR million	2019/20	2020/21	+/-
Revenues	**167.7**	**147.0**	**-12.4%**
Implementation	73.6	65.2	-11.4%
Operations	84.4	76.4	-9.5%
Components	9.7	5.4	-44.2%
EBIT	**-40.7**	**-6.0**	**85.4%**

EBIT. The EBIT in the financial year was EUR -6.0 million and therefore substantially better than in the previous year at EUR -40.7 million. Impairments of intangible assets (not including goodwill) and of property, plant, and equipment totaled EUR -3.0 million. Restructuring costs in the amount of EUR 0.8 million were recorded. By contrast, impairments of EUR 10.8 million in trade receivables from the previous year were reversed and travel expenses fell by EUR 3.3 million. The operating currency result (net) totaled EUR -3.4 million (previous year: EUR -0.8 million).

1.2.3 Net assets position.

The balance sheet total of Kapsch TrafficCom was EUR 593.2 million on March 31, 2021 (March 31, 2020: EUR 727.2 million).

Assets.
Property, plant, and equipment fell by EUR 27.2 million in comparison to March 31, 2020. This is primarily due to the scheduled depreciation as well as due to adjustment and impairment of right-of-use assets from leases (related mainly to Sweden and the USA).

Intangible assets fell by EUR 23.7 million as of March 31, 2021. The primary reasons for this decline were impairments of EUR 21.3 million to the goodwill of the cash-generating unit Tolling-EMEA (formerly: ETC-EMEA) and impairments of other intangible assets (not including goodwill) for the cash-generating unit TM-EMEA (formerly: IMS-EMEA) in the amount of EUR 1.6 million.

Interests in associates and joint ventures fell by EUR 2.9 million. The reasons for this were the negative proportional results of the joint ventures autoTicket GmbH, Germany, Copiloto Colombia S.A.S., Colombia, and Traffic Technology Services Inc, USA, for a total of EUR -4.5 million. The financing for Traffic Technology Services Inc, USA, of EUR 1.5 million reduced the decline. Other non-current financial assets and investments rose by EUR 1.4 million. The reason was the financing of the joint venture autoTicket GmbH, Germany, in the amount of EUR +7.3 million, which more than compensated for the decline in the investment in Q-Free ASA, Norway (EUR -5.7 million). Deferred tax assets rose from EUR 26.3 million to EUR 42.9 million. This was mainly due to deferred tax assets on tax loss carry-forwards in the USA.

Inventories fell from EUR 55.7 million to EUR 41.7 million. This was due in particular to developments in Austria (EUR -8.9 million) and in the USA (EUR -8.1 million), with the majority in the USA being due to higher impairments for inventories.

The item “Trade receivables and other current assets” decreased by a total of EUR 46.9 million in comparison to March 31, 2020. The drop largely resulted from a payment in connection with the implementation of the nation-wide passenger car and truck toll system in Bulgaria (EUR 27.6 million), lower trade receivables in Belarus (EUR 5.5 million), and the reclassification of EUR 3.3 million to non-current trade receivables. Non-current and current contract assets also fell by EUR 40.8 million, which was largely due to projects in the United States (including margin adjustments for these projects).

Cash and cash equivalents—despite a slightly positive free cash flow in financial year 2020/21—fell by EUR 20.6 million in comparison to March 31, 2020. The reasons for this were repayments of financial liabilities and payments for leasing.

Liabilities and equity.
Non-current financial liabilities fell in financial year 2020/21 by around EUR 64.3 million to EUR 120.9 million, while current financial liabilities increased by EUR 51.7 million to EUR 102.4 million. The main reason for this change was the reclassification of the promissory note bond due for repayment in mid-June 2021 (EUR 42.9 million), which was reclassified from non-current to current.

As of March 31, 2021, non-current lease liabilities amounted to EUR 35.7 million (previous year: EUR 50.1 million) and current lease liabilities amounted to EUR 13.6 million (previous year: EUR 13.6 million). Besides the repayment of lease liabilities in the amount of EUR 14.0 million, there was also an adjustment of right-of-use assets from leases and of lease liabilities in Sweden. This adjustment was necessary since the original assumptions changed over the termination of a major lease agreement.

Short-term provisions rose to EUR 42.5 million (previous year: EUR 23.4 million), mainly due to higher provisions for losses from onerous contracts and provisions for restructuring costs as well as provisions for legal disputes in the USA.

Equity capital as of March 31, 2021 was EUR 84.8 million, and therefore EUR 97.7 million lower than at the end of the previous year. Mainly, the “Total comprehensive income for the period” of EUR -96.2 million had a negative impact. The equity ratio as of March 31, 2021 was 14.3% (March 31, 2020: 25.1%).

Equity ratio: 14%

1.2.4 Financial position.

Cash flow.
The cash flow from operating activities in financial year 2020/21 was positive at EUR 11.1 million (previous year: EUR +33.4 million).

Although the substantial increase in amortization, depreciation and impairments did not have an impact on payments, the cash flow from earnings was EUR -71.8 million (previous year: EUR +2.1 million). The position “change in non-current trade payables, non-current contract liabilities and other non-current liabilities and provisions” was positive at EUR 6.7 million in comparison to the amount of EUR -4.7 million in the previous year. The main reason for this was the increase in non-current contract liabilities. Changes in net working capital amounted to EUR +82.9 million (previous year: EUR +31.3 million). In particular, total trade receivables, current contract assets and other current assets fell by EUR 79.1 million (previous year: decline of EUR 16.9 million). Inventories fell by EUR 13.9 million (previous year: decline of EUR 8.4 million). The decline in trade payables, current contract liabilities, and other liabilities had a negative impact of EUR -29.2 million on the cash flow (previous year: negative impact of EUR 2.7 million). The increase in current provisions of EUR 19.1 million again compensated for this in part (previous year: increase of EUR 8.6 million).

The cash flow from investing activities amounted to EUR -6.8 million in financial year 2020/21 (previous year: EUR -31.0 million). Net CAPEX fell from EUR 11.4 million in the previous year to EUR 5.4 million in the reporting period due to cost savings. Payments made for the acquisition of securities, investments, and other non-current financial assets included financing for the joint venture autoTicket GmbH, Germany, in the amount of EUR -17.9 million in the previous year, which was converted to equity as of March 31, 2020. In financial year 2020/21, EUR 7.3 million in financing was provided for this joint venture. Payments for the acquisition of shares in at-equity-consolidated entities related to payments to and a share increase in the associated company Traffic Technology Services Inc., USA, in financial year 2020/21. Contributions of EUR 1.3 million were generated from the sale of the subsidiaries FLUIDTIME Data Services GmbH, Vienna, and Kapsch TrafficCom Construction & Realization spol. s.r.o., Czech Republic. The sale of the shares in Q-Free ASA, Norway, led to contributions of EUR 6.1 million, which are included under “Proceeds from the disposal of securities and other financial assets” in the financial year.

The free cash flow (cash flow from operating activities plus cash flow from investment activities) was EUR 4.3 million in financial year 2020/21 (previous year: EUR 2.4 million). This development reflects the decline in net working capital.

Free cash flow: EUR +4.3 million

The cash flow from financing activities in financial year 2020/21 was negative at EUR -26.8 million (previous year: EUR +31.4 million). In the previous year, this was primarily due to the increase in non-current financial liabilities in the amount of EUR 62.6 million. In the financial year, financial liabilities of EUR 11.4 million were paid. Payments made in connection with lease agreements totaled EUR -14.0 million and were similar to the previous year (previous year: EUR -13.6 million). Payments for the acquisition of non-controlling interests amounted to EUR 1.4 million in the financial year and were due to the acquisition of the remaining shares in tolltickets GmbH, Germany. In the previous year, this related to earn-out payments from previous acquisitions in the amount of EUR 2.0 million. In the financial year, no dividends were paid (previous year: EUR 19.5 million).

Cash and cash equivalents as of March 31, 2021 totaled EUR 102.0 million (March 31, 2020: EUR 122.6 million).

Key figures.
Net debt reached EUR 169.6 million (March 31, 2020: EUR 175.7 million), which equates to a gearing of 200.1% (March 31, 2020: 96.3%). Net debt was similar to the previous year, despite the decline in financial liabilities and lease liabilities, due to the drop in cash and cash equivalents. Since equity fell significantly, however, the gearing increased substantially. Net working capital amounted to EUR 109.6 million (March 31, 2020: EUR 168.3 million).

1.2.5 Non-financial information.

Kapsch TrafficCom Group prepares a separate consolidated non-financial report that fulfils the legal requirements pursuant to section 267a of the Austrian Commercial Code (UGB).

1.3 Research and development.

The established structure with Solution Centers and a Corporate Technology function ensures a tight alignment of the company's solution portfolio, the technology capabilities and innovation with the company's strategy.

Solution Centers oversee a specific market segment. Their task is to define, develop, market – in close cooperation with the sales regions – and manage the products and solutions in their area of responsibility. Furthermore, the Solution Centers are involved in the delivery of technical solutions and support the sales regions to ensure a seamless delivery of customer-specific solutions.

Established structure:
> Solution Centers
> Corporate-Technology function

Corporate Technology is a cross-functional organization supporting the Solution Centers. Major objectives and tasks are:
> to identify and evaluate emerging new technologies as a key lever to stay competitive
> to develop and integrate solutions involving and impacting different Solution Centers
> to provide and manage tools, processes, and company-internal development environments
> to develop and maintain common services and modules used by the Solution Centers
> to support with IPR (intellectual property rights) issues

In line with Strategy 2027, Kapsch TrafficCom has started a technology transformation program that will be the foundation for all of the company's future activities in the area of technology.

The aims of this program are to strengthen, adapt and evolve the product and solution portfolio as well as technologies in accordance with the new corporate strategy. Key elements of this program are:
> Innovation as a strategic competitive advantage.
> Agility to be competitive in a fast-changing environment.
> Evolution of technologies and solutions towards the business models envisioned in Strategy 2027.
> Adaptation of the organization and its capabilities.

In financial year 2020/21 Kapsch TrafficCom's patent portfolio was reduced to strictly focus on the Company's core business areas. Patents which were not in use or with outdated technology were abandoned. As of March 31, 2021, the patent portfolio consisted of 140 patent families (compared to the previous year, 23 were abandoned and three expired) with 1,054 individual patents and 81 patent applications.

Focused patent strategy:
> Patent Monitoring
> Freedom-to-operate
> Improved market knowledge

Amtech Systems, LLC filed lawsuits against Kapsch TrafficCom in November 2020 in US Federal District Court in Texas and the International Trade Commission. Both lawsuits allege Kapsch TrafficCom infringement of Amtech-held US patents related to RFID technology for multi-protocol readers and tolling transponders. Kapsch TrafficCom denies infringement of the patents and is vigorously defending the lawsuits.

Kapsch TrafficCom strives to mitigate the risk of patent infringements and to foster the patenting of new ideas. Hence, the IPR management focusses on supporting product management and product development. Patent analysis in various areas ensures that products and solutions are actually free to operate. Patent applications of competitors as well as in other relevant technology segments are analyzed to gain a better overview of the strategies of competitors.

Kapsch TrafficCom has major development sites in Austria, Sweden, Argentina, the USA, Canada and Spain. These sites all around the globe support the research and development initiatives in the areas of programming, systems engineering and various other related technology activities. On March 31, 2021, Kapsch TrafficCom employed 762 engineers (previous year: 942 engineers) for its research and development activities.

The development expenses of Kapsch TrafficCom amounted to EUR 106.6 million in financial year 2020/21 (previous year: EUR 130.7 million). This corresponds to about 21.1% (previous year: 17.9%) of total Group revenues. The breakdown of development expenses was as follows:
> Expenses for customer-specific developments amounted to EUR 60.8 million (previous year: EUR 69.7 million)
> Expenses for product management, development support and generic development totaled EUR 45.9 million (previous year: EUR 61.0 million)

2 Anticipated development and risks.

2.1 Outlook.

After two negative years with extensive restructuring, financial year 2021/22 should be a period of stabilization and solidification until a dynamic course of growth is pursued again. So that this can be implemented over the long term, it is necessary to have a stable foundation. Management of Kapsch TrafficCom assumes that positive results will be generated again in financial year 2021/22 and has following expectations:

2021/22 a financial year of stabilization and solidification; profits are expected again.

Revenues.
A decent growth in revenues should be assumed despite the ongoing low visibility in regards to new business. Ultimately, the focus in North America, the most important growth market of the company, is on the stabilization of the organization as a result of extensive restructuring measures. New business is being pursued there with special attention paid to the implementation risk and the margins. In South Africa, the running contract with the South African National Roads Agency (SANRAL) is expected to end in December 2021. The project contributes around EUR 3.7 million per month to Group revenues at the present time.

EBIT (operating result).
The implemented measures to reduce the cost basis should show success and make the EBIT positive again. In this context, follow-up effects and additional expenses in connection with the restructuring must be expected in particular in Q1 2021/22. For the full year, management expects an EBIT margin in the lower single-digit percentage range.

Dividend, capital measures and Ordinary Annual General Meeting (AGM).
The Executive Board, as already discussed, will not propose a dividend payout for the loss year of 2020/21 at the AGM 2021. A distribution also appears unlikely for the following financial year due to the planned investments in the context of the implementation of the Strategy 2027. Management will make every effort to pay out distributions again and ideally return to the suspended dividend policy as soon as it is economically feasible from the company's point of view. The core of this policy was the payout of a minimum dividend of either EUR 1.00 per share or one-third of the consolidated net profit for the period per share – depending on which of these two values was higher.

In order to protect the company's capital base against unanticipated developments, the Executive Board of the forthcoming AGM will propose that authorization for a capital increase be granted. This anticipatory resolution on the capital increase should make it possible to raise the share capital by up to 1.3 million shares, which equates to 10%.

The AGM 2021 will most likely be held virtually again. The management of Kapsch TrafficCom does not want to take unnecessary risks, but does want to protect participants' health. There is hope that the far-reaching – and until recently, unbelievable – government restrictions for social gatherings will be lifted by Fall 2021, but this cannot be guaranteed by the company. Furthermore, the management is convinced that a virtual AGM facilitates access to a larger group of shareholders.

Non-financial objectives.
The company's non-financial objectives can be found in the separate non-financial report.

Strategic goals.
Kapsch TrafficCom published the new corporate strategy called "Strategy 2027" in January 2021. It identifies the following strategic goals, which should be achieved by the end of 2027 at the latest:

Objectives for 2027:
> EUR 1 billion in revenues
> CO_2-neutral.

> Revenues should exceed the one billion euro threshold. This would cause the company to grow faster than the relevant target market. Kapsch TrafficCom plans to grow in a primarily organic manner.
> The operating result (EBIT) should continue to improve until the company achieves a double-digit EBIT margin again.
> The equity ratio should amount to more than 30% again.
> Kapsch TrafficCom's business activity already supports climate objectives both through toll solutions and transportation management. The Company's products and solutions help reduce transport emissions (especially greenhouse gases, particulate matter, and noise). Furthermore, the company itself should become CO_2-neutral over the next few years and make an above-average contribution to reducing environmental pollution.

2.2 Risk report.

2.2.1 Risk management.

In financial year 2020/21, Corporate Risk & Opportunity Management was integrated into the Group Risk & Internal Audit department. The goal of this was to strengthen the "combined assurance," i.e., the coordinated and integrated cooperation between entrepreneurial positions with a direct or indirect connection to risk and to improve existing governance structures. As a result, the focal points of the formerly autonomous department, Enterprise Risk Management (ERM), and project-related risk management are now effectively supported by the Audit and Insurance department and synergy effects will be used as much as possible.

ERM aims at an early identification, assessment, and management of those risks that can affect the achievement of the strategic and operating objectives of the company. The primary goal is not risk avoidance. It is much more a question of the controlled and conscientious handling of risks and the timely recognition and exploitation of opportunities that arise. ERM makes a valuable contribution to corporate management.

As part of ERM, major risks are identified, quantified, and globally aggregated on a quarterly basis. The risk report derived from this enables the concise assessment and monitoring of the major business risks. The report is sent to the Executive Board, the Audit Committee of the Supervisory Board, and the first reporting level.

The project-oriented risk management encompasses both customer projects and internal development projects. Using institutionalized processes, an analysis of all relevant risks and opportunities is already carried out in the course of offer preparation. Consequently, a basis is created for decisions and for the timely planning and implementation of control measures.

Risk management entails the identification, assessment and control of risks.

Measures in connection with the COVID-19 pandemic. The corporate management of Kapsch TrafficCom set up an interdisciplinary task force group at the beginning of the pandemic to intensively address the coronavirus and its impact on the company. The team held frequent discussions and is in close contact with regional management and the members of the Executive Board. The task force consists of members of the departments Business Continuity Management, Facility Management, Information Security, International Subsidiaries, Management Systems & IT, Global IT, Human Resources, Management System HSSEQ & Process Management, Marketing & Communication, Travel Management, and the Works Council.

The main generic risks and opportunities of Kapsch TrafficCom and the general handling of these risks are briefly discussed in the following.

2.2.2 Industry-specific risks.

Volatility of new orders. Kapsch TrafficCom's most relevant customer groups include government agencies and municipal authorities as well as private concessionaires, public-private partnerships and consumers. Larger contracts are usually tendered. Until a contract is actually awarded to Kapsch TrafficCom, there are a number of uncertainty factors both within and outside of the company's area of influence. For example, political changes, appeals or lawsuits by unsuccessful bidders can lead to a delay in the awarding of a contract, to its cancellation or to a modification of the tender. There is also the risk that offers made by Kapsch TrafficCom will not succeed for technological, financial, formal or other reasons.

Geographic diversification and expansion of the product portfolio contribute to stabilizing revenues.

The continuous expansion into new business areas that are compatible with the core business of Kapsch TrafficCom is intended not only to increase revenue but also to smooth over revenue spikes in the interest of more stable revenue development. This is to be achieved through increasing geographic diversification, by further broadening the customer and product portfolios, and by increasing the share of revenue from operations (technical and commercial operations of systems usually built by the company). The latter is usually commissioned on a long-term basis and is therefore characterized by better predictable revenues.

The economic situation of relevant national economies, possible government investment programs, changes in political priorities, an increasing focus on sustainability, trade conflicts, military conflicts or epidemics can have a significant impact on incoming orders. For example, the sudden and rapid spread of COVID-19 has increased uncertainty with regard to new incoming orders. Previous assumptions, particularly regarding the expected time of new customer orders had to be questioned and revised in some cases.

Risks of project execution. Intelligent mobility solutions are frequently ambitious and technologically complex systems, that must be implemented within a strict time frame. However, the final project environment cannot be fully analyzed and taken into account during the preparation of an offer. Therefore, uncertainties remain with regard to integration efforts for third-party systems, efforts for interfaces and other factors accelerating or delaying the handling of projects. Unavoidable dependencies on suppliers and service providers can also have a negative effect on the quality and timely completion of a project. All of these factors affect the risk of missed deadlines and/or system and product defects.

Technical challenges and tight schedules produce typical project risks.

In connection with the installation of systems, Kapsch TrafficCom is generally contractually obligated to issue performance and delivery date guarantees. If the contractual services are not fulfilled or if deadlines are exceeded, penalties and damages usually have to be paid, in some cases even damages for lost toll revenue. Significant missed deadlines can also result in premature termination of a contract by the customer. A significant delay in a project, a clear failure to meet the contractually agreed performance criteria or failed implementation of a project could reduce the chances of success in future tenders. There is also the risk that projects of Kapsch TrafficCom cannot be realized at the previously calculated costs. Due to the strong social opposition to toll systems that is sometimes encountered, the risk of a late or limited start to toll collection exists, which can have further consequences on revenues, profitability and payment flows in the operation project.

Kapsch TrafficCom employs project management methods and project risk management procedures based on the IPMA (International Project Management Association) standards in order to minimize such risks in projects.

Long-term contracts with public agencies. For many projects, contracts are awarded by public agencies. Framework agreements and service contracts in connection with toll or traffic management projects may include terms and conditions that are not negotiable in a tender process and that may be disadvantageous for Kapsch TrafficCom. Some multi-year contracts contain demanding requirements regarding the targeted performance of the implemented systems, components and processes. Failure to meet these requirements can result in considerable contractual penalties, obligations to pay damages or termination of the contract. On the other hand, in some contracts substantial bonus payments may be earned in the case of over-performance. Moreover, in the case of long-term contracts, the achievable margins can also differ from the original calculations due to changes in costs.

Liabilities arising from contracts may include liabilities regarding customers' loss of profit, product liabilities and other liabilities. While Kapsch TrafficCom aims to include appropriate limitations to its liability in contracts, it is still impossible to guarantee that all contracts contain sufficient limitations to the Group's liability or that these limitations can be enforced under applicable law.

2.2.3 Strategic risks.

Ability to innovate. The strong market position of Kapsch TrafficCom is based to a large extent on its ability to develop high quality, efficient and reliable systems, components, products and services. Kapsch TrafficCom is committed to ongoing and consistent innovation. In order to maintain its high technological standards, Kapsch TrafficCom invests a considerable portion of its revenues in research and development activities. However, if the Group does not succeed in developing innovative systems, components and products that meet the needs of the market, this can be detrimental to the competitive position of Kapsch TrafficCom.

An ongoing and consistent innovation process supports the strong market position of Kapsch TrafficCom.

Since the striving for innovation leadership is based to a large extent on technology, internal know-how and intellectual property, the global increase in product piracy and reverse engineering may have negative impacts on the market position of Kapsch TrafficCom. The company therefore places great importance on protecting technologies and the company's internal know-how, such as through patents and non-disclosure agreements with contractual parties. Moreover, it is possible that newly developed systems, components, products or services could infringe on the intellectual property rights of third parties.

Acquisition and integration of companies as part of the Group's growth. The Group can grow internationally both organically and through selected acquisitions or the establishment of joint ventures. In the course of these activities, it is necessary to overcome a number of challenges in order to achieve the desired goals and synergies and to realize the expected opportunities from the acquisition of new technologies and market know-how.

The international growth is opening up new opportunities but also poses risks.

Country risk. Due to the further expansion of business activities in countries outside of Europe, Kapsch TrafficCom is subject to increased political risk in these countries. Significant and unforeseeable political changes can exert a major influence on the ability to implement or operate projects in these countries as well as to make funds available or withdraw them again. Interference with the property rights of Kapsch TrafficCom or problems with business practices and activities may also arise. Kapsch TrafficCom includes these risks in the evaluation of such projects.

2.2.4 Financial risks.

Foreign exchange risk. As a global company, Kapsch TrafficCom maintains branches, offices and subsidiaries in many countries outside the euro zone. In the course of implementing projects outside the euro zone, transaction risks arise from possible exchange rate fluctuations that can be reflected in the consolidated financial statements as exchange rate losses or gains. Kapsch TrafficCom strives as far as possible to avoid these transaction risks in the amount of the net currency positions from the respective projects or to hedge them, if necessary. However, because the net currency position at the respective payment flow deadlines is often difficult to predict, hedging is only possible to a limited extent. The remaining exchange rate risk is accepted and included in the business planning. Due to the conversion of individual financial statements of the subsidiaries outside the euro zone into the group currency of the euro, Kapsch TrafficCom is also subject to a translation risk. In addition, long-term disadvantageous exchange rate changes can also cause a change in the position of Kapsch TrafficCom relative to competitors, such as when products or services based on a euro-cost structure can no longer be offered at competitive prices outside the euro zone.

Financial risks arise from exchange rate and interest fluctuations as well as loans. Sufficient liquidity increases flexibility and the ability to take quick action.

Interest rate risk. Within the framework of project financing, the Group regularly agrees to variable interest rates that are tied to market interest rates (e.g. Euribor). In this context, there is an interest rate risk, which — where material — is hedged by suitable financial instruments.

Liquidity risk. Sufficient financial resources have to be available for Kapsch TrafficCom to meet its payment obligations at all times. Medium- and long-term financing must be available in order to carry out large-scale projects, such as implementing a nation-wide toll system under agreed delayed payment terms from the client, and to acquire other companies. Additionally, implementing large-scale projects often requires the provision of significant bank guarantees to secure bid obligations (bid bonds) or to secure possible warranty claims (performance bonds).

In financing agreements, Kapsch TrafficCom is subject to the usual limitations of its business policy, such as with regard to taking on additional borrowings, the use of assets as collateral or the provision of guarantees and sureties in favor of third parties. The availability of financing and bank guarantees depends not only on market conditions but in particular on the net assets, financial position and earnings situation of Kapsch TrafficCom. A lack of liquid assets (even if the Group is otherwise essentially solvent), of financing or of bank guarantees could in turn have an extremely adverse impact on the net assets, financial position and earnings situation of Kapsch TrafficCom. The Group is constantly checking the observance of all convenants in connection with loan agreements.

Furthermore, the liquidity risk is addressed by ongoing group-wide cash flow planning. Potential liquidity shortages can be identified this way and adequate countermeasures can be taken in good time.

Credit risk. Kapsch TrafficCom is exposed to the risk of non-payment by customers. The main customers of Kapsch TrafficCom are to a large extent state agencies, especially in connection with the implementation or operation of nation-wide or regional toll and traffic management systems. Kapsch TrafficCom also acts as a subcontractor to third parties (concessionaires, general contractors, etc.) in public sector projects. The scope of a potential non-payment varies depending on the size of the order and can have a noticeable impact on the earnings situation in the case of individual large projects. In principle, however, the customers for such large projects are public agencies. The creditworthiness of new and existing customers is evaluated, and hedging is performed according to the assessment of the existing non-payment risk. In addition, Kapsch TrafficCom takes advantage of offers from public institutions, such as OeKB (Oesterreichische Kontrollbank AG), EKN (Exportkreditnämnden; Swedish National Export Credits Guarantee Board) and MIGA (Multilateral Investment Guarantee Agency), to hedge against the non-payment risk on the basis of guarantees. There is also a risk that counterparties of both original and derivative financial instruments (including financial institutions assumed to have good credit ratings) cannot meet their payment liabilities when due. A payment default or the need to impair receivables could have an extremely adverse impact on the net assets, financial position and earnings situation of Kapsch TrafficCom.

2.2.5 Personnel risk.

The success of Kapsch TrafficCom depends heavily on key personnel with many years of experience. More-over, the Group's ability to recruit qualified staff, integrate them into the company and retain them over the long term is critical. The loss of key personnel and difficulties in the recruitment of personnel could adversely affect the success of the Group.

Kapsch TrafficCom is taking attractive measures to counteract personnel risk.

Kapsch TrafficCom employs attractive measures to counteract this risk, such as incentive schemes and opportunities for training and further education. A periodical employee survey supports Management to raise current concerns, worries and wishes as well as the general mood situation.

2.2.6 Legal risk.

A large number of regulations and legal requirements must be observed in connection with participation in public sector tenders, the establishment and operation of toll and mobility solutions, acquisitions and cooperations as well as capital market issues. It may take a considerable administrative, technical and commercial effort to capture, monitor and enforce all compliance requirements. If applicable regulations or official requirements cannot be met or fulfilled, this can lead to severe penalties and also reduce the possibility of (successfully) taking part in tenders or continuing with the given business activity.

The expansion of business activities into new regions and into select new business fields tends to increase the risk of patent violations or the violation of intellectual property rights (IPR), which could result in financial damages from lawsuits, court actions and settlement proceedings. Kapsch TrafficCom attempts to counteract this risk as far as possible by performing an evaluation of possible IPR violations prior to entry into new markets or regions, for example. However, it is not possible to completely avoid this risk.

2.2.7 IT risk.

As a technology company, Kapsch TrafficCom is exposed to common IT risks in terms of the security, confidentiality and availability of data. To this end, Kapsch TrafficCom has introduced an IT risk management system based on the Corporate Risk and IT Security Application Method (CRISAM®) and is also certified according to ISO/IEC 27001 (Information Security Management) in many locations. Additionally, the toll system operation procedures of Kapsch TrafficCom in the region of Germany, Austria and Switzerland have been certified according to ISO 20000 (IT Service Management -similar to ITIL®), and CRISAM® has been implemented within the Group as an IT risk management tool.

2.2.8 Opportunities.

The enterprise risk management approach of Kapsch TrafficCom not only addresses risks but also encompasses the regular identification, evaluation and management of opportunities. The goal of these efforts is to manage the strategic orientation of the product portfolio and market activities through the early identification of opportunities and to develop corresponding potential.

The early identification of opportunities opens up new potential.

Market opportunities exist in geographic diversification as well as increasing expansion of the customer and product portfolios, driven in part by the following factors.

Opportunities also arise with change requests from customers during the execution of a project. These change requests result in an expansion of the contractual components and are priced and paid separately.

Due to the increasing financing requirements of infrastructure projects and the growing need to relieve state budgets, there exists an opportunity to develop new markets, both in emerging and developing countries, as well as an opportunity to expand our activities into already developed markets.

The global rise in traffic volumes and the associated impact on the environment and society open up opportunities in the area of mobility solutions because measures such as tolling, traffic management and demand management are increasingly being employed as controlling instruments of environmental and traffic policy. In both segments this is creating opportunities to further develop and market the portfolio according to the new requirements.

The drive to increase the productivity of vehicles and vehicle operations as well as the rising comfort expectations of travelers also open up new opportunities for expanding the functionality of existing systems. Opportunities are available to attract new customers or to serve both public contractors and end customers with new concepts. Special mention should be made of opportunities in the area of tolling services.

Other opportunities. Constant innovation, technical advancements and the acquisition of new technologies through company acquisitions create opportunities for Kapsch TrafficCom to improve the efficiency and performance of customer systems as well as to gain a technological edge over competitors with regard to the performance and functionality of the offered systems.

2.2.9 Overall assessment of the risk situation.

From the current perspective, no risks have been identified that could endanger the continued operations of Kapsch TrafficCom. Through the geographic diversification as well as the continued broadening of the product and solution portfolio and the development of new business models through selected new ITS solutions, the business model of Kapsch TrafficCom has been expanded without necessitating a departure from the core business field. The concentration of risk in individual regions and individual large products was reduced in this way.

Impact of the COVID-19 Pandemic. The global economy in 2020 was dominated by the COVID-19 pandemic and the associated economic crisis. Kapsch TrafficCom, too, experienced a drop in sales especially for components, due to the decreased transportation volume. There were more delays, on the one hand, in tenders and contract awards and, on the other, in the supply chain in individual cases. In addition, visibility relating to new business decreased significantly. Overall, however, there was no significant effect of the COVID-19 pandemic on the risk situation of Kapsch TrafficCom.

2.3 Internal control system (ICS) with respect to the accounting process.

As in the previous year, the group-wide uniform documentation of all controls for achieving the key controlling goals was advanced again in financial year 2020/21, and internal work processes were checked for compliance, accuracy, correctness, expediency and economic efficiency by the internal audit department. This aims to increase efficiency and at the same time reduce risk in the group and showing alternative courses of action to management.

Compliance with the internal control system is evaluated by Internal Audit.

The processes for group accounting and reporting are based on an accounting manual (IFRS Accounting Manual) that is issued and regularly updated by Kapsch Group. It specifies the main accounting and reporting requirements based on International Financial Reporting Standards (IFRS) throughout the Group. Another important basis of the ICS is the group guidelines, work instructions and process descriptions.

The central elements of the ICS process include regular execution of the principle of dual control and the segregation of duties as well as defined actions for monitoring the effectiveness and efficiency of operating activities, the reliability of financial reporting and compliance with relevant legal regulations. In this regard, Kapsch TrafficCom acts based on international standards and best practices, such as COSO Enterprise Risk Management — Integrated Framework.

The accounting of business transactions in Kapsch TrafficCom is managed by a variety of software solutions. In a number of countries, the accounting has been outsourced to local tax accountants due to the small size of the subsidiaries. The individual companies submit reporting packages to the head office on a monthly basis containing all relevant accounting data pertaining to the income statement, the balance sheet and the cash flow accounting. This data is then entered into the central consolidation system (Hyperion Financial Management) on a monthly basis. The financial information is verified at the group level within Kapsch TrafficCom AG and forms the basis for the quarterly reporting in accordance with IFRS.

The Supervisory Board is kept informed of business developments by the Executive Board during regular meetings by way of consolidated presentations consisting of segment reporting, earnings development analysis containing comparisons of current figures with figures from the budget and the previous period as well as selected financial figures, forecasts, group financial statements and changes in the number of employees and order intake.

Local Management is responsible for implementing and monitoring the internal control system in accordance with the local requirements. The managing directors of the individual subsidiaries are ultimately responsible for establishing and designing internal control and risk management processes that meet the needs of the given company in view of accounting procedures as well as for ensuring compliance with the group-wide rules and guidelines. In order to provide better support to the management teams of the subsidiaries, an ICS-coordinator was established within the Finance department of Kapsch TrafficCom AG. This coordinator is responsible for the ongoing development of the ICS in the material individual companies of Kapsch TrafficCom Group, for initiating the improvement of identified weaknesses and for periodically reporting the status of ICS implementation to the Audit Committee of the Supervisory Board.

The internal control system is implemented locally and monitored centrally.

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 13.0 million. It is divided into 13.0 million shares. No restrictions exist with regard to the exercising of voting rights or the transfer of shares. KAPSCH-Group Beteiligungs GmbH held roughly 63.3% of the shares as of March 31, 2021. KAPSCH-Group Beteiligungs GmbH is a one hundred percent subsidiary of DATAX HandelsgmbH, the shares of which are held in equal proportions by the Traditio-Privatstiftung, the ALUK-Privatstiftung and the Children of Elisabeth-Privatstiftung, each a private trust under the Austrian Law for Private Trusts. These are each attributable to members of the Kapsch family. As at March 31, 2021, there were no other shareholders who held more than 10% of the voting rights in Kapsch TrafficCom AG. In financial year 2020/21 Kapsch TrafficCom did not acquire or sell any of its own 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 or modification of the articles of association. Neither authorized capital nor conditional capital currently exists at the company, which empowers the Executive Board to issue shares with the approval of the Supervisory Board and without (renewed) consideration by the annual general meeting. Conventional "change of control" clauses, which may lead to termination of the contract, relate to financing agreements, such as the promissory note bond ("Schuldscheindarlehen") and further financing, totaling about EUR 183 million, or to various customer contracts in North America. 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.

According to 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/ktc/ir/Corporate-Governance.

Vienna, June 15, 2021

Georg Kapsch Chief Executive Officer	André Laux Executive Board member	Alfredo Escribá Gallego Executive Board member

Consolidated Financial Statements.

Primaries.

Consolidated statement of comprehensive income.

in EUR	Note	2019/20	2020/21
Revenues	(2)	731,183,930	505,174,599
Other operating income	(3)	15,985,145	9,930,706
Changes in finished and unfinished goods and work in progress	(4)	-6,117,403	-6,234,895
Cost of materials and other production services	(5)	-334,939,805	-243,459,808
Staff costs	(6)	-269,167,583	-243,841,220
Other operating expenses	(7)	-118,671,516	-84,651,854
Proportional result of associates and joint ventures	(15)	-4,638,828	-4,067,274
Operating result before amortization, depreciation and impairment (EBITDA)		**13,633,940**	**-67,149,746**
Amortization and depreciation	(8)	-27,919,654	-24,739,764
Impairment charge	(9)	-24,882,071	-31,271,011
Operating result (EBIT)		**-39,167,785**	**-123,160,521**
Finance income	(10)	4,983,700	7,646,139
Finance costs	(10)	-28,094,876	-17,253,523
Financial result		**-23,111,176**	**-9,607,384**
Proportional results from associates and joint ventures from financial investments	(15)	-1,167,379	-360,733
Result before income taxes		**-63,446,339**	**-133,128,638**
Income taxes	(11)	7,728,110	27,840,204
Result for the period		**-55,718,229**	**-105,288,434**
Equity holders of the company		-48,136,697	-102,878,149
Non-controlling interests	(31)	-7,581,532	-2,410,285
Earnings per share from the result for the period attributable to the equity holders of the company			
diluted = undiluted	(36)	-3.70	-7.91
Other comprehensive income for the period			
Currency translation differences		1,059,228	11,105,379
Currency translation differences from net investments in foreign operations		1,217,211	-3,248,056
Income tax relating to items subsequently to be reclassified to the result for the period		-304,303	812,014
Total items subsequently to be reclassified to the result for the period		**1,972,137**	**8,669,337**
Remeasurements of liabilities from post-employment benefits		-2,293,351	496,737
Income tax relating to items subsequently not to be reclassified to the result for the period		502,927	-126,336
Total items subsequently not to be reclassified to the result for the period		**-1,790,424**	**370,401**
Other comprehensive income for the period net of tax	(12)	**181,712**	**9,039,739**
Total comprehensive income for the period		**-55,536,517**	**-96,248,696**
Equity holders of the company		-49,193,586	-95,414,444
Non-controlling interests	(31)	-6,342,931	-834,251

[1] EBITDA (Operating result before amortization, depreciation and impairment) was included as new key figure to show the operating result without non-cash relevant amortization, depreciation and impairment more clearly.

Consolidated balance sheet.

in EUR	Note	March 31, 2020	March 31, 2021
ASSETS			
Property, plant and equipment	(13)	82,324,598	55,171,219
Intangible assets	(14)	59,922,456	36,228,960
Interests in associates and joint ventures	(15)	32,634,506	29,750,880
Other non-current financial assets and investments	(16)	10,873,388	12,280,781
Non-current contract assets	(16, 21)	13,777,929	5,188,155
Non-current lease receivables	(25)	1,244,732	846,548
Other non-current assets	(16, 17)	269,923	3,592,372
Deferred tax assets	(18)	26,288,490	42,888,235
Non-current assets		**227,336,023**	**185,947,152**
Inventories	(19)	55,657,736	41,733,178
Trade receivables and other current assets	(16, 20)	176,984,225	130,041,575
Current contract assets	(16, 21)	138,177,686	105,971,627
Current lease receivables	(25)	442,039	594,824
Current tax receivables		4,655,850	25,933,536
Other current financial assets	(16)	1,296,408	923,526
Cash and cash equivalents	(16, 22)	122,631,807	102,010,356
Current assets		**499,845,750**	**407,208,623**
TOTAL ASSETS		**727,181,773**	**593,155,775**
EQUITY			
Share capital	(23)	13,000,000	13,000,000
Capital reserve	(23)	117,508,771	117,508,771
Retained earnings and other reserves	(23)	57,652,976	-39,267,924
Capital and reserves attributable to equity holders of the company		**188,161,748**	**91,240,847**
Non-controlling interests	(31)	-5,680,096	-6,479,919
TOTAL EQUITY		**182,481,652**	**84,760,928**
LIABILITIES			
Non-current financial liabilities	(16, 24)	185,230,920	120,894,967
Non-current lease liabilities	(16, 25)	50,056,883	35,692,506
Liabilities from post-employment benefits to employees	(26)	27,611,262	25,425,103
Non-current provisions	(27)	4,294,725	5,264,934
Non-current contract liabilities	(21)	3,505,358	9,413,374
Other non-current liabilities	(16)	830,435	611,761
Deferred tax liabilities	(18)	1,705,944	1,015,784
Non-current liabilities		**273,235,528**	**198,318,429**
Current financial liabilities	(16, 24)	50,701,975	102,362,406
Current lease liabilities	(16, 25)	13,588,846	13,584,993
Trade payables	(16)	92,404,442	59,403,811
Current contract liabilities	(21)	26,798,120	39,144,575
Current provisions	(27)	23,374,780	42,471,695
Current tax liabilities		4,042,778	1,747,702
Other liabilities and deferred income	(16, 28)	60,553,652	51,361,235
Current liabilities		**271,464,593**	**310,076,418**
TOTAL LIABILITIES		**544,700,121**	**508,394,847**
TOTAL EQUITY AND LIABILITIES		**727,181,773**	**593,155,775**

Consolidated statement of changes in equity.

in EUR	Share capital	Capital reserve	Other reserves	Consolidated retained earnings	Attributable to equity holders of the company	Non-controlling interests	Total equity
Carrying amount as of March 31, 2020	**13,000,000**	**117,508,771**	**-50,128,447**	**107,781,424**	**188,161,749**	**-5,680,096**	**182,481,652**
Effects from increase of shares in subsidiaries			-1,506,457		-1,506,457	106,457	-1,400,000
Effects from sale of shares in subsidiaries						-72,029	-72,029
Dividend				0	0	0	0
Result for the period				-102,878,149	-102,878,149	-2,410,285	-105,288,434
Other comprehensive income for the period:							
Currency translation differences			7,093,303		7,093,303	1,576,034	8,669,337
Remeasurements of liabilities from post-employment benefits			370,401		370,401		370,401
Carrying amount as of March 31, 2021	**13,000,000**	**117,508,771**	**-44,171,200**	**4,903,275**	**91,240,847**	**-6,479,919**	**84,760,928**
Carrying amount as of March 31, 2019	**13,000,000**	**117,508,771**	**-48,482,735**	**175,418,121**	**257,444,157**	**97,986**	**257,542,143**
Effects from changes in shares and capital in subsidiaries			-588,823		-588,823	564,849	-23,974
Dividend				-19,500,000	-19,500,000	0	-19,500,000
Result for the period				-48,136,697	-48,136,697	-7,581,532	-55,718,229
Other comprehensive income for the period:							
Currency translation differences			733,535		733,535	1,238,601	1,972,137
Remeasurements of liabilities from post-employment benefits			-1,790,424		-1,790,424		-1,790,424
Carrying amount as of March 31, 2020	**13,000,000**	**117,508,771**	**-50,128,447**	**107,781,424**	**188,161,749**	**-5,680,096**	**182,481,652**

Details of equity are presented in note 23.

Consolidated cash flow statement.

in EUR	Note	2019/20	2020/21
Operating result		**-39,167,785**	**-123,160,521**
Scheduled depreciation and amortization	(8)	27,919,654	24,739,764
Impairment charge	(9)	24,882,071	31,271,011
Change in obligations for post-employment benefits		-654,970	-1,978,069
Change in non-current receivables, non-current contract assets and other non-current assets		2,902,404	5,552,355
Change in non-current trade payables, non-current contract liabilities and other non-current liabilities and provisions		-4,729,892	6,651,138
Net payments of income taxes		-10,201,167	-13,704,765
Interest received	(10)	1,800,591	2,268,613
Interest payments	(10)	-5,814,064	-6,528,435
Other (net)		5,153,808	3,080,160
Cash flow from earnings		**2,090,651**	**-71,808,750**
Change in net working capital:			
Change in trade receivables, current contract assets and other current assets		16,905,845	79,069,051
Change in inventories		8,396,728	13,924,558
Change in trade payables, current contract liabilities and other current payables		-2,659,068	-29,189,110
Change in current provisions		8,641,055	19,115,275
Change in net working capital		**31,284,560**	**82,919,775**
Cash flow from operating activities		**33,375,211**	**11,111,025**
Purchase of property, plant and equipment	(13)	-9,284,913	-2,413,780
Purchase of intangible assets	(14)	-4,964,889	-3,707,015
Purchase of securities, investments and other non-current financial assets		-19,322,342	-7,973,969
Payments for the acquisition of entities (less cash and cash equivalents of these entities)		-177,000	0
Payments for the acquisition of shares in at-equity-consolidated entities	(15)	-490,361	-1,515,212
Proceeds from the disposal of shares and liquidation of subsidiaries		7,656	1,290,870
Proceeds from the disposal of property, plant and equipment and intangible assets		2,842,862	750,763
Proceeds from the disposal of securities and other financial assets		392,319	6,780,771
Cash flow from investing activities		**-30,996,667**	**-6,787,572**
Free cash flow [1]		**2,378,544**	**4,323,453**
Dividends paid to parent company's shareholders		-19,500,000	0
Payments for the acquisition of non-controlling interests		-2,000,000	-1,400,000
Increase in non-current financial liabilities	(24)	62,630,984	121,077
Increase in current financial liabilities	(24)	10,119,638	18,789,560
Decrease in current financial liabilities	(24)	-6,175,577	-30,296,385
Lease payments	(25)	-13,630,751	-14,047,284
Cash flow from financing activities		**31,444,294**	**-26,833,031**
Cash and cash equivalents at beginning of year		94,651,920	122,631,807
Changes in cash and cash equivalents [2]		33,822,838	-22,509,578
Exchange gains/losses		-5,842,950	1,888,129
Cash and cash equivalents at end of year	(22)	**122,631,807**	**102,010,356**

[1] Cash flow from operating activities + cash flow from investing activities
[2] Free cash flow + cash flow from financing activities

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1 General information.

Kapsch TrafficCom is a global supplier of superior technologies, solutions and services of the ITS market (Intelligent Transportation Systems). Intelligent Transportation Systems support and optimize the traffic. They use therefore information and communication solutions.

Kapsch TrafficCom operates in two segments: Tolling and Traffic Management.

Tolling.
This segment (formerly: Electronic Toll Collection, ETC) comprises activities relating to the implementation 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 for business customers and private customers further complete it.

Traffic Management.
This segment (formerly: Intelligent Mobility Solutions, IMS) primarily comprises activities relating to the implementation and operation of systems and solutions for controlling traffic and mobility behavior, as well as the relating components business. The strategic focus is on the areas of traffic optimization, decision intelligence (analysis, simulation and prediction of traffic) and the operation of mobility platforms and services. One basis for this is the use of increasing amounts of data for analysis, simulation and intelligent control of traffic flows and mobility behavior. Customers in the traffic management segment are mainly public authorities but also private companies.

1.1 Group structure and consolidated group.

The parent company (reporting entity) of this group is Kapsch TrafficCom AG, Vienna. The company is a joint stock corporation incorporated and domiciled in Vienna, Austria. The address of the registered office is 1120 Vienna, Am Europlatz 2.

As of March 31, 2021 KAPSCH-Group Beteiligungs GmbH, Vienna, held a share of 63.3% in Kapsch TrafficCom AG. KAPSCH-Group Beteiligungs GmbH is a 100%-subsidiary of DATAX HandelsgmbH, Vienna, which is the controlling entity of Kapsch TrafficCom AG and the ultimate parent of Kapsch Group. The shares of Kapsch TrafficCom AG are listed in the Prime Market segment of the Vienna Stock Exchange since June 26, 2007.

The consolidated group as well as changes in the scope of consolidation are included in note 30.

1.2 Basis of preparation.

Pursuant to Section 245a Austrian Commercial Code (UGB), the consolidated financial statements as of March 31, 2021 have been prepared in accordance with International Financial Reporting Standards (IFRS) as well as the International Financial Reporting Standards Interpretations Committee (IFRS IC) as adopted by the European Union (EU).

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

1.3 Accounting and valuation principles.

The consolidated financial statements as of March 31, 2021 are prepared under the historical cost concept, with the exception of financial instruments measured at fair value according to IFRS 9. The measurement was made accordingly at the balance sheet date. Pertinent explanations can be found within the scope of the corresponding accounting policies. The accounting and valuation principles, which form the basis for these consolidated financial statements, were applied unchanged to the previous period and supplemented by new mandatory guidelines applicable from the financial year.

Note 35 provides a detailed description of all accounting and valuation principles, including new accounting and valuation principles to be applied.

1.4 Material accounting estimates and assumptions.

The preparation of the consolidated financial statements in conformity with IFRS requires the use of estimates and assumptions regarding future developments. These influence the amount and presentation of assets and liabilities reported at the balance sheet date as well as income and expenses recorded during the reporting period. Estimates are made by the Executive Board to the best of their knowledge. Nevertheless, the actual values may differ from these estimates. All estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will generally differ from actual results.

In particular, estimates and assumptions regarding the following areas have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

1.4.1 Revenue recognition for contract work.

The Group applies the rules of IFRS 15. Revenue for implementation projects, that fulfill the criteria of IFRS 15.35 for revenue recognition over time, is recognized in accordance with the corresponding stage of completion, with an expected profit margin already being assumed. The stage of completion is determined by an input orientated method using the ratio between the costs already incurred and the expected total costs of the corresponding contract. This requires to continuously estimate and update the planned costs arising from the contract as well as the risks arising from project management. This may result from technical difficulties, delays in the schedule or difficulties with sub-suppliers or other external general conditions, and which influence the profit margin of the project. Furthermore, these projects may also lead to damages or penalties that are to be considered during the project evaluation and which require an assessment of risks. For most contracts, contract revenue is defined and includes fixed elements and partly variable elements that are assessed by probability as to their amounts and timing. The total contract amount is also estimated for service concession arrangements that are remunerated based on the use of a service. Large-scale orders of the Group are usually technically complex individual orders based on specific terms and conditions which therefore are to be critically assessed with regard to revenue recognition and project risks on an individual basis. Details to the revenue recognition are included in note 35.3 and sensitivity analysis is included in note 21.

1.4.2 Estimated impairment of goodwill.

In accordance with the accounting policy stated in note 14 and 35, the Group tests annually whether goodwill has suffered any impairment. The recoverable amount of cash generating units is determined on the basis of the calculation of the value in use. Therefore assumptions must be made and used as a basis for this. Sensitivities for the acquired goodwill are detailed in note 14.

1.4.3 Other estimates and assumptions.

Further areas where assumptions and estimates are significant to the consolidated financial statements include impairment of inventories, recoverability of deferred tax assets/liabilities, assumption of useful lives for intangible assets and property, plant and equipment, assumptions and interest rates related to liabilities from post-employment benefits to employees, assumptions and interest rates related to leasing contracts, as well as provisions for warranties and losses for onerous contracts. Sensitivity analyses of the assumptions made by the Group are included in the respective notes.

1.4.4 Accounting estimates and assumptions relating to the group companies in North America.

Estimates and assumptions relating to assets and liabilities of the group companies in North America, especially in Kapsch TrafficCom USA Inc., Mc Lean, include risks of possible corrections of carrying amounts of the assets and liabilities in the following financial year, taking into consideration the causes leading to losses in the financial year 2020/21. This not only refers to the estimates for revenue recognition and impairment of goodwill but all further parts where material estimates and assumptions were made.

Management identified, decided and implemented measures together with external consultants as a response to the losses and identified problems. Already in the financial year 2021/22 a positive development of results should be reached in North America. The recoverability of assets and valuation of liabilities is mainly dependent on the effectivity of the already started and further implemented measures in the program “Mission re/invent“ and that a profitable business is again achieved.

2 Segment information.

Operating segments.

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses. The operating results of the segments are regularly reported to the Executive Board (chief operating decision maker). Resource allocation decisions are reviewed based on these segments. The Executive Board has identified two reportable segments (as described in note 1 and 35.4), which were renamed as of March 31, 2021:

> Tolling (formerly: Electronic Toll Collection, ETC)
> Traffic Management (formerly: Intelligent Mobility Solutions, IMS)

The segment results, as well as capital expenditure, depreciation and impairment and other non-cash-effective positions for the financial years 2020/21 and 2019/20 are as follows:

	2019/20			2020/21		
	Tolling	**Traffic Management**	**Total**	**Tolling**	**Traffic Management**	**Total**
Revenues	**563,498**	**167,686**	**731,184**	**358,224**	**146,951**	**505,175**
Implementation	219,253	73,621	292,873	100,265	65,173	165,439
Operations	234,927	84,375	319,302	187,505	76,363	263,868
Components	109,318	9,690	119,009	70,453	5,415	75,868
Operating result	**1,492**	**-40,660**	**-39,168**	**-117,200**	**-5,961**	**-123,161**
EBIT margin	**0.3%**	**-24.2%**	**-5.4%**	**-32.7%**	**-4.1%**	**-24.4%**
Capital expenditure	35,459	8,524	43,982	15,072	4,748	19,820
Depreciation and impairment	25,417	27,385	52,802	45,258	10,753	56,011
Other non-cash-effective positions	1,946	8,653	10,599	3,364	-3,900	-536

Business types also correspond to performance obligations pursuant to IFRS 15.

The segment assets and liabilities as of March 31, 2021 and March 31, 2020 are as follows:

	March 31, 2020			March 31, 2021		
	Tolling	**Traffic Management**	**Total**	**Tolling**	**Traffic Management**	**Total**
Segment assets	381,118	109,318	490,436	267,810	114,737	382,547
Interests in associates and joint ventures	24,722	7,913	32,635	29,751	0	29,751
Segment liabilities	235,214	71,847	307,061	205,520	78,602	284,122

The segment assets include property, plant and equipment, intangible assets, other non-current assets, non-current and current contract assets, non-current and current lease receivables, inventories, trade receivables and other current assets as well as current tax receivables.

The segment liabilities include liabilities from post-employment benefits to employees, non-current provisions, other non-current liabilities, non-current and current contract liabilities, non-current and current lease liabilities, trade payables, other liabilities and deferred income, current tax payables as well as current provisions.

In financial year 2020/21, as in the previous year, there was no customer who contributed more than 10% to the revenues of the Group.

Information by region.

In addition to the reportable segments, the revenues and non-current non-financial assets (property, plant and equipment and intangible assets) are presented by geographical segment. Revenues are segmented by the location of the customer and balance sheet figures by the location of the company.

The figures for the financial years ended March 31, 2021 and March 31, 2020 are as follows:

	Revenues		Non-current non-financial assets	
	2019/20	2020/21	March 31, 2020	March 31, 2021
Austria	18,274	12,165	36,741	30,809
EMEA (excluding Austria) [1]	385,201	264,871	49,795	11,991
Americas [2]	293,641	204,944	46,398	39,526
APAC [3]	34,068	23,195	9,314	9,075
Total	**731,184**	**505,175**	**142,247**	**91,400**

1) EMEA: Europe, Middle East, Africa
2) Americas: North, Central and South America
3) APAC: Asia-Pacific

3 Other operating income.

	2019/20	2020/21
Exchange rate gains from operating activities	8,407	2,828
Income from subsidies related to COVID-19-pandemic	0	1,601
Income from sale of subsidiaries	0	1,208
Income from research tax credits	904	1,005
Income from insurance refunds	232	403
Income from the sale of non-current assets	360	247
Income from recharges to joint ventures	2,784	0
Sundry operating income	3,299	2,639
Total	**15,985**	**9,931**

Operating exchange rate gains mainly related to exchange rate fluctuations of the currencies Argentine peso in respect to US dollar and to euro as well as Swedish krona in respect to euro.

Income from subsidies related to COVID-19 pandemic refers to premiums and support due to the COVID-19 pandemic including public sector grants from short-time work or compensation of staff costs. The majority of the compensation was granted in Canada. Income from sale of subsidiaries refers to the sale of Kapsch TrafficCom Construction & Realization spol. s.r.o., Czech Republic, in the financial year 2020/21.

In financial year 2019/20 income from recharges to joint ventures included recharged costs to autoTicket GmbH, Germany, that did not relate to costs or services to fulfill the customer contract.

Sundry operating income include several recharges and deferrals.

4 Changes in finished and unfinished goods and work in progress.

	2019/20	2020/21
Change in unfinished goods and work in progress	-646	-1,676
Change in finished goods	-5,471	-4,559
Total	**-6,117**	**-6,235**

Details on inventories can be found in note 19.

5 Cost of materials and other production services.

	2019/20	2020/21
Cost of materials	127,844	99,511
Cost of purchased services	207,096	143,948
Total	**334,940**	**243,460**

6 Staff costs.

	2019/20	2020/21
Wages, salaries, and other remunerations	220,449	194,489
Expenses for social security and payroll-related taxes and contributions	33,498	31,287
Expenses for termination benefits (see note 26)	672	447
Expenses for pensions (see note 26)	6	7
Contributions to pension funds and other external funds	3,703	3,586
Restructuring costs related to personnel	0	4,478
Fringe benefits	10,840	9,547
Total	**269,168**	**243,841**

As of March 31, 2021, the number of staff amounted to 4,657 employees (March 31, 2020: 5,104) and averaged 4,827 employees in financial year 2020/21 (2019/20: 5,085 persons).

Restructuring costs mainly relate to the USA, Sweden and Austria. Staff costs decreased due to cost reduction measures and headcount reductions mainly in the Czech Republic and Zambia as projects expired or were terminated and in Austria and South Africa due to cost reduction measures. Fringe benefits mainly refers to voluntary social benefits in the USA.

7 Other operating expenses.

	2019/20	2020/21
Legal and consulting fees	15,661	22,373
Communication and IT expenses	19,384	16,524
Exchange rate losses from operating activities	8,450	11,107
Maintenance	6,578	5,148
Rental and other building expenses	6,080	4,462
License and patent expenses	5,386	4,162
Taxes and charges	4,423	3,991
Insurance costs	3,278	3,122
Automobile expenses	4,760	2,979
Marketing and advertising expenses	5,786	2,815
Office expenses	3,961	2,161
Travel expenses	13,092	2,079
Bank charges	1,653	989
Transport costs	1,239	944
Restructuring costs	0	827
Training costs	2,109	759
Losses on disposal of non-current assets	1,864	63
Warranties and guarantees	969	-338
Write-off and allowance of receivables and contract assets	8,735	-599
Damages	1,807	-646
Other	3,455	1,729
Total	**118,672**	**84,652**

Legal and consulting fees increased by EUR 6,711 k compared to the previous year. Costs in the amount of EUR 8,065 k were taken into account and accrued for the litigation filed in the USA in November 2020. Exchange rate losses from operating activities of EUR 11,107 k were higher than in the previous year (EUR 8,450 k) and resulted primarily from exchange rate fluctuations of the currencies US dollar and Swedish krona in respect to euro and Zambian kwacha in respect to South African rand. Travel expenses decreased by EUR 11,013 k due to the impact of the COVID-19 pandemic and a savings program.

Write-off and allowances of trade receivables and contract assets decreased by EUR 9,334 k compared to the previous year. This value also includes reversals of allowances and is therefore negative in the financial year 2020/21. In financial year 2019/20, allowances of EUR 5,939 k were made in Zambia and EUR 1,138 k in the USA.

8 Expenses for amortization and depreciation.

	2019/20	2020/21
Depreciation of property, plant and equipment	20,504	20,475
Amortization of intangible assets	7,515	4,265
Amortization of costs to obtain a contract	-99	0
Total	**27,920**	**24,740**

Depreciation of property, plant and equipment also includes depreciation of right-of-use assets from leases (EUR 14,301 k). Details can be found in note 13. Amortization of intangible assets decreased in financial year 2020/21 because some of the intangible assets were impaired in the first half of the year and were only written up again at the end of the year (see note 9).

9 Impairment charge.

	2019/20	2020/21
Impairment on intangible assets	20,700	24,791
Write-up from impairments of intangible assets	0	-1,845
Impairment on tangible assets	17	904
Impairment on right-of-use assets from leases	65	7,420
Impairment on costs to obtain or fulfil a contract	4,100	0
Total	**24,882**	**31,271**

In financial year 2020/21, the impairment on intangible assets related to the impairment of the entire goodwill of the cash-generating unit Tolling-EMEA (formerly: ETC-EMEA) in the amount of EUR 21,316 k and to other intangible assets of the cash-generating unit TM-EMEA (formerly: IMS-EMEA) in the amount of EUR 3,475 k. These impairments occurred in the first half of 2020/21. Based on updated estimates of the future course of business a new plan was prepared, which was the basis for the impairment test of goodwill and non-current assets in the first half of the year and led to the impairments.

At the end of financial year 2020/21, a new impairment test was carried out for goodwill and non-current assets based on a new plan that included the effects of restructuring measures. Goodwill was not written up, but intangible assets (excluding goodwill) in the amount of EUR 1,845 k were.

Due to the reduction in rental space and shorter rental agreements, property, plant and equipment and right-of-use assets from leases had to be impaired to the remaining use based on a fair valuation (level 3) in financial year 2020/21. That relates with EUR 6,957 k to the segment tolling and with EUR 1,367 k to the segment traffic management.

In financial year 2019/20 the impairment on intangible assets related to the service concession agreement and other intangible assets in Zambia (EUR 13,759 k) as well as the impairment of the goodwill (EUR 6,941 k) of the cash-generating unit IMS-EMEA (now: TM-EMEA). The impairment on property, plant and equipment as well as the impairment of right-of-use assets from leases related to the company in Zambia too. As a result of the early termination of the passenger vehicle toll projects in Germany, there was an impairment of costs to obtain a contract amounting to EUR 4,100 k.

10 Financial result.

	2019/20	2020/21
Interest income	1,753	2,214
Interest income from leases	16	9
Income from securities, recognized at fair value through profit or loss	33	45
Gains from the disposal of financial assets, recognized at fair value through profit or loss	0	389
Gains from the change of the fair value of derivative financial instruments	322	414
Income from hyperinflation adjustment	285	490
Exchange rate gains from financing activities	2,575	4,084
Finance income	**4,984**	**7,646**
Interest expense	-4,804	-5,116
Interest expenses from leases	-1,140	-1,404
Income from securities, recognized at fair value through profit or loss	-145	-109
Expense from other investments, recognized at fair value through profit or loss	-5,655	-130
Expense from interest accretion of non-current liabilities	-101	-37
Expense from change in fair value of derivative financial instruments	-1,742	-291
Expense from hyperinflation adjustment	-2,598	-2,664
Exchange rate losses from financing activities	-11,539	-6,115
Interest expense from liabilities from post-employment benefits to employees (see note 26)	-350	-161
Interest expense from liabilities from anniversary bonuses to employees (see note 27)	-20	-8
Expense from the disposal and impairment of financial assets	0	-1,218
Finance cost	**-28,095**	**-17,254**
Financial result	**-23,111**	**-9,607**

The exchange rate gains and losses resulted mainly from foreign currency fluctuations on intercompany financing, in particular of the subsidiaries in Zambia (Zambian kwacha against euro), in South Africa (South African rand against euro) and in the USA (US dollar against euro).

Gains from the disposal of financial assets, recognized at fair value through profit or loss, related to proceeds from the sale of investments in Q-Free ASA, Norway, which was valued at EUR 5,734 as at March 31, 2020 and was sold for EUR 6,123 k. The average selling price per share was NOK 4.28 or EUR 0.45. Expense from other investments, recognized at fair value through profit or loss in the financial year 2019/20 mainly related to the development of the investment in Q-Free ASA (EUR -5,655 k).

Argentina is classified as a hyperinflationary country and the income and expense from hyperinflation adjustment are shown in the financial result.

11 Income taxes.

	2019/20	2020/21
Current income taxes	-4,611	10,151
Deferred taxes	12,339	17,689
Total	**7,728**	**27,840**
thereof income/expense from group taxation	5,597	13,480

The reasons for the difference between the arithmetic tax expense/income based on the Austrian corporate income tax rate of 25% and the recognized tax expense/income are as follows:

	2019/20	2020/21
Result before income taxes	**-63,446**	**-133,129**
Arithmetic tax expense/income	**15,862**	**33,282**
Effects of different tax rates in the Group	2,632	-2,444
Unrecognized deferred tax assets on current tax losses and impairment of previously recognized tax losses	-7,971	-2,585
Recognition of deferred tax assets for unrecognized previous-year tax losses	452	976
Tax allowances claimed and other permanent tax differences	-5,424	-713
Income and expenses not subject to tax and other differences	1,493	-4,497
Tax effects from previous periods	685	3,822
Recognized tax expense/income	**7,728**	**27,840**

"Unrecognized deferred tax assets on current tax losses and impairment of previously recognized tax losses" relate primarily to unrecognised losses in Zambia, as well as to a part of losses in the USA that based on plans for the next few years cannot be used. Deferred tax assets for previously unrecognized losses mainly related to tax loss carry-forwards in Spain in financial year 2020/21, as in the previous year. The tax effects from previous periods related to adjustments of the previous year's figures due to tax audits and adjustments in connection with the preparation of tax returns.

The parent company Kapsch TrafficCom AG recognized a positive tax allocation to the Austrian (tax) group parent KAPSCH-Group Beteiligungs GmbH in the amount of EUR 12,711 k, which is included in current tax receivables.

For further information on deferred tax assets/liabilities see note 18.

12 Other comprehensive income.

	2019/20			2020/21		
	Before taxes	Tax expense/ income	After taxes	Before taxes	Tax expense/ income	After taxes
Remeasurements of liabilities from post-employment benefits	-2,293	503	-1,790	497	-126	370
Currency translation differences	1,059	0	1,059	11,105	0	11,105
Currency translation differences from net investments in a foreign operation	1,217	-304	913	-3,248	812	-2,436
Fair value changes recognized in equity	**-17**	**199**	**182**	**8,354**	**686**	**9,040**

USD loans granted by Kapsch TrafficCom AG to a subsidiary in the USA were classified as net investments in a foreign operation in accordance with IAS 21, as the management board of Kapsch TrafficCom AG does not plan to repay these loans in the foreseeable future and repayment is not probable. Exchange differences arising on these loans are recognized in other comprehensive income.

13 Property, plant and equipment.

	Land and buildings	Right-of-use from leases of buildings	Technical equipment and machinery	Construction in progress	Other equipment, factory and office equipment	Right-of-use from other leases	Total
Carrying amount as of March 31, 2020	**4,442**	**57,731**	**7,849**	**1,112**	**6,647**	**4,544**	**82,325**
Currency translation differences	-66	526	202	-41	-46	-44	532
Reclassification	904	0	-43	-1,162	45	0	-255
Disposals relating to sale of subsidiaries	-5	-214	0	0	-17	-4	-240
Additions	46	11,616	440	402	1,526	2,082	16,113
Disposals	-4	-13,089	-31	-64	-97	-1,218	-14,503
Impairment	-904	-7,420	0	0	0	0	-8,324
Scheduled amortization	-1,398	-12,271	-2,487	0	-2,289	-2,031	-20,475
Carrying amount as of March 31, 2021	**3,015**	**36,879**	**5,929**	**248**	**5,769**	**3,331**	**55,171**
Acquisition/production costs	14,490	65,786	39,701	248	27,866	6,132	154,222
Accumulated depreciation	-11,475	-28,906	-33,772	0	-22,096	-2,801	-99,051
Carrying amount as of March 31, 2021	**3,015**	**36,879**	**5,929**	**248**	**5,769**	**3,331**	**55,171**

	Land and buildings	Right-of-use from leases of buildings	Technical equipment and machinery	Construction in progress	Other equipment, factory and office equipment	Right-of-use from other leases	Total
Carrying amount as of March 31, 2019	**3,400**	**0**	**8,855**	**2,723**	**6,978**	**0**	**21,956**
Adjustment due to initial application of IFRS 16	0	47,449	0	0	0	3,439	50,888
Carrying amount as of April 1, 2019	**3,400**	**47,449**	**8,855**	**2,723**	**6,978**	**3,439**	**72,844**
Currency translation differences	1	-1,350	-234	30	-86	-167	-1,805
Reclassification	1,360	0	102	-2,682	1,362	0	141
Additions	578	26,635	2,954	3,534	2,218	3,098	39,017
Disposals	-21	-2,854	-916	-2,492	-881	-123	-7,287
Impairment	0	0	0	0	-17	-65	-82
Scheduled amortization	-875	-12,150	-2,913	0	-2,992	-1,638	-20,504
Carrying amount as of March 31, 2019	**4,442**	**57,731**	**7,849**	**1,112**	**6,647**	**4,544**	**82,325**
Acquisition/production costs	13,939	69,336	40,111	1,112	30,026	6,135	160,658
Accumulated depreciation	-9,497	-11,605	-32,262	0	-23,379	-1,591	-78,334
Carrying amount as of March 31, 2019	**4,442**	**57,731**	**7,849**	**1,112**	**6,647**	**4,544**	**82,325**

Right-of-use from other leases mainly concerns leases of cars and other vehicles. Lease liabilities are presented in note 25.

14 Intangible assets.

	Capitalized development costs	Concessions and rights	Goodwill	Intangible assets in completion	Intangible assets from service concession arrangements	Total
Carrying amount as of March 31, 2020	**3,246**	**12,393**	**44,072**	**212**	**0**	**59,922**
Currency translation differences	-91	23	0	0	0	-68
Reclassification	128	127	0	0	0	255
Disposals relating to sale of subsidiaries	0	-7	0	0	0	-7
Additions	260	2,915	0	532	0	3,707
Disposals	-55	-46	0	-270	0	-370
Impairment	-134	-3,341	-21,316	0	0	-24,791
Write-up from impairments	34	1,811	0	0	0	1,845
Scheduled amortization	-641	-3,623	0	0	0	-4,265
Carrying amount as of March 31, 2021	**2,746**	**10,253**	**22,755**	**474**	**0**	**36,229**
Acquisition/production costs	13,932	95,240	37,154	474	0	146,801
Accumulated amortization	-11,186	-84,987	-14,399	0	0	-110,572
Carrying amount as of March 31, 2021	**2,746**	**10,253**	**22,755**	**474**	**0**	**36,229**

	Capitalized development costs	Concessions and rights	Goodwill	Intangible assets in completion	Intangible assets from service concession arrangements	Total
Carrying amount as of March 31, 2019	**3,285**	**17,200**	**51,013**	**2,507**	**10,617**	**84,621**
Currency translation differences	12	-454	0	15	-844	-1,271
Reclassification	464	2,860	0	-3,464	0	-141
Additions	325	2,045	0	1,154	1,441	4,965
Disposals	-36	0	0	0	0	-36
Impairment	0	-2,838	-6,941	0	-10,921	-20,700
Scheduled amortization	-803	-6,419	0	0	-293	-7,515
Carrying amount as of March 31, 2020	**3,246**	**12,393**	**44,072**	**212**	**0**	**59,922**
Acquisition/production costs	13,431	98,878	44,072	212	10,309	166,901
Accumulated amortization	-10,185	-86,484	0	0	-10,309	-106,978
Carrying amount as of March 31, 2020	**3,246**	**12,393**	**44,072**	**212**	**0**	**59,922**

Intangible assets from service concession arrangements related to assets from a service concession arrangement in Zambia, that was included according to the interpretation IFRIC 12. The contract was fully impaired as at March 31, 2020, was terminated in financial year 2020/21 and was therefore derecognised in full.

14.1 Recoverability of intangible assets with finite useful lives.

Intangible assets (excluding intangible assets with indefinite useful lives) are allocated to the individual companies and are tested for impairment at this level if there are any indications of impairment.

A new plan was prepared in the first half of 2020/21 based on updated estimates of future business development. This served as the basis for an impairment test of goodwill and non-current assets during the year. This resulted in an impairment of intangible assets (other than goodwill) in the CGU TM-EMEA (formerly IMS-EMEA) in the amount of EUR 3,475 k in addition to the goodwill in the CGU Tolling-EMEA (formerly ETC-EMEA). At the end of financial year 2020/21, a new impairment test was carried out for goodwill and non-current assets based on a new plan that includes the effects of restructuring measures. The results showed a value of use above the carrying amount for both CGUs. Goodwill was not written up, but a write-up of EUR 1,845 k was made for intangible assets.

There were no further impairments as of March 31, 2021. As of March 31, 2020, the service concession arrangement was impaired by EUR 10,921 k, software by EUR 2,838 k and property, plant and equipment by EUR 82 k in the Zambian operating company. They were allocated to the IMS segment (now: Traffic Management).

14.2 Recoverability of goodwill.

Goodwill is allocated to the following six groups of cash-generating units (CGUs) and is tested for impairment at this level. The cash-generating units were also renamed due to the renaming of the segments.

	March 31, 2020	March 31, 2021
CGU **Tolling-Americas** formerly: Electronic Toll Collection, Americas	11,783	11,783
CGU **Tolling-EMEA** formerly: Electronic Toll Collection, Europe, Middle East and Africa	21,316	0
CGU **Tolling-APAC** formerly: Electronic Toll Collection, Asia and Pacific	7,378	7,378
CGU **TM-Americas** formerly: Intelligent Mobility Solutions, Americas	3,364	3,364
CGU **TM-EMEA** formerly: Intelligent Mobility Solutions, Europe, Middle East and Africa	0	0
CGU **TM-APAC** formerly: Intelligent Mobility Solutions, Asia and Pacific	230	230
Total Goodwill	**44,072**	**22,755**

In the first half of 2020/21 a new plan was prepared based on updated estimates of future business development. This served as the basis for an impairment test of goodwill within the financial year. This resulted in the full impairment of goodwill in the CGU Tolling-EMEA (formerly: ETC-EMEA) in the amount of EUR 21,316 k. At the end of financial year 2020/21, a new impairment test for each group of CGUs was carried out for goodwill based on a new plan that includes the effects of restructuring measures. The results from this impairment test are included below.

14.2.1 Key assumptions for impairment testing.

The following key assumptions for determining of the recoverable amount of the cash-generating units were made:

	2019/20	2020/21
Determination of recoverable amount	Value in use	Value in use
Detailed planning period	4 years	4 years
Terminal value growth rate	2.00%	2.00%
Market risk premium	8.49%	8.05%
Risk-free rate	0.01%	-0.05%

In the case of all cash-generating units of the Group, the market side is generally based on a project business in which the Group is commissioned to set up an tolling or traffic management system. In connection with this, long-term operation business can often be generated. In addition, system extensions (e.g. through additional routes or additional applications) and/or further ongoing component deliveries for these customers can also be provided within the framework of such long-term contracts. This characteristic of the project business is also reflected in the market planning process of the individual cash-generating units.

The Group plans each customer project as carefully as possible for each performance obligation in its project planning tool. Projects can be planned very reliable, in which systems have already been set up and where there are still medium- and long-term service transactions and several years of experience with customers associated with. In these cases, the further development and the potential for additional business can usually be planned very reliably over the entire remaining term. For new implementation projects, the uncertainties regarding technical implementation, timing and quantities are higher. In general, the closer the award dates of such implementation projects are, the more reliable planning is in this respect. Implementation projects for which the Group has already been selected as a supplier or which are even already in the implementation phase can also be planned with particular accuracy. Projects, which are unlikely to be won or executed at the time of budgeting are not included in the budget or medium-term planning. Uncertainties, delays and deviations can never be completely ruled out in the project business, however such risks are minimized in the best possible way by professional project management and controlling. Furthermore, planning includes the sale of components that are not related to construction projects. This, too, can generally be estimated very well on the basis of many years of experience.

In the **CGU Tolling-Americas** (formerly: ETC-Americas), there are a large number of projects and demand for tolling systems, primarily in the USA but also in Latin American countries, which are assessed according to their probability and are included in the planning accordingly. The supply of components represents a significant contribution to revenue in this CGU in particular. Strong demand for traffic management projects (especially road safety and traffic monitoring systems) is also expected in the **CGU TM-Americas** (formerly: IMS-Americas) and has been included in the planning accordingly.

The focus in the region EMEA is on Europe, although selected projects in Africa and the Middle East continue to be included in these CGUs. In the **CGU Tolling-EMEA** (formerly: ETC-EMEA), demand for tolling systems remains strong, not least due to budget constraints in many public budgets. Already won, prepared or potential implementation and operation projects, as well as their expansion, are included in the planning according to their probability. Supplies of components are also an essential part of this CGU. In the **CGU TM-EMEA** (formerly: IMS-EMEA), management expects an increasing demand for traffic management systems, especially for road telematics solutions in urban areas. This is also included accordingly in the planning of this CGU.

The planning for the **CGU Tolling-APAC** (formerly: ETC-APAC) is based on finalized implementation projects and current operation projects and their expansions, as well as the fact that tenders are in preparation or already in progress in this region. Supplies of components are also part of the planning. Road telematics solutions are an essential part of the planning in the **CGU TM-APAC** (formerly: IMS-APAC) as they are in other regions. Different projects in the field of road safety and traffic monitoring systems are expected.

Effects due to the COVID-19 pandemic were taken into account in the impairment test, with postponements to the next few years planned for some of the customer contracts. Defaults on customer contracts are only planned to a minor extent.

14.2.2 Peer Group.

In addition to Kapsch TrafficCom AG, the peer group assumed for the impairment test comprises another eleven peer companies, of which only nine companies were relevant for determining the parameters in financial year 2020/21 as in the previous year. The composition of the companies in the peer group has not changed since the previous year. The debt/equity ratio of the peer group in financial year 2020/21 was 20.1% (2019/20: 18.3%); the unlevered beta factor was 0.6 (2019/20: 0.6).

14.2.3 Results of the impairment test.

	Tolling-			TM-		
2020/21	**Americas**	**EMEA**	**APAC**	**Americas**	**EMEA**	**APAC**
Carrying amount of goodwill allocated to the CGU	11,783	0	7,378	3,364	0	230
Carrying amount of intangible assets with indefinite useful life allocated to the CGU (excl. goodwill)	0	361	0	0	114	0
Value in use of the CGU	225,565	143,018	155,262	84,807	49,186	34,182
Carrying amount of the CGU	79,922	63,262	9,750	18,075	34,267	660
Discount rate	6.0%	7.8%	5.4%	6.6%	6.6%	5.4%
Discount rate before tax	8.1%	10.4%	6.8%	9.2%	8.8%	7.1%
Break-even discount rate before tax	21.7%	20.8%	114.0%	34.0%	14.2%	505.5%

	Tolling-			TM-		
2019/20	**Americas**	**EMEA**	**APAC**	**Americas**	**EMEA**	**APAC**
Carrying amount of goodwill allocated to the CGU	11,783	21,316	7,378	3,364	0	230
Carrying amount of intangible assets with indefinite useful life allocated to the CGU (excl. goodwill)	0	212	0	0	0	0
Value in use of the CGU	472,310	110,303	203,842	66,506	19,830	24,093
Carrying amount of the CGU	139,710	108,119	13,250	37,227	19,830	2,309
Discount rate	6.1%	9.1%	5.4%	7.3%	8.2%	5.4%
Discount rate before tax	8.1%	11.8%	7.0%	9.9%	10.6%	7.2%
Break-even discount rate before tax	32.4%	12.0%	127.8%	21.7%	10.6%	205.0%

14.2.4 Sensitivity analysis with impact of changes to the value in use of the CGUs.

2020/21	**Increase in assumption**	Tolling-			TM-		
		Americas	**EMEA**	**APAC**	**Americas**	**EMEA**	**APAC**
Discount rate	+ 10%	-19,753	-14,175	-14,153	-8,325	-3,171	-3,100
Revenue growth	+ 10%	724	639	803	696	153	619
EBITDA margin	+ 10%	4,589	5,576	2,599	1,972	1,453	517
Terminal value growth rate	+ 0,5%p	-297	-313	-30	-76	-155	-4
	Decrease in assumption	Tolling-			TM-		
		Americas	**EMEA**	**APAC**	**Americas**	**EMEA**	**APAC**
Discount rate	- 10%	24,090	17,385	17,299	10,185	3,868	3,786
Revenue growth	- 10%	-715	-634	-798	-682	-152	-573
EBITDA margin	- 10%	-4,589	-5,576	-2,599	-1,972	-1,453	-517
Terminal value growth rate	- 0,5%p	297	313	30	76	155	4

2019/20	Increase in assumption		Tolling-			TM-	
		Americas	EMEA	APAC	Americas	EMEA	APAC
Discount rate	+ 10%	-49,590	-10,855	-26,164	-5,101	-4,004	-2,885
Revenue growth	+ 10%	3,643	613	1,386	337	326	367
EBITDA margin	+ 10%	9,246	4,316	3,254	1,238	1,099	325
Terminal value growth rate	+ 0,5%p	45,465	5,481	29,318	3,348	2,443	3,244
	Decrease in assumption		Tolling-			TM-	
		Americas	EMEA	APAC	Americas	EMEA	APAC
Discount rate	- 10%	66,561	13,944	36,014	6,603	5,223	3,974
Revenue growth	- 10%	-3,545	-607	-1,351	-331	-323	-337
EBITDA margin	- 10%	-9,246	-4,316	-3,254	-1,238	-1,099	-325
Terminal value growth rate	- 0,5%p	-35,524	-4,764	-21,770	-2,774	-2,078	-2,407

14.3 Capitalized development costs.

Development costs relate to expenses which, in accordance with IAS 38, are capitalized and amortized over 3 to 15 years once the assets are available for commercial use.

Additional research and development costs of the Group in financial year 2020/21 amounted to EUR 106,624 k (2019/20: EUR 130,666 k). Thereof, in financial year 2020/21 project-specific development costs charged to the customer amounted to EUR 60.769 k (2019/20: EUR 69,668 k). The remaining amount of EUR 45,855 k (2019/20: EUR 60,998 k) was recognized as an expense.

15 Interests in associates and joint ventures.

	2019/20	2020/21
Carrying amount as of March 31 of previous year	**19,973**	**32,635**
Additions	18,804	1,515
Disposal	-1	0
Proportional result of the period from core business	-4,639	-4,100
Adjustments for elimination of intercompany transactions	-199	33
Proportional result of the period from financial investments	-1,167	-361
Currency translation differences	-136	29
Carrying amount as of March 31 of financial year	**32,635**	**29,751**
thereof interests in associates	7,913	9,067
thereof interests in joint ventures	24,722	20,684

The conversion of debt into equity at Traffic Technology Services Inc., USA, resulted in an addition of EUR 1,515 k in 2020/21. In the previous year, the addition of EUR 17,857 k related to the conversion of debt into equity at autoTicket GmbH, Germany, and EUR 947 k to the addition of Copiloto Colombia S.A.S., Colombia, half of which was made as a contribution in kind.

Associated companies.

Traffic Technology Services Inc., USA, is recognized as an associated company. LLC National operator of telematic services, Russia, was liquidated in financial year 2020/21.

Traffic Technology Services Inc., USA.
As of March 31, 2021, Kapsch TrafficCom held 42.19% in the entity (March 31, 2020: 41.56%). The company is accounted for using the equity method and the carrying amount of the investment as at March 31, 2021 was EUR 9,067 k (March 31, 2020: EUR 7,913 k). In financial year 2021/20, the proportional result of this associate amounted to EUR -361 k (2019/20: EUR -1,167 k) and is reported in result before tax after the financial result.

The financial data of the entity as of the latest balance sheet date is as follows:

	March 31, 2020	March 31, 2021
Non-current assets	10,118	10,291
Current assets	353	1,568
Non-current liabilities	-1,637	-633
Current liabilities	-469	-1,426
Net assets	**8,365**	**9,800**
	2019/20	**2020/21**
Revenues	1,290	2,154
Result for the period	-2,809	-1,671
Other comprehensive income	0	0
Total comprehensive income	**-2,809**	**-1,671**

Joint ventures.

The joint ventures include autoTicket GmbH, Germany, Copiloto Colombia S.A.S., Colombia, and the consortium MyConsorzio, Italy. These companies are also accounted for using the equity method.

autoTicket GmbH, Germany.
As of August 13, 2018, the company autoTicket GmbH, Germany, (autoTicket) was acquired together with CTS EVENTIM AG & Co. KGaA as a shell company. Kapsch TrafficCom holds 50% of the shares and accounts for the company as a joint venture using the equity method. As the activities and strategy of autoTicket are part of Kapsch TrafficCom's core business, the proportional results (2020/21: EUR -3,832 k and 2019/20: EUR -4,578 k) are disclosed separately in the result from operating activities ("Result from associates and joint ventures"). The carrying amount as at March 31, 2021 was EUR 20,213 k (March 31, 2020: EUR 24,045 k).

For further information, see note 29.

The financial data of the entity as of the latest balance sheet date is as follows:

	March 31, 2020	March 31, 2021
Non-current assets	51,757	55,195
Current assets	1,560	746
Non-current liabilities	0	-14,546
Current liabilities	-5,231	-973
Net assets	**48,086**	**40,422**
Cash and cash equivalents	1,480	725
Financial liabilities (non-current and current)	-2,161	-14,400
	2019/20	**2020/21**
Revenues	31,789	32
Result for the period	-9,157	-7,665
Other comprehensive income	0	0
Total comprehensive income	**-9,157**	**-7,665**

Reconciliation	**March 31, 2020**	**March 31, 2021**
Net assets at beginning of financial year	21,530	48,087
Increase of nominal capital and capital reserve	35,714	0
Total comprehensive income	-9,157	-7,665
Net assets as of March 31 of financial year	**48,087**	**40,423**
Share of Kapsch TrafficCom (50%)	24,045	20,213
Carrying amount as of March 31 of financial year	**24,045**	**20,213**

Copiloto Colombia S.A.S., Colombia.
In financial year 2019/20, the company Copiloto Colombia S.A.S., Colombia, was established with a partner in equal shares (50%). The proportional result in financial year 2020/21 amounted to EUR -235 k (2019/20: EUR -60 k). As the activities and strategy of Copiloto are part of Kapsch TrafficCom's core business, the proportional results are disclosed separately in the result from operating activities. The carrying amount as of March 31, 2021 amounted to EUR 345 k (March 31, 2020: EUR 551 k).

The financial data of the entity as of the latest balance sheet date is as follows:

	March 31, 2020	March 31, 2021
Non-current assets	540	530
Current assets	952	609
Non-current liabilities	-20	-71
Current liabilities	-2	-46
Net assets	**1,470**	**1,023**
Cash and cash equivalents	883	557
Financial liabilities (non-current and current)	0	0
	2019/20	**2020/21**
Revenues	0	35
Result for the period	-121	-536
Other comprehensive income	0	0
Total comprehensive income	**-121**	**-536**

Reconciliation	**March 31, 2020**	**March 31, 2021**
Net assets at beginning of financial year	0	1,501
Increase of nominal capital and capital reserve	1,603	0
Total comprehensive income	-121	-536
Currency translation differences	18	58
Net assets as of March 31 of financial year	**1,501**	**1,022**
Share of Kapsch TrafficCom (50%)	750	511
Adjustments for elimination of intercompany transactions	-199	-166
Carrying amount as of March 31 of financial year	**551**	**345**

Consortia.
tolltickets GmbH, Germany, holds 50% of the shares in the MyConsorzio consortium, which is managed jointly with a partner. The consortium members are generally excluded from liability. It is accounted for using the equity method. Proportional results from the joint venture (2020/21: EUR 0 k and 2019/20: EUR 0 k) are reported in earnings before taxes after the financial result.

The carrying amount of the shares as at March 31, 2021 in MyConsorzio was EUR 1 k (March 31, 2020: EUR 1 k). The financial information of the company as at the last balance sheet date December 31, 2020 is not material. Net assets as at December 31, 2020 amounted to EUR 2 k (December 31, 2019: EUR 0 k). Revenues for the financial year 2020/21 were EUR 4,146 k (2019/20: EUR 3,666 k) and profit after tax was EUR 2 k (2019/20: EUR 1 k).

Joint operations.
The Group had several joint arrangements in financial year 2020/21, mainly for implementation and maintenance projects. These joint arrangements are classified as joint operations. The company MoKA SAS, France, is also included in the Group as a joint operation. None of the joint operations is material individually to the Group in financial year 2020/21. Proportional revenues in the amount of EUR 10,171 k (2019/20: EUR 10.493 k) and proportional results in the amount of EUR 1.474 k (2019/20: EUR -645 k) were included in the respective items in the consolidated financial statements.

16 Financial instruments.

Financial instruments by category at carrying amount	March 31, 2020	March 31, 2021
Trade receivables and other current assets and non-current assets	**177,254**	**133,634**
At amortized cost	**144,635**	**107,056**
Trade receivables	144,635	107,256
Other non-financial assets [1]	**32,619**	**26,578**
Contract assets (non-current and current) at amortized cost	**151,956**	**111,160**
Other financial assets and investments (non-current and current)	**12,170**	**13,204**
At fair value through profit or loss	**9,563**	**3,769**
Securities (Fair value level 1)	3,637	3,674
Current securities (Fair value level 1)	96	55
Derivative financial instruments (Fair value level 2)	59	0
Investments (Fair value level 1)	5,734	0
Investments (Fair value level 3)	37	40
At amortized cost	**2,607**	**9,435**
Other financial assets and loans (non-current)	1,406	8,566
Other financial assets and loans (current)	1,200	869
Cash and cash equivalents at amortized cost	**122,632**	**102,010**
Financial liabilities (non-current and current) at amortized cost	**235,933**	**223,257**
Promissory note bond (Fair value level 2)	75,160	74,347
Project financing (Fair value level 2)	50,836	45,715
Operating loans (Fair value level 2)	87,126	85,215
Other financial liabilities (Fair value level 2)	22,811	17,980
Lease liabilities (non-current and current) at amortized cost	**63,646**	**49,277**
Lease liabilities (non-current and current) [2]	63,646	49,277
Trade payables at amortized cost	**92,404**	**59,404**
Other liabilities and deferred income (non-current and current)	**61,384**	**51,973**
At amortized cost	**516**	**220**
Other financial liabilities	516	220
At fair value through profit or loss	**341**	**478**
Derivative financial instruments (Fair value level 2)	341	478
Other non-financial liabilities [1]	**60,527**	**51,275**

[1] Non-financial receivables and liabilities are only included for reconciliation with the respective balance sheet item.
[2] Lease liabilities belong to financial liabilities, but do not underly the disclosure requirements of IFRS 7.

Changes and fair value.
No reclassifications between the hierarchy levels were made in financial year 2020/21.

As in the previous year, the securities as of March 31, 2021 relate to government and bank bonds as well as shares in investment funds. Kapsch TrafficCom used the option according to IFRS 9 to recognize one debt instrument at fair value through profit and loss instead of amortized costs.

As of March 31, 2020 the 15.4% investment in the listed Q-Free ASA, Norway, recognized at fair value through profit and loss amounted to EUR 5,734 k. This investment was sold completely in financial year 2020/21.

The carrying amount of "trade receivables and other current assets", "contract assets", "other current financial assets and loans", "cash and cash equivalents", "trade payables" 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. These positions are attributable to level 3.

The fair value of non-current and current financial liabilities amounted to EUR 75,174 k for the promissory note bond (March 31, 2020: EUR 76,437 k), EUR 46,351 k for the project financing (March 31, 2020 adjusted: EUR 51,136 k), EUR 86,471 k for the non-current and current operating loans (March 31, 2020 adjusted: EUR 86,578 k) and EUR 18,103 k for other financial liabilities (March 31, 2020: EUR 21,709 k). The fair value of other non-current financial assets and loans amounted to EUR 8,089 k (March 31, 2020: EUR 1,594 k) and of non-current financial liabilities amounted to EUR 217 k (March 31, 2020: EUR 498 k).

Fair value-hierarchies and determination of fair value.
Financial assets and liabilities must be classified to one of the three following fair value-hierarchies:

Level 1: There are quoted prices in active markets for identical assets and liabilities. In the Group, listed equity instruments are attributed to level 1, as well as, in the previous year, the investment in Q-Free ASA, Norway.

Level 2: The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques based on direct or indirect observable market data. This category comprises securities that are not regularly traded on a stock market, derivative financial instruments and financial liabilities.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices are used for securities.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted to present value.
- The fair value of financial liabilities classified as level 2 was derived through discounting the gross cash flows over the contracted term at a risk-adjusted observable interest rate.

Level 3: Financial instruments whose valuation information is not based on observable market data are classified to this category. Variable purchase price components (earn-out) fall into this category, for example. They are based on agreed conditions and the expectation of the future sales/earnings development of the respective subsidiaries. Long-term purchase price components are discounted using a risk-adjusted interest rate.

Statement of comprehensive income.
Financial instruments are recognized in the statement of comprehensive income with the following net results:

	2019/20	2020/21
Loans and receivables recognized at (amortized) cost	-9,509	-3,199
Financial liabilities recognized at (amortized) cost	-6,045	-6,557
At fair value through profit or loss	-7,207	309
Total	**-22,761**	**-9,447**

Derivative financial instruments.
Derivative financial instruments that are measured at fair value through profit or loss are shown in the operating or financial result.

The table in this note shows the balance sheet values. The operating gains/losses from the change in the fair value of derivative financial instruments amounted to EUR 0 k and EUR -209 k respectively (2019/20: EUR 90 k and EUR -280 k). The gains and losses included in the financial result are shown in note 10.

As of March 31, 2021 the position “Other liabilities and deferred income (non-current and current)” includes derivative financial instruments in the amount of EUR 478 k (March 31, 2020: EUR 341 k), that will be cash-effective in the amount of EUR 86 k in the next year and EUR 392 k in the next 5 years.

To hedge the foreign currency risk, certain derivative financial instruments are designated as cash flow hedges to an insignificant extent. These are forward exchange contracts with different maturities and currencies. Changes to cash flow hedges are shown in other comprehensive income. As in the previous year, there were no hedges designated as cash flow hedges as of March 31, 2021.

17 Other non-current assets.

	March 31, 2020	March 31, 2021
Non-current trade receivables	0	3,289
Other non-current receivables	270	304
Total	**270**	**3,592**

The non-current trade receivables concern receivables related to the project “Automatic control of the toll” in Germany, which are not settled in the short term (see note 29).

Other non-current receivables include rental guarantees for buildings of the Spanish companies. As in the previous year, the remaining term is more than 1 year but less than 5 years from the balance sheet date. Gross cash flows of other non-current assets up to 2 years amount to EUR 20 k (March 31, 2020: EUR 13 k), between 2 and 3 years EUR 3,592 k (March 31, 2020: EUR 270 k) and more than 3 years EUR 3 k (March 31, 2020: EUR 3 k).

18 Deferred tax assets/liabilities.

	March 31, 2020	March 31, 2021
Deferred tax assets to be recovered after more than 12 months	21,572	35,050
Deferred tax assets to be recovered within 12 months	4,717	7,838
Deferred tax assets	**26,288**	**42,888**
Deferred tax liabilities to be recovered after more than 12 months	889	222
Deferred tax liabilities to be recovered within 12 months	817	793
Deferred tax liabilities	**1,706**	**1,016**
Deferred tax assets net (+)/deferred tax liabilities net (-)	**24,583**	**41,872**

Deferred taxes due to tax loss carry-forwards and other temporary differences deductible in the future are recognized only to the extent of their potential realization. In these consolidated financial statements, tax loss carry-forwards amounting to EUR 214,813 k (March 31, 2020: EUR 245,359 k) are not recognized due to the unsecure potential for future taxable income. The not recognized tax loss carry-forwards mainly relate to foreign subsidiaries, primarily in Spain, the USA and Zambia and are, for the predominant part, not expiring or not before 2030. All other deferred tax assets have been recognized in the respective Group companies as future deductible items.

Deferred tax assets and liabilities are offset, taking maturities into account, when there is a legally enforceable right to offset tax assets against tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax assets/liabilities are attributable to the following positions:

	March 31, 2020	Disosal resulting from sale of entities	Through profit or loss of the period	Through other compre-hensive income	Currency translation differences	Reclassifi-cation and off-set	March 31, 2021
Tax loss carry-forwards	12,527	-385	11,833	0	-561	0	23,414
Provisions disallowed for tax purposes	4,097	0	93	-126	-38	0	4,024
Depreciation disallowed for tax purposes	219	0	3,442	0	0	0	3,662
Other (active deferred income)	9,446	0	1,649	812	-109	-9	11,789
Deferred tax assets	**26,289**	**-385**	**17,016**	**686**	**-708**	**-9**	**42,888**
Special depreciation/amortization of non-current assets	50	0	-134	0	0	124	40
Gains from recognition at fair value	9,105	0	-503	0	-7	0	8,595
Other (passive deferred income)	-7,449	-1	-37	0	0	-133	-7,619
Deferred tax liabilities	**1,706**	**-1**	**-673**	**0**	**-7**	**-9**	**1,016**
Total change	**24,583**	**-384**	**17,689**	**686**	**-701**	**0**	**41,872**

	March 31, 2019	Through profit of loss of the period	Through other com-prehensive income	Currency translation differences	Reclassifi-cation and off-set	March 31, 2020
Tax loss carry-forwards	7,676	5,486	0	-635	0	12,527
Provisions disallowed for tax purposes	4,294	-612	503	-88	0	4,097
Depreciation disallowed for tax purposes	322	-103	0	0	0	219
Other (active deferred income)	6,170	2,768	-304	-701	1,514	9,446
Deferred tax assets	**18,462**	**7,538**	**199**	**-1,424**	**1,514**	**26,288**
Special depreciation/amortization of non-current assets	52	137	0	0	-139	50
Gains from recognition at fair value	3,668	-2,311	0	0	7,747	9,105
Other (passive deferred income)	1,383	-2,628	0	-110	-6,094	-7,449
Deferred tax liabilities	**5,103**	**-4,801**	**0**	**-110**	**1,514**	**1,706**
Total change	**13,359**	**12,339**	**199**	**-1,314**	**0**	**24,583**

19 Inventories.

	March 31, 2020	March 31, 2021
Purchased parts and merchandise, at acquisition cost	26,716	17,996
Unfinished goods and work in progress, at production cost	4,356	2,680
Finished goods, at production cost	24,008	19,449
Prepayments on inventories	577	1,607
Total	**55,658**	**41,733**

Inventories for projects decreased especially in the USA and Austria. Individual inventory items were written down, to their net realizable values. In the reporting period EUR -5,337 k were recognized in the statement of comprehensive income (2019/20: EUR -896 k). The write-downs of inventories amount to EUR 28,348 k as at March 31, 2021 (March 31, 2020: EUR 23,011 k). In case the assumptions made for the impairment of inventories would change by 10%, the effect would be only slightly different with an amount of approximately EUR -3,834 k or EUR +3,705 k (March 31, 2020: EUR -5,063 k or EUR +5,508 k).

20 Trade receivables and other current assets.

	March 31, 2020	March 31, 2021
Trade receivables	152,264	110,001
Allowance for bad debt	-7,899	-6,537
Trade receivables – net	**144,365**	**103,463**
Receivables from tax authorities (other than income tax)	16,894	13,037
Other receivables and prepaid expenses	15,725	13,542
Total trade receivables and other current assets	**176,984**	**130,042**

Allowance for bad debt developed as follows:

	2019/20	2020/21
Balance as of March 31 of previous year	**-4,731**	**-7,899**
Additions relating to specific bad debt reserve	-4,647	-2,703
Utilization relating to specific bad debt reserve	380	263
Disposals relating to specific bad debt reserve	466	3,553
Expected credit losses according to IFRS 9	-115	418
Currency translation differences	748	-170
Balance as of March 31 of financial year	**-7,899**	**-6,537**
thereof expected credit losses according to IFRS 9	-2,384	-1,966

Maturity structure of trade receivables:

	2019/20	2020/21
Not yet due	74,588	67,131
Overdue		
1-30 days	51,780	24,408
31-60 days	4,390	778
61-90 days	1,189	1,185
91-180 days	7,292	4,456
181-270 days	816	2,886
More than 271 days	12,210	9,156
Total	**152,264**	**110,001**

Total trade receivables are with 83.2% not due or overdue for 1-30 days (previous year: 83.0%). There is no concentration of credit risk with respect to trade receivables, as the Group generally has a large number of customers worldwide. Trade receivables relating to the tolling project in Bulgaria in the amount of EUR 27,610 k were fully paid in financial year 2020/21. Trade receivables in Kapsch TrafficCom Inc., USA, remained at the previous year's level, amounting to EUR 45,202 k (March 31, 2020: EUR 44,636 k).

21 Contract assets and contract liabilities.

Contract assets and liabilities are composed as follows:

	March 31, 2020	March 31, 2021
Current contract assets	139,869	107,579
Allowance on current contract assets	-1,691	-1,607
Total current contract assets	**138,178**	**105,972**
Non-current contract assets	14,990	5,214
Allowance on non-current contract assets	-1,212	-26
Total non-current contract assets	**13,778**	**5,188**
Total contract assets	**151,956**	**111,160**
Current contract liabilities	26,798	39,145
Non-current contract liabilities	3,505	9,413
Total contract liabilities	**30,303**	**48,558**

In the financial year 2020/21 there were extensive negative margin adjustments amounting to EUR 78,906 k, which also led to a decline in contract assets and mainly related to the USA.

Impairment on contract assets amounted to EUR 1,633 k as of March 31, 2021 (March 31, 2020: EUR 2,903 k). Beside the expected credit loss on contract assets due to IFRS 9, there were allowances on contract assets related to a project in the USA. The positive amount from expected credit loss due to IFRS 9 as well as reversals of allowances in South Africa (as the contract assets were settled and the receivables were revalued) amounting to EUR +1,118 k (2019/20: EUR -2,412 k) was included in the statement of comprehensive income in financial year 2020/21.

An amount of EUR 12,777 k of the contract liabilities in total amounting to EUR 30,303 k as of March 31, 2021 was recognized in revenues in financial year 2020/21 (2019/20: EUR 16,293 k).

The future revenues from performance obligations that are unsatisfied are as follows:

	March 31, 2020	March 31, 2021
Future revenues	**1,614,502**	**1,342,145**
Total up to 1 year	518,681	435,185
Between 1 and 2 years	280,586	232,212
Between 2 and 3 years	183,591	154,212
Between 3 and 4 years	150,003	114,234
Between 4 and 5 years	107,355	80,405
More than 5 years	374,285	325,897

In case the margins would change by 10% compared to the assumptions made, the sensitivity analysis indicates that operating result would change with an increase of margins and a decrease of margins by approximately EUR +7,198 k and EUR -6,409 k respectively (March 31, 2020: EUR +9,614 k and EUR -10,722 k).

22 Cash and cash equivalents.

	March 31, 2020	March 31, 2021
Cash on hand	93	86
Deposits held with banks	122,539	101,924
Total	**122,632**	**102,010**

The carrying amounts of this item also represent cash and cash equivalents at the end of the reporting period as presented in the cash flow statement.

23 Equity.

Share capital.
The registered share capital of the company amounts to EUR 13,000,000. The share capital was fully paid. The total number of ordinary shares issued is 13,000,000. Each share entitles to one vote. There are no caps or restrictions on the exercise of voting rights or the transfer of shares. The Company currently has neither authorised capital nor conditional capital that would authorise the Executive Board, with the consent of the Supervisory Board, to issue shares without a (new) referral to the Annual General Meeting.

Authorization of repurchase of shares.
The Annual General Meeting of Kapsch TrafficCom AG from September 10, 2019 authorized the Executive Board of Kapsch TrafficCom:

- to purchase own shares both on the stock exchange and over-the-counter up to a total of 10% of the share capital, also by excluding the shareholders' pro rata disposal rights,
- to determine a method of selling or using shares in a manner other than via the stock exchange or a public offer and also to exclude the shareholders' pro rata subscription rights (exclusion of subscription rights),
- to decrease the share capital of the Company by redeeming own shares without further resolution by the Annual General Meeting.

As of March 31, 2021 Kapsch TrafficCom has no own shares, no shares held back for options and no conversion rights.

Capital reserve.
Capital reserve includes those reserves that have not been established from results of prior periods.

Other reserves.
Other reserves contain effects of changes in the investment interest held in subsidiaries as well as reserves from other comprehensive income, for example currency translation differences, remeasurements of liabilities from post-employment benefits after deduction of deferred taxes as well as changes of the cash flow hedge reserve after deduction of deferred taxes.

Consolidated retained earnings.
Retained earnings include the net result for the financial year as well as past earnings of the entities included in consolidation, to the extent that these results have not been distributed as dividends.

Dividend paid.
In financial year 2020/21 Kapsch TrafficCom AG did not pay any dividends (previous year: EUR 19,500 k, which corresponds to EUR 1.50 per share).

Non-controlling interests.
Non-controlling interests represent the third party shares in the equity of consolidated subsidiaries.

Increase of shares in subsidiaries.
The effects from increase of shares in subsidiaries in financial year 2020/21 resulted from the acquisition of the remaining 35% in tolltickets GmbH, Germany.

Sale of shares in subsidiaries.
The effects from the sale of shares in subsidiaries in financial year 2020/21 resulted from the sale of FLUIDTIME Data Services GmbH, Vienna.

Changes of shares and capital in subsidiaries.
The effects from changes of shares and capital in subsidiaries in financial year 2019/20 mainly resulted from the adjustment of non-controlling interests in Streetline Inc., USA.

24 Current and non-current financial liabilities.

	March 31, 2020	March 31, 2021
Non-current financial liabilities	185,231	120,895
Current financial liabilities	50,702	102,362
Total	**235,933**	**223,257**

Movements are as follows:

	March 31, 2020	Reclassifi-cation	Additions	Repayment	Currency translation differences and interest accrued	March 31, 2021
Promissory note bond	75,160	-42,879	0	0	-813	31,468
Loans for acquisitions	10,712	-3,572	0	0	0	7,140
Loans for project financing	37,500	-12,500	0	0	0	25,000
Operating loans	61,859	-4,528	121	0	-166	57,287
Non-current financial liabilities	**185,231**	**-63,479**	**121**	**0**	**-978**	**120,895**
Promissory note bond	0	42,879	0	0	0	42,879
Loans for acquisitions	3,572	3,572	0	-3,572	0	3,572
Loans for project financing	13,336	12,500	7,500	-12,922	302	20,715
Operating loans	25,267	4,528	807	-973	-1,702	27,928
Other current loans	8,527	0	10,482	-12,830	1,088	7,268
Current financial liabilities	**50,702**	**63,479**	**18,790**	**-30,296**	**-311**	**102,362**
Total	**235,933**	**0**	**18,911**	**-30,296**	**-1,290**	**223,257**

	March 31, 2019	Reclassifi-cation	Additions	Repayment	Currency translation differences and interest accrued	March 31, 2020
Promissory note bond	74,794	0	0	0	365	75,160
Loans for acquisitions	14,284	-3,572	0	0	0	10,712
Loans for project financing	50,000	-12,500	0	0	0	37,500
Other non-current loans	252	-560	62,631	0	-464	61,859
Non-current financial liabilities	**139,330**	**-16,632**	**62,631**	**0**	**-98**	**185,231**
Loans for acquisitions	3,572	3,572	0	-3,572	0	3,572
Loans for project financing	418	12,500	606	-294	105	13,336
Operating loans	18,946	560	6,465	-690	-13	25,267
Other current loans	6,999	0	3,048	-1,619	100	8,527
Current financial liabilities	**29,934**	**16,632**	**10,120**	**-6,176**	**192**	**50,702**
Total	**169,264**	**0**	**72,751**	**-6,176**	**94**	**235,933**

Additions and repayments are cash-effective. Since the three tranches of the promissory note bond ("Schuldscheindarlehen") with a five-year term are due in June 2021, this part has been reclassified from non-current to current liabilities. Details to tranches, maturity periods and interest rates of the promissory note bond, placed in June 2016, are as follows:

Tranche	Interest rate	Interest fixing and interest payment	Repayment
EUR 26 million	1.22%	yearly	June 16, 2021
EUR 4.5 million	6M EURIBOR + 120 Bp	semi-annual	June 16, 2021
USD 14.5 million	3M LIBOR + 170 Bp	quarterly	June 16, 2021
EUR 23 million	6M EURIBOR + 150 Bp	semi-annual	June 16, 2023
EUR 8.5 million	2.26%	yearly	June 16, 2026

The gross cash flows (including interest) of current and non-current financial liabilities are as follows:

2020/21	Promissory note bond	Loans for acquisitions	Loans for project financing	Operating loans	Other loans	Total
In the next 6 months	43,219	1,861	6,812	3,246	2,500	57,638
In the next 7 to 12 months	268	1,848	14,625	26,302	4,975	48,019
Gross cash flows up to one year	**43,487**	**3,710**	**21,437**	**29,548**	**7,475**	**105,657**
Between 1 and 2 years	537	3,651	12,875	12,564	0	29,626
Between 2 and 3 years	23,364	3,594	12,625	10,697	0	50,280
Between 3 and 4 years	192	0	0	10,450	0	10,642
Between 4 and 5 years	192	0	0	10,739	0	10,930
Gross cash flows more than 5 years	8,596	0	0	15,103	0	23,698
Total	**76,368**	**10,954**	**46,937**	**89,100**	**7,475**	**230,834**

2019/20	Promissory note bond	Loans for acquisitions	Loans for project financing	Operating loans	Other loans	Total
In the next 6 months	1,153	1,823	6,838	1,134	4,915	15,863
In the next 7 to 12 months	615	1,818	6,955	25,791	3,268	38,448
Gross cash flows up to one year	**1,768**	**3,641**	**13,793**	**26,925**	**8,184**	**54,311**
Between 1 and 2 years	44,618	3,620	12,750	6,122	0	67,110
Between 2 and 3 years	536	3,601	12,650	11,002	0	27,789
Between 3 and 4 years	23,364	3,578	12,550	10,864	0	50,356
Between 4 and 5 years	192	0	0	10,473	0	10,665
Gross cash flows more than 5 years	8,596	0	0	25,302	0	33,898
Total	**79,074**	**14,439**	**51,743**	**90,689**	**8,184**	**244,129**

Interest rates on current and non-current financial liabilities are as follows:

	2019/20	2020/21
Carrying fixed interest rates	165,267	122,098
Carrying variable interest rates	70,666	101,159
Total financial liabilities:	**235,933**	**223,257**
Average interest rates:		
Promissory note bond	1.20 - 2.44%	1.20 - 2.26 %
Loans for acquisitions	0.54%	1.47%
Loans for project financing	0.80 - 6.70%	1.50 - 6.00%
Operating loans	0.70 - 12.95%	1.30 - 11.35 %
Other loans	0.50 - 10.75%	0.50 - 9.00%

Bills of exchange amounting to EUR 42,137 k (March 31, 2020: EUR 45,709 k) were issued for an export promotion loan and loans for acquisitions as well as for an operating loan.

25 Lease liabilities.

	March 31, 2020	March 31, 2021
Non-current lease liabilities	50,057	35,693
Current lease liabilities	13,589	13,585
Total	**63,646**	**49,277**

Movements of right-of-use assets from leases and classifications are included in note 13 property, plant and equipment. The Group only acts as lessor to an insignificant extent. Furthermore, the Group has concluded sublease agreements mainly with associated companies and shows receivables from these leases instead of right-of-use from leases. As of March 31, 2021, non-current receivables from leases amounted to EUR 847 k (March 31, 2020: EUR 1,245 k) and current receivables from leases to EUR 595 k (March 31, 2020: EUR 442 k).

The cash flows of lease liabilities are as follows:

	2019/20	2020/21
In the next 6 months	7,136	7,091
In the next 7 to 12 months	6,453	6,494
Gross cash flows up to one year	**13,589**	**13,585**
Between 1 and 2 years	11,240	11,256
Between 2 and 3 years	9,532	9,043
Between 3 and 4 years	7,617	5,171
Between 4 and 5 years	4,522	2,823
More than 5 years	17,146	7,400
Total	**63,646**	**49,277**

The weighted average incremental borrowing rate applied for the valuation of lease liabilities as of March 31, 2021 amounted to 2.12% (March 31, 2020: 1.91%). In case the incremental borrowing rate would change by 0.5 bp compared to the current one, the lease liabilities would change by approximately EUR -596 k and EUR +611 k respectively (March 31, 2020 adjusted: EUR -1,198 k and EUR +1,252 k).

In financial year 2020/21 lease expenses (without interest) amounted to EUR 14,047 k (2019/20: EUR 13,631 k). Interest expenses for lease liabilities amounted to EUR 1,395 k (2019/20: EUR 1,124 k) (see note 10), of which EUR 9 k (2019/20: EUR 130 k) were accrued.

The Group applies the exemptions regarding "short-term leases with a term of not more than twelve months" and leases of "low-value assets". Those leases are not recognized in the balance sheet, instead, payments made for such leases continue to be recognized as expenses. Details of these expenses are as follows:

	2019/20			2020/21		
	Rental expenses	**EDP expenditures**	**Auto-mobile expenses**	**Rental expenses**	**EDP expenditures**	**Auto-mobile expenses**
Expenses relating to leases of low value assets	176	10,874	14	252	10,476	227
Expenses relating to short term leases	2,429	0	417	1,068	46	232
Expenses relating to variable lease payments and services	3,475	3,980	4,329	3,142	2,374	2,520
Total	**6,080**	**14,854**	**4,760**	**4,462**	**12,895**	**2,979**

26 Liabilities from post-employment benefits to employees.

	March 31, 2020	March 31, 2021
Termination benefits	13,446	11,647
Pension benefits	14,165	13,778
Total	**27,611**	**25,425**

Parameters.
Termination benefits obligations were valued based on an interest rate of 0.15% – 0.35% (2019/20: 0.30% – 0.45%) and in Mexico on an interest of 5.80%. Retirement benefit obligations were valued based on an interest rate of 0.40% (2019/20: 0.45%) for the euro zone and based on an interest rate of 2.90% (2019/20: 2.70%) for Canada as well as compensation increases based on a rate of 2.50% – 4.50% (2019/20: 2.50% – 3.00%). In addition, the calculation was based on the earliest possible statutory retirement age including transition provisions and using the mortality tables AVO 2018-P ANG (2019/20: AVO 2018-P ANG) by Pagler & Pagler for Austria and the 2014 Canadian Pension Mortality Private Tables for Canada. Pension increases were estimated at 2.00% – 3.00% on average (2019/20: 1.67%).

Termination benefits.
This item essentially comprises legal and contractual claims of employees in Austria or their dependents on one-time severance payments. These may arise, in particular, on the basis of an employer's notice, amicable solution to the employment relationship, retirement or death of the employee. In the case of severance payments, the Group bears the risk of inflation resulting from salary adjustments, which simultaneously lead to higher severance payments. For employees who have joined Kapsch TrafficCom in Austria after December 31, 2002, payments into an external employee benefit fund are made on a monthly basis so that the Group does not normally incur any severance payments.

The following amounts are recognized in the balance sheet and the statement of comprehensive income for **termination benefits**:

	2019/20	2020/21
Carrying amount as of March 31 of previous year	**12,564**	**13,446**
Remeasurements (actuarial gains/losses)	961	-733
Current service cost	672	447
Interest expense	125	46
Payments	-800	-1,557
Currency translation differences	-77	-3
Carrying amount as of March 31 of financial year	**13,446**	**11,647**
Total, included in the staff costs (note 6)	672	447
Total, included in the financial result (note 10)	125	46

Remeasurements of liabilities from post-employment benefits to employees are attributable to the following positions:

	2019/20	2020/21
Remeasurements from changes in demographic assumptions	63	-132
Remeasurements from changes in financial assumptions	818	34
Remeasurements from other changes (experience adjustments)	80	-634
Total	**961**	**-733**

The expected allocation for termination benefits for the next financial year 2021/22 amounts to EUR 221 k. The weighted average duration amounts to 7.7 years.

In the following sensitivity analysis for termination benefit obligations, the impacts resulting from changes in significant actuarial assumptions were stated, whereas the other impact parameters were kept constant. However, in reality it will be rather likely that several of these parameters will change.

Sensitivities	**Changes in assumption**	**Decrease in assumption**	**Increase in assumption**
Impact of changes in the discount rate			
Defined benefit obligation (DBO)	± 50 Bp	410	-385
Expected annual interest expenses (IC)	± 50 Bp	-51	47
Expected annual service costs (CSC)	± 50 Bp	8	-7
Impact of changes in salary increases			
Defined benefit obligation (DBO)	± 50 Bp	-354	372
Expected annual interest expenses (IC)	± 50 Bp	-1	1
Expected annual service costs (CSC)	± 50 Bp	-8	8
Impact of changes in fluctuation			
Defined benefit obligation (DBO)	± 5%	20	-19
Expected annual interest expenses (IC)	± 5%	0	-0
Expected annual service costs (CSC)	± 5%	1	-1

Pension benefits.
Liabilities for retirement benefits recognized at the balance sheet date relate mainly to retirees. All pension agreements are based on the final salary, are granted as fixed monthly pension payments and are not covered by external plan assets (funds). In addition, contributions are paid to an external pension fund for employees of the Group (see note 6). For retirement benefits the Group bears the risk of longevity and inflation due to pension increases.

The following amounts are recognized in the balance sheet and the statement of comprehensive income for **pension benefits**:

	2019/20	**2020/21**
Carrying amount as of March 31 of previous year	**13,560**	**14,165**
Remeasurements of employee benefit obligations after termination of the employment relationship	1,332	236
Current service cost	6	7
Interest expense	225	115
Payments	-871	-879
Currency translation differences	-87	134
Carrying amount as of March 31 of financial year	**14,165**	**13,778**
Total, included in the staff costs (note 6)	6	7
Total, included in the financial result (note 10)	225	115

The remeasurements of employee benefit obligations after termination of the employment relationship are as follows:

	2019/20	**2020/21**
Remeasurements from changes in demographic assumptions	271	0
Remeasurements from changes in financial assumptions	881	-17
Remeasurements from other changes	180	252
Total	**1,332**	**236**

The expected allocation for pension benefits for the next financial year 2021/22 amounts to EUR 115 k. The weighted average duration amounts to 11.4 years.

In the following sensitivity analysis for pension obligations, the impacts resulting from changes in significant actuarial assumptions were stated, whereas the other parameters were kept constant. However, in reality it will be rather likely that several of these parameters will change.

Sensitivities	Changes in assumption	Decrease in assumption	Increase in assumption
Impact of changes in the discount rate			
Defined benefit obligation (DBO)	± 50 Bp	1,197	-177
Expected annual interest expenses (IC)	± 50 Bp	-59	69
Expected annual service costs (CSC)	± 50 Bp	-1	1
Impact of changes in salary increases			
Defined benefit obligation (DBO)	± 50 Bp	-43	1,104
Expected annual interest expenses (IC)	± 50 Bp	5	11
Expected annual service costs (CSC)	± 50 Bp	0	0

Analysis of expected maturity of undiscounted benefits (including anniversary bonuses).

	2021/22	2022/23	2023/24	2024/25	2025/26	over 5 years	Total
Termination benefits	1,082	886	420	910	660	7,667	11,625
Pension benefits	875	870	863	855	845	10,961	15,269
Obligations from anniversary bonuses	177	126	139	149	135	2,240	2,967

27 Provisions.

	March 31, 2020	March 31, 2021
Non-current provisions	4,295	5,265
Current provisions	23,375	42,472
Total	**27,670**	**47,737**

The provisions changed as follows:

	March 31, 2020	Addition from accu-mulation	Addition	Utilization	Disposal	Reclassi-fication	Currency translation differences	March 31, 2021
Obligations from anniversary bonuses	2,195	8	19	0	-318	0	12	1,916
Warranties	456	0	0	0	0	721	0	1,177
Projects (excl. impending losses)	126	0	0	0	0	68	0	194
Provision for restructuring costs	0	0	0	0	0	556	0	556
Other non-current provisions	1,519	26	228	0	-201	3	-154	1,422
Non-current provisions, total	**4,295**	**35**	**247**	**0**	**-518**	**1,349**	**-142**	**5,265**
Warranties	2,375	0	559	-1,018	-349	-721	165	1,011
Provision for losses from onerous contracts	9,210	0	12,390	-38	-1,327	0	-624	19,611
Projects (excl. impending losses)	8,238	0	1,916	-25	-2,388	-68	12	7,685
Legal fees, costs of litigation and contract risks	1,846	0	8,625	-406	-281	0	-134	9,650
Provision for restructuring costs	0	0	3,917	0	0	-556	0	3,361
Other current provisions	1,706	0	406	-305	-550	-3	-100	1,153
Current provisions, total	**23,375**	**0**	**27,813**	**-1,792**	**-4,895**	**-1,349**	**-680**	**42,472**
Total	**27,670**	**35**	**28,060**	**-1,792**	**-5,413**	**0**	**-822**	**47,737**

	March 31, 2019	Addition from accu-mulation	Addition	Utilization	Disposal	Reclassi-fication	Currency translation differences	March 31, 2020
Obligations from anniversary bonuses	1,758	20	463	0	-22	0	-24	2,195
Warranties	2,472	0	0	0	0	-2,016	0	456
Projects (excl. impending losses)	151	0	0	0	0	-25	0	126
Other non-current provisions	2,301	35	309	-133	-7	-719	-268	1,519
Non-current provisions, total	**6,681**	**55**	**771**	**-133**	**-28**	**-2,760**	**-292**	**4,295**
Warranties	538	0	1,525	-1,541	-43	2,016	-119	2,375
Provision for losses from onerous contracts	3,461	0	7,045	-83	-1,383	0	170	9,210
Projects (excl. impending losses)	5,734	0	2,670	-31	-70	25	-90	8,238
Legal fees, costs of litigation and contract risks	2,709	0	1,520	-558	-1,797	0	-28	1,846
Other current provisions	2,292	0	3,509	-3,918	-704	719	-192	1,706
Current provisions, total	**14,734**	**0**	**16,269**	**-6,132**	**-3,997**	**2,760**	**-260**	**23,375**
Total	**21,415**	**55**	**17,041**	**-6,265**	**-4,025**	**0**	**-551**	**27,670**

The provision for “anniversary bonuses” relates to non-current entitlements of employees based on Collective Agreements. The valuation was based on an interest rate of 0.25% – 0.40% (2019/20: 0.30% – 0.50%), as well as of 5.80% in Mexico, the earliest possible statutory retirement age including transition provisions and using the mortality tables AVO 2018-P ANG (2019/20: AVO 2018-P ANG) by Pagler & Pagler. Increases in salary were considered at 2.50% – 4.50% (2019/20: 2.50%). It is expected that an amount of EUR 177 k will be used in financial year 2021/22 and the remaining amount in the following financial years. A change in discount rates, salaries and fluctuation of 50 bp each would only have an insignificant impact on the balance sheet and the statement of comprehensive income. The expected maturity of the undiscounted claims is included in note 26.

As manufacturer, dealer and service provider, the Group issues “product warranties” at the time of sale to its customers. Usually, under the terms of the warranty contract, the Group has the obligation to repair or replace manufacturing or software defects that become apparent within the period under guarantee. When the Group expects warranty claims on products sold or services rendered during the period under guarantee, a corresponding provision is set up in the financial statements. Based on the expectation that the majority of the expenditure will be incurred in the short or medium term, the best estimate for the cost of warranty is used for the recognition of the provision. Likewise, historical data is taken into account in the calculation of the provision amount. According to past experience, it is probable that there will be claims under the warranties. It is expected that an amount of EUR 747 k will be used in the first half of financial year 2021/22, EUR 264 k in the second half of the year and the remaining amount of EUR 1,177 k in the following financial years.

In financial year 2020/21, an amount of EUR 19,611 k was set up as a current provision for “losses from onerous contracts”. A major part of this amount was provided by an American subsidiary for various implementation projects, which cannot be completed with a profit. In the first half of financial year 2021/22 utilization in the amount of EUR 374 k and in the second half of the year utilization in the amount of EUR 19,237 k is expected.

The provisions for “projects (excl. impending losses)” mainly relate to current costs and repair services for current toll projects. It is expected that an amount of EUR 7,685 k will be used in the first half of the financial year 2021/22 and the remaining amount of EUR 194 k in the following financial years.

Provisions for “legal fees, costs of litigation and contract risks” mainly relate to current legal cases and consulting costs. In November 2020, a competitor in the USA opened a lawsuit accusing Kapsch TrafficCom of patent infringement. The company is reviewing the claims and has accrued costs of EUR 8,065 k for the litigation. It is expected that the full amount of provisions for “legal fees, costs of litigation and contract risks” will be used in financial year 2021/22, of which EUR 657 k will be used in the first half of the year and EUR 8,993 in the second half of the year.

In the 2020/21 financial year, the Group recognized provisions for restructuring costs amounting to EUR 3,917 k in total, mainly for measures in the USA and Sweden. In the first half of the following financial year, a utilization of EUR 2,612 k is expected, in the second half of the year a utilization of EUR 749 k and in the following financial years a utilization of EUR 556 k is expected.

“Other provisions” mainly include provisions for taxes and duties, provisions for commissions and bonuses and provisions for dismantling, removing and restoring assets. It is expected that an amount of EUR 382 k will be used in the first half of financial year 2021/22, EUR 771 k in the second half of the year and the remaining amount of EUR 1,422 k in the following financial years.

28 Other liabilities and deferred income.

	March 31, 2020	March 31, 2021
Other prepayments received	3,804	2,260
Other employee liabilities	33,422	30,575
Liabilities to tax authorities (other than income tax)	12,695	8,191
Refund liabilities	0	452
Sundry liabilities and deferred income	10,632	9,882
Total	**60,554**	**51,361**

Sundry liabilities essentially contain accruals for invoices not yet received and accruals for deferred income.

The taxable income of Kapsch TrafficCom AG, Vienna as part of the tax group of KAPSCH-Group Beteiligungs GmbH, Vienna, has been negative in financial year 2020/21, as it was in the previous year 2019/20. Therefore receivables from tax allocation to the tax group leader are presented, which are included in current tax receivables (EUR 18,200 k).

29 Contingent liabilities and other commitments as well as disclosure to German infrastructure charge.

The Group's contingent liabilities primarily result from large-scale projects. Operating activities require the disclosure of bid bonds or performance bonds for major projects, which are issued by financial institutes and insurance companies. In case the contractual obligations cannot be fulfilled, there is a risk of utilization, that can result in a recourse claim of the financial institute or insurance company against the Group.

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

	March 31, 2020	March 31, 2021
North America (toll collection systems)	26,399	24,667
Australia (toll collection systems)	5,935	15,378
Total	**32,333**	**40,045**

Further performance and bid bonds from financial institutes or insurance companies, where an outflow of resources is deemed unlikely, amount to EUR 202,800 k (2019/20: EUR 266,061 k) and are not included in the balance sheet or in the contingent liabilities.

Assets of Kapsch TrafficCom AB, Sweden, in the amount of EUR 11,721 k (March 31, 2020: EUR 10,849 k) were pledged as collateral for contingent liabilities in favor of a Swedish bank.

German infrastructure charge.
In 2018 the joint venture autoTicket GmbH (autoTicket), Germany, was commissioned to levy the German infrastructure charge ("passenger vehicle toll"). Moreover in a separate contract the Group company MTS Maut & Telematik Services GmbH (MTS), Germany, had been awarded the contract for the "automatic control of the passenger vehicle toll".

On June 18, 2019, the European Court of Justice (ECJ) ruled contrary to expectations that the passenger vehicle toll in its planned form, where in Germany accredited vehicles receive a tax relief simultaneously, violates the principles of the European Union. The customer terminated on the following day the contracts for the implementation and operation of the passenger vehicle toll effective September 30, 2019.

The operating parties of the terminated contract for the project “Toll collection” are Kapsch TrafficCom, CTS EVENTIM and autoTicket. In December 2019, they jointly asserted claims in the amount of around EUR 560,000 k against the Federal Republic of Germany. The responsible minister is disputing this claim. This matter will therefore need to be resolved before an arbitration tribunal. Such proceedings can last several years. The independent arbitration tribunal began its work in spring 2020. Due to confidentiality obligations more details on the disputes cannot be disclosed.

The financial claims that the operating parties have against the Federal Republic of Germany and the resulting claims that Kapsch TrafficCom has against autoTicket on the basis of both contractual services and the position as shareholder will be clarified in arbitration proceedings and are not capitalized on the balance sheet date as they represent a contingent asset in accordance with IAS 37. An exception to this is the recognition of the share in autoTicket, which is reported in accordance with the equity method (see note 15).

A temporarily existing joint and several liability of autoTicket for claims of the financing banks for EUR 175,000 k in connection with the syndicated loan agreement no longer existed on the balance sheet date as of March 31, 2020. In the operating agreement, the shareholders of autoTicket issued a limited-term joint and several liability declaration for an amount of around EUR 300,000 k to the Federal Republic of Germany, represented by the German Federal Motor Transport Authority (“Kraftfahrtbundesamt”). A claim is not expected on account of the current state of proceedings and a legal appraisal. To finance autoTicket, a capital increase of EUR 35,714 k (EUR 17,857 k per shareholder) was carried out in financial year 2019/20. Furthermore, a financing facility for a total of EUR 15,000 k (EUR 7,500 k per shareholder) was agreed with autoTicket after the balance sheet date, whereas drawing on the facility requires the approval of the shareholders. As of March 31, 2021, Kapsch TrafficCom AG had receivables from financing towards autoTicket in the amount of EUR 7,260 k.

MTS Maut & Telematik Services GmbH (MTS) is fully consolidated and a 100% subsidiary of Kapsch TrafficCom AG. As a result of the termination of the contract for the automatic control of the toll, the parties of the contract (Kapsch TrafficCom AG and MTS) asserted claims against the Federal Republic of Germany as well.

30 Interests in subsidiaries.

Consolidated group.
As of March 31, 2021 the consolidated group (including parent company Kapsch TrafficCom AG, Vienna) consists of 62 entities (March 31, 2020: 59 entities). The consolidated group changed as follows:

	2019/20	2020/21
Amount of entities at the beginning of the financial year	57	59
Initial consolidation	3	5
Deconsolidations	-1	-2
Amount of entities in the consolidated group	**59**	**62**

The regional distribution of subsidiaries was as follows:

	2019/20	2020/21
Austria	7	6
EMEA (excluding Austria)	30	30
Americas	18	22
APAC	4	4
Total	**59**	**62**

The following companies are included in the consolidated financial statements:

Entity, headquarter of entity	March 31, 2020 Group's share	March 31, 2020 Non-controlling interests	March 31, 2021 Group's share	March 31, 2021 Non-controlling interests
ArtiBrain Software Entwicklungsgesellschaft mbH, Vienna, Austria	100.0%	–	100.0%	–
Consorcio ITS Parques del Rio (Consortium), Bogotá, Colombia	60.0%	40.0%	60.0%	40.0%
Consorcio Túneles Al Nus (Consortium), Bogotá, Colombia [1]	–	–	51.0%	49.0%
Consorcio Peaje AGR (Consortium), Quito, Ecuador [1]	–	–	51.0%	49.0%
Electronic Toll Collection (PTY) Ltd., Centurion, South Africa	100.0%	–	100.0%	–
FLUIDTIME Data Services GmbH, Vienna, Austria [2]	75.5%	24.5%	–	–
Intelligent Mobility Solutions Limited, Lusaka, Zambia	51.0%	49.0%	51.0%	49.0%
Kapsch Components GmbH & Co KG, Vienna, Austria	100.0%	–	100.0%	–
Kapsch Components GmbH, Vienna, Austria	100.0%	–	100.0%	–
Kapsch Road Services Sp. z o.o., Warsaw, Poland	100.0%	–	100.0%	–
Kapsch Telematic Services GmbH Deutschland, Berlin, Germany	100.0%	–	100.0%	–
Kapsch Telematic Services GmbH, Vienna, Austria	100.0%	–	100.0%	–
Kapsch Telematic Services IOOO, Minsk, Belarus	100.0%	–	100.0%	–
Kapsch Telematic Services Sp. z o.o., Warsaw, Poland	100.0%	–	100.0%	–
Kapsch Telematic Services spol. s r.o., Prague, Czech Republic	100.0%	–	100.0%	–
Kapsch Telematik Technologies Bulgaria EAD, Sofia, Bulgaria	100.0%	–	100.0%	–
Kapsch Traffic Solutions (Consortium), Sofia, Bulgaria	100.0%	–	100.0%	–
Kapsch TrafficCom - Rowing - UTE (Consortium), Buenos Aires, Argentina [3]	50.0%	50.0%	50.0%	50.0%
Kapsch TrafficCom AB, Jonkoping, Sweden	100.0%	–	100.0%	–
Kapsch TrafficCom Arce Sistemas S.A.U., Bilbao, Spain	100.0%	–	100.0%	–
Kapsch TrafficCom Argentina S.A., Buenos Aires, Argentina	100.0%	–	100.0%	–
Kapsch TrafficCom Australia Pty Ltd, Melbourne, Australia	100.0%	–	100.0%	–
Kapsch TrafficCom B.V., Amsterdam, Netherlands	100.0%	–	100.0%	–
Kapsch TrafficCom Canada Inc., Mississauga, Canada	100.0%	–	100.0%	–
Kapsch TrafficCom Chile S.A., Santiago de Chile, Chile	100.0%	–	100.0%	–
Kapsch TrafficCom Construction & Realization spol. s r.o., Prague, Czech Republic [2]	100.0%	–	–	–
Kapsch TrafficCom Dominican Republic S.R.L., Santo Domingo, Dominican Republic	100.0%	–	100.0%	–
Kapsch TrafficCom France SAS, Paris, France	100.0%	–	100.0%	–
Kapsch TrafficCom Holding Corp., McLean, USA	100.0%	–	100.0%	–
Kapsch TrafficCom Holding II US Corp., McLean, USA	100.0%	–	100.0%	–
Kapsch TrafficCom Inc., McLean, USA	100.0%	–	100.0%	–
Kapsch TrafficCom Ireland Limited, Dublin, Ireland [1]	–	–	100.0%	–
Kapsch TrafficCom IVHS, S.A. de C.V., Mexico City, Mexico	100.0%	–	100.0%	–
Kapsch TrafficCom Kazakhstan LLC, Almaty, Kazakhstan	100.0%	–	100.0%	–
Kapsch TrafficCom Lietuva UAB, Vilnius, Lithuania	51.0%	49.0%	51.0%	49.0%
Kapsch TrafficCom Ltd., Middlesex, United Kingdom	100.0%	–	100.0%	–
Kapsch TrafficCom New Zealand Ltd., Auckland, New Zealand	100.0%	–	100.0%	–
Kapsch TrafficCom Norway AS, Oslo, Norway	100.0%	–	100.0%	–
Kapsch TrafficCom Peru S.A.C., Lima, Peru	100.0%	–	100.0%	–
Kapsch TrafficCom PTE. LTD.,The Heeren, Singapore	100.0%	–	100.0%	–
Kapsch TrafficCom Russia, OOO, Moscow, Russia	100.0%	–	100.0%	–
Kapsch TrafficCom S.A.S., Bogotá, Colombia	100.0%	–	100.0%	–
Kapsch TrafficCom S.r.l. a socio unico, Milan, Italy	100.0%	–	100.0%	–
Kapsch TrafficCom Saudi Arabia Co. Lt., Jeddah, Saudi Arabia	100.0%	–	100.0%	–
Kapsch TrafficCom Services Ukraine LLC, Kyiv, Ukraine [1]	–	–	100.0%	–
Kapsch TrafficCom Services USA, Inc., McLean, USA	100.0%	–	100.0%	–
Kapsch TrafficCom South Africa (Pty) Ltd., Sunninghill, South Africa	100.0%	–	100.0%	–
Kapsch TrafficCom South Africa Holding (Pty) Ltd., Cape Town, South Africa	100.0%	–	100.0%	–

Entity, headquarter of entity	March 31, 2020		March 31, 2021	
	Group's share	Non-controlling interests	Group's share	Non-controlling interests
Kapsch TrafficCom Transportation Argentina S.A., Buenos Aires, Argentina	100.0%	–	100.0%	–
Kapsch TrafficCom Transportation Brasil Ltda., São Paulo, Brazil	100.0%	–	100.0%	–
Kapsch TrafficCom Transportation Colombia S.A.S., Bogotá, Colombia [1]	–	–	100.0%	–
Kapsch TrafficCom Transportation S.A.U., Madrid, Spain	100.0%	–	100.0%	–
Kapsch TrafficCom USA, Inc., McLean, USA	100.0%	–	100.0%	–
KTS Beteiligungs GmbH, Vienna, Austria	100.0%	–	100.0%	–
Mobiserve (Pty) Ltd., Cape Town, South Africa [5]	100.0%	–	100.0%	–
MTS Maut & Telematik Services GmbH, Berlin, Germany	100.0%	–	100.0%	–
SIMEX, Integración de Sistemas, S.A.P.I. de C.V., Mexico City, Mexico	100.0%	–	100.0%	–
Streetline Inc., Foster City, USA	97.0%	3.0%	97.0%	3.0%
Telvent Thailand Ltd., Bangkok, Thailand	100.0%	–	100.0%	–
TMT Services and Supplies (Pty) Ltd., Cape Town, South Africa [5]	100.0%	–	100.0%	–
tolltickets GmbH, Rosenheim, Germany [1]	65.0%	35.0%	100.0%	0.0%
Transport Telematic Systems - LLC, Abu Dhabi, United Arab Emirates [4]	49.0%	51.0%	49.0%	51.0%
Trust South Africa, Cape Town, South Africa [5]	100.0%	–	100.0%	–

1) Foundation/acquisition/acquisition of additional shares in financial year 2020/21
2) Deconsolidation in financial year 2020/21
3) Consolidation due to voting-right-agreements
4) Power over the relevant activities of the entity based on substantive rights
5) IFRS 10 control of Trust South Africa and thus full consolidation with 100%

The consortia Consorcio Túneles Al Nus, Colombia, as well as Consorcio Peaje AGR, Ecuador were formed in financial year 2020/21. Kapsch TrafficCom holds 51% in each of the consortia and controls the relevant activities, hence Kapsch TrafficCom fully consolidates both consortia.

Kapsch TrafficCom Ireland Limited, Ireland, was founded on August 12, 2020, Kapsch TrafficCom Transportation Colombia S.A.S., Colombia, was founded on October 14, 2020 and Kapsch TrafficCom Services Ukraine LLC, Ukraine, was founded on March 23, 2021. The entities are wholly-owned subsidiaries of Kapsch TrafficCom.

Kapsch TrafficCom acquired the remaining shares (35%) in tolltickets GmbH, Germany, on October 1, 2020.

Furthermore Kapsch TrafficCom sold its 75.5% of shares in FLUIDTIME Data Services GmbH, Vienna, on November 1, 2020 and generated a loss from this sale in the amount of EUR 299 k. On December 4, 2020 the shares in Kapsch TrafficCom Construction & Realization spol. s.r.o., Czech Republic, were sold in full. This transaction resulted in a profit of EUR 1,208 k, which is reported under other operating income.

For all entities mentioned above the headquarter of the company complies with the country of incorporation. The Group's share shows the share at which the companies are included in the consolidated financial statements.

Only the following entities do not report at balance sheet date as of March 31 due to legal restrictions or other reasons, but present interim financial statements:

- Kapsch TrafficCom Russia OOO, Moscow, Russia (December 31)
- Kapsch Telematik Technologies Bulgaria EAD, Sofia, Bulgaria (December 31)
- Kapsch TrafficCom Kazakhstan LLC, Almaty, Kazakhstan (December 31)
- Kapsch Telematic Services IOOO, Minsk, Republic of Belarus (December 31)
- KTS Beteiligungs GmbH, Vienna (December 31)
- Kapsch TrafficCom Lietuva UAB, Vilnius, Lithuania (December 31)

31 Non-controlling interests.

The non-controlling interests represent the third party shares in the equity of consolidated subsidiaries.

Information on the balance sheet.

The balance sheet of the consolidated subsidiaries with material non-controlling interests and the carrying amount of material non-controlling interests are presented below:

	Amounts before intercompany eliminations					
2020/21	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Net assets**	**Carrying amount of non-controlling interests**
Streetline Inc., USA	0	789	883	525	-619	-51
Kapsch TrafficCom Lietuva UAB, Lithuania	0	45	0	8	37	21
Intelligent Mobility Solutions Limited, Zambia	0	138	6,565	6,675	-13,103	-7,081
Kapsch TrafficCom - Rowing - UTE, Argentina	188	1,148	93	554	690	345
Consorcio Peaje AGR, Ecuador	0	736	0	708	28	14
Consorcio ITS Parques del Rio, Colombia	0	273	0	427	-155	-62
Consorcio Túneles Al Nus, Colombia	0	1,976	0	1,293	683	335
Carrying amount as of March 31, 2021						**-6,480**

	Amounts before intercompany eliminations					
2019/20	**Non-current assets**	**Current assets**	**Non-current liabilities**	**Current liabilities**	**Net assets**	**Carrying amount of non-controlling interests**
Streetline Inc., USA	0	290	0	452	-163	-38
FLUIDTIME Data Services GmbH, Austria	641	771	173	390	849	116
tolltickets GmbH, Germany	1,308	3,423	1,097	4,067	-433	-152
Kapsch TrafficCom Lietuva UAB, Lithuania	0	43	0	9	35	20
Intelligent Mobility Solutions Limited, Zambia	0	2,290	5,989	5,838	-9,537	-5,970
Kapsch TrafficCom - Rowing - UTE, Argentina	291	2,055	169	1,780	397	199
Consorcio ITS Parques del Rio, Colombia	0	2,424	0	2,060	364	146
Carrying amount as of March 31, 2020						**-5,680**

Information on the statement of comprehensive income.

The statement of comprehensive income of the consolidated subsidiaries with material non-controlling interests are presented below (amounts before intercompany elimination):

	Amounts before intercompany eliminations				Amounts attributable to non-controlling interests		
2020/21	**Revenues**	**Result for the period**	**Other compre-hensive income**	**Total compre-hensive income**	**Result for the period**	**Other compre-hensive income**	**Total compre-hensive income**
Streetline Inc., USA	55	-460	13	-447	-14	0	-14
Kapsch TrafficCom Lietuva UAB, Lithuania	0	2	0	2	1	0	1
Intelligent Mobility Solutions Limited, Zambia	171	-4,880	2,749	-2,131	-2,707	1,596	-1,111
Kapsch TrafficCom - Rowing - UTE, Argentina	2,265	319	-26	292	174	-28	146
Consorcio Peaje AGR, Ecuador	474	28	-0	28	14	-0	14
Consorcio ITS Parques del Rio, Colombia	738	-528	9	-519	-211	4	-208
Consorcio Túneles Al Nus, Colombia	4,008	675	8	683	331	4	335
Remaining [1)]	2,903	-374	0	-374	2	0	2
Total					**-2,410**	**1,576**	**-834**

1) The remaining entities refer to FLUIDTIME Data Services GmbH, Austria, that was fully sold in 2020/21 and tolltickets GmbH, Germany in which shares were increased to 100% in 2020/21 and for which non-controllng interests were shown until the sale or increase.

	Amounts before intercompany eliminations				Amounts attributable to non-controlling interests		
2019/20	**Revenues**	**Result for the period**	**Other compre-hensive income**	**Total compre-hensive income**	**Result for the period**	**Other compre-hensive income**	**Total compre-hensive income**
Streetline Inc., USA	1,792	17,855	-205	17,650	534	26	559
FLUIDTIME Data Services GmbH, Austria	2,283	12	0	12	3	0	3
tolltickets GmbH, Germany	2,562	-482	0	-482	-168	0	-168
Kapsch TrafficCom Lietuva UAB, Lithuania	0	5	0	5	3	0	3
Intelligent Mobility Solutions Limited, Zambia	-1,106	-16,528	2,256	-14,272	-8,284	1,255	-7,029
Kapsch TrafficCom - Rowing - UTE, Argentina	3,536	362	-28	334	160	-16	144
Consorcio ITS Parques del Rio, Colombia	3,909	430	-66	364	172	-26	146
Total					**-7,582**	**1,239**	**-6,343**

Information on the cash flow statement and dividends.
The cash flow statement and dividends of the consolidated subsidiaries with material non-controlling interests are presented below (amounts before intercompany elimination):

	Cash flow from				
2020/21	**Operating activities**	**Investing activities**	**Financing activities**	**Cash net increase/ decrease**	**Dividends paid to non-controlling interests**
Streetline Inc., USA	-403	0	878	475	0
Kapsch TrafficCom Lietuva UAB, Lithuania	14	0	0	14	0
Intelligent Mobility Solutions Limited, Zambia	-730	0	720	-11	0
Kapsch TrafficCom - Rowing - UTE, Argentina	99	-2	-51	46	0
Consorcio Peaje AGR, Ecuador	0	0	0	0	0
Consorcio ITS Parques del Rio, Colombia	-545	0	-0	-545	0
Consorcio Túneles Al Nus, Colombia	477	0	0	477	0
Total					**0**

	Cash flow from				
2019/20	**Operating activities**	**Investing activities**	**Financing activities**	**Cash net increase/ decrease**	**Dividends paid to non-controlling interests**
Streetline Inc., USA	-3,305	20,759	-18,065	-611	0
FLUIDTIME Data Services GmbH, Austria	183	-5	-247	-69	0
tolltickets GmbH, Germany	-920	-21	307	-635	0
Kapsch TrafficCom Lietuva UAB, Lithuania	12	0	0	12	0
Intelligent Mobility Solutions Limited, Zambia	-4,880	750	4,144	15	0
Kapsch TrafficCom - Rowing - UTE, Argentina	401	-74	-164	163	0
Consorcio ITS Parques del Rio, Colombia	625	0	0	625	0
Total					**0**

32 Related parties.

The related entities and persons of Kapsch TrafficCom include, in particular, Kapsch Group companies, including their subsidiaries, joint ventures and associated companies, their executive bodies (Executive Board and Supervisory Board, if present) as well as close members of the bodies' families and companies over which they have control or significant influence.

Balances and transactions between Kapsch TrafficCom AG and its fully consolidated subsidiaries were eliminated in the course of consolidation and are not explained any further.

Services with related parties take place at arm's length. Goods are bought and sold at normal market conditions.

The following table provides an overview of revenues and expenses in the past financial years for related parties:

	2019/20	2020/21
Parent company		
Revenues	0	0
Expenses	-1,223	-1,315
Income (+) / Expense (-) from tax allocation	5,597	13,480
Affiliated companies		
Revenues	1,378	1,118
Expenses	-17,788	-12,189
Associated companies		
Revenues	25	0
Expenses	0	0
Joint ventures		
Revenues	23,594	164
Expenses	-4,616	-3,715
Other related parties		
Revenues	161	0
Expenses	-10,728	-11,461

The following table provides an overview of receivables and liabilities at the respective balance sheet dates for related parties.

	March 31, 2020	March 31, 2021
Parent company		
Trade receivables and other assets	0	0
Trade payables and other liabilities	-176	-188
Receivables (+) / Liabilities (-) from tax allocation	1,993	19,103
Affiliated companies		
Trade receivables and other non-current and current assets	149	394
Trade payables and other liabilities	-3,982	-3,901
Associated companies		
Trade receivables and other non-current and current assets	1,144	369
Trade payables and other liabilities	0	0
Joint ventures		
Trade receivables and other non-current and current assets	677	7,296
Trade payables and other liabilities	-451	-539
Other related parties		
Trade receivables and other non-current and current assets	0	0
Trade payables and other payables including pension benefits [1)]	-13,564	-11,960

1) Value as of March 31, 2020 adjusted

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

Parent company.
The parent company KAPSCH-Group Beteiligungs GmbH provides services to the Group in the area of Group consolidation (including costs for the implementation of new accounting standards) and legal advice for all topics relating to corporate law. Expenses incurred by the Group in financial year 2020/21 amounted to EUR 1,109 k (2019/20: EUR 1,022 k). Furthermore, the parent company invoiced insurance costs (directors & officers liability insurance) to the Group amounting to EUR 60 k (2019/20: EUR 57 k).

The parent company acts as the tax group leader in a tax group formed in March 2005, in which the Austrian subsidiaries of this group are also members. Accordingly, all tax effects of the group companies that are tax group members are to be considered related party transactions. As of March 31, 2021, the Group has receivables from tax allocation to the parent company in the amount of EUR 19,103 k (March 31, 2020: EUR 1,993 k).

Affiliated companies.
The Group's lease income from subleasing to affiliates in financial year 2020/21 amounted to EUR 181 k (2019/20: EUR 258 k). The remainder of revenues to affiliated companies related to other goods and services.

Expenses from transactions with affiliated companies relate to a large extent to goods and services in the area of IT, data processing and telephone services (leasing of telephone and IT equipment as well as IT support), especially through Kapsch BusinessCom AG, Vienna. The expenses of the Group in this context amounted to EUR 1,352 k in financial year 2020/21 (2019/20 adjusted: EUR 1,394 k). Since financial year 2019/20 most expenses relating to goods and services in the area of IT, data processing and telephone services are not attributable to Kapsch BusinessCom AG, Vienna, but to the other related party Kapsch Financial Services GmbH, Vienna.

In addition, affiliated companies supplied hardware (IT equipment) on behalf of the Group as well as provided maintenance and other services for various customer projects in the amount of EUR 3,323 k (2019/20 adjusted: EUR 5.481 k).

In connection with the use of the Kapsch trademark and the logo, the Group is charged royalties by Kapsch Aktiengesellschaft, Vienna. The license fee amounts to 0.5% of all third-party sales of the Group. Expenses incurred by the Group in financial year 2020/21 amounted to EUR 2,628 k (2019/20: EUR 3.659 k).

Services regarding human resources (payroll services, administration, recruiting, advice on labor law, human resource development and secondments) as well as the provision of apprentices and trainees are performed centrally by Kapsch Partner Solutions GmbH, Vienna, for the Group. In financial year 2020/21 expenses amounting to EUR 3,537 k (2018/19: TEUR 2,743 k) were incurred in the Group in this regard.

For activities in the area of corporate development, public relations, sponsoring and other marketing activities as well as management and consulting services an amount of EUR 3,274 k was incurred in the previous year. By internalizing various central functions, these activities are now performed within the Group. Other expenses of the Group from transactions with affiliated companies in financial year 2020/21 include with EUR 935 k (2019/20: EUR 896 k) insurance contracts covering all Group companies and EUR 128 k (2019/20: EUR 125 k) running costs for a software tool (Hyperion Financial Management). The remainder of the expenses to affiliated companies relates to other goods and services provided to the Group.

Associated companies and joint ventures.
In financial year 2020/21 trade receivables and other non-current and current assets with associated companies amounted to EUR 369 k (March 31, 2020: EUR 1,144 k) and mainly refered to loans to Traffic Technology Services Inc., USA, (previous year: EUR 783 k).

Revenues with joint ventures in financial year 2020/21 mainly relate to goods and services provided. In financial year 2019/20 they essentially related to autoTicket GmbH, Germany, in the amount of EUR 20,810 k for the toll collection project ("passenger vehicle toll") and EUR 2.784 k for other operating income. More details relating to autoTicket GmbH, Germany, can be found in note 29.

In financial year 2020/21 the expenses of joint ventures amount to EUR 3,715 k (2019/20: EUR 4,616 k) and were mainly related to the consortium MyConsorzio.

Other related parties.
Revenues from other related parties in financial year 2019/20 relate to rental income from subleasing in the amount of EUR 161 k. In financial year 2020/21 there were no revenues from other related parties.

Expenses to other related parties are mainly attributable to Kapsch Financial Services GmbH, Vienna. This company performs services centrally in the area of IT, data processing and telephone services (leasing of telephone and IT equipment as well as IT support) for the Group. These expenses amount to EUR 11,461 k in financial year 2020/21 (2019/20: EUR 10,719 k).

The pension obligations to other related parties are included in trade payables and other liabilities, including pension benefits and contain a pension obligation (pensions in payment) to the widow of Karl Kapsch, a former board member of Kapsch Aktiengesellschaft.

Details of compensation and other payments to executive bodies are presented in note 38. Details to contingent liabilities of related parties are included in note 29.

33 Risk management.

As regards the risks of the Group as well as risk management, we refer to item 2.2 in the management report for the Group. The impact of financial risks as described in the management report for the Group, in particular foreign exchange risk, interest rate risk, liquidity risk and credit risk, is disclosed in the following:

33.1 Foreign exchange risk.

Kapsch TrafficCom operates internationally and is exposed to foreign exchange risk. This risk originates from business transactions that are executed in a currency which is not in conformity with the functional currency of the respective subsidiary (hereinafter referred to as “foreign currency”). The foreign exchange risk exists in relation to assets and liabilities as well as net investments of foreign business locations not in the Eurozone. During the consolidation process these positions have to be translated to the group currency „euro“.

From group perspective the most relevant foreign currencies were the US dollar and the South African rand in financial year 2020/21. Because the terms of agreement are stipulated in euro, no foreign exchange risk arises in the Group with regard to the Belorussian ruble.

Customer orders are mainly invoiced in the local currencies of the respective group companies. Only in cases in which the Group expects to be exposed to significant foreign exchange risk, major orders denominated in foreign currencies will be hedged by forward foreign exchange contracts.

Argentina has been classified as a hyperinflationary country since July 1, 2018. The remeasurement in accordance with IAS 29 has been made. The financial statements including comparative figures have been adjusted due to the change in public purchasing power of the Argentine peso. In financial year 2020/21 the income from hyperinflation adjustment amounts to EUR 490 k and the expenses from hyperinflation adjustment amount to EUR -2,664 k.

The following table simulates the effect of changes in the exchange rate on the result before taxes. To do so a change in exchange rate (‘volatility’) of ceteris paribus +/- 10% relating to current and non-current receivables and payables as of March 31, 2021 and March 31, 2020 respectively has been assumed. The line „EUR“ in the table below shows the total impact ceteris paribus of the volatility to the euro on the result before taxes for all subsidiaries whose functional currency is not the euro. The impact on equity would be insignificantly different.

	Effect on result before taxes			
	2019/20		2020/21	
Currency	**Volatility +10%**	**Volatility -10%**	**Volatility +10%**	**Volatility -10%**
USD	-8,266	10,103	-8,649	10,570
ZAR	-1,965	2,402	-535	653
GBP	-868	1,061	-870	1,063
PLN	-675	825	-653	799
AUD	-110	134	109	-134
EUR	1,215	-1,485	2,900	-3,545

33.2 Interest rate risk.

Interest rate risk is the risk arising from fluctuations in the value of financial instruments, other balance sheet items (e.g. receivables and payables) and/or cash flows due to fluctuations in the market interest rates. For fixed interest balance sheet items, the risk comprises the present value risk. In case the market interest rate for the financial instrument fluctuates, either a profit or a loss may result if the financial instrument is sold prior to maturity.

In the case of variable interest balance sheet items, the risk relates to the cash flow. With variable interest financial instruments, adjustments in the interest rates may result from changes in the market interest rates. Such changes would entail changes in interest payments. Variable interest (both current and non-current) financial liabilities account for round 45% of interest-bearing financial liabilities. If the market interest rate had been 50 basis points higher (lower) (+/- 0.5%) as of March 31, 2021, this, as in the previous year, would not have had any material impact on the result of the Group.

In the Group, derivative instruments in an insignificant proportion exist to minimize interest rate risk of financial liabilities.

33.3 Liquidity risk.

The ongoing monitoring, control and measurement of financial and liquidity positions is carried out at the level of the operational entities, is monitored and optimized in the overall group.

The Group provides sufficient liquidity by maintaining suitable financial reserves, by issuing bonds, through customer prepayments and the continuous reconciliation of the terms of receivables, liabilities and financial assets. To this end, cash flow forecasts are prepared at regular intervals for short-term periods (the next 12 weeks), on a quarterly basis for the medium term (current financial year) as well as for long-term periods (in accordance with long-term payment obligations, particularly those arising from loans). Suitable measures for ensuring sufficient liquidity are then deducted from these forecasts.

Kapsch TrafficCom avoids becoming dependent on individual banks by making sure that the financial structure is always distributed over several partner banks. Major repayment obligations of typically long-term contracts (such as corporate bonds or maturing repayments of long-term loans) are monitored on an ongoing basis and appropriate measures are initiated at an early stage (either cash flow monitoring or timely refinancing) to ensure agreed payment obligations.

Kapsch TrafficCom employs a risk-averse investment strategy. Liquid funds are held such that they are generally available in the short term and can therefore be used quickly whenever needed. When it comes to securities, conservative security funds, which are actively managed on an ongoing basis and include an appropriate share of bonds, are used as a rule for the coverage and hedging of pension obligations. In the event of international financial market turbulence, however, the financial investments made might still develop unfavorably or individual securities might even become untradeable. This might result in reductions in value and impairments, which in turn have a negative impact on the financial result and equity of Kapsch TrafficCom. Such a crisis also increases the default risk of individual issuers of securities or their customers. In addition, the Group might for strategic reasons acquire a direct interest in individual entities by purchasing shares. A sufficiently bad performance of these entities might also necessitate an impairment, which in turn leads to the mentioned negative impact on the financial result and equity.

Cash flows (gross cash flows including interest) show the liquidity risk of future periods and are split into:
- First half year of the next financial year
- Second half year of the next financial year
- Between 1 and 2 years
- Between 2 and 3 years
- Between 3 and 4 years
- Between 4 and 5 years
- More than 5 years

This information is included in note 24 and 25.

33.4 Credit risk.

As part of the Group's risk management policy, the Group only engages in business relationships with third parties deemed to be creditworthy and has implemented policies to ensure that the Group sells only to customers with appropriate credit histories. In addition, the Group monitors its receivables balances on an ongoing basis in order to limit its exposure to bad debts. Kapsch TrafficCom endeavors to reduce the risk of customer default as best as possible by obligatory credit checks before contract signing or, in the case of large projects, by additionally collateralizing payments. Nevertheless, it cannot be entirely ruled out that there will be individual payment defaults that would have a material negative impact on the earnings and liquidity development of Kapsch TrafficCom in the case of an event of default.

In the case of large toll collection projects, there is a credit risk essentially in the phase of the construction of the toll system. There is no concentration of credit risk relating to trade receivables since the Group generally has a large number of customers worldwide. Based on the Group's experiences, the default risk for trade receivables can be considered low.

The calculation of the impairment of financial assets is disclosed in notes 20 and 21.

The maximum credit risk corresponds to the following book values:

	March 31, 2020	March 31, 2021
Other non-current financial assets and investments	10,873	12,281
Non-current contract assets	13,778	5,188
Non-current lease receivables	1,245	847
Other non-current assets	270	3,592
Other current financial assets	1,296	924
Current contract assets	138,178	105,972
Trade receivables and other current assets	176,984	130,042
Current lease receivables	442	595
Current income tax receivables	4,656	25,934
Cash and cash equivalents	122,632	102,010
Total	**470,354**	**387,383**

33.5 Equity price risk.

The Group was exposed to equity securities price risk resulting from a material investment, the Norwegian investment Q-Free ASA, Norway, in the previous year. This investment was measured at fair value through profit or loss in accordance with IFRS 9 and was fully sold in financial year 2020/21.

34 Capital management.

Capital management pursues value-oriented and sustainable corporate management on the basis of the income statement in individual operating segments. Key performance indicators for the balance sheet and other economic criteria as well as the long-term development of the Group are also monitored and included in the management. Capital management is considered to be a central element for ensuring the medium- and long-term going concern. An important indicator for the capital structure is the equity ratio calculated from the equity (including non-controlling interests) as a percentage of the balance sheet total. The capital management strategy at Kapsch TrafficCom also aims, among other things, at ensuring that Group companies have sufficient equity to meet local requirements. On the Group level, the equity ratio in the financial year should remain within a range of roughly 25% to 35% on average. A major key performance indicator that is also often used in the covenants of the Group's loan agreements is the "Gearing in relation to EBITDA" in the consolidated financial statements, which should reflect a balance between the company's net debt and operating earnings power. The Group is constantly checking the observance of all the covenants in connection with loan agreements.

The negative result in financial year 2020/21 made it impossible to observe the agreed financial covenants. Kapsch TrafficCom concluded a new agreement with all the affected financing banks. It confirms that observance of the agreed key performance indicators on the balance sheet date will not be necessary and the banks will continue to maintain the existing financing as well as the ongoing partnership with the company. In addition, in May 2021, new and uniform key performance indicators were also agreed with all the banks for the next two years. They are based on the expected results in connection with the restructuring concept. The covenants provide for a certain ratio of net financial liabilities to EBITDA for a transition period of 2 years for each quarter. Furthermore, a certain equity ratio must be achieved on the following balance sheet dates. In the event that these new key figures are not achieved by the balance sheet dates and are not restored through measures such as grants or subordinated loans, the lender is entitled to call the loan due immediately. These covenants also include timely compliance with the agreed repayments.

Due to the Group's result in the last financial year, the Group deviated in part from its own target values for capital management on the balance sheet date. Irrespective thereof, these goals remain, and the Group would like to achieve them again as quickly as possible through active capital management.

Another important goal is the securing of sufficient liquidity necessary in the short and long term to ensure a successful going concern. Especially in the second half of financial year 2020/21, the Group attached the greatest importance to active liquidity management (both by monitoring the Group-wide amount of liquidity daily and substantially increasing the reliability of the weekly 12-week cash flow forecasts). The company succeeded in increasing the amount of cash by more than 40% since its low point. Cash and cash equivalents could be lifted back above the level of EUR 100 million and totaled EUR 102,010 k as of March 31, 2021. Consequently, the forthcoming repayment obligations – especially the 5-year tranches of the promissory note bond issued in June 2016 and owed in mid-June 2021 – can be met. Nonetheless, the amount of liquidity will be above the required minimum liquidity. In the first quarter of financial year 2021/22, the payout of a special Kontrollbank credit line loan (KRR-Kredit) for around EUR 17,900 k secured by Oesterreichische Kontrollbank was also received and represents an additional liquidity reserve for the Group.

Besides the mentioned short- and medium-term targets for liquidity, repayment, and refinancing, the financing of the future course of growth and maintaining an optimal capital structure are also major goals in the Group's capital management over the medium and long term.

Net debt and gearing in relation to EBITDA as well as the equity ratio can broken down as follows on March 31, 2021 and March 31, 2020:

	March 31, 2020	March 31, 2021
Non-current financial liabilities	-185,231	-120,895
Current financial liabilities	-50,702	-102,362
Non-current lease liabilities	-50,057	-35,693
Current lease liabilities	-13,589	-13,585
Total financial liabilities	**-299,579**	**-272,535**
Cash and cash equivalents	122,632	102,010
Other current financial assets	1,296	924
Net cash (+) / net debt (-)	**-175,650**	**-169,601**
Equity	182,482	84,761
Gearing	**96.3%**	**200.1%**
EBITDA	13,634	-67,150
Gearing in relation to EBITDA	**7.8%**	**-39.6%**
Equity ratio	**25.1%**	**14.3%**

35 Accounting and valuation principles.

The accounting and valuation principles, which form the basis for these consolidated financial statements, were applied unchanged to the previous period and supplemented by new mandatory IFRS and IFRIC applicable from the financial year.

35.1 Consolidation.

35.1.1 Subsidiaries.

Subsidiaries are all companies (including structured companies) where the Group exerts its control. The Group controls an associated company if the Group is exposed to fluctuating returns arising from its interest in the subsidiary, is in possession of entitlements to these returns and has the ability to influence such returns by virtue of its position of power with respect to the associated company. Subsidiaries are included within the consolidated financial statements (full consolidation) as from the time when the parent company has acquired control over the subsidiary. They are deconsolidated at the time when such control is relinquished.

All Group internal assets and liabilities, equity, expenses and income as well as unrealized gains and losses from transactions between Group companies are completely eliminated in the course of Group consolidation. In case of consolidation processes affecting profit or loss, income tax effects are taken into consideration and deferred taxes are recognized.

35.1.2 Transactions with non-controlling interests.

Transactions with non-controlling interests are treated as transactions with equity owners of the Group. Depending on the ownership structure, the Group splits the gains or losses as well as all components of the comprehensive income to the interests of the parent company and the non-controlling interests. Even in the event of a negative balance of the non-controlling interests, the total comprehensive income is attributed to the parent company and the non-controlling interests. For purchases of non-controlling interests, the difference between any consideration paid and the relevant interest acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity, unless a change in the percentage of shares held leads to a loss of control of the interest. The carrying amounts for controlling and non-controlling interests will be adjusted correspondingly, to present the change in the percentage of shares held.

If the Group loses its control over any of the companies, the assets and liabilities of the former subsidiary are to be removed from the consolidated balance sheet. The remaining interest is to be remeasured at fair value and regarded as the initially recognized value of a financial asset pursuant to IFRS 9, Financial Instruments: Recognition and measurement or as acquisition costs in case of the addition of an interest in an associated company or joint venture. Any resulting gains or losses which are attributable to the controlling interest are recognized in the income statement. In addition, any amounts previously recognized in other comprehensive income with respect to the former subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognized in other comprehensive income are reclassified from equity to the result for the period.

35.1.3 Joint arrangements.
The Group applies IFRS 11 to all joint arrangements.

The Group differentiates according to the contractual arrangements at which decisions are made unanimously, concerning rights and obligations of the controlling parties between joint ventures and joint operations. Parties belonging to a joint venture enjoy rights to net assets. In the consolidated financial statements, the result, assets, and liabilities are included subject to the equity method. If a contractual agreement creates rights to assets and obligations for debts, then such joint arrangement will be deemed to be a joint operation. Inclusion within the consolidated financial statements occurs proportionate.

In the case of the equity method, the interests in joint ventures are initially recognized at acquisition costs. After this, the carrying value of the interests goes up or down according to the share of the Group in profit or loss as well as in any changes in the other comprehensive income of the joint venture. If the share in the losses of a joint venture exceeds the carrying value of the joint venture (including all long-term interests which are to be allocated to the commercial substance after the net investment of the Group in the joint venture), then the Group is not to recognize the excessive loss share unless it has entered into legal or constructive obligations for the joint venture or has made payments for the joint venture.

Unrealized gains or losses from transactions between Group companies and joint ventures are to be eliminated in the consolidated financial statements in the amount of the share of the Group in the joint venture. Unrealized losses are not eliminated if the transaction gives any indication that there may be an impairment of the asset transferred.

The accounting and valuation principles of joint ventures correspond to those of the parent company.

Proportional results from joint ventures are split in the presentation in the income statement. Results from joint ventures whose activities and strategic alignments are part of Kapsch TrafficCom's core business are reported in the operating result. Results from other joint ventures are reported in the result before income taxes after the financial result.

35.1.4 Associated companies.
Associated companies are entities in which the Group has a significant but not a controlling influence, generally accompanied by a shareholding of between 20% and 50% of the voting rights. Associated companies are reported using the equity method and initially recognized at acquisition costs. Following the acquisition date, the share of the Group in the result of the associate is recorded in the statement of comprehensive income and the share of changes in other comprehensive income is recognized in other comprehensive income, with a corresponding adjustment being made to the carrying amount of the interest. Dividends received from the associated company reduce the carrying amount of the interest. Goodwill arising on acquisition of associated companies is not separately shown but recorded as part of the carrying amount of associated companies.

If the percentage of shares held in an associated company is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to the profit or loss for the period where appropriate.

The cumulative shares of the Group in the profits and losses as well as in the other comprehensive income of the associated company after the acquisition are offset against the carrying amount of the investment. If the Group's share in the losses of an associate, including any unsecured receivables, equals or exceeds its interest in that associated company, the Group will not disclose any additional losses. A negative carrying amount is only recognized if the Group has entered into legal or constructive obligations for the associated company or has made payments for the associated company.

At each balance sheet date, the Group checks whether there are any indications showing that the investment in an associate is impaired. If this is the case, the impairment requirement is determined as the difference arising from the carrying amount of the interest of the associate and the corresponding recoverable amount and recognized separately in the income statement. Significant unrealized gains from transactions between the Group and associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

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

The accounting and valuation principles of associated companies correspond substantially to those of the parent company.

35.1.5 Business combinations.

The Group uses the acquisition method of accounting to account for business combinations as at the acquisition date. The acquisition date relates to the date of transfer of control to the Group.

The consideration transferred for the acquisition is the fair value of the assets transferred, the equity interests issued by the Group and the liabilities incurred or assumed as at the transaction date. In addition, they include the fair value of any recognized assets or liabilities resulting from a contingent consideration arrangement. Acquisition-related costs are expensed in full as incurred.

In accordance with IFRS 3, any assets acquired and liabilities (including contingent liabilities) assumed in a business combination are measured at their full fair values as at the acquisition date, irrespective of the extent of any non-controlling interests. Intangible assets are recognized separately from goodwill if they are separable from the entity or result from statutory, contractual or other legal rights. No new restructuring provisions may be recognized within the scope of the purchase price allocation. Any remaining positive differences, which compensate the seller with market opportunities that cannot be identified more closely and with development potential, are capitalized as goodwill in the respective cash generating units (CGUs).

Any contingent consideration to be transferred by the Group is recognized at fair value as at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is measured in accordance with IFRS 9 and a resulting profit or loss recognized in the statement of comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

If the combination is achieved in stages, the equity capital share previously held in the acquired company by the acquirer is remeasured at the fair value as at the acquisition date. Any resulting profit or loss is to be recognized in the income statement.

Any hidden reserves and liabilities uncovered are carried forward in line with the corresponding assets and liabilities.

The determination of the fair values requires certain estimates and assumptions, in particular of the acquired intangible assets and property, plant and equipment, of the liabilities assumed as well as of the useful lives of the acquired intangible assets and property, plant and equipment.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's net assets.

The Group determines the goodwill at the acquisition date as:

- the fair value of the consideration transferred – plus
- the value recognized of all recognized non-controlling interests in the acquiree – plus
- the fair value of the acquirer's previously held equity interest in the acquiree if the combination is achieved in stages – less
- the net amount (in general of the fair values) of the identifiable assets acquired and liabilities assumed and contingent liabilities.

If the excess is negative, a gain on a bargain purchase is recognized only upon re-examination of the allocation directly in the result for the period.

35.1.6 Foreign currency translation.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in euros, which is Kapsch TrafficCom's presentation currency.

Translation of foreign financial statements.
In accordance with IAS 21, financial statements of foreign subsidiaries (except for foreign entities from hyperinflationary countries) that have a functional currency different from the euro which are included in the consolidated financial statements are translated as follows:

The statement of comprehensive income of foreign entities is translated into the Group's presentation currency at average exchange rates of the financial year, balance sheets at the prevailing mean exchange rate at the balance sheet date. The reference rates of the European Central Bank (ECB) and Deutsche Bundesbank, which are accessible via the Austrian Central Bank's (Österreichische Nationalbank) website, serve as the basis for the translation. If no current exchange rates are available, this will result in the use of the exchange rates as disclosed by the national banks that are derived from market information providers (Bloomberg, ThomsonReuters). Differences arising from the currency translation of foreign operations into euro are recognized in other comprehensive income and collected in equity. If control of the foreign entity is lost, exchange rate differences accumulated in equity are reclassified and presented as part of the gain/loss from the disposal.

Pursuant to IAS 29, a separate measurement is required for hyperinflationary countries. As in accordance with IAS 21, monetary items are translated into the reporting currency of the Group using the prevailing mean exchange rate at the balance sheet date. All non-monetary assets and liabilities are measured either at adjusted cost, or at net realizable value or at fair value. Argentina has been classified as a hyperinflationary country since July 1, 2018. All items in the statement of comprehensive income are to be restated as of the date of initial recognition of the income and expenses in the financial statements, using the general price index. A restatement in accordance with IAS 29 applies. Effects from hyperinflation are included in the financial result and in equity.

Goodwill and adjustments to the fair value in connection with the acquisition of a foreign company are treated as the assets and liabilities of the foreign company in question and converted in the course of initial consolidation at the transaction rate and subsequently converted with the key date exchange rate as at the financial statements key date of the business operation.

The main exchange rates used during the financial year are shown below:

	2019/20		2020/21	
	Average exchange rate	**Exchange rate as at balance sheet date**	**Average exchange rate**	**Exchange rate as at balance sheet date**
AUD	1.635	1.797	1.633	1.541
CAD	1.482	1.562	1.545	1.478
CZK	25.727	27.312	26.595	26.143
GBP	0.874	0.886	0.891	0.852
PLN	4.320	4.551	4.515	4.651
SEK	10.657	11.061	10.378	10.238
USD	1.111	1.096	1.166	1.173
ZAR	16.619	19.610	19.011	17.348

Foreign currency transactions.
Transactions in foreign currencies are translated into the functional currency at the exchange rate as at the transaction date or, in case of new measurements, as at the time of the measurement. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income. Non-monetary items in the balance sheet, which are capitalized at costs in a foreign currency are translated with the exchange rate applicable at the day of the transaction; non-monetary items which were recognized at the fair value in a foreign currency are translated at the exchange rate prevailing at the time of measurement.

Foreign exchange gains and losses which are attributable to the translation of cash and cash equivalents as well as financial receivables and financial liabilities are presented in the statement of comprehensive income within the financial result. All other foreign exchange gains and losses are presented in the statement of comprehensive income in other operating income or other operating expenses.

This excludes foreign exchange gains and losses from monetary items to be received from/to be paid to foreign operations which are designated as part of a hedge of a net investment in a foreign operation. Such foreign exchange gains and losses are initially recognized in other comprehensive income and are then reclassified from equity to profit or loss if the net investment is sold (see note 12).

35.2 Fair value measurement.

Historical costs are based on the fair value as at the acquisition date. The fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In measuring the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability that market participants would take into account when pricing the asset or liability at the measurement date.

To the greatest extent possible, the Group uses observable market data for the fair value measurement of assets or liabilities. Depending on the availability of observable input factors and their impact on the fair value measurement as a whole, the fair value is assigned to one of 3 levels in the following fair value-hierarchy:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: Inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs at this level are unobservable inputs for the asset or liability.

35.3 Revenue recognition.

Revenue is recognized in accordance with IFRS 15 “Revenue from Contracts with Customers”. Assessment of each contract is based on the five-step model:
> Identify the contract with a customer
> Identify the performance obligations
> Determine the transaction price
> Allocate the transaction price to the performance obligations
> Recognize revenue either over time or at a point in time

A customer is defined as a party that has contracted with an entity to obtain goods or services that are an output of the entity’s ordinary activities in exchange for a consideration. It is assessed if the contracts meet the criteria in accordance with IFRS 15.9, in particular the enforceable right to consideration. It is furthermore assessed if the consideration the entity is entitled to is enforceable and revenue is probable (see note 33.4. Credit risk).

The Group identified the following performance obligations:

Implementation projects include the construction of toll collection systems for both individual road sections and nation-wide road networks as well as the construction of systems for traffic monitoring, traffic control and traffic safety. Components such as on-board units which are necessary for putting the system into a condition ready for operation, are considered part of the implementation projects. Major software upgrades that are agreed in operation projects as well as implementation within the context of service concession arrangement also fall under this performance obligation.

Implementation projects meet the criteria for “satisfaction of the performance obligation over time”, as the Group creates assets that do not have an alternative use and the Group thus has an enforceable right to payment for the performance completed to date. The stage of completion is derived from the ratio of the costs already incurred and the estimated total costs of the corresponding order.

Operation projects mainly include the operation and maintenance of toll collection systems for both individual road sections and nation-wide road networks as well as the operation and maintenance of systems for traffic monitoring, traffic control and traffic safety. Operation within the context of service concession contracts also falls under this performance obligation.

Revenue from operation projects is recognized over time since the customer receives the benefits as the entity performs.

The sale of **components** that are not made under an implementation or operation project also constitutes a separate performance obligation. As for the sale of components, revenue is recognized as the control of the component is transferred.

The Group also assumes statutory warranties which do not represent a separate performance obligation but for which provisions are set up in accordance with IAS 37.

The transaction price is mostly fixed but some contracts may also contain elements of variable consideration which are usually bonuses or penalties. They are taken into account if and to the extent that the payment is probable or if penalties are improbable. The transaction price typically refers to the price of the individual performance obligation as the price is set on basis of the costs including a reasonable margin. Cross-subsidizations are not part of the business model of Kapsch TrafficCom. It is therefore for most contracts not necessary to allocate the transaction price to the performance obligations. For service concession arrangements, the transaction price is estimated for each performance obligation. In such cases, allocation is made based on the expected-cost-plus-margin approach. For contracts with a significant financing component, the consideration is adjusted by the interest component.

Contract assets are capitalized if the services are rendered before the consideration is received. Contract liabilities are recognized if the amount of consideration exceeds the amount of performance rendered. Service concession arrangements including the concession right to receive fees result in an intangible asset. That intangible asset increases with construction progress, thus revenue is recognized according to the stage of completion.

Certain costs arising in the course of initiating or performing a contract have to be recognized under IFRS 15 if the criteria are met. Those costs to obtain or fulfill a contract are amortized on a straight-line basis over the contract term of the project.

Other income is recognized by the Group as follows:

- Revenue from recharged expenses is recognized on the basis of the accumulated amounts in accordance with the respective agreements.
- Interest income is recognized on a time-proportion basis using the effective interest method,
- Dividend income is recognized when the right to receive payment is established.

35.4 Segment information.

The reporting on operating segments is consistent with the internal reporting provided to the chief operating decision-maker (management approach). The chief operating decision-maker is responsible for allocating resources to the operating segments and assessing their performance. The Executive Board of Kapsch TrafficCom has been identified as the chief operating decision-maker.

35.5 Property, plant and equipment.

Property, plant and equipment are recognized at acquisition and production cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected useful lives of the assets in accordance with the group policies.

Properties are not subject to scheduled depreciation. The useful lives generally range between 5 to 26 years for plants and buildings on leasehold land, 4 to 20 years for technical equipment and machinery, and 3 to 10 years for other equipment, factory, and office equipment. The assets' useful lives and residual values are reviewed, and adjusted if appropriate, in case of evidence leading to an adjustment. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of those assets which were replaced is derecognized. Expenses for repairs and maintenance which do not necessitate a significant replacement investment (i.e. day-to-day servicing) are charged to the income statement during the financial period in which they are incurred.

The difference between the proceeds from the disposal of property, plant and equipment and the carrying amount is recognized as profit or loss in the result from operating activities.

35.6 Intangible assets.

35.6.1 Goodwill.

Goodwill arises on the acquisition of subsidiaries, associates, and joint ventures. It is shown separately only at acquisition of a subsidiary. It represents the excess of the consideration transferred for the acquisition beyond the Group's interest in net fair value of the identifiable assets, liabilities, and contingent liabilities of the acquiree, the fair value of the non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree, if the combination is achieved in stages, at the acquisition date. If the acquisition costs are less than the net assets of the acquired subsidiary measured at fair value, the difference is recognized directly in the statement of comprehensive income.

Goodwill impairment reviews are undertaken at least annually or more frequently if events or changes in circumstances indicate a potential impairment. The Group carries out the annual goodwill impairment review in the fourth quarter. In addition, the Group carries out impairment tests during the year if a triggering event occurs that may cause the asset to be impaired.

For the purpose of impairment testing, goodwill is allocated to each of the cash generating units (CGUs) or groups of cash generating units which are expected to benefit from the synergies of the business combination and have reported the goodwill. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

The impairment loss of goodwill is recognized in the statement of comprehensive income. No write-ups on goodwill are made.

35.6.2 Concessions and rights.
Computer software, trademarks, and similar rights are capitalized on the basis of the costs incurred for acquisition and amortized linearly over their estimated useful lives of 4 to 15 years. Acquired customer agreements (toll contracts, maintenance agreements) are recognized at acquisition costs and amortized over estimated useful lives that generally range between 2 and 10 years.

35.6.3 Research and development costs.
Research expenditures are recognized as an expense. Costs incurred for development projects (relating to the design and testing of new or improved products) are recognized as intangible assets if the following criteria are fulfilled:
> it is technically feasible to complete the intangible asset so that it will be available for use or sale;
> management intends to complete the intangible asset and use or sell it;
> there is an opportunity to use or sell the intangible asset;
> it can be demonstrated how the intangible asset will generate probable future economic benefits;
> adequate technical, financial, and other resources are available to complete the development and to use or sell the intangible asset; and
> the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognized as an expense. The costs for producing the intangible asset are capitalized as from the point in time when the above criteria are initially met. Development costs previously recognized as an expense cannot be subsequently capitalized. Capitalized development costs are amortized, as soon as they are available for use, using the straight-line method on the basis of the normal useful life, which generally ranges between 3 and 15 years.

Capitalized development assets are tested for impairment annually in accordance with IAS 36 as long as they are not yet available for use.

35.6.4 Service concession arrangements.
Service concession arrangements exist when a private entity develops and operates an infrastructure facility for public services, with the grantor being a public sector entity or a public authority. The Group does not provide public infrastructure or overall public services considering most of the contracts. The isolated development or the operation of a toll collection system or systems for traffic monitoring, traffic control and traffic safety do not fall into the scope of this interpretation. In case service concession arrangements can be assumed, a distinction between those arrangements resulting in an intangible asset and those resulting in a financial asset has to be made. In case the operator receives an unconditional contractual right to receive an amount of cash or another financial asset from the grantor in return for the construction of a system, the operator recognizes a financial asset. In case the operator solely receives the right to charge for the use of a public sector service, the operator recognizes an intangible asset. The intangible asset is recognized during the construction phase as construction progresses, in line with the revenue recognition according to IFRS 15 relating to each stage of completion, and is amortized over the period of the operational phase after completion. Financial assets are settled through payment of the construction portion.

As of March 31, 2021 Kapsch TrafficCom did not recognize any projects in accordance with this interpretation, as those were fully impaired in financial year 2019/20 and were formally closed in financial year 2020/21.

35.7 Impairment of non-financial assets.

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready for use – are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the asset might be impaired.

An impairment loss is recognized for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and its value in use. At entity level an impairment is posted if there is any indication that an asset may be impaired. Hereon at the level for cash generating units the goodwill is tested. First, the goodwill is amortized by the amount of the impairment. If the impairment is higher than the carrying amount of the goodwill, the carrying amounts of the other assets of these cash-generating units (CGUs) are proportionately reduced.

The value in use of a cash generating unit corresponds to the present value, calculated using the discounted cash flow method, of the future cash flows which the entity will receive from the cash generating unit. In order to determine the value in use, the expected future cash flows plus taxes based on the post-tax discount rate that reflects the current market expectations with regard to the interest effect and the specific risks of the cash generating units, are discounted to their present values. In the process, the current planning, covering a period of four years (detailed forecast period) and approved by Management, is used as the basis with subsequent transition to perpetuity. The growth rates according to the detailed forecast period are based on historical growth rates and on external studies on the future medium-term market development.

The fair value less costs to sell is determined using an appropriate valuation model which is based on the medium-term planning of the respective cash generating unit. The valuation is made in line with the discounted cash flow calculations and verified through suitable multiples, if available.

The difference between the recoverable amount of assets and their carrying value is reported as profit or loss in the operating result. Profits are not reported as revenues. For assets (other than goodwill) for which an impairment loss has been recognized in the past, a check is carried out on each subsequent balance sheet date to determine if any reversal of impairment is required.

The residual carrying values and useful lives are reviewed at each balance sheet date and adjusted as necessary.

35.8 Borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. A qualifying asset is an asset that requires a substantial period of time (with regard to the Group at least 12 months) to be made ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization within a specific period.

In financial year 2020/21, the criteria for a qualified asset were not fulfilled for any assets.

All other borrowing costs are expensed in the period in which they are incurred.

35.9 Government grants.

Government grants with regard to purchased non-current assets are deferred and taken through profit or loss over the estimated useful life of the respective asset. Government grants are recognized at their fair value, provided it is virtually certain that the Group will comply with all attached conditions and the grant will be received.

Due to materiality considerations, government grants are not disclosed separately in the financial statements but are included in other liabilities and deferred income.

Other grants received as compensation for expenses or losses already incurred are immediately taken through profit or loss and included in other operating income.

Also grants referring to the COVID-19-pandemic and for reliefs of the effects of the pandemic fall under this point and thus are included in other operating income in the statement of comprehensive income.

35.10 Leasing.

IFRS 16 “Leases” specifies the recognition, measurement, presentation as well as disclosure requirements with regard to leases in financial statements. As for Kapsch TrafficCom, this mainly relates to buildings, motor vehicles and IT equipment. IFRS 16 introduces a single accounting model that recognizes future leases 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. Extension and termination options are recognized if virtually certain.

The lessor continues to distinguish between finance or operating leases for accounting purposes. Kapsch TrafficCom has sub-leasing contracts with affiliated companies as well as the parent company and therefore discloses lease receivables instead of right-of-use assets from leases. The Group only acts as lessor to an insignificant extent, and thus does not expect any material impact on the Group’s financial statements from such leases.

The Group applies exemptions regarding short-term leases with a term of not more than twelve months and leases of low-value assets (around EUR 5 k). Those leases will not be recognized in the balance sheet, instead, payments made for such leases will continue to be recognized as expenses.

For the calculation of the present value of liabilities from leasing contracts the incremental borrowing rate according to the corresponding maturity is calculated and applied. The incremental borrowing rate is derived from a risk free rate of the corresponding maturity, adjusted for country, currency and enterprise risks.

35.11 Financial instruments.

Financial instruments include financial assets (such as securities, investments, loans, trade receivables, and cash and cash equivalents) as well as financial liabilities (such as bonds and loans, trade payables, and derivative financial instruments).

35.11.1 Financial assets.

In accordance with IFRS 9, financial assets are subdivided as follows:

- amortized cost,
- fair value through profit or loss or
- fair value through other comprehensive income.

The classification depends on the business model used by the entity to control financial assets and the characteristics of the contractual cash flows of the financial asset.

Financial assets are measured **at amortized cost** if they meet the following two conditions and are not designated as at fair value through profit or loss:

- they are held in a business model whose objective is to hold financial assets to collect the contractual cash flows and
- the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest of the principal amount outstanding.

These financial assets are subsequently measured at amortized cost using the effective interest rate method. If not material, they are not discounted. Cash and cash equivalents, trade receivables and parts of other financial receivables and assets fall into this category.

Financial assets that are neither held in the business model to collect the contractual cash flows nor held in the business model to collect and sell the contractual cash flows are measured **at fair value through profit or loss.** Assets may be designated or also fall into this category if the contractual cash flows are not solely payments of principal and interest of the principal amount outstanding. The assets are measured at fair value, with gains or losses recognized in the income statement. The fair values are determined through transactions on an active market or, if there is no active market, by using valuation techniques. Debt instruments that do not include solely payments of principal and interest of the principal amount outstanding, and derivative financial instruments fall into this category. Such derivatives that are designated as cash flow hedges to hedge foreign currency risks continue to be accounted for as hedging instruments in accordance with IAS 39.

Financial assets that are measured **at fair value through other comprehensive income** (FVOCI) are such debt instruments that are held in the business model hold to collect the contractual cash flows and sell, and that are solely payments of principal and interest of the principal amount outstanding. Those financial assets that fulfill the requirement of the FVOCI-business model and that are not optional designated at fair value through profit or loss are measured at fair value through other comprehensive income. The assets are measured at fair value, with gains or losses recognized in other comprehensive income. The fair values are determined through transactions on an active market or, if there is no active market, by using valuation techniques. When financial assets are disposed, the difference between the proceeds from the disposal and the carrying amount is recognized as expense or income in the statement of comprehensive income. The amount stated in equity is additionally recognized through profit or loss in the statement of comprehensive income.

Generally, equity investments are mandatorily measured at fair value through profit or loss. In accordance with IFRS 9, an entity can make an irrevocable election at initial recognition to classify equity investments at fair value through other comprehensive income (without recycling). The assets are measured at fair value, with gains or losses recognized in other comprehensive income without recycling. The fair values are determined through transactions on an active market or, if there is no active market, by using valuation techniques.

All purchases and sales are recognized at the settlement day, acquisition costs includes transaction costs.

Financial instruments whose maturity does not exceed twelve months after the balance sheet date are stated as current assets, all others are stated as non-current assets.

35.11.2 Cash and cash equivalents.
Cash and cash equivalents include cash and cash equivalents, short-term bank deposits held at call and other bank balances, which are convertible to known amounts of cash and subject to insignificant risk of changes in value. Changes in cash and cash equivalents are presented in the cash flow statement. Overdrafts are reported in the balance sheet under current financial liabilities.

35.11.3 Financial liabilities.
In accordance with IFRS 9, financial liabilities are subdivided as follows:
- amortized cost or
- fair value through profit or loss.

Financial liabilities are non-derivative financial assets with fixed or determinable payments. They are initially recognized at fair value less transaction costs incurred and subsequently at amortized cost, taking into account the effective interest method. Financial liabilities with a remaining term of up to one year are reported as current liabilities; if the remaining term is longer, they are reported under non-current liabilities. Liabilities from current accounts are disclosed under current financial liabilities on the balance sheet. Borrowing costs are recognized as an expense in the statement of comprehensive income on an accrual basis. Liabilities denominated in foreign currencies are measured at the current rate at the balance sheet date.

Financial liabilities include non-current and current financial liabilities, lease liabilities, trade payables, as well as portions of other liabilities.

There are no liabilities that were designated at fair value through profit or loss.

35.11.4 Derivative financial instruments.
Derivatives are only used for economic hedging purposes and not as speculative investments. Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into. They are subsequently remeasured at their fair value at each reporting date. The method of recognizing gains or losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Kapsch TrafficCom designates certain derivative financial instruments (swaps, forwards) as collateral against certain cash flow hedge risks associated with a recognized asset, liability or expected and highly probable forecast transaction. Derivatives are currently only used as hedges of cash flows from forecast transactions. The Group decided to continue applying the accounting principles for hedge accounting in accordance with IAS 39.

Kapsch TrafficCom has a group-wide treasury policy in place to generally regulate hedging transactions. If necessary the Group documents and recognizes the hedging transactions according to IAS 39. As of March 31, 2021 no cash flow hedges nor fair value hedges are recognized in the financial statements.

In addition to that, the Group has derivatives that hedge an asset or a liability. They are therefore measured at fair value through profit or loss. The fair value corresponds to the value which the relevant entity would receive or have to pay upon liquidation of the deal on the balance sheet date. Positive fair values at the balance sheet date are recognized under financial assets and negative fair values under financial liabilities. Changes in the fair value of these derivative financial instruments are recognized immediately in the statement of comprehensive income within other operating income or other operating expenses or the financial result, depending on the derivative's purpose. The full fair value of a hedging derivative is classified as non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. The fair values of derivative financial instruments are presented in note 16.

In the case of net investments in a foreign operation, exchange rate differences are recognized in other comprehensive income and are reclassified from equity to profit or loss on the sale or partial disposal of the foreign operation or the repayment of the amounts owed.

35.11.5 Impairment of financial assets.

In accordance with IFRS 9, recognition of expected credit losses applies to the following financial assets:

- Trade receivables
- Contract assets
- Lease receivables
- Cash and cash equivalents

The Group uses for trade receivables as well as for contract assets from contracts with customers without a significant financing component and for lease receivables the simplified impairment model and accordingly calculates impairment at the amount of the lifetime expected credit losses (expected credit loss model) based on a provision matrix in which financial assets are structured according to ageing and the respective default rates are determined for different maturity bands. The age structure breaks down as follows: not past due, 1–30 days, 31–60 days, 61–90 days, 91–180 days, 181–270 days, more than 270 days past due. For financial assets the Group expects a loss if contractual payments are past due 270 days or more.

In preparing the provision matrix, historical data on actually incurred defaults as well as forward-looking information and expectations are taken into account by overall estimating a potential loss by Kapsch TrafficCom. For forward-looking information and expectations changes in country specific CDS spreads are taken into account as the CDS-market represents all publicly available information and expectations in regard of market-related changes. These CDS spreads contain impacts due to the COVID-19-pandemic as of March 31, 2021. The financial assets are allocated to different regions and credit risk and/or the changes to credit risk for the corresponding region are taken into account. Contract assets from contracts with customers represent receivables not yet invoiced and do not significantly differ from trade receivables from comparable contracts as regards the risk criteria. Therefore, the same default rates as for receivables not past due are applied. The impairment of lease receivables is not material as of March 31, 2021. Financial assets are written off if no reasonable expectation of recovery exists. For example the debtor is insolvent or no agreement is possible and therefore the cash inflow cannot be anticipated anymore.

Any impairment on cash and cash equivalents would be insignificant and was thus not taken into consideration.

The Group assesses at each balance sheet date whether there is objective evidence of impairment of each significant individual financial asset or group of financial assets. If such evidence exists, the Group accounts for that impairment, and the proportionate loss previously recognized in equity for debt instruments measured at fair value through other comprehensive income is removed from equity and recognized through profit or loss in the statement of comprehensive income. The cumulative loss reclassified from equity to profit or loss is the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If in subsequent periods the fair value of the impaired financial instrument increases and that increase is directly related to an event occurring after the impairment was recognized through profit or loss in the statement of comprehensive income, the Group reverses the impairment loss.

35.12 Inventories.

Inventories are stated at cost or, if lower, at net realizable value. Cost is determined using the moving average price method. Production cost includes all directly attributable expenses and fixed and variable overheads (based on normal operating capacity) incurred in connection with production. It excludes, however, borrowing costs as they cannot be allocated to a qualifying asset. Net realizable value is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

35.13 Employee benefits.

The Group provides various post-employment benefits to employees and other long-term benefits either based on individual agreements or in accordance with local labor law provisions.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate non-group entity (fund). The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Next to the defined contribution plans, there are defined benefit plans. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service, and compensation.

The projected unit credit method is used for the calculation of liabilities arising from pension obligations and termination benefits in accordance with IAS 19. According to this method, post-employment costs for employee benefits are recognized in the statement of comprehensive income in such a way that scheduled costs are spread over the employees' years of service on the basis of an expert opinion by a qualified actuary, who completely remeasures the schemes annually. The obligations for pension payments are calculated at the present value of future benefits using interest rates of high-quality corporate bonds whose term roughly equals the term of the liability. The liability recognized on the balance sheet with respect to defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

Costs arising from defined benefit plans from pension obligations and termination benefits include the following components:

> Service costs include current as well as past service costs as well as gains or losses from benefit changes or curtailments. Service costs are recognized in profit or loss within staff costs.
> The net interest cost on the defined benefit obligation or plan asset. This component is included in interest expense in the statement of comprehensive income.
> Remeasurements of the net defined benefit obligation or net asset. These are charged or credited to other comprehensive income in the period in which they arise.

Contributions paid by the Group under a defined contribution pension scheme are charged to the statement of comprehensive income under staff costs in the period in which they occur.

For the calculation of liabilities arising from obligations for jubilee bonuses in accordance with IAS 19, the projected unit credit method is used. Jubilee bonuses are special lump-sum payments stipulated in the collective agreement and dependent on compensation and years of service. Eligibility is determined by a certain number of service years. The calculation of liabilities arising from obligations for jubilee bonuses is performed in a similar way as the calculation for liabilities arising from termination benefits. Current service costs are recognized within staff costs, net interest costs are recognized in interest expense in the statement of comprehensive income. Remeasurements are recognized within staff costs.

35.14 Provisions.

Provisions are recognized in the balance sheet in the event of a current legal or constructive obligation to third parties due to past events when it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If such a reliable estimate is not possible, no provisions are set up. Provisions are measured based on the present value of the estimated settlement amount. The settlement amount is the best possible estimate of an expense on the basis of which a current obligation might be settled at the balance sheet date or transferred to a third party. This estimate takes into account future cost increases that are foreseeable and likely to occur on the balance sheet date. If material, the provisions are discounted using a pre-tax interest rate that takes into account current market expectations regarding the interest effect and the risks specific to the obligation. Increases in the provision resulting from pure compounding are recognized as interest expense in the income statement.

Provisions for warranties and liabilities for construction flaws, serial and system problems mainly serve as coverage for obligations for free repairs and replacement deliveries, in accordance with the general sales and delivery conditions or due to individual agreements, and are measured on the basis of the group of obligations, using rates based on past experience regarding direct labor and material costs incurred, overheads, replacement deliveries, or rebates. A provision is recognized for the best estimate of the costs incurred for defects to be rectified under the warranty for products sold before the balance sheet date.

Provisions for onerous contracts are recognized if the expected benefit to be derived from the contract is less than the unavoidable costs of meeting the obligations under the contract. The provision is measured at the present value of the amount from the fulfillment of the contract or any compensation payments in case of non-performance, whichever is lower. The recognition of impairment losses on assets dedicated to such “onerous” contracts is, however, established prior to the recognition of the provisions for onerous contracts.

Provisions for restructuring are recognized if the criteria of IAS 37 are fulfilled and includes the directly linked costs of restructuring, that are compulsory in the course of the restructuring and not referring to any current activities. Restructuring measure were communicated and started in the financial year 2020/21 in Kapsch TrafficCom.

35.15 Current and deferred income tax.

The tax expense for the period comprises current and deferred tax. Tax is generally recognized in the statement of comprehensive income. Only taxes that relate to items recognized in other comprehensive income are recognized in other comprehensive income.

The current income tax charge is calculated on the basis of the tax laws applicable at the balance sheet date in the countries where the subsidiaries and associates operate and generate taxable income. The local Management is responsible together with the local fiscal representative for the preparation of tax returns, particularly relating to matters subject to interpretations and for setting up provisions, if reasonable, for amounts payable to tax authorities.

Deferred tax assets/liabilities are provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred tax assets/liabilities arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither IFRS profit or loss nor taxable profit or loss, it is not accounted for. Likewise, deferred taxes are not recognized if they arise from the initial recognition of goodwill.

Deferred tax assets/liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. In addition, it is to be assumed that such temporary differences will be reversed in the foreseeable future.

The carrying value of deferred tax assets is reviewed annually at the balance sheet date and revalued if it is no longer likely that sufficient taxable income will be available to realize such assets partially or in full.

Temporary differences mainly arise in connection with depreciation (amortization) periods of non-current assets, provisions for pension benefits, other post-employment benefits, differences regarding the measurement of contract assets and contract liabilities arising from contracts with customers, as well as the measurement of receivables and payables, and tax loss carry-forwards.

Deferred tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Taking into account the corresponding terms, deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

35.16 Non-current assets held for sale and discontinued operations.

Non-current assets are classified as “held for sale“ if the benefit arising from the remaining carrying amount is to be realized predominately through the sale and not through the further use of the asset. The assets are remeasured in accordance with IFRS 5 immediately prior to their classification as “held for sale”. The assets are subsequently measured at the lower of carrying amount and fair value less costs to sell. Any impairment is initially allocated to goodwill and subsequently to the other assets and liabilities on a pro rata basis, and recognized in the statement of comprehensive income.

As of March 31, 2021 there are no non-current assets held for sale and discontinued operations.

35.17 Contingent liabilities.

With regard to contingent liabilities, the Group classifies the possibility of an outflow of resources embodying economic benefits as remote, and a liability does not have to be recognized yet pursuant to IFRS.

Contingent liabilities occur for two reasons. For one, they comprise possible obligations that arise from past events and whose existence will be confirmed by uncertain future events that are at least partly beyond the Group's control. For another, they comprise present obligations that fail to meet general or special recognition standards (i.e. the amount of an obligation cannot be measured with sufficient reliability or an outflow of resources to settle the obligations is not deemed probable).

35.18 New and amended standards and interpretations that have been adopted by the EU and applied for the first time in financial year 2020/21.

New/amended IFRS		Published by the IASB and adopted by the EU	Applicable to financial years beginning on or after	Material impact on group's consolidated financial statements
IFRS 16	Covid 19-Related Rent Concessions	May 2020	June 1, 2020	None
IFRS 9, IAS 39, IFRS 7	Interest Rate Benchmark Reform	September 2019	January 1, 2020	None
IAS 1, IAS 8	Definition of Material	October 2018	January 1, 2020	None
Frame-work	References to the Conceptual Framework in IFRS Standards	March 2018	January 1, 2020	None
IFRS 3	Definition of a Business	October 2018	January 1, 2020	None

IAS 1 and IAS 8 "Definition of Material".
The amended definition reads: "Information is material if its omission, misstatement or concealment in general purpose financial statements that include financial information about a reporting entity would reasonably be expected to influence the decisions of the primary users of the financial statements."
The amendments clarify that the reference to concealment of information refers to situations where the effect is comparable to the omission or misstatement of that information. It also states that an entity shall assess materiality in the context of the financial statements as a whole.
There are no significant effects on the result, the assets or liabilities as well as the cash flows of the Group.

IFRS 3 "Definition of a Business".
To qualify as a business, an acquisition must involve resources (inputs) and a substantive process that together contribute significantly to the ability to produce outputs. The new regulations provide a framework for assessing when a substantive process exists. Companies may optionally perform a so-called "concentration test". This tests whether substantially all of the fair value of the gross assets acquired is concentrated in one asset or a group of similar assets. If this is the case, it is concluded that no business was acquired. There are no effects on the financial statements of the Group.

Revised Conceptual Framework for Financial Reporting.
The IASB has published a revision of its conceptual framework for financial reporting, which will be used as a direct basis for the development of new standards and interpretations. Significant changes are:
> Increase the importance of management accountability or responsibility (stewardship) to the objective of financial reporting (providing decision-useful information for resource allocation).
> Emphasis on prudence, defined as the exercise of prudence in making discretionary decisions in the face of an uncertain environment, as a contribution to neutrality.
> Definition of a reporting entity, which may be a legal entity or part of a legal entity.
> Revision of the definition of an asset as a current economic resource controlled by the entity as a result of past events.
> Revision of the definition of a liability as a present obligation of an entity to transfer an economic resource as a result of past events.
> Elimination of probability thresholds in recognition and inclusion of additional guidance on disposal of assets and liabilities.
> Include additional explanations on different valuation approaches and factors to be considered in their selection.
> Defining profit or loss as the primary performance indicator and stating that income and expenses recognized in other comprehensive income should generally be reclassified to profit or loss (recycling) if this increases the relevance or faithful representation of the financial statements.

The revision of the Framework does not change any existing IFRS. The revised Framework will be used in the development of new standards and interpretations in the future. The Framework may also assist preparers of financial statements in developing accounting policies and matters for which IFRS guidance does not yet exist. There are no significant effects on the result, the assets or liabilities as well as the cash flows of the Group.

Further changes:
The application of the new standards and interpretations IFRS 16 "COVID-19-Related Rent Concessions" that covers the temporary COVID-19-related relief for lessees as well as "Interest rate benchmark reform (IBOR Reform) – Phase 1: Amendments to IFRS 9, IAS 39 and IFRS 7" that comment on the potential effects based on the change of the existing interest rate benchmark with an alternative interest rate in reference to the IBOR reform, did not have any effects on the financial statements of the Group.

35.19 Standards, interpretations and amendments to published standards that are not yet effective and that have not been prematurely adopted by the Group.

New/amended IFRS		Published by the IASB and adopted by the EU	Applicable to financial years beginning on or after	Material impact on group's consolidated financial statements
IFRS 9, IAS 39, IFRS 7, IFRS 4, IFRS 16	Interest Rate Benchmark Reform – Phase 2	August 2020	January 1, 2021	None
IFRS 4	Temporary Exemption from Applying IFRS 9	June 2020	January 1, 2021	None

New/amended IFRS		Published by the IASB but not yet adopted by the EU	Applicable to financial years beginning on or after	Material impact on group's consolidated financial statements
IFRS 17	Insurance Contracts	May 2017	January 1, 2023	None
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	January 2020	January 1, 2023	not yet determined
IAS 16	Proceeds before Intended Use	May 2020	January 1, 2022	None
IFRS 3	References to the Conceptual Framework		January 1, 2022	None
IAS 37	Onerous Contracts — Cost of Fulfilling a Contract	May 2020	January 1, 2022	not yet determined
AIP 2018-2020	Annual Improvements	May 2020	January 1, 2022	not yet determined
IAS 1	Disclosure of Accounting policies (amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2)	February 2021	January 1, 2023	not yet determined
IAS 8	Definition of Accounting Estimates	February 2021	January 1, 2023	not yet determined

The Group does not apply these new or amended standards and interpretations. These standards and interpretations are either not relevant for Kapsch TrafficCom or do not have a material impact on the result, the assets or liabilities as well as the cash flows of the Group.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: "Interest Rate Benchmark Reform – phase 2" concern the actual conversion of reference rates and changes in the recognition of contractual cashflows due to the IBOR reform. From the current perspective, no significant effects on the result, the assets or liabilities as well as the cash flows of the Group are expected.

IFRS 4 "Temporary Exemption from IFRS 9": The amendments to IFRS 4 are intended to address the temporary accounting issues arising from the different effective dates of IFRS 9 Financial Instruments and the future IFRS 17 Insurance Contracts. From the application of that amendment no effects on the financial statements of the Group are expected.

Standards and interpretations already **published by the IASB** but not yet adopted by the EU:

These standards or interpretations or amendments to the standards and interpretations are not yet mandatory, however from today's perspective they will not have a material impact on the Group.

36 Earnings per share.

Earnings per share (undiluted earnings) are calculated by dividing the result for the period attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year, excluding, if any, ordinary shares purchased by Kapsch TrafficCom and held as treasury shares. As of March 31, 2021, as in the previous year, no treasury shares were held by the company. There were no dilutive effects.

	2019/20	2020/21
Result for the period attributable to equity holders of the company (in EUR)	-48,136,697	-102,878,149
Weighted average number of ordinary shares	13,000,000	13,000,000
Earnings per share (in EUR)	**-3.70**	**-7.91**

37 Events after the reporting period.

In the first quarter of financial year 2021/22, a special Kontrollbank credit line loan ("Sonder-KRR-Kredit") secured by Österreichische Kontrollbank in the amount of around EUR 18 million was obtained, which provides an additional liquidity reserve for the Group.

Moreover Kapsch TrafficCom agreed with the financing Austrian banks in May 2021 that the term of the current financial liabilities, excluding current repayments, is extended until April 30, 2023. New keyfigures were agreed that are included in note 34. The maturities and cash flows as of March 31, 2021 included in note 24 are not yet reflecting that change.

With effect from July 1, 2021, Andreas Hämmerle will join the Executive Board of Kapsch TrafficCom as Chief Financial Officer (CFO).

No further subsequent events to be reported, have occurred after March 31, 2021.

38 Supplementary disclosures.

The average number of staff in financial year 2020/21 was 4,020 salaried employees and 807 waged earners (2019/20: 4,337 salaried employees and 748 waged earners).

Expenses for the auditor.

The expenses for the auditor amounted to EUR 308 k (2019/20: EUR 296 k) and are broken down as follows::

	2019/20	2020/21
Audit of the consolidated financial statements	91	104
Other assurance services	96	99
Tax advisory services	0	0
Other services	109	105
Total	**296**	**308**

Compensation and other payments to members of the Executive and the Supervisory Board.

In financial year 2020/21, the following persons served on the Executive Board:
> Georg Kapsch (Chairman)
> André Laux
> Alfredo Escribá Gallego

The compensation paid to members of the Executive Board in financial year 2020/21 amounted to EUR 1,605 k (2019/20: EUR 2,522 k). The income from termination and pension benefits amounted to EUR 283 k (previous year: expense of EUR 214 k).

In financial year 2020/21, the following persons served on the Supervisory Board:
- Franz Semmernegg (Chairman)
- Harald Sommerer (Deputy-Chairman from September 9, 2020)
- Kari Kapsch (Deputy-Chairman until September 9, 2020)
- Sabine Kauper

Delegated by the works council:
- Christian Windisch
- Claudia Rudolf-Misch

Remunerations paid to Supervisory Board members and recognized as an expense amounted to EUR 120 k (2019/20: EUR 120 k) in total.

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

Proposed appropriation of retained earnings.

The Group intends, as in this financial year, no dividend distribution.

Authorized for issue:
Vienna, June 15, 2021

Georg Kapsch	André Laux	Alfredo Escribá Gallego
Chief Executive Officer	Executive Board member	Executive Board member

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 Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Consolidated Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties faced by the Group.

Vienna, June 15, 2021

Georg Kapsch Chief Executive Officer	André Laux Executive Board member	Alfredo Escribá Gallego Executive Board member

Auditor´s Report.

Report on the Consolidated Financial Statements.

We draw attention to the fact that the English translation of this auditor's report according to section 274 UGB (Austrian Company Code) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Audit Opinion.
We have audited the consolidated financial statements of Kapsch TrafficCom AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at March 31, 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the fiscal year then ended, and the notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at March 31, 2021, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional requirements under section 245a Austrian Company Code.

Basis for Opinion.
We conducted our audit in accordance with 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 Consolidated Financial Statements" section of our report. We are independent of the Group 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.

Emphasis of matter.
We draw attention to the disclosures made by management in the notes to the consolidated financial statements in chapter "1.4 Material accounting estimates and assumptions", describing the fact that in particular estimates and assumptions regarding the assets and liabilities of North American group companies (first and foremost Kapsch TrafficCom USA Inc., McLean, US) still include a risk that a material adjustment to the carrying amounts of these assets and liabilities might have to be made within the following financial year. The measures that have already been initiated and further measures planned in the course of the program "mission re/invent" becoming effective and achieving the return of profitable business planning are therefore of great importance.

Our audit opinion is not modified in respect of this matter.

Key Audit Matters.
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the fiscal year. These matters were addressed in the context of our audit of the consolidated 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 Impairment of goodwill.

Description.
The consolidated financial statements contain goodwill in the amount of EUR 22,755 k under the item intangible assets, of which EUR 11,783 k is allocated to the cash-generating unit Tolling-Americas and EUR 7,378 k to the cash-generating unit Tolling-APAC. The Group carries out an impairment test at least once a year and if evidence occurs indicating impairment (impairment test in accordance with IAS 36). In the financial year 2020/21, goodwill of the cash-generating unit Tolling-EMEA (formerly ETC-EMEA) in the amount of EUR 21,316 k was fully impaired based on an impairment test as at September 30, 2020. In the course of the same, intangible assets of the cash-generating unit TM-EMEA (formerly IMS-EMEA) in the amount

of EUR 3,475 k were also impaired, with a write-up in the amount EUR 1,845 k made based on the impairment test as at March 31, 2021.

The CGUs Tolling-Americas and TM-Americas include goodwill whose recoverability is significantly determined by the business development of Kapsch TrafficCom USA Inc., McLean, US. While this company had already incurred a loss in the financial year 2019/20, further significant losses in the amount of EUR 66,080 k were incurred in the financial year 2020/21 which mainly result from considerable cost overruns and adjustments to planned costs and margins for material projects. In response to the losses and the reasons for the losses identified in the financial year, management – assisted by external consultants – identified, resolved on and implemented measures which are expected to lead to a positive development of results in the future. Based on the impairment test, no need for impairment exists for the CGUs Tolling-Americas and TM-Americas, with the recoverability depending on whether the measures that have already been implemented and further measures that are still being implemented in the course of the “mission re/invent” program become effective and whether a return to profitable business planning is achieved.

Testing goodwill for impairment requires significant estimates to be made by management regarding the future market development and the probability of winning individual major contracts during 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 significant area of judgement involved in the valuation, in particular with regard to the discount rate and the assumptions for the terminal value. With regard to the consolidated financial statements, there is a risk of an overstatement of goodwill due to these estimation uncertainties and it was therefore identified as key audit matter.

Audit approach and key observations.
We have evaluated the appropriateness of forward-looking estimates and significant assumptions as well as the calculation model used, involving our internal valuation experts.

We first gained an understanding of the planning logic and the planning process as well as the impairment process (identification and definition of cash-generating units, determination of the recoverable amount, analysis of impairment, determination of discount rate and growth rate as well as calculation model).

We have examined whether the assumptions used in the budget are in line with the plans drawn up by the Executive Board and approved by the Supervisory Board and we have analyzed and critically assessed the essential drivers for future development (such as revenues, expenses, project planning, investments, changes in working capital). 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. Further, we have assessed the appropriateness of the disclosures on impairment testing provided in the notes. This included, in particular, the sensitivity analyses performed to assess the risk of possible deviations from revenues and earnings assumptions as well as from the discount and growth rates used.

The valuation model used by the Company is suitable to carry out an impairment test as required by IFRS (IAS 36). The assumptions and parameters used in the valuation are reasonable. The disclosures in the notes required by IAS 36 are complete.

Reference to related disclosures.
The Group’s disclosures on goodwill are set out in note 9 “Impairment charge”, note 14 “Intangible assets”, and note 35.6.1 “Goodwill” in section 35 “Accounting and valuation principles”.

2 Estimates and assumptions regarding the recognition of revenue from implementation projects.

Description.
A significant part of the Group’s revenues and earnings contributions reported during the financial year comes from the construction of toll systems (Tolling; formerly Electronic Toll Collection (ETC)) and from the construction of systems for traffic monitoring, traffic control and traffic safety (Traffic Management; formerly Intelligent Mobility Solutions (IMS)). The non-current and current contract assets as at March 31, 2021 amount to EUR 111,160 k, and the non-current and current contract liabilities amount to EUR 48,558 k. In addition, provisions for losses from onerous contracts were set up in the amount of EUR 19,611 k in order to provide for potential losses from the further processing of projects. In the financial year 2020/21 revenue from the implementation of tolling and traffic management systems was generated in the amount of EUR 165,439 k. The Group realizes revenues for its implementation projects in accordance with IFRS 15 based on the percentage of completion, which is de-

termined from the ratio of the costs already incurred to the estimated total costs for the respective contract. This requires an ongoing assessment and update of the contract costs and the risks from fulfilling the contracts, which may result from technical problems, time delays or problems with subcontractors or other external framework conditions and influence the contract 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. For single contracts, a variable consideration is included in the transaction price, which also leads to estimates. Numerous projects of the Group 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, among others, a lack of resources with regard to qualified employees and problems in the course of implementing a new software solution, considerable cost overruns in North America and adjustments to planned costs and margins for various projects occurred in the financial year 2020/21, resulting in an impact on revenue recognition pursuant to IFRS 15.

Due to the material impact of the projects, in particular during the construction phase, on the Group's assets and liabilities, financial situation and results of operations and the significant estimates involved in the accounting for these contracts, there is the risk that the revenues from implementation projects, the Group's result and the project-related balance sheet items 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 have gained an understanding of the revenue process and internal controls and tested the effectiveness of selected internal controls. This mainly related to automatic and manual internal controls in connection with the approval of order calculation for new contracts, approval of ongoing cost updates and status reports on major projects. Due to the first-time implementation, we reviewed and assessed the Group's technical concept for the implementation of IFRS 15 and we performed audit procedures related to the IT system for revenue recognition according to IFRS 15 ("Revenue Engine") which was implemented on a group-wide level in the financial year 2018/19, and recalculated revenues based on the percentage of completion. Based on samples 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 for individual projects. 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 doing so, we have made use of historical experience regarding the accuracy of estimates of large-scale projects carried out in the past. We have examined the appropriateness of the disclosures on uncertainties with regard to estimation and examined the calculation of the sensitivity figures by 10% in the case of a change in the planned project margin (profit margin) in absolute terms.

We performed additional audit procedures with regard to the projects in North America (the subsidiary Kapsch TrafficCom USA). In particular, we extended the sample for the project examination, checked the control for the risk rating of projects which was newly implemented by management and tested its effectiveness, and discussed with local management and the project managers in charge the most recent approved planning for the projects examined, and critically assessed it. In addition, we reviewed the project analysis for a total of 22 projects which had been prepared by an external consultant and evaluated it when assessing the projects.

The valuation methods and underlying assumptions applied for revenue recognition from implementation projects are reasonable. The disclosures in the notes required by IFRS 15 are complete.

Reference to related disclosures.
The Group's information on revenue recognition can be found in note 1.4.1 "Revenue recognition for contract work", in note 21 "Contract assets and contract liabilities", 27 "Provisions" as well as in note 35.3 "Revenue recognition" in section 36 "Accounting and valuation principles".

3 Termination of the contract for the commissioning for the collection of the German infrastructure charge in the financial year 2019/20 including current state of affairs.

Description.
In 2018, the joint venture autoTicket GmbH, Germany, was awarded the contract to collect the infrastructure charge (passenger vehicle toll) in Germany. Additionally and prior to this, the Group company MTS Maut & Telematik Services GmbH, Germany, was commissioned as the sole service contractor for the automatic control system of the German passenger vehicle toll in a separate award procedure.

On June 18, 2019, the European Court of Justice (ECJ) published a ruling in which it held that the infrastructure charge planned in Germany (passenger vehicle toll) is incompatible with EU law. On the following day, the customer (the Federal Republic of Germany) terminated the contracts for the installation and operation of the passenger vehicle toll effective September 30, 2019.

The operating parties of the terminated contract relating to the project “passenger vehicle toll” are Kapsch TrafficCom AG, Vienna, CTS EVENTIM AG & Co KGaA, Germany, and autoTicket GmbH, Germany. In December 2019, they jointly asserted claims against the Federal Republic of Germany in the amount of EUR 560 m. These claims are contested by the competent ministry, and recourse to arbitration has been taken. The independent arbitration tribunal commenced its activities in the spring of 2020 and is expected to make a decision on the legality of the basis of these claims in the fall of 2021.

In the consolidated financial statements, particularly the interest in the joint venture autoTicket GmbH, Germany, reported using the equity method in the amount of EUR 20,213 k had to be tested for impairment, and an assessment regarding the recognition of contingent receivables and liabilities and the completeness of the required disclosures in the notes had to be made. It was therefore identified as key audit matter.

Audit approach and key observations.
In the course of our audit, we discussed the status of the arbitration proceedings with the Group’s Executive Board and legal department. As at the reporting date March 31, 2021, we obtained external confirmations from the lawyers advising the Group regarding the matter. Further, we inspected the audited financial statements as at December 31, 2020 of autoTicket GmbH, Germany, and performed additional audit procedures of our own with regard to the group reporting package as at March 31, 2021 required for the accounting under the equity method.

In the financial year 2020/21, no impairment losses were recognized on assets and the underlying assumptions regarding the recoverability of the interest in the joint venture autoTicket GmbH, Germany, are reasonable. The presentation of the contingent receivables and liabilities is appropriate and the disclosures in the notes particularly required pursuant to IAS 37 are complete.

Reference to related disclosures.
The Group’s information on the termination of the contract for the commissioning for the collection of the German infrastructure charge and on the pending arbitration proceedings can be found, in particular, in note 29 “Contingent liabilities and other commitments as well as disclosure to German infrastructure charge”.

4 Restructuring measures.

Description.
Prompted by the negative business development in the financial year 2020/21, which particularly resulted from adjustments to margins and the provision for losses from onerous projects in North America, and the extent of the COVID-19 effects, management initiated the program “mission re/invent” at group-level, which includes short-term cost cutting measures but is also intended to serve as basis for sustainable future growth, for example through

> Identifying cost savings, particularly relating to staff, procurement and rent
> Reducing complexities in the corporate structure
> Consolidation of development sites (such as the closure of the location in Sweden)
> Increasing the focus on strategic activities (such as company sales or expansion of existing participating interests).

As at March 31, 2021, provisions for restructuring measures amount to EUR 3,917 k. In the consolidated statement of comprehensive income for the financial year 2020/21, restructuring costs were recognized in the amount of EUR 5,305 k. These restructuring costs primarily relate to the US, Sweden and Austria, and mainly include expenses resulting from the termination of employment relationships in the amount of EUR 4,478 k.

Moreover, impairment losses in the amount of EUR 8,324 k were recognized, mainly relating to right-of-use assets from leases for buildings in the US and Sweden in the amount of EUR 7,420 k.

The accounting of restructuring measures includes discretionary judgments by management. Accruals for restructuring are to be stated at the best possible estimate taking into account any risks and uncertainties. This also includes a considerable impact on the Group’s financial position and financial performance, and the restructuring measures were therefore identified as key audit matter.

Audit approach and key observations.
We checked the restructuring measures implemented by the Company as to whether they comply with the definition of restructuring in accordance with IAS 37.70 et seq.

We particularly assessed whether a constructive obligation to restructure arose as at the reporting date March 31, 2021. Management provided us with a detailed, formal restructuring plan which we discussed with the managing directors and, at regular intervals, with the heads of department in charge of implementing the restructuring concept.

We evaluated the restructuring plan in detail and checked whether it is adequate for raising justified expectations among the affected persons.

The Company appointed an external consultant to support the implementation of the restructuring measures, and we critically assessed this consultant's reporting to the management.

Based on samples, we checked the accruals which mainly include expenses resulting from the termination of employment relationships, using the detailed documentation and agreements with the affected persons that have been provided to us.

We also checked samples of the expenses recognized in the consolidated statement of comprehensive income and impairment losses based on the detailed information and contracts provided to us.

The restructuring expenses accrued by the Company and the impairment losses recognized in the income statement are reasonable. The disclosures in the notes required pursuant to IAS 37 are complete.

Reference to related disclosures.
The Company's disclosures on the restructuring measures made can be found, in particular, in note 6 "Staff costs", note 7 "Other operating expenses", note 9 "Impairment charge", note 13 "Property, plant and equipment", note 27 "Provisions" and note 34 "Capital management".

5 Compliance with financial covenants.

Description.
As at March 31, 2021, non-current and current financial liabilities in the amount of EUR 108,212 k and promissory note bonds in the amount of EUR 74,347 k exist, where compliance with financial covenants was agreed in the loan agreements. Owing to the result of the financial year 2020/21, the Company was not able to comply with all the financial covenants agreed. Prior to the end of the financial year ending as at March 31, 2021, Kapsch TrafficCom AG, Vienna, concluded waivers with the financing banks involved, under which compliance with these financial covenants as at the reporting date is not required until the end of the subsequent financial year.

In these waivers, the financing banks declare that

- they acknowledge non-compliance with the covenants agreed as at the reporting date;
- non-compliance with the financial covenants as at March 31, 2021 does not constitute a reason for terminating the loan agreement;
- until March 31, 2021, compliance with the financial covenants agreed is not required;
- higher margins may be applied, if need be.

Moreover, it is laid down that negotiations with the financing banks involved are being conducted, according to which new uniform financial covenants are to be agreed no later than by June 30, 2021, focusing on the budgets for the coming years.

These new financial covenants were agreed with all banks in May 2021.

As regards promissory note bonds, non-compliance with the financial covenants agreed as at the reporting date does not result in the liability being terminated early or falling due, but may result in higher financing costs, if need be. Therefore, no waiver was issued.

Furthermore, measures for ensuring sufficient liquidity were implemented by management.

Due to the significant impact on the financial position with regard to the maturity of the financial liabilities and potential further consequences of non-compliance with financial covenants, there is a risk of misstatement of the maturities in the consolidated financial statements, and it was therefore identified as key audit matter.

Audit approach and key observations.
We recalculated the financial covenants determined on a consolidated basis and checked the mathematical accuracy of the calculation. We reconciled the underlying input data for the calculation of the financial covenants with the consolidated financial statements of Kapsch TrafficCom AG, Vienna, which were prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs).

As regards the waivers, we analyzed the banks' consent that compliance with financial covenants and the settling of certain obligations would not be required and that the obligations would therefore not fall due, and checked whether these waivers of the banks were issued

- before the reporting date March 31, 2021 and
- for a period of at least 12 months as of the reporting date March 31, 2021,

so that, as at March 31, 2021, it is still permissible to state the amount not repayable in the next financial year as non-current financial liability.

Based on these waivers, we checked and verified the disclosure of the corresponding liabilities which are not due in the course of the next financial year but still recognized in the consolidated balance sheet as at March 31, 2021 as non-current financial liabilities.

Moreover, we assessed the measures implemented to ensure sufficient liquidity and the controls implemented by management in this regard (daily monitoring of the group-wide liquidity stock and weekly 12-weeks cash flow forecasts) and analyzed the respective reporting.

Reference to related disclosures.
The Company's disclosures on these waivers are included under note 34 "Capital management".

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements.
Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs), and the additional regulations of section 245a Austrian Company Code, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements.
Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 consolidated financial statements.

As part of an audit in accordance 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated 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 Group.
Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group 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 for the Group.

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

Statement.
Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group 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 9, 2020. We were appointed by the Supervisory Board on March 1, 2021. We have audited the Group for an uninterrupted period since the year 2006.

We confirm that the audit opinion in the "Report on the Consolidated 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 Mr. Felix Wirth, Austrian Certified Public Accountant.

Vienna
June 15, 2021

PwC Wirtschaftsprüfung GmbH

Felix Wirth
Austrian Certified Public Accountant

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

Glossary.

AG	Legal form of a stock company under Austrian law (DE: Aktiengesellschaft.)
AktG	Austrian Stock Corporations Act (DE: Aktiengesetz).
Americas	Region: North, Central and South America.
APAC	Region: Asia-PACific.
Bp	Basis point, equals 0.01%.
CGU	Cash-generating unit (according to IFRS): It is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets.
COVID-19	COronaVIrus Disease is an infectious disease caused by the coronavirus SARS-CoV-2.
EBIT	Earnings Before Interest and Taxes.
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization.
EMEA	Region: Europe, Middle East, Africa.
ERM	Enterprise Risk Management.
IASB	International Accounting Standards Board: An independent, private sector body that develops and approves IFRS.
ICS	Internal control system.
IFRS	International Financial Reporting Standards.
IPR	Intellectual Property Rights.
ITS	Intelligent Transportation Systems.
n.a.	not applicable or not available.
OBU	On-board unit: An electronic device readable and writeable via wireless communication. The OBU can identify a vehicle and serve as a means of payment or as a data memory.
R&D	Research and development.
Tolling	A reporting segment of Kapsch TrafficCom. This segment (formerly: Electronic Toll Collection, ETC) comprises activities relating to the implementation and the technical and commercial operation of toll collection systems.
Traffic Management (TM)	A reporting segment of Kapsch TrafficCom. This segment (formerly: Intelligent Mobility Solutions, IMS) primarily comprises activities relating to the implementation and operation of systems and solutions for controlling traffic and mobility behavior.
UGB	Austrian Commercial Code (DE: Unternehmensgesetzbuch).

Financial calendar.

August 11, 2021	Results Q1 2021/22
August 29, 2021	Record Date: Annual General Meeting
September 8, 2021	Annual General Meeting
November 18, 2021	Results H1 2021/22
February 16, 2022	Results Q1-Q3 2021/22

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Disclaimer.

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

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

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

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

Imprint.

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Kapsch TrafficCom

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

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

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

>>> www.kapsch.net/ktc

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