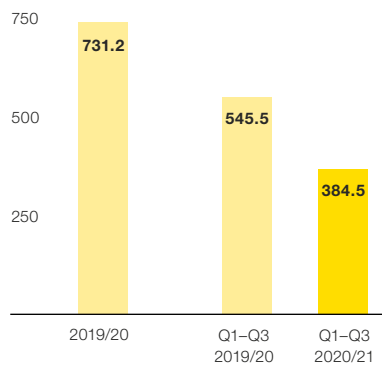


Headlines Q1–Q3 2020/21.

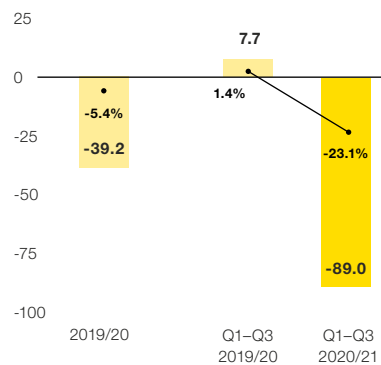
April 1, 2020 to December 31, 2020.

- > Expiry of major projects, COVID-19, special effects, and internal challenges led to a decline in revenues and negative EBIT.
- > Restructuring measures have shown the first signs of success; free cash flow is positive again.
- > Acquisition of the remaining shares in tolltickets; sale of equity investments in Fluidtime, Q-Free.
- > Strategy 2027 announced.

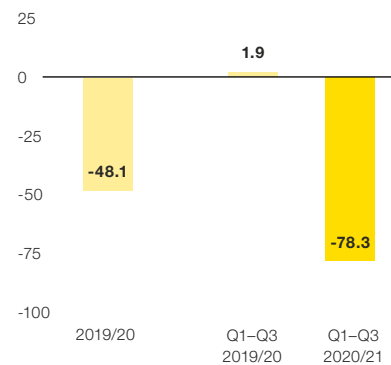
Revenues
in EUR million



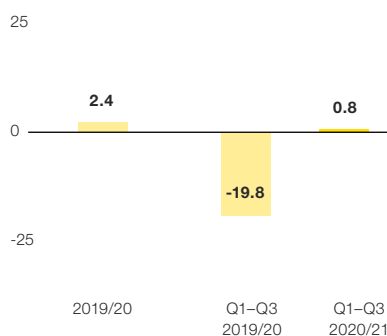
EBIT (in EUR million) and EBIT margin



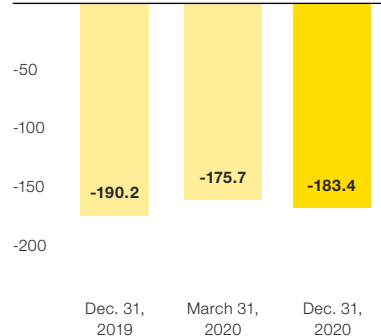
Result for the period attributable to equity holders in EUR million



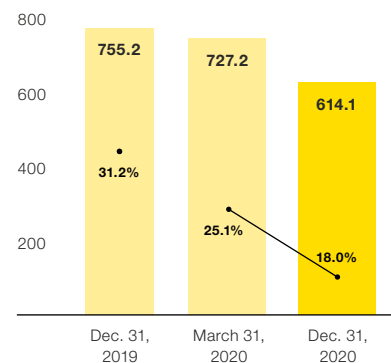
Free cash flow
in EUR million



Net debt
in EUR million



Total assets (in EUR million) and equity ratio



None of the figures in this document have been subjected to an audit or audit review conducted by a statutory auditor.

Remarks by the CEO.

Business development in the Q1–Q3 2020/21 period.

Dear shareholders,

After the revenues and earnings situation was clearly negative in Q1 and Q2, I also cannot present a substantial improvement for Q3 2020/21. However, we had already introduced a program before the summer of 2020 to both define short-term cost reduction measures and create a basis for sustainable growth. The success is already evident. While the free cash flow in Q1 was still negative at around EUR 27 million, the shortfall in Q2 fell to EUR 3 million. In the just finished Q3, we succeeded in generating a positive free cash flow of EUR 31 million. As a result, we now have a positive value of EUR 1 million after nine months. To be fair, I must add that the sale of the 15.4% stake in Q-Free ASA alone generated an addition of around EUR 6 million. Nonetheless, the free cash flow in Q3 was very pleasing. At the same time, this development proves that a good portion of the negative earnings effects did not have an impact on payments.

Major challenges in the first three quarters of 2020/21.

> Shortage of staff in the USA.

This issue was a problem in the last financial year as well. The shortage of staff has prevented projects from being completed according to plan. Since multiple projects were begun, but could not reach the point of billing, contract assets rose in the past. As a consequence, it was necessary to adjust the margins for several projects and create provisions for onerous contracts.

In the third quarter, however, we were able to bill a larger number of projects and parts of projects. As a result, contract assets fell substantially and we were able to book important incoming payments.

To achieve a sustainable improvement in profitability in North America, we are using a restructuring manager. We are working with him to optimize the local organization and its processes. I dare say that the shortage of personnel in North America has now been resolved. In the case of new tenders, we will certainly proceed more selectively in the future than in the past.

> Additional expenses for the implementation of new software.

These expenses were also higher than originally anticipated. A positive development is that the problems have largely been resolved in the meantime.

> COVID-19.

Since the spring of 2020, measures for handling COVID-19 have accompanied us internationally and to different degrees. The impact on Kapsch TrafficCom has only become evident during the course of the financial year, and it is difficult to quantify it reliably.

- > Revenues from the profitable components business suffered severely as a result of decreased traffic volume.
- > There were increased delays in tenders and contract awards. This primarily affected the implementation business.
- > Visibility relating to new business decreased significantly.

The now completed departure of the United Kingdom from the EU (Brexit) had no significant impact on Kapsch TrafficCom's results. Our revenues there were in the single-digit million range during the first three quarters of 2020/21.

Acquisitions and share sales.

We closed a few company transactions in Q3. They were intended for the company's focus on strategic activities.

> Share purchase: tolltickets (Germany).

Kapsch TrafficCom acquired the remaining 35% of tolltickets. The company is a registered provider of the European Electronic Toll Service (EETS). Since, in the future, we want to focus more on the tolling services business, the complete takeover of this company was strategically important.

> Sale: FLUIDTIME Data Services (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. These solutions, however, will not be part of the future core business. A sales partnership with Fluidtime allows us to continue using the solutions for our customers.

> Sale: Q-Free ASA (Norway).

Finally, Kapsch TrafficCom sold its stake in Q-Free ASA, as already mentioned. The 15.4% stake in the company had been offered for a while since it was no longer classified as strategic.

Results in the first three quarters of 2020/21.

Revenues totaled EUR 384 million in the first three quarters of 2020/21, which represents a decline of 30% or EUR 161 million. EUR 75 million of this amount is attributable to major projects that ended in the previous year: one in Germany (early

Q1–Q3 2020/21:

> Revenues: EUR 384 million.

> EBIT: EUR -89 million.

termination of the implementation project by the customer due to a decision by the European Court of Justice), one in the Czech Republic (operating contract expired), and one in Bulgaria (completion of the implementation of a nation-wide toll system). In North America, the focus was on completing and restructuring existing projects. In addition, project margins had to be adjusted

in the USA. This not only had negative effects on the EBIT but also, and in a large extent, on revenues. Finally, the various measures adopted to slow the spread of COVID-19 also led to a substantial decline in demand and revenues: In the Electronic Toll Collection (ETC) segment, they were major drivers behind the decline of EUR 28 million or around one-third in component revenues. Implementation revenues also fell by EUR 71 million or 45%. Of this amount, EUR 30 million or 19 percentage points were attributable to the projects that ended in Germany and Bulgaria.

The operating result (**EBIT**) went from EUR 8 million in the previous year to EUR -89 million in the current reporting period. The following special effects in particular were responsible for this development in the current financial year:

> Adjustment of project margins and provisions for onerous contracts, particularly for projects in North America: EUR -50 million.

> Impairments of goodwill: EUR -21 million (corresponds to the figure in H1 2020/21).

> Provision for lawsuit in the USA: EUR -8 million.

A competitor in the USA filed a lawsuit and accused Kapsch TrafficCom of patent violations. We are reviewing the claims at the present time and have set up a provision for these patent disputes.

> Operating currency effects: EUR -11 million (net).

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.

The **financial result** amounted to EUR -10 million (previous year: EUR -5 million). This was primarily due to the net interest loss of EUR 3 million and unrealized foreign exchange losses in the amount of EUR 5 million (net).

The applied (theoretical) **income taxes** (at an assumed tax rate of 25%) were positive at EUR 18 million (previous year: EUR -1 million).

The **result for the period attributable to equity holders** of the company after nine months totaled EUR -78 million (previous year: EUR 2 million). This equates to earnings per share of EUR -6.03 (previous year: EUR 0.14).

As of December 31, 2020, the **net debt** amounted to EUR 183 million (March 31, 2020: EUR 176 million). The **equity ratio** was at 18% (March 31, 2020: 25%). The **balance sheet total** fell to EUR 614 million (March 31, 2020: EUR 727 million) due to the negative earnings for the period.

Free cash flow of EUR 1 million after three quarters was substantially better than in the comparative period of the previous year (EUR -20 million). Net CAPEX totaled EUR 2 million (previous year: EUR 9 million).

And even though we are seeing the first signs of success from our efforts to make the company more efficient, focused, agile, and profitable over the long term, we still have a hard road ahead of us. We are examining structures, processes, and expenditures throughout the entire organization. Many necessary restructuring measures have already been implemented, while others have been introduced, and a few are still outstanding. Naturally, this is often connected with additional costs in the short term. I assume that these will be reflected for the most part in the current financial year's result. Therefore, it is quite possible that, with revenues of somewhat more than EUR 500 million, the negative EBIT in the 2020/21 financial year could exceed the EUR 100 million threshold.

At this point, I would like to share the core points of our Strategy 2027 with you as Kapsch TrafficCom has a good plan for the next few years.

Strategy 2027.

The new corporate strategy ("Strategy 2027") is a further development of the Strategy 2020. The company's mission is to develop innovative transportation solutions for sustainable mobility. Road users should be able to arrive at their destination conveniently, safely, efficiently, on time, and with a minimal amount of environmental pollution. Kapsch TrafficCom's vision is to challenge the limits of mobility for a healthy world without congestion.

Two of the main drivers of changes on the market for intelligent transportation systems are the increasing networking of vehicles and vehicle infrastructure as well as the generation and use of data. Increasingly large amounts of data from different sources are collected, analyzed, simulated, and distributed to various recipients. This increases the quality of traffic management and allows for increasingly intelligent solutions.

The previous core business, toll and traffic management solutions, will also be at the center of Kapsch TrafficCom's business activity over the next few years. The company also expects increasing demand for tolling services. This development will be driven in particular by the increasing use of mobile devices. For urban areas, the company assumes that demand management will gain in importance. This involves not only the management of road traffic, but also the mobility patterns of traffic participants across all means of transport.

Focus regions will be Europe, North America, and Latin America as well as Oceania (Australia and New Zealand).

Kapsch TrafficCom's addressable market had a volume of EUR 4.6 billion in 2020. Through 2027, an average annual growth of 6.7 percent is anticipated raising the addressable market volume to EUR 7.2 billion.

Kapsch TrafficCom defined the following strategic objectives, which should be achieved by the end of 2027 at the latest:

- > Revenues should exceed the one billion euro threshold meaning that the company would grow faster than the relevant target market. Kapsch TrafficCom plans to grow in a primarily organic manner.
- > The operating result (EBIT) should continuously improve until the company ultimately 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 traffic management. Furthermore, the company itself should become CO2-neutral over the next few years.

Kapsch TrafficCom will continue to report in two segments. At the end of the current financial year, these segments will be given new names to make it easier to understand them. The Electronic Toll Collection (ETC) segment will be renamed Tolling and the Intelligent Mobility Solutions segment will become Traffic Management.

Finally, I would like to thank everyone who has continued to have faith in Kapsch TrafficCom during these currently challenging times and has made a contribution to restoring the strength of the company.

Sincerely,



Georg Kapsch
Chief Executive Officer

Selected key data.

2020/21 and 2019/20: refers to the respective financial year (April 1 until March 31)

Q1-Q3: first three quarters of a financial year (April 1 until December 31)

Unless otherwise stated, all values in EUR million.

| Earnings Data | 2019/20 | Q1-Q3 2019/20 | Q1-Q3 2020/21 | +/- |
|---|-----------------------|----------------------|----------------------|------------|
| Revenues | 731.2 | 545.5 | 384.5 | -29.5% |
| thereof in ETC segment | 563.5 | 420.1 | 279.6 | -33.5% |
| thereof in IMS segment | 167.7 | 125.3 | 104.9 | -16.3% |
| EBITDA | 13.6 | 33.0 | -45.7 | > -100 % |
| EBIT | -39.2 | 7.7 | -89.0 | > -100 % |
| thereof in ETC segment | 1.5 | 18.5 | -79.7 | > -100 % |
| thereof in IMS segment | -40.7 | -10.9 | -9.3 | 14.2% |
| EBIT margin | -5.4% | 1.4% | -23.1% | -24.5%p |
| EBIT margin ETC segment | 0.3% | 4.4% | -28.5% | -32.9%p |
| EBIT margin IMS segment | -24.2% | -8.7% | -8.9% | -0.2%p |
| Financial result and result from associated companies | -24.3 | -6.1 | -9.9 | -61.8% |
| Income taxes | 7.7 | -1.4 | 18.5 | > 100 % |
| Result for the period attributable to equity holders | -48.1 | 1.9 | -78.3 | > -100 % |
| Earnings per share in EUR | -3.70 | 0.14 | -6.03 | > -100 % |
| Cash flow | 2019/20 | Q1-Q3 2019/20 | Q1-Q3 2020/21 | +/- |
| Cash flow from operating activities | 33.4 | 3.6 | 2.3 | -37.2 % |
| thereof cash flow from earnings | 2.1 | 17.8 | -51.4 | > -100 % |
| thereof change in net working capital | 31.3 | -14.2 | 53.7 | > 100 % |
| Cash flow from investing activities | -31.0 | -23.4 | -1.5 | 93.7% |
| Free cash flow ¹⁾ | 2.4 | -19.8 | 0.8 | > 100 % |
| Cash flow from financing activities | 31.4 | 38.9 | -20.8 | > -100 % |
| Balance sheet data | March 31, 2020 | | Dec. 31, 2020 | +/- |
| Total assets | 727.2 | | 614.1 | -15.5% |
| Non-current assets | 227.3 | | 199.6 | -12.2% |
| Current assets | 499.8 | | 414.5 | -17.1% |
| Total liabilities | 273.2 | | 215.9 | -21.0% |
| Non-current liabilities | 271.5 | | 287.9 | 6.0% |
| Current liabilities | 271.5 | | 287.9 | 6.0% |
| Total equity ²⁾ | 182.5 | | 110.4 | -39.5% |
| Equity ratio ²⁾ | 25.1% | | 18.0% | -7.1%p |
| Net cash (+)/debt (-) ³⁾ | -175.7 | | -183.4 | 4.4% |
| Gearing ⁴⁾ | 96.3% | | 166.1% | 69.9%p |
| Other information | March 31, 2020 | | Dec. 31, 2020 | +/- |
| Employees, end of period | 5,104 | | 4,725 | -7.4% |

¹⁾ Cash flow from operating activities + cash flow from investing activities

²⁾ Including non-controlling interests

³⁾ Cash and cash equivalents + other current financial assets - financial liabilities - lease liabilities

⁴⁾ Net debt/equity

Financial calendar.

| |
|-------------------|
| June 16, 2021 |
| August 11, 2021 |
| August 29, 2021 |
| September 8, 2021 |
| November 18, 2021 |
| February 16, 2022 |

| |
|-------------------------------------|
| Results FY 2020/21 |
| Results Q1 2021/22 |
| Record Date: Annual General Meeting |
| Annual General Meeting |
| Results H1 2021/22 |
| Results Q1–Q3 2021/22 |

Contact details for investors.

| | |
|------------------------------|-----------------------------|
| Investor Relations Officer | Hans Lang |
| Shareholders' telephone line | +43 50 811 1122 |
| E-mail | IR.kapschtraffic@kapsch.net |
| Website | www.kapschtraffic.com/IR |

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.

Media owner and publisher: Kapsch TrafficCom AG
Place of publishing: Vienna, Austria
Editorial deadline: February 15, 2021

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

As part of the Kapsch Group and headquartered in Vienna, Kapsch TrafficCom has subsidiaries and branches in more than 30 countries. It has been listed in the Prime Market segment of the Vienna Stock Exchange since 2007 (ticker symbol: KTCG). In its 2019/20 financial year, around 5,100 employees generated revenues of EUR 731 million.

>>> www.kapsch.net/ktc