Kapsch TrafficCom.

At a glance.

Provider of Intelligent Mobility Solutions

- Tolling (Electronic Toll Collection – ETC)
- Mobility (Intelligent Mobility Solutions – IMS)

Solid financial parameter

- Revenues: EUR 738 mn
- EBIT: EUR 57 mn
- Sustainable dividend policy: Base dividend of EUR 1

Global player

- About 5,000 employees
- Presence in >30 countries
- References in >50 countries

Listed at Vienna Stock Exchange

- IPO in 2007
- Free float 36.7%

Fiscal year: April 1 – March 31

Nov 2019 | Investor Presentation
Relevant mega trends & drivers for the ITS industry...
... and how Kapsch TrafficCom addresses them.

Financing transportation networks.
Road infrastructure needs to be maintained and expanded.
According to a study by McKinsey Global Institute, around US$ 900 billion must be invested annually in road infrastructure worldwide to keep pace with expected economic growth.

Urbanization.
Share of people living in cities is rising:
Since 2007: > 50%
by 2030: > 60%
Urban population:
Today: 4.2 billion
by 2030: 5.2 billion

Mobility.
Mobility is a basic human need and an important prerequisite for the functioning of a market economy.
As prosperity increases, so does the volume of traffic.
This increases the demands placed on transportation systems.

Environmental protection.
Air pollution has significant effects on human health, impacts vegetation and ecosystems, contributes to climate change and damages materials and buildings.
Road traffic plays an important role here.

Technology and concepts.
Radical change in transport industry with new technologies and concepts, e.g. e-mobility, Mobility as a Service (MaaS), connected vehicles, big data-based applications.

Change of the ITS industry.
Convergence of the various ITS market segments calls for intelligent, holistic mobility solutions.

Kapsch TrafficCom’s approach.
Help deal with traffic flows more efficiently by:
- collecting charges for the use of road infrastructure (ETC segment),
- managing traffic (IMS),
- applying traffic safety and security solutions (IMS).
- expanding from ITS to intelligent, holistic mobility solutions (both segments).

We want to make road traffic safer, more reliable, more efficient and more convenient, while reducing the environmental impact.
Reporting segments.

Tolling (Electronic Toll Collection, ETC).

Electronic toll collection
- Multi-lane free-flow
- Managed lanes (tollled)
- Mobile tolling
- eVignette

Plaza tolling
- Stand-alone manually operated tolling plazas
- Plaza tolling systems combined with electronic toll collection

City tolling
- Static city toll
- Situation-dependent road pricing

Tolling as a service (TaaS)
- European Electronic Toll Service (EETS)
- Tolling services for passenger cars

Components
- In-vehicle
- Road-side

Implementation
- Toll stations
- Enforcement stations
- Back office

Operation
- Consulting
- Technical operation
- Commercial operation

End-to-end solutions as a one-stop shop

Key financials

<table>
<thead>
<tr>
<th></th>
<th>2018/19</th>
<th>2019/20</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>558.4</td>
<td>262.1</td>
<td>281.2</td>
</tr>
<tr>
<td>Implementation</td>
<td>190.5</td>
<td>73.6</td>
<td>110.5</td>
</tr>
<tr>
<td>Operation</td>
<td>264.4</td>
<td>133.4</td>
<td>121.2</td>
</tr>
<tr>
<td>Components</td>
<td>103.5</td>
<td>55.1</td>
<td>49.5</td>
</tr>
<tr>
<td>EBIT</td>
<td>64.9</td>
<td>24.8</td>
<td>17.5</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>11.6%</td>
<td>9.5%</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

All figures in EUR mn unless otherwise stated.
Reporting segments.
Intelligent Mobility Solutions (IMS).

<table>
<thead>
<tr>
<th>Traffic management</th>
<th>Traffic safety &amp; security</th>
<th>Connected mobility</th>
<th>Smart urban mobility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Highway traffic management</td>
<td>Road safety enforcement</td>
<td>V2X communication technology</td>
<td>Access management</td>
</tr>
<tr>
<td>Urban traffic management</td>
<td>Commercial vehicle enforcement</td>
<td>Connected mobility platform</td>
<td>Smart parking</td>
</tr>
<tr>
<td>Reversible roadways</td>
<td>Electronic vehicle registration</td>
<td></td>
<td>Mobility as a Service (MaaS)</td>
</tr>
<tr>
<td>Managed lanes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tunnels and bridges</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Broad set of solutions and services addressing different aspects of traffic/mobility.
- Some offerings are already fairly mature (e.g. traffic management).
- Others are investments into future growth (e.g. connected mobility).

Different revenue split than in ETC.
- Implementation of software and hardware has higher share.
- Operation revenues represent mainly technical operations.
- Potential to increase recurring revenues (mid-term to long-term).

Key financials
All figures in EUR mn unless otherwise stated

<table>
<thead>
<tr>
<th>Component</th>
<th>2018/19</th>
<th>H1 2018/19</th>
<th>H1 2019/20</th>
<th>+/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>179.4</td>
<td>73.7</td>
<td>76.1</td>
<td>6%</td>
</tr>
<tr>
<td>Implementation</td>
<td>80.8</td>
<td>30.3</td>
<td>32.0</td>
<td>6%</td>
</tr>
<tr>
<td>Operation</td>
<td>86.4</td>
<td>38.4</td>
<td>40.7</td>
<td>6%</td>
</tr>
<tr>
<td>Components</td>
<td>12.2</td>
<td>5.0</td>
<td>5.3</td>
<td>6%</td>
</tr>
<tr>
<td>EBIT</td>
<td>-7.9</td>
<td>-7.0</td>
<td>-8.7</td>
<td>-24%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>-4.4%</td>
<td>-9.5%</td>
<td>-11.1%</td>
<td>-1.6%p</td>
</tr>
</tbody>
</table>
**System integrator with in-house production.**

*Hardware and software.*

### In-vehicle products
- 5.8 GHz DSRC transponders/on-board units
- 5.9 WAVE/5G DRSC on-board units
- 915 transponders
- RFID-63 passive transponders
- GNSS/DSRC on-board units

### Radio frequency (RF) field products
- 5.8 CEN DSRC transceivers
- 5.9 WAVE/5G DSRC transceivers
- 915 readers
- RFID-63 readers
- Handheld & desktop transceivers and readers

### Video and sensor products
- ANPR cameras
- Image processing suite
- Vehicle detection and classification systems

### Traffic management products
- EcoTrafiX™ controller

### Software platforms to be customized (selection)

#### Tolling
- Back office
- Kapsch Mobile CRM

#### Traffic management
- DYNAC®
- EcoTrafiX™ suite

#### Connected mobility
- Kapsch Connected Vehicle Software Suite

#### Mobility as a Service
- FluidHub

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Tolling extended to intelligent mobility solutions.
Kapsch TrafficCom – reducing the risk profile; less dependent on few large customers.

<table>
<thead>
<tr>
<th>2007/08 (IPO)</th>
<th>2012/13</th>
<th>Today</th>
<th>In the 2020s</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt; Mainly tolling business</td>
<td>&gt; Mainly tolling business</td>
<td>&gt; Mainly tolling business</td>
<td>&gt; ETC and traffic management business expand further</td>
</tr>
<tr>
<td>&gt; Only a few customers</td>
<td>&gt; Strong ETC growth driven by a few large-scale customers</td>
<td>&gt; Customer base significantly diversified (also within ETC)</td>
<td>&gt; Intelligent mobility solutions, e.g.</td>
</tr>
<tr>
<td>&gt; Very limited traffic management activities</td>
<td>&gt; Little non-ETC business</td>
<td>&gt; Non-ETC portfolio massively expanded</td>
<td>▪ Smart urban mobility</td>
</tr>
<tr>
<td>&gt; Business in Europe, Australia and Chile</td>
<td>&gt; In total &lt;200 customer projects</td>
<td>&gt; ETC still the growth driver but non-ETC business gains relevance</td>
<td>▪ Connected mobility grow rapidly and represent a substantial part of the business</td>
</tr>
<tr>
<td></td>
<td>&gt; Growing share of business in the Americas</td>
<td>&gt; In total &gt;1,200 customer projects</td>
<td></td>
</tr>
</tbody>
</table>
**USP.**

What makes Kapsch TrafficCom unique?

- Ability to develop tailored solutions – proven track record
- Close to our customers
- Domain know-how
- Broad variety of technologies, prime quality
- Integrated, one-stop-shop
- Only real global player in ETC
  - Best practice
  - Risk diversification
- A leading position in our core business
- Size and financial stability
- Listed (transparence, access to capital)
- No principal-agent-conflict as one main shareholder is the CEO.
Financial results.
H1 2019/20.
H1 2019/20.

Highlights.

➢ Top line growth continued.
  ▪ Both segments’ revenues increased.

➢ Profitability down.
  ▪ One-off effects regarding the early termination of the German infrastructure charge and regarding the toll project in Czech Republic.
  ▪ Significant growth of implementation business, in particular in North America, required investments (staff and materials).

➢ Initial implementation of IFRS 16.

➢ Guidance for FY 2019/20 adapted.

<table>
<thead>
<tr>
<th>Revenues</th>
<th>EBIT</th>
<th>EBIT margin</th>
<th>EPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR 359.2 mn</td>
<td>EUR 8.8 mn</td>
<td>2.4%</td>
<td>EUR 0.18</td>
</tr>
<tr>
<td>Previous year</td>
<td>EUR 336 mn</td>
<td>Previous year</td>
<td>EUR 18 mn</td>
</tr>
<tr>
<td>+7%</td>
<td>-51%</td>
<td>-2.9%p</td>
<td>-75%</td>
</tr>
</tbody>
</table>
IFRS 16.  
Overview.

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.

Rights of use arising from leasing agreements are capitalized (tangible assets), and lease liabilities are shown separately on the liabilities side of the balance sheet.

Lease expenses recorded previously (other operating expenses) are replaced by a depreciation of the assets from leasing and an interest component (which flows into the financial result).

<table>
<thead>
<tr>
<th>IFRS 16 impact on certain KPIs.*</th>
<th>Reported value</th>
<th>IFRS 16 effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet total</td>
<td>705.4</td>
<td>48.6</td>
</tr>
<tr>
<td>Equity</td>
<td>239.4</td>
<td>-0.5</td>
</tr>
<tr>
<td>Equity ratio</td>
<td>33.9</td>
<td>-2.6%p</td>
</tr>
<tr>
<td>Net debt</td>
<td>-169.0</td>
<td>-49.2</td>
</tr>
<tr>
<td>Gearing ratio</td>
<td>70.6%</td>
<td>20.7%p</td>
</tr>
<tr>
<td>EBIT</td>
<td>8.8</td>
<td>0.3</td>
</tr>
<tr>
<td>EBITDA</td>
<td>26.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Financial result</td>
<td>-4.4</td>
<td>-0.8</td>
</tr>
<tr>
<td>Net earnings</td>
<td>2.3</td>
<td>-0.5</td>
</tr>
</tbody>
</table>

*As per Sep 30, 2019 and for H1 2019/20, respectively.
H1 2019/20.
Other key financials.

- CAPEX increased in North America and Zambia.
- Free cash flow improved because of IFRS 16.

- Heavy impact of IFRS 16 on net debt and equity ratio.
- However, balance sheet continues to be very robust.
Outlook & medium-term goals.

Outlook 2019/20

- Revenues: +5% y-o-y
- EBIT (excl one-off effects): EUR 35 million (fluctuation range of +/- 10%)

Revenues (medium-term)

- Growing in both segments
- Grow stronger than the market
- Higher growth rates for IMS in the long run

EBIT margin (medium-term)

- ETC: comfortably >10%
- IMS: in good environment, 8% possible
- Group: > 10%
**Dividends.**

**Dividend policy***

- At least the higher of 1/3 of the earnings per share (EPS) and EUR 1.
- Depending on economic development, the market environment and capital needs for upcoming projects, the dividend payment can be higher or lower. ...
- ... However, within a reference period of 3 years, the company aims at paying out an average annual dividend of at least EUR 1.

*As of November 29, 2016.

**Dividend payouts**

2016: EUR 1.50 (EPS 2015/16: 2.39)
2017: EUR 1.50 (EPS 2016/17: 3.35)
2018: EUR 1.50 (EPS 2017/18: 2.21)
2019: EUR 1.50 (EPS 2018/19: 3.68)
Kapsch TrafficCom share.

Shareholder structure

- Axion S.A./Funds managed by Shareholder Value Management AG: 8.4%
- KAPSCH-Group Beteiligungs GmbH: 65.3%
- Institutional investors: 19.7%
- Retail: 5.3%
- Micellaneous: 3.3%
- Free float: 36.7%

Institutional investors by region

- 2.3% Other
- 2.2% UK and Ireland
- 30.8% Austria
- 21.6% North America
- 42.8% Continental Europe (excl. Austria)

Source: Shareholder survey from March 2019

1) Trading positions and unidentified shareholders.

Basic information

- Listed in Prime Market segment at the Vienna Stock Exchange since 2007
- 13 million shares
- Coverage by: Erste Group, Kepler Cheuvreux, ODDO Seydler Bank/FMR, Raiffeisen Centrobank

Select events

- February 18, 2020: Q1-Q3 2019/20 highlights
- June 16, 2020: FY 2019/20 results

More information: www.kapschtraffic.com/ir
Share price development (last 12 months).
Kapsch TrafficCom and ATX Prime.

- New project: Passenger vehicle toll in DE
- Sale of stake in ParkJockey
- Profit warning: EBIT in 2018/19 above expectations
- Termination letters regarding passenger vehicle toll projects in DE
- Profit warning: Q1 below expectations, outlook confirmed
- Profit warning: H1 below expectations, outlook adapted
- Dividend ex date

ATX PRIME Kapsch TrafficCom
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Appendix.
References and recent major projects.
Global
All figures in EUR mn unless otherwise stated
Revenues 737.8
thereof ETC 558.4 76%
thereof IMS 179.4 24%

Americas
All figures in EUR mn unless otherwise stated
Revenues 253.4 34%
thereof ETC 174.5 24%
thereof IMS 79.0 11%

EMEA
All figures in EUR mn unless otherwise stated
Revenues 431.1 58%
thereof ETC 334.3 45%
thereof IMS 96.8 13%

APAC
All figures in EUR mn unless otherwise stated
Revenues 53.3 7%
thereof ETC 49.7 7%
thereof IMS 3.6 0%
Overview: Major project.
Road safety and traffic management in Zambia.

About the project
➢ Nation-wide concession contract to improve road safety and traffic management.
➢ Main components:
  ▪ Vehicle inspection,
  ▪ Vehicle registration,
  ▪ Speeding fines and other traffic-related infringements.
➢ Term: 17 years starting from January 1, 2018.

Organizational & financial
➢ Joint venture (JV) with local partner Lamise Trading (49%).
Overview: Major project.
Nation-wide tolling system in Bulgaria.

About the project
➢ Implement nation-wide tolling system, start: 01/2018
   ▪ Satellite technology for trucks over 3.5 tons,
   ▪ eVignette for passenger cars.
➢ Tolls collected on all class I, II, and III roads, (all paved roads, no cities).
➢ Some details:
   ▪ 500 terminals for registering and issuing eVignettes,
   ▪ 100 enforcement vehicles, 100 weigh-in-motion facilities, 100 tolling gantries.
➢ Kapsch TrafficCom’s 6th nation-wide toll collection system in Europe
   (after Austria, Switzerland, Poland, the Czech Republic, and Belarus).

Financial
➢ Total project volume of about EUR 76.6 million.
Overview: Major project.

Tolling in Maryland (USA).

About the project

➢ Contract to replace and maintain all roadside tolling equipment in the mixed-mode, cash, and express toll lanes under management of the Maryland Transportation Authority.

➢ The new roadside equipment will include:
  ▪ RFID toll readers,
  ▪ Automated license plate recognition (ALPR) cameras,
  ▪ Scanners in the mixed-mode lanes,
  ▪ Stereoscopic Vehicle Detection and Classification sensors.

➢ Term: Start in February 2018, replacement of all toll equipment by 2020, six years of subsequent technical operation as well as the option to extend the contract for additional four years.

Financial

➢ Total project volume of more than EUR 55 million.
Overview: Major project.
Port Authority of New York and New Jersey (USA).

About the projects

1. **Tolling (2016)**
   - Replace the toll collection system at all bridges and tunnels and ongoing system maintenance.
   - Term: Upon completion, maintenance for a 6-year period, with options to extend for up to three 2-year periods.
   - Total project volume >EUR 100 million.

2. **Traffic Management (2017)**
   - Design and install an Agency-Wide Advanced Transportation Management Software (ATMS).
   - Term: 4-year base term followed by two additional 1-year optional support periods.
   - Total project volume >EUR 8 million.
Appendix.
Miscellaneous.
Corner stones of the promissory note bond

- Issued 2016
- Volume: EUR 62mn + USD 14.5mn
- 3 tenors (5/7/10 years)
- Partially fixed interest, partially variable

Corner stones of the long-term bank loan

- Issued January 2018
- Volume: EUR 50mn
- Term: 6 years
- Fixed interest: 0.8% p.a.
- Redemption: 2.5 years grace period, then 8 half-year installments
Overview of Kapsch TrafficCom’s offices.
As of March 31, 2019.

<table>
<thead>
<tr>
<th>Region</th>
<th>Offices</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMEA</td>
<td>53</td>
<td>19</td>
</tr>
<tr>
<td>Americas</td>
<td>42</td>
<td>11</td>
</tr>
<tr>
<td>APAC</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Total</td>
<td>101</td>
<td>33</td>
</tr>
</tbody>
</table>
Corporate milestones (1).
More than 125 years in the ever-changing electronic industry.

- **1892** Kapsch founded
  - Morse telegraph devices
  - Telephones (fixed and mobile)
  - Capacitors and dry batteries
  - Radios, incl. portable radios
  - TVs (black & white, later color)
  - Telecom networks

- **1991** Toll collection division within Kapsch Aktiengesellschaft

- **1995** Contract for the realization of the nationwide Ecopoint System, the world’s 1st emissions-based TMS

- **1999** Launch of world’s 1st MLFF ETC system for an urban motorway on Melbourne City Link in Australia.

- **2002** Kapsch Aktiengesellschaft restructured in:
  - Kapsch TrafficCom
  - Kapsch BusinessCom
  - Kapsch CarrierCom

- **2004** Austria introduces the national truck road user charging system: the worldwide 1st nationwide multi-lane free-flow system on major highways

- **2007** IPO of Kapsch TrafficCom
  - Nation-wide ETC system in Czech Republic goes into operation
## Corporate milestones (2).

*More than 125 years in the ever-changing electronic industry.*

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>IPO of Kapsch TrafficCom</td>
</tr>
<tr>
<td></td>
<td>Nation-wide ETC system in Czech Republic goes into operation</td>
</tr>
<tr>
<td>2010</td>
<td>Poland: Contract for implementation and operation of nation-wide tolling system</td>
</tr>
<tr>
<td></td>
<td>North America: Acquisition of MARK IV IVHS</td>
</tr>
<tr>
<td>2011</td>
<td>Capital increase</td>
</tr>
<tr>
<td></td>
<td>USA: Selected by E-ZPass Group for new 10 year technology and services contracts</td>
</tr>
<tr>
<td>2012</td>
<td>Belarus: Contract for implementation and operation of nation-wide tolling system</td>
</tr>
<tr>
<td>2016</td>
<td>Acquisition of the transportation business of Schneider Electric</td>
</tr>
<tr>
<td>2017</td>
<td>Zambia: Concession agreement for nation-wide road safety and traffic management</td>
</tr>
<tr>
<td></td>
<td>Bulgaria: Nation-wide tolling system</td>
</tr>
<tr>
<td>2018</td>
<td>Germany: Contracts for implementation &amp; operation of passenger vehicle toll system + for the automatic enforcement; terminated in 2019.</td>
</tr>
</tbody>
</table>
We make traffic solutions intelligent.

Why is this so important to us?

❖ Because we want you to reach your destination quickly, comfortably, and safely.

❖ Because we want to enable our customers to provide the very best service at a low cost.

❖ Because we want to protect the environment.