

Report from the Supervisory Board

Report by the Supervisory Board of Kapsch TrafficCom AG to the annual general meeting of shareholders of Kapsch TrafficCom AG on September 10, 2019 concerning the fiscal year from April 1, 2018 to March 31, 2019 of Kapsch TrafficCom AG (Section 96 Aktiengesetz) regarding the audited annual accounts of Kapsch TrafficCom AG on March 31, 2019, the proposal for the distribution of net profit for the fiscal year from April 1, 2018 to March 31, 2019 submitted by the Executive Board of Kapsch TrafficCom AG, the management report drawn up by the Executive Board of Kapsch TrafficCom AG, the audited consolidated accounts of Kapsch TrafficCom AG on March 31, 2019 and the consolidated management report drawn up by the Executive Board of Kapsch TrafficCom AG

1. The Supervisory Board of Kapsch TrafficCom AG held a total of four meetings, besides the constituting meeting, in the fiscal year from April 1, 2018 to March 31, 2019. No member of the Supervisory Board took part in fewer than half of the meetings.

The Supervisory Board was moreover constantly informed by the Executive Board in writing and verbally as well as in the meetings which were held together with the Executive Board about the situation and about the development of the company and its strategic orientation; in the reporting period it constantly monitored the management of the Executive Board and supported it in an advisory capacity.

Furthermore, as the Chairman of the Supervisory Board, I was in regular contact with the Chairman of the Executive Board in order to discuss the company's development, strategy and the risk management.

Transactions with members of the Supervisory Board or with companies in which a member of the Supervisory Board has a significant economic interest and, hence, require approval can be found in the Group notes under "Related parties". Beyond that, there were no additional transactions requiring approval pursuant to Section 95 (5) no. 12 AktG (Austrian Stock Corporation Act).

2. The Financial Statements as of March 31, 2019 submitted by the Executive Board along with the Management Report of Kapsch TrafficCom AG of June 12, 2019 as well as the Consolidated Financial Statements along with the Consolidated Management Report of June 12, 2019 were audited by the appointed auditor PwC Wirtschaftsprüfung GmbH, Vienna, and issued with the unqualified audit certificate.

The financial statements, the Executive Board's proposal for the allocation of profits and the audit reports (together with the "Management Letter") of the auditor as well as the consolidated Corporate Governance Report and consolidated Non-Financial Report were dealt with in detail in the audit committee with the Executive Board and the auditor and submitted to the Supervisory Board.

The Supervisory Board checked these documents pursuant to Section 96 AktG and approved the annual accounts so that these are adopted pursuant to Section 96 (4) AktG. The Supervisory Board follows the Executive Board's proposal for the allocation of profits. Therefore, the Executive Board will propose to the Annual General Meeting on September 10, 2019 to pay a dividend of EUR 1.50 per share for the fiscal year 2018/19.

3. The audit committee held a total of four meetings in the fiscal year from April 1, 2018 to March 31, 2019 and fulfilled the tasks listed in Section 92 (4a) AktG and Regulation (EU) No 537/2014. The committee is to carry out the review and preparation for the approval of the annual Financial Statements and annual Consolidated Financial Statements, the audit of the consolidated Corporate Governance Report and of the Non-Financial Report, the review of the final audit (Group audit) and the independence of the auditor (including the evaluation and approval of non-audit services), preparation of the proposal for the distribution of profits as well as the preparation of the report to the Annual General Meeting. Furthermore, the audit

committee prepares the proposal for the selection of annual accounts auditor (consolidated accounts auditor) and reviews the accounting process, the effectiveness of internal control systems and the risk management system. No member of the audit committee took part in fewer than half of the meetings.

4. The committee for Executive Board matters (remuneration committee) held a total of two meetings in the past fiscal year. The first meeting was about the terms and conditions for the extension of Mr. Laux's employment contract. Furthermore, the committee for Executive Board matters adapted the principles of the Executive Board's remuneration policy. The second meeting was concerning the terms and conditions for the change on the Chief Technology Officer position.
5. The Supervisory Board thanks the members of the Executive Board and all employees of Kapsch TrafficCom AG for their work in the fiscal year 2018/19.

Vienna, June 12, 2019



Dr. Franz Semmernegg
Chairman of the Supervisory Board