

## 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 9, 2020 concerning the fiscal year from April 1, 2019 to March 31, 2020 of Kapsch TrafficCom AG (Section 96 Aktiengesetz) regarding the audited annual accounts of Kapsch TrafficCom AG on March 31, 2020, the proposal for the distribution of net profit for the fiscal year from April 1, 2019 to March 31, 2020 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, 2020 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 financial year 2019/20 (April 1, 2019 to March 31, 2020). 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 of the company.

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 Executive Board presented the annual Financial Statements and Consolidated Financial Statements of Kapsch TrafficCom AG as of March 31, 2020 as well as the Management Report and the Consolidated Management Report of June 15, 2020. The appointed auditor, PwC Wirtschaftsprüfung GmbH, Vienna, audited these documents and issued an unqualified auditor's 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 94 (4) AktG. The Supervisory Board follows the Executive Board's proposal for the allocation of profits. As far as legally permissible, the Executive Board will propose to the Annual General Meeting on September 9, 2020 to pay a dividend of EUR 0.25 per share for financial year 2019/20.

3. The **audit committee** held a total of four meetings in financial year 2019/20 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 Consolidated 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 financial year 2019/20: At the first meeting, a new remuneration policy was discussed. At the second meeting, the committee addressed the conditions and modalities for the new Executive Board contract for Georg Kapsch (CEO).
5. The Supervisory Board thanks the members of the Executive Board and all employees of Kapsch TrafficCom AG for their work in financial year 2019/20.

Vienna, June 15, 2020

Franz Semmernegg  
Chairman of the Supervisory Board