



Kapsch TrafficCom

H1

2022/23.

*Half-year financial report pursuant to Sec. 125
Austrian Stock Exchange Act (BörseG) 2018.*

Selected key data.

2022/23 and 2021/22: refers to the respective financial year (April 1 until March 31)

H1: first half of a financial year (April 1 until September 30)

PP: percentage points

Unless otherwise stated, all values in EUR million.

Earnings data	2021/22	H1 2021/22	H1 2022/23	+/-
Revenues	519.8	255.2	264.8	3.8%
Share of tolling segment	71.2%	70.9%	73.8%	2.8 PP
Share of traffic management segment	28.8%	29.1%	26.2%	-2.8 PP
EBITDA ¹⁾	32.7	21.4	15.0	-30.0%
EBITDA margin	6.3%	8.4%	5.7%	-2.7 PP
EBIT	11.0	10.6	4.7	-55.6%
EBIT margin	2.1%	4.2%	1.8%	-2.4 PP
Result before income tax	5.3	7.7	2.9	-62.4%
Result for the period	-6.2	5.4	1.8	-67.2%
Result for the period attributable to equity holders	-9.3	3.0	0.3	-90.1%
Earnings per share in EUR	-0.72	0.23	0.02	-90.1%
Business segments	2021/22	H1 2021/22	H1 2022/23	+/-
Tolling				
Revenues	369.9	181.0	195.3	7.9%
EBIT	3.3	1.3	2.5	84.7%
EBIT margin	0.9%	0.7%	1.3%	0.5 PP
Traffic management				
Revenues	149.9	74.1	69.4	-6.3%
EBIT	7.7	9.3	2.3	-75.7%
EBIT margin	5.1%	12.6%	3.3%	-9.3 PP
Revenues by region	2021/22	H1 2021/22	H1 2022/23	+/-
EMEA	54.2%	56.8%	47.5%	-9.3 PP
Americas	40.8%	38.9%	46.6%	7.7 PP
APAC	5.0%	4.3%	5.9%	1.6 PP
Balance sheet data	March 31, 2022		Sept. 30, 2022	+/-
Total assets	512.1		511.9	-0.0%
Total equity ²⁾	77.9		63.1	-19.0%
Equity ratio ²⁾	15.2%		12.3%	-2.9 PP
Net debt ³⁾	158.3		190.3	20.3%
Gearing ⁴⁾	203.2%		301.6%	98.4 PP
Net working capital ⁵⁾	71.0		79.4	11.9%
Cash flow	2021/22	H1 2021/22	H1 2022/23	+/-
Net CAPEX ⁶⁾	5.3	0.2	1.6	> 500%
Free cash flow ⁷⁾	16.8	-1.2	-11.4	> -100%
Other information	2021/22	H1 2021/22	H1 2022/23	+/-
Employees, end of period	4,220	4,526	4,195	-7.3%
On-board units, in million units	10.38	4.48	5.44	21.4%

¹⁾ Operating result before amortization, depreciation and impairment

²⁾ Including non-controlling interests

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

⁴⁾ Net debt/equity

⁵⁾ Inventories + trade receivables and other current assets + current contract assets + current tax receivables – trade payables – current contract liabilities – current tax liabilities – current provisions – current other liabilities and deferred income

⁶⁾ Capital expenditure and proceeds from the disposal of property, plant and equipment and intangible assets

⁷⁾ Cash flow from operating activities + cash flow from investing activities

Headlines H1 2022/23.

Revenues H1



EUR 264.8 million
+3.8%

EBIT H1



EUR 4.7 million
-55.6%

Earnings per share H1



EUR 0.02
-90.1%

Revenues 3.8% above previous year.

- Increases in tolling segment, mainly from implementation projects and components business.
- Considerable growth in the Americas region in both segments.
- Significant increase in the APAC region.

Turnaround confirmed in H1.

- EBIT burdened in particular by increase in personnel costs.
- Nevertheless, both segments remained positive.

Financial position remains in focus.

- Repayment of financial liabilities.
- Gearing increased to 302% due to lower cash and cash equivalents.
- Equity ratio at 12%.

Outlook for financial year 2022/23 confirmed.

- Stable revenue level and significantly improved profitability expected.
- Macroeconomic environment, projects in South Africa and Belarus harbor uncertainties.
- Execution of Strategy 2027.

Resolutions of the Annual General Meeting.

- No dividend payment.
- Discharge of the members of the Executive Board and Supervisory Board for the financial year 2021/22.
- PwC Wirtschaftsprüfung GmbH appointed as auditors of the (consolidated) financial statements for the financial year 2022/23.
- Resolution on the Remuneration Report for the Executive Board and Supervisory Board.
- Sabine Kauper re-elected to the Supervisory Board.

Letter from the CEO.

Dear Shareholders,

This report on the first half of 2022/23 of Kapsch TrafficCom proves that we are on the right track with the measures taken for our profitability and future growth. In an unchanged very challenging environment, we were able to slightly increase revenues consistently over the past six months and confirm the turnaround.

First half of 2022/23:

> Revenues: EUR 265 million (+3.8%)

> EBIT: EUR 5 million (-55.6%)

The economic environment continued to be characterized by numerous uncertainties. After business momentum had been weak and the supply chain severely impaired for some time as a result of the COVID-19 pandemic, the conflict in Ukraine, which has been ongoing since February, exacerbated the situation. The effects are reflected in particular in increased costs, as well as very high inflation rates and interest rate hikes.

In this environment, Kapsch TrafficCom succeeded in increasing revenues to EUR 265 million in the first two quarters of the financial year 2022/23. At just under EUR 5 million, the operating result (EBIT) was positive, yet significantly below the previous year's result. While the exchange rate development against the US dollar had a positive effect, the decline reflects the increase in personnel costs already seen in the first quarter, particularly in North America.

Growth in H1 2022/23 was driven by the tolling segment, with the implementation business at 41% substantially above the previous year and the components business also rising. The tolling segment therefore generated 74% of total revenue in the reporting period, with the traffic management segment accounting for 26%. In regional terms, we recorded strong growth in the Americas region, while business in the EMEA region was more moderate.

Our results have been affected by increased costs, and the situation in our supply chain has remained tense. Over the summer, we had to reduce production capacity, although demand for components increased again.

Our cost base has already been drastically lowered as part of the restructuring process. In the short term, we could have further reduced personnel costs as well. On the one hand, however, we needed more personnel to work on projects – especially in the USA – and on the other hand, in line with our long-term strategy and the success of Kapsch TrafficCom, we have decided to deliberately retain personnel for new business and to selectively recruit qualified personnel. Lack of internal resources should not prevent us from growing in the future. Nevertheless, we will closely monitor the development of these costs.

Focus on cost and liquidity management remains important.

Free cash flow was considerably negative in H1 2022/23 at EUR -11 million. In this context, net debt increased to EUR 190 million and gearing to 302%. The equity ratio declined to 12%. Although we again repaid debt in the reporting period, these key figures show that our financial situation remains unsatisfactory. Cash and cash equivalents decreased in the past six months in connection with repayments and the increased financing of working capital. We therefore manage our liquidity carefully and in close coordination with our financing banks.

On the project side, there were some relevant developments in our existing projects in the first half of 2022/23: In North America we were able to continue working through projects and reduce past problems. We therefore believe we are on the right path to freeing up resources for new projects and will plan new growth carefully.

In South Africa, our existing contract for the toll system in the Gauteng province was extended until the beginning of December 2022. It is currently uncertain how the decision to no longer collect tolls in Gauteng will affect us in the medium term.

In the past quarter, we won three significant new projects: In Sweden, we were commissioned to implement a new multi-lane free-flow system in Gothenburg. The system covers a complex city area and ranks among the largest urban congestion charging projects in the world in terms of the number of tolling stations and charging points. In Peru, we were commissioned together with a partner to provide the mobility and safety management systems for the Smart City Platform in the city of Lima. They provide the necessary information for intelligent and proactive mobility management to the city authorities. And in the United Arab Emirates, we were selected to work with the capital of the Emirate of Sharjah to develop the next stage of intelligent traffic management. This centralized control system will be able to improve traffic flow and control it in a coordinated manner via a traffic control center.

These three new projects have one thing in common: They involve urban traffic management systems. We are convinced that it is becoming increasingly important for cities to provide fluent mobility that also supports environmental goals. Mobility patterns need to be guided and sustainable transport solutions implemented. The projects we have won support our strategic goal of growing in the urban sector.

We reached a milestone in the components business: In June, the 100 millionth transponder was manufactured at our production facility in Canada. The transponders allow automatic toll payment without the need to stop at a toll plaza. Our 100 million transponders have thus saved drivers many hours and helped reduce emissions.

Outlook.

In the second half of the current financial year, we will continue to focus on new business as well as on cost discipline and liquidity management. We are on the right track; however, we still have a number of tasks ahead of us to achieve the desired results. The environment in which we operate is currently not making it easy for us.

In South Africa, we expect the province of Gauteng to announce soon how it intends to proceed with the toll system. Likewise, special attention is being paid to our project in Belarus, which continues to run according to plan. Finally, we are closely monitoring macroeconomic developments and are prepared to respond with agility.

In terms of new business, we are beginning to see a recovery in the market from the impact of the COVID-19 pandemic, and we expect repeat orders and new projects throughout 2023.

After we agreed on the sale of the Spanish public transport business in August, the transaction should be closed shortly and bring a positive effect on earnings.

Outlook 2022/23:

➤ *Stable revenues.*

➤ *EBIT improvement expected.*

On this basis, we continue to expect a stable level of revenue and, compared to the previous financial year, significantly improved profitability for the financial year 2022/23. This will include the special effect from the sale of the Spanish business. However, the development of the aforementioned factors is subject to uncertainties and may impact our results accordingly.

We are working to execute our Strategy 2027 despite the challenges we are facing right now and with strict cost control. The successes in the first half of the year, including in urban areas, inspire us to keep moving forward.

Sincerely,



Georg Kapsch
Chief Executive Officer

Annual General Meeting 2022.

The Annual General Meeting of Kapsch TrafficCom AG took place on September 7, 2022. After two years of virtual general meetings, we were able to hold it physically on site again. The following resolutions were adopted:

- No dividend payout for the financial year 2021/22; retained profits were carried forward to new account.
Number of shares for which valid votes were cast: 8,911,303 (68.55% of a total of 13,000,000 shares)
Approved by: 8,911,063 votes (votes against: 240, no abstentions)
- Discharge of the members of the Executive Board for the 2021/22 financial year.
Valid votes: 8,891,303 (68.39%)
Approved by: 8,891,303 votes (no votes against, abstentions: 20,000 votes)
- Discharge of Sabine Kauper as member of the Supervisory Board for the 2021/22 financial year.
Valid votes: 8,890,028 (68.38%)
Approved by: 8,890,027 votes (votes against: 1, abstentions: 20,853 votes)
- Discharge of the remaining members of the Supervisory Board for the 2021/22 financial year.
Valid votes: 8,908,848 (68.53%)
Approved by: 8,908,848 votes (no votes against, abstentions: 2,033 votes)
- Appointment of PwC Wirtschaftsprüfung GmbH, Vienna, as the auditor and Group auditor for the 2022/23 financial year.
Valid votes: 8,910,881 (68.55%)
Approved by: 8,910,881 votes (no votes against, no abstentions)
- Remuneration Report.
Valid votes: 8,889,528 (68.38%)
Approved by: 8,889,061 votes (votes against: 467, abstentions: 21,353 votes)
- Re-election of Sabine Kauper to the Supervisory Board. Term of office until the end of the Annual General Meeting that votes on the discharge for the financial year 2022/23.
Valid votes: 8,890,737 (68.39%)
Approved by: 8,890,056 votes (votes against: 681, abstentions: 20,144 votes)

Capital markets.

Share price development.

Price development in the first half of 2022/23.

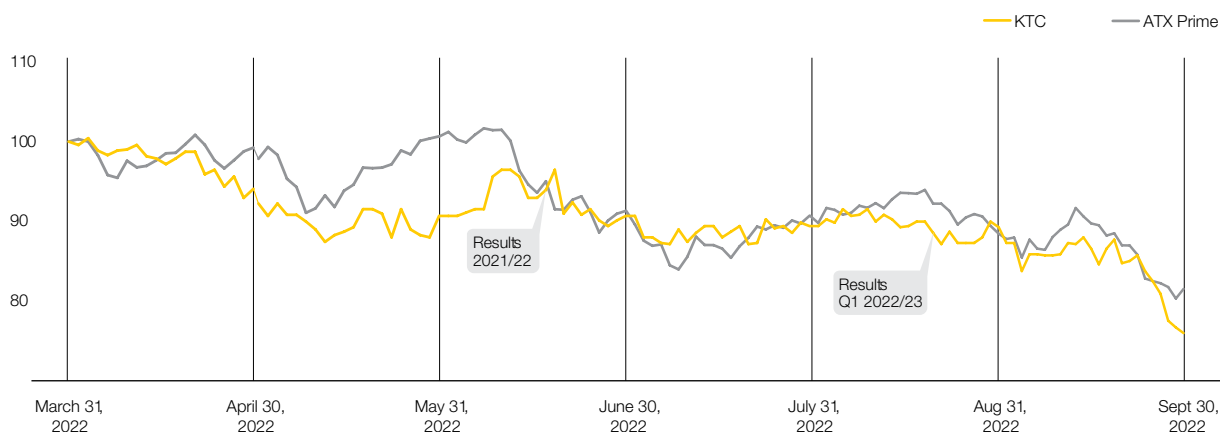
The closing prices of the Kapsch TrafficCom share in the first half of the financial year 2022/23 fluctuated within a range of EUR 14.36 to EUR 10.90 with a continuous downward trend in line with the international stock market environment.

The share opened at EUR 14.10 on April 1, 2022, and registered a decline in share price of around 10% in the first two months. In June, the share price recovered slightly and was back at EUR 13.80 on the day after the publication of the annual results. From then on, the downward trend continued, especially towards the end of the half-year.

The (intraday) high of EUR 14.40 on April 4, 2022 was offset by an (intraday) low of EUR 10.80 at the end of the half-year. The Kapsch TrafficCom share closed on September 30, 2022 at a price of EUR 10.90, the lowest closing price in the reporting period. It therefore lost 23.8% of its value in the first half of financial year 2022/23. The benchmark index ATX Prime showed similar development and lost 18.3% during this period.

Market cap at the end of H1 2022/23:
EUR 141.7 million

Development of Kapsch TrafficCom share and ATX Prime.



Stock data.

In EUR, unless otherwise stated	H1 2021/22	H1 2022/23
Earnings per share	0.23	0.02
High (intraday)	16.00	14.40
Low (intraday)	14.02	10.80
Closing price on September 30	14.84	10.90
Share performance	-0.4%	-23.8%
Ø trading volume (shares, double counting)	16,230	6,535

Analysts and liquidity providers.

Analysts.

In the last twelve months, the following financial institutions published reports on the share (in alphabetical order):

- Erste Group Bank
- ODDO BHF/Frankfurt Main Research (FMR)
- Raiffeisen Bank International

Liquidity providers.

As of May 2022, the Vienna Stock Exchange launched the new Best Bid and Offer model. Within this framework, HRTEU Limited and XTX Markets SAS act as MiFID Market Makers for the Kapsch TrafficCom share. Additionally, the market makers are (as of September 30, 2022):

- Erste Group Bank
- ODDO BHF Corporates & Markets
- Raiffeisen Centrobank AG

Investor Relations activities in the first half of 2022/23.

Kapsch TrafficCom continued to be available for investor inquiries in the first half of the financial year and actively took opportunities to intensify contact with capital market participants. Due to COVID-19, the events were held virtually:

- Virtual investor conference Raiffeisen Bank International
- Virtual investor conference Erste Group Bank
- Numerous direct telephone calls and e-mails

Dividend.

Due to the negative results in the financial year 2021/22, the Executive Board proposed to the Annual General Meeting 2022 that no dividend be paid. The Annual General Meeting followed this proposal. A dividend payment in the following year also appears unlikely given the planned investments as part of the execution of Strategy 2027.

History of dividend payments.

Year	Dividend per share	Earnings per share (reference year)	Payout ratio
2018	EUR 1.50	EUR 2.21	68.0%
2019	EUR 1.50	EUR 3.68	40.8%
2020	EUR 0.00	EUR -3.70	0.0%
2021	EUR 0.00	EUR -7.91	0.0%
2022	EUR 0.00	EUR -0.72	0.0%

Contact for investors.

Investor Relations team	Marcus Handl, Valerie Riegler
Shareholders' telephone line	+43 50 811 1122
E-mail	IR.kapschtraffic@kapsch.net
Website	www.kapsch.net

Management Report H1 2022/23.

1. Economic conditions impacting the Group.

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 traffic management and demand management contribute to a healthier world without congestion.

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 redefine the limits of mobility to benefit a healthy world without congestion.

*Kapsch TrafficCom is a globally
recognized provider of transportation
solutions for sustainable mobility.*

Target markets.

In this context, Kapsch TrafficCom addresses the market for Intelligent Transportation Systems (ITS). These support and optimize traffic (including infrastructure, vehicles, users and industry). They use information and communication technologies for this purpose. Within the ITS market, Kapsch TrafficCom focuses on tolling and tolling services as well as traffic management and demand management. Core regions of business activity are North, Central and South America as well as Europe and Oceania (Australia and New Zealand).

Addressable markets.

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.

Market drivers.

Kapsch TrafficCom has identified the following market drivers:

- Environmental protection
- Need for transportation infrastructure and its maintenance
- Urbanization
- New means of transportation and services
- Connected mobility
- Data and artificial intelligence
- Data security

Further information can be found in the Consolidated Management Report 2021/22.

Fundamental changes in the business environment of Kapsch TrafficCom.

The previously mentioned 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.

2. Financial performance indicators.

2.1 Result of operations.

Revenues of Kapsch TrafficCom reached EUR 264.8 million in the first half of the current financial year, up by 3.8% on the same period of the previous year. Geographically, the breakdown of revenues was as follows:

- EMEA region (Europe, Middle East, Africa): -13.2% to EUR 125.8 million
- Americas region (North, Central and South America): +24.4% to EUR 123.4 million
- APAC region (Asia-Pacific): +41.3% to EUR 15.6 million

EBITDA and **EBIT**. The earnings before depreciation and amortization (EBITDA) amounted to EUR 15.0 million (previous year: EUR 21.4 million). The operating result (earnings before interest and taxes, EBIT) was again positive at EUR 4.7 million (previous year: EUR 10.6 million). The EBIT margin was thus 1.8% (previous year: 4.2%).

In the first half of 2022/23 EBITDA and EBIT were impacted by the following one-time effects:

- Increased personnel costs compared to the previous year (EUR +10.6 million) influenced by unfavorable exchange rate developments as well as salary indexations in different countries due to inflation adjustments and change in the variable compensation model.

The operating currency effects (net) resulted in EUR 9.2 million in the first half of the current financial year (previous year: EUR 2.9 million). This is mainly attributable to the exchange rates in the US dollar relative to the Euro.

In the previous year, special effects amounted to EUR -3.9 million. They included the termination of a customer project in the USA (EUR -4.0 million) and the increase in license and patent expenses due to the settlement of a patent dispute (EUR -3.0 million). There was a positive effect from the early termination of a lease agreement for office space with an impact of EUR 3.1 million.

The **financial result** in the first half of 2022/23 amounted to EUR -1.2 million (previous year: EUR -2.8 million). This already considers a positive effect from exchange rate changes on internal financing, which had a positive impact of EUR 1.9 million (previous year: EUR +1.0 million). The gains are mainly unrealized.

For the calculation of **income taxes**, the Group applied a theoretical income tax rate of 25% in the first half of 2022/23 (unchanged from the previous year). The basis for the calculation was the consolidated result before income tax, without factoring in the (already taxed) proportional result from associated companies and joint ventures. This resulted in income tax expenses of EUR 1.1 million (previous year: EUR 2.3 million).

The **result for the period** in the first half of the financial year was EUR 1.8 million (previous year: EUR 5.4 million).

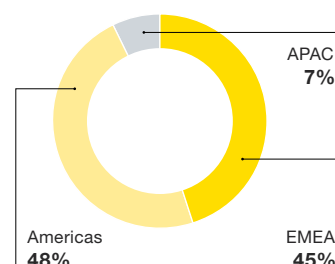
2.2 Result of operations by segment.

Tolling.

Revenues in the tolling segment increased by 7.9% to EUR 195.3 million and contributed 73.8% (previous year: 70.9%) to total revenues.

The **Americas region** overtook EMEA in the first half of 2022/23, recording the largest revenues of EUR 94.2 million (+32.6%). The increase resulted mainly from the USA in all business types of implementation, operations and components. Other countries in Latin America such as Chile, Puerto Rico, Costa Rica and Argentina also contributed to the increase in revenues. The largest negative deviation came from Mexico, where implementation projects were included in the previous year but did not contribute to revenues in the current year due to the finalization of the projects.

Tolling revenues per region.



The **EMEA region**, which was the strongest in the tolling segment in the last financial year, saw a decline in revenue by EUR 13.3 million to EUR 88.0 million. The main reason for this is the termination of the nationwide tolling project in Poland at the end of 2021, but also a decline in revenue in Belarus and France. Revenue increases in South Africa, Spain and Austria could not compensate for the negative effects in the first half of 2022/23.

The **APAC region** recorded the highest relative growth of 45.8% (EUR +4.1 million). Following the difficult phase of the Corona pandemic, implementation projects have started up again, which is reflected in an increase particularly in Australia and New Zealand. Component revenues in the region remained at the level of the previous year in the first half of 2022/23.

In the first half of 2022/23, 5.44 million on-board units were sold (previous year: 4.48 million units). Increases were reported in the USA, Canada, Australia and South Africa while sales figures declined in France and Spain. The termination of the national toll project in Poland, the sanctions in Russia as well as supply constraints caused by component shortages had an additional negative impact on the components revenues.

Segment tolling by business type.

in EUR million	H1 2021/22	H1 2022/23	+/-
Revenues	181.0	195.3	7.9%
Implementation	38.5	54.2	40.6%
Operations	111.1	102.0	-8.2%
Components	31.4	39.2	24.8%
EBIT	1.3	2.5	84.7%

EBIT. The operating result (EBIT) in the tolling segment was positive at EUR 2.5 million (previous year: EUR 1.3 million). The profitability of operations and components businesses decreased compared to the previous year, but positive effects from the implementation projects compensated for these negative variances. Adjustments for project margins and expenses due to termination of a project by the customer amounting to EUR -7.0 million were included in the previous year, which led to a positive variance in the current year. Cost of materials and other production services increased by 10.5%. Personnel expenses increased by 8.3% in the first half of 2022/23 due to unfavorable currency developments, salary indexation in various countries and changes in the variable compensation model. The operating currency translation result amounted to EUR +8.0 million (previous year: EUR +2.5 million).

Tolling EBIT: EUR 2.5 million (+84.7%)

Traffic management.

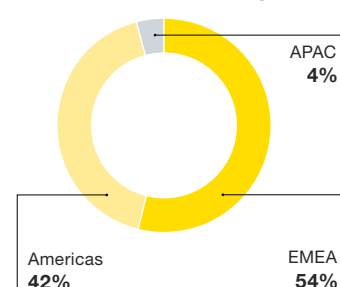
Revenues in the traffic management (TM) segment decreased by 6.3% to EUR 69.4 million and contributed 26.2% (previous year: 29.1%) to total revenues.

The developments in all regions were as follows:

- EMEA region: -14.1%
- Americas region: +3.7%
- APAC region: +22.0%

In the **EMEA region**, projects in the Netherlands, the UK, and Ireland in particular contributed to the negative development. In the **Americas region**, the increase is attributable to implementation projects in Chile and Colombia and operations projects in Argentina. In the **APAC region**, too, construction and operating sales increased, especially in New Zealand, so that total sales in this region rose from EUR 2.0 million to EUR 2.5 million.

TM revenues by region.



Segment traffic management by business type.

in EUR million	H1 2021/22	H1 2022/23	+/-
Revenues	74.1	69.4	-6.3%
Implementation	30.6	20.5	-33.2%
Operations	40.6	46.5	14.3%
Components	2.9	2.5	-12.2%
EBIT	9.3	2.3	-75.7%

EBIT. The operating result (EBIT) in the traffic management segment totaled EUR 2.3 million in the first half of 2022/23 (previous year: EUR 9.3 million). Cost of materials and other production services increased by EUR 5.2 million. Personnel expenses also rose by 9.5% due to inflation and negative exchange rate developments.

TM EBIT: EUR 2.3 million (-75.7%)

2.3 Net assets position.

The balance sheet total as of September 30, 2022 amounted to EUR 511.9 million (March 31, 2022: EUR 512.1 million).

Assets.

Non-current assets increased to EUR 203.5 million as of September 30, 2022 (March 31, 2022: EUR 195.6 million). The increase mainly resulted from the addition of rights-of-use assets in property, plant and equipment due to the extension of the lease agreement until 2032 for the office building of the headquarters in Vienna.

Current assets decreased by EUR 8.1 million to EUR 308.4 million (March 31, 2022: EUR 316.5 million). The largest changes related to cash and cash equivalents with a decrease of EUR -28.9 million, mainly due to the scheduled repayments of financial liabilities and the financing of working capital. Inventories increased significantly by EUR 12.2 million to EUR 47.7 million compared to March 31, 2022, as did trade receivables and other current assets (EUR +8.1 million).

Liabilities and equity.

Non-current financial liabilities decreased by a total of EUR 71.4 million in the first half of 2022/23, mainly because of the reclassification to current financial liabilities in line with the scheduled repayments and maturities (EUR -73.0 million) and new borrowings of EUR 1.6 million.

Non-current lease liabilities increased by EUR 9.0 million, mainly due to the extension of the lease agreement for the office building of the headquarters in Vienna.

Current financial liabilities increased by a total of EUR 66.4 million. The main changes resulted from reclassifications due to maturities (EUR +73.0 million), repayments of EUR 16.7 million and additions of EUR 4.5 million (see note 10).

Equity amounted to EUR 63.1 million as of September 30, 2022. The decrease of EUR 14.8 million compared to the balance sheet date March 31, 2022, mainly reflects the negative other comprehensive income from currency translation differences (EUR -16.3 million) in the first half of 2022/23. The equity ratio as of September 30, 2022 was 12.3% (March 31, 2022: 15.2%).

2.4 Financial position.

Cash flow.

Cash flow from operating activities was negative in the first half of the current financial year at EUR -9.0 million (previous year: EUR -0.3 million). The change in net working capital in the first half of 2022/23 was EUR -8.2 million (previous year: EUR -3.2 million). The following effects were critical for this: "inventories" increased by EUR 12.2 million (previous year: decrease of EUR 3.5 million) as well as "trade receivables and other current assets" and "contract assets" by EUR 6.7 million (previous year: EUR 5.0 million). The total of "trade payables and other current liabilities" and "contract liabilities from customer contracts" increased by EUR 14.8 million (previous year: increase of EUR 11.1 million). The current provisions went down by EUR 4.1 million (previous year: decrease of EUR 12.8 million), and this also had a negative impact on the cash flow from operating activities.

Cash flow from investing activities amounted to EUR -2.4 million in the first half of 2022/23 (previous year: EUR -0.9 million) and mainly comprises the purchase of property, plant and equipment (EUR -1.7 million) and the purchase of intangible assets (EUR -0.5 million).

The free cash flow is the sum of cash flow from operating activities and cash flow from investing activities and amounted to EUR -11.4 million in the first half of 2022/23 and was significantly lower than in the same period of the previous year (EUR -1.2 million).

Cash flow from financing activities amounted to EUR -17.4 million in the first half of the year (previous year: EUR -39.4 million). The change is primarily attributable to the repayment of current financial liabilities in the amount of EUR -16.7 million, the raising of new financing in the amount of EUR 6.1 million, and the ongoing repayment of lease liabilities (EUR -6.5 million).

Cash and cash equivalents as of September 30, 2022, totaled EUR 30.8 million (March 31, 2022: EUR 59.8 million).

Key figures as of September 30, 2022.

Net debt reached EUR 190.3 million (March 31, 2022: EUR 158.3 million), which corresponded to a gearing of 301.6% (March 31, 2022: 203.2%). The increase in net debt was mainly due to the lower level of cash and cash equivalents (EUR -28.9 million), the change in financial liabilities (EUR +5.0 million) and the increase in lease liabilities (EUR -8.6 million).

3. Information on major transactions with related parties and changes in the Group structure.

Apart from the details included in the consolidated financial statements 2021/22 and the information included in note 13, there were no other transactions with related parties that had a significant impact on the financial position or operating result during the first half of the financial year.

4. Significant events occurring after balance sheet date.

There were no significant events after September 30, 2022.

5. Risk reporting.

Enterprise Risk Management (ERM), which is part of Group Risk & Internal Audit, aims to identify, evaluate and control risks at an early stage that have a significant impact on the company's success in achieving its strategic and operational objectives. However, the primary objective is not risk avoidance, but rather the controlled and conscious handling of risks as well as the timely identification and realization of opportunities. Thus, 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 and the Audit Committee of the Supervisory Board.

Project-oriented risk management includes customer projects as well as internal development projects. All relevant risks and opportunities are analyzed during the preparation of the offer on the basis of institutionalized processes. Decisions and the timely planning and implementation of control measures is thereby ensured due to the measures already mentioned.

The material risks of Kapsch TrafficCom are as follows:

- Industry-specific risks: volatility of new orders, risks of project execution, risks due to non-negotiable, disadvantageous terms and conditions of long-term contracts with public agencies.
- Strategic risks: ability to innovate, acquisition and integration of companies as part of the Group's growth, country risk.
- Financial risks: foreign exchange risk, interest rate risk, liquidity risk, credit risk.
- Personnel risk.
- Legal risk.
- IT risks.

The major risks faced by the Group are addressed in Section 2.2 of the Consolidated Management Report 2021/22.

The COVID-19 pandemic and the associated economic crisis as well as the outbreak of the conflict in Ukraine and the related sanctions against Russia continue to be felt by Kapsch TrafficCom. The Group has faced supply chain bottlenecks in component sales. With respect to new business, visibility was comparatively low. The management expects that the above mentioned risks for the Group will remain in place in the second half of 2022/23 but will slowly decrease.

An internal control system (ICS) exists within the Group to document the internal control processes implemented in the accounting context. Responsibility for the implementation, design and monitoring of the ICS with a view to ensuring compliance with group-wide guidelines and regulations is incumbent upon the competent local management bodies in each case. Detailed Information of the internal control system is presented in section 2.3 of the Group Management Report 2021/22.

6. Outlook for the second half of the current financial year.

In the second half of the current financial year, Kapsch TrafficCom continues to focus on new business, cost discipline and liquidity management. In South Africa, the announcement of the Gauteng province on how it intends to proceed with the toll system is expected. Likewise, special attention is being paid to the project in Belarus, which continues to run according to plan. Finally, the Executive Board is closely monitoring the macroeconomic developments and is prepared to react with agility.

In terms of new business, Kapsch TrafficCom is slowly seeing a market recovery from the impact of the COVID-19 pandemic and repeat orders and new projects are expected throughout 2023. After the sale of the Spanish public transport business was agreed in August, the transaction should be closed shortly and bring a positive effect on earnings.

On this basis, the Executive Board continues to expect a stable level of revenue and, compared to the previous financial year, significantly improved profitability for the financial year 2022/23. This will include the special effect from the sale of the Spanish business. However, the development of the aforementioned factors is subject to uncertainties and may impact the results accordingly.

Vienna, November 15, 2022

The Executive Board



Georg Kapsch
Chief Executive Officer



Andreas Hämmerle
Executive Board Member



Alfredo Escribá Gallego
Executive Board Member

Statement of all Members of the Executive Board.

Pursuant to § 125 subsection 1 Stock Exchange Act 2018.

We confirm to the best of our knowledge that the condensed consolidated interim 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 Group management report gives a true and fair view of important events that have occurred during the first six months of the financial year and their impact on the condensed consolidated interim financial statements and of the principal risks and uncertainties for the remaining six months of the financial year.

Vienna, November 15, 2022

The Executive Board



Georg Kapsch
Chief Executive Officer



Andreas Hämmerle
Executive Board Member



Alfredo Escribá Gallego
Executive Board Member

Condensed Consolidated Interim Financial Information as of September 30, 2022.*)

Kapsch TrafficCom – Consolidated statement of comprehensive income.

in k EUR	Note	H1 2021/22	H1 2022/23
Revenues	(2)	255,169	264,752
Other operating income	(3)	10,883	15,419
Changes in finished and unfinished goods		-1,064	915
Cost of materials and other production services		-90,097	-104,005
Personnel expenses	(4)	-114,989	-125,610
Other operating expenses	(5)	-37,173	-35,515
Proportional result of associates and joint ventures	(8)	-1,333	-979
Operating result before amortization, depreciation and impairment (EBITDA)		21,395	14,978
Amortization and depreciation		-10,855	-10,246
Impairment charge and write-up from impairments		107	0
Operating result (EBIT)		10,647	4,732
Finance income		2,791	2,940
Finance costs		-5,600	-4,168
Financial result		-2,809	-1,228
Proportional results from associates and joint ventures from financial investments		-167	-620
Result before income taxes		7,671	2,884
Income tax	(6)	-2,293	-1,121
Result for the period		5,378	1,763
Equity holders of the company		2,991	295
Non-controlling interests		2,387	1,468
Earnings per share from the result for the period attributable to the equity holders of the company (in EUR) ¹⁾		0.23	0.02
Other comprehensive income for the period			
Currency translation differences		-3,738	-21,725
Currency translation differences from net investments in foreign operations		610	7,268
Income tax relating to items subsequently to be reclassified to the result for the period		-153	-1,817
Total items subsequently to be reclassified to the result for the period		-3,280	-16,275
Total items subsequently not to be reclassified to the result for the period		0	-0
Other comprehensive income for the period net of tax		-3,280	-16,275
Total comprehensive income for the period		2,098	-14,511
Equity holders of the company		1,524	-13,693
Non-controlling interests		574	-818

¹⁾ Earnings per share diluted = undiluted and relating to 13.0 million shares.

*) The condensed consolidated interim financial information has neither been audited nor been reviewed by an auditor.

Kapsch TrafficCom – Consolidated balance sheet.

in k EUR	Note	March 31, 2022	Sept. 30, 2022
ASSETS			
Property, plant and equipment	(7)	48,993	57,301
Intangible assets	(7)	35,748	34,369
Interests in associates and joint ventures	(8)	27,832	26,178
Other non-current financial assets and investments	(9)	14,984	16,518
Non-current contract assets		3,703	5,563
Other non-current assets ¹⁾	(9)	4,101	3,979
Deferred tax assets		60,223	59,599
Non-current assets		195,584	203,507
Inventories		35,556	47,727
Trade receivables and other current assets ¹⁾	(9)	131,449	135,160
Current contract assets	(9)	83,787	86,745
Current tax receivables		4,392	5,860
Other current financial assets	(9)	1,580	2,082
Cash and cash equivalents	(9)	59,751	30,833
Current assets		316,515	308,407
TOTAL ASSETS		512,100	511,914
EQUITY			
Share capital		13,000	13,000
Capital reserve		117,509	117,509
Retained earnings and other reserves		-47,313	-61,006
Capital and reserves attributable to equity holders of the company		83,196	69,503
Non-controlling interests		-5,294	-6,382
TOTAL EQUITY		77,902	63,121
LIABILITIES			
Non-current financial liabilities	(9,10)	136,051	64,652
Non-current lease liabilities	(9)	27,604	36,651
Liabilities from post-employment benefits to employees		24,198	23,018
Non-current provisions	(11)	1,685	1,510
Non-current contract liabilities		1,207	653
Other non-current liabilities	(9)	425	360
Deferred tax liabilities		2,859	3,887
Non-current liabilities		194,029	130,730
Current financial liabilities	(9,10)	44,013	110,453
Current lease liabilities	(9)	11,940	11,502
Trade payables	(9)	71,476	76,557
Current contract liabilities		35,678	39,618
Current provisions	(11)	28,630	24,542
Current tax liabilities		2,314	3,501
Other liabilities and deferred income	(9)	46,118	51,888
Current liabilities		240,169	318,063
TOTAL LIABILITIES		434,198	448,793
TOTAL EQUITY AND LIABILITIES		512,100	511,914

¹⁾ Non-current and current lease receivables were reclassified and are not shown separately anymore due to immateriality but are included in other non-current assets and trade receivables and other current assets.

Kapsch TrafficCom – Consolidated statement of changes in equity.

in k 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, 2022	13,000	117,509	-42,994	-4,319	83,196	-5,294	77,902
Dividend				0	0	-270	-270
Result for the period				295	295	1,468	1,763
Other comprehensive income for the period:					0		
Currency translation differences			-13,988		-13,988	-2,286	-16,275
Carrying amount as of September 30, 2022	13,000	117,509	-56,982	-4,024	69,503	-6,382	63,121
Carrying amount as of March 31, 2021	13,000	117,509	-44,171	4,903	91,241	-6,480	84,761
Dividend				0	0	-67	-67
Result for the period				2,991	2,991	2,387	5,378
Other comprehensive income for the period:							
Currency translation differences			-1,467		-1,467	-1,813	-3,280
Remeasurements of liabilities from post-employment benefits			-90	90	0		0
Carrying amount as of September 30, 2021	13,000	117,509	-45,728	7,984	92,765	-5,973	86,792

The registered share capital of Kapsch TrafficCom AG amounts to EUR 13,000,000. The share capital is fully paid in. The total number of ordinary shares issued is 13,000,000. The shares are ordinary bearer shares and have no par value. Each share entitles the holder to one vote. At the reporting date of September 30, 2022 Kapsch TrafficCom AG does not hold any treasury shares.

Kapsch TrafficCom – Consolidated cash flow statement.

in k EUR	Note	H1 2021/22	H1 2022/23
Operating result		10,647	4,732
Scheduled depreciation and amortization		10,855	10,246
Impairment charge and reversals		-107	0
Change in obligations for post-employment benefits		-872	-1,180
Change in non-current receivables, non-current contract assets and other non-current assets		-712	-1,757
Change in non-current trade payables, non-current contract liabilities and other non-current liabilities and provisions		-9,649	-800
Net payments of income taxes		-1,792	249
Interest received		199	492
Interest payments		-2,145	-3,028
Other (net)		-3,439	-9,801
Cash flow from earnings		2,985	-848
Change in net working capital:			
Change in trade receivables, current contract assets and other current assets		-5,032	-6,720
Change in inventories		3,481	-12,171
Change in trade payables, current contract liabilities and other current payables		11,082	14,792
Change in current provisions		-12,766	-4,088
Change in net working capital		-3,235	-8,187
Cash flow from operating activities		-251	-9,035
Purchase of property, plant and equipment	(7)	-810	-1,706
Purchase of intangible assets	(7)	-42	-509
Purchase of securities, investments and other non-current financial assets		-1,878	-903
Proceeds from the disposal of shares in subsidiaries		843	0
Proceeds from the disposal of property, plant and equipment		694	365
Proceeds from the disposal of intangible assets		0	206
Proceeds from the disposal of securities and other financial assets		281	177
Cash flow from investing activities		-911	-2,370
Free cash flow¹⁾		-1,162	-11,405
Dividends paid to non-controlling interests		-67	-270
Increase in non-current financial liabilities	(10)	18,537	1,600
Increase in current financial liabilities	(10)	8,937	4,484
Decrease in current financial liabilities	(10)	-58,073	-16,728
Lease payments		-8,770	-6,469
Cash flow from financing activities		-39,436	-17,383
Cash and cash equivalents at beginning of year		102,010	59,751
Changes in cash and cash equivalents ²⁾		-40,598	-28,788
Exchange gains/losses		-316	-130
Cash and cash equivalents at end of year		61,096	30,833

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

²⁾ Free cash flow + cash flow from financing activities

Selected notes to the condensed consolidated interim financial information.

Outline.

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1 General information.

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

Kapsch TrafficCom operates in two segments: tolling and traffic management.

Tolling.

This segment 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 as part 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 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. The company is a joint stock corporation incorporated and domiciled in Vienna, Austria. The address of its registered office is 1120 Vienna, Am Europlatz 2.

On August 29, 2022, Kapsch TrafficCom agreed to sell the group company “Arce Mobility Solutions” to the technology company Kontron (signing) in order to exit the Spanish public transportation sector, which is not directly related to its strategic core business. Subject to regulatory approvals, the deal is anticipated to have a favorable impact on earnings during the third quarter.

Further information on the Group structure and the scope of consolidation can be found in the consolidated financial statements as of March 31, 2022.

1.2 Basis of preparation.

This condensed interim financial information for the first half of the financial year ended September 30, 2022 has been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the IASB, as adopted by the EU, in accordance with IAS 34 Interim Financial Statements, and should only be read in conjunction with the annual financial statements for the year ended March 31, 2022.

The condensed interim financial information was neither subject to an audit nor to a review by an auditor.

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

The accounting and valuation principles used in this condensed interim financial information for the first half of the financial year ended September 30, 2022 in general are consistent with those applied in the consolidated financial statements as of March 31, 2022 (see note 35). An exemption is the new or amended IFRS and IFRIC disclosed in note 15.

1.3 Material accounting estimates and assumptions.

The Group makes judgments, estimates, and assumptions regarding the application of accounting principles and the reported quantities of assets, liabilities, income, and expenses to prepare the condensed consolidated interim financial statements. These predictions may not match the final results. All estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including expectations as to future events which are believed to be reasonable under the given circumstances.

The estimates and assumptions made by the Management are in line with those adopted in the consolidated financial statements for the year ended March 31, 2022 (note 1.4) and described therein. These have also been applied to the financial statements for the first half of 2022/23.

2 Segment information.

The segment results by business type, which also correspond to performance obligations pursuant to IFRS 15, are as follows:

	H1 2021/22			H1 2022/23		
	Tolling	Traffic management	Total	Tolling	Traffic management	Total
Revenues	181,041	74,128	255,169	195,320	69,432	264,752
Implementation	38,522	30,627	69,149	54,154	20,460	74,613
Operations	111,113	40,649	151,762	101,979	46,469	148,448
Components	31,406	2,852	34,258	39,187	2,503	41,690
Operating result	1,335	9,312	10,647	2,466	2,266	4,732
EBIT margin	0.7%	12.6%	4.2%	1.3%	3.3%	1.8%

There was no customer who contributed more than 10% of revenues in the first half of 2022/23, as in the previous year.

3 Other operating income.

	H1 2021/22	H1 2022/23
Exchange rate gains from operating activities	4,055	13,316
Gains from early termination of a leasing contract	3,143	0
Sundry operating income	3,685	2,103
Total	10,883	15,419

The operating foreign currency gains in the first half of 2022/23 were mainly based on exchange rate fluctuations in the US dollar (USD) against the Euro (EUR) and the Canadian dollar (CAD), the majority of which is unrealized. The income from the early termination of a lease in the first half of the previous year amounting to EUR 3,143 k related to a lease in the USA. Despite a termination payment of EUR 1,867 k, the early termination and the associated reversal of the lease liability resulted in income, as the right of use had already been impaired in the previous period.

4 Personnel expenses.

Personnel expenses increased by 9.2% to EUR 125,610 k in the first half of 2022/23, mainly due to unfavorable currency developments, salary indexation in different countries and changes in the variable compensation model. The number of employees as of September 30, 2022 was 4,195, 7.1% lower than the comparable figure for the previous year (September 30, 2021: 4,526).

5 Other operating expenses.

	H1 2021/22	H1 2022/23
Communication and IT expenses	7,584	7,272
Legal and consulting fees	6,865	5,395
Exchange rate losses from operating activities	1,162	4,137
Maintenance	2,414	3,646
Travel expenses	1,323	2,799
Automobile expenses	1,800	2,355
Rental and other building expenses	1,690	1,817
License and patent expenses	4,612	1,623
Marketing and advertising expenses	1,858	1,573
Insurance costs	1,737	1,508
Office expenses	1,163	1,192
Other	4,966	2,198
Total	37,173	35,515

License and patent expenses decreased by EUR 2,989k after one-off effects for the settlement of a patent dispute in the amount of EUR 2,988k were included in the first half of the previous year. Consequently, legal and consulting expenses also decreased by EUR 1,470k in the first half of 2022/23 compared to the prior period. Operating foreign currency losses increased by EUR 2,975k in the first half of 2022/23, mainly related to the US dollar (USD) versus the Euro (EUR). Travel expenses also increased by EUR 1,476k compared to the previous period to pre-crisis levels, reflecting the elimination of most travel restrictions due to COVID-19. Other operating expenses include various expense items, each smaller than EUR 1 million in the current reporting period and in the comparable period of the previous year.

6 Income tax.

Income tax relate to current taxes and to deferred tax assets and liabilities. The effective tax expense is not determined until the end of the financial year. During the financial year, Kapsch TrafficCom uses a theoretical tax rate. This rate is applied to Group earnings before taxes adjusted for the already taxed proportional results from associates and joint ventures and before impairment of goodwill. At year-end, the effective tax rate may differ from the (theoretical) tax rate during the year. This may result from differences in taxation in the various countries, the recognition or impairment of tax loss carry-forwards, tax allowances and permanent tax differences.

In the first half of 2022/23 as in the previous year a theoretical tax rate of 25% was applied to the Group's pre-tax result. This tax rate is based on a revenue-weighted analysis of the nominal tax rates of the individual countries in which Kapsch TrafficCom operates.

7 Property, plant and equipment and intangible assets.

	H1 2021/22	H1 2022/23
Carrying amount as of March 31 of financial year	91,400	84,741
Additions	3,723	2,215
Additions of right-of-use assets from leases	7,049	15,598
Disposals	-405	-506
Disposals of right-of-use assets from leases	-582	-2,549
Disposals relating to deconsolidation of subsidiaries	-458	0
Write-up from impairments of right-of-use assets	107	0
Depreciation, amortization and other movements	-4,564	-4,412
Depreciation on right-of-use assets from leases	-6,291	-5,834
Currency translation differences	110	2,416
Carrying amount as of September 30 of financial year	90,089	91,670

The additions to rights of use from leases in the first half of 2022/23 mainly relate to the extension of the lease for the office building of the headquarters in Vienna until 2032.

As of September 30, 2022 property, plant and equipment included right-of-use assets from leases in the amount of EUR 45,572 k (March 31, 2022: EUR 36,576 k).

8 Interests in associates and joint ventures.

Details of associates and joint ventures are shown in the consolidated financial statements of 2021/22.

	H1 2021/22	H1 2022/23
Carrying amount as of March 31 of financial year	29,751	27,832
Proportional result of the period from core business	-1,333	-979
Proportional result of the period from financial investments	-167	-620
Currency translation differences	-15	-56
Carrying amount as of September 30 of financial year	28,236	26,178
thereof interests in associates	8,900	7,924
thereof interests in joint ventures	19,336	18,253

As of September 30, 2022, as well as of September 30, 2021, and March 31, 2022, shares in associates related to Traffic Technology Services Inc., USA.

The interests in joint ventures as of September 30, 2022, as well as of September 30, 2021, and March 31, 2022, mainly related to the joint venture autoTicket GmbH, Germany.

Proportional results from associates and joint ventures are split in the presentation in the income statement and are individually valued. Results from associates and joint ventures whose activities and strategic directions are part of the core business of Kapsch TrafficCom are reported in the operating result. Results from other associates and joint ventures are reported in the result before income tax.

9 Financial instruments by category.

Financial instruments by category at carrying amount	March 31, 2022	Sept. 30, 2022
Trade receivables and other current and non-current assets	135,550	139,139
At amortized cost	98,023	104,534
Trade receivables (current and non-current)	98,023	104,534
At fair value through profit or loss	1,545	1,434
Derivative financial instruments (Fair value level 2)	1,545	1,434
Other non-financial assets ¹⁾	35,982	33,171
Contract assets (non-current and current) at amortized cost	87,490	92,308
Other financial assets and investments (non-current and current)	16,564	18,600
At fair value through profit or loss	3,807	3,631
Securities (Fair value level 1)	3,700	3,524
Investments (Fair value level 3)	107	107
At amortized cost	12,757	14,969
Other financial assets and loans (non-current)	11,177	12,887
Other financial assets and loans (current)	1,580	2,082
Cash and cash equivalents at amortized cost	59,751	30,833
Financial liabilities (non-current and current) at amortized cost	180,065	175,105
Promissory note bond (Fair value level 2)	31,479	31,484
Project financing (Fair value level 2)	33,226	30,763
Operating loans (Fair value level 2)	99,626	94,479
Other financial liabilities (Fair value level 2)	15,734	18,379
Lease liabilities (non-current and current) at amortized cost	39,544	48,153
Lease liabilities (non-current and current) ²⁾	39,544	48,153
Trade payables at amortized cost	71,476	76,557
Other liabilities and deferred income (non-current and current)	46,543	52,248
At amortized cost	425	360
Other financial liabilities	425	360
At fair value through profit or loss	74	74
Derivative financial instruments (Fair value level 2)	74	74
Other non-financial liabilities ¹⁾	46,044	51,814

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.

Fair Value.

Details on the fair value-hierarchies can be found in the consolidated financial statements of 2021/22. No reclassifications between fair value hierarchy levels have been made since then.

The carrying amount of the following positions, which are valued at amortized cost, is a reasonable approximation of the fair value in accordance with IFRS 7.29: “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”.

As of September 30, 2022, the fair value of non-current and current financial liabilities amounted to EUR 31,245 k for the promissory note bond (March 31, 2022: EUR 31,478 k), EUR 30,166 k for the project financing (March 31, 2022: EUR 33,236 k), EUR 93,652 k for the non-current and current operating loans (March 31, 2022: EUR 99,229 k) and EUR 18,363 k for other financial liabilities (March 31, 2022: EUR 15,692 k).

Impairment on trade receivables and contract assets.

Impairment on “trade receivables” increased by EUR 120 k in the first half of 2022/23 (first half of 2021/22: EUR -186 k). The impairment on “contract assets” decreased by EUR 1.123 k (first half of 2021/22: EUR +12 k). Both effects were recognized through profit or loss in the statement of comprehensive income.

There were no adjustments for investments measured according to Level 3 in the first half of 2022/23.

10 Financial liabilities.

	March 31, 2021	Sept. 30, 2021	March 31, 2022	Sept. 30, 2022
Non-current financial liabilities	120,895	146,846	136,051	64,652
Current financial liabilities	102,362	45,649	44,013	110,453
	223,257	192,495	180,065	175,105

Movements in financial liabilities are as follows:

	H1 2021/22			H1 2022/23		
	Non-current	Current	Total	Non-current	Current	Total
Carrying amount as of March 31 of financial year	120,895	102,362	223,257	136,051	44,013	180,065
Reclassification	7,374	-7,374	-0	-73,982	73,982	-0
Additions	18,537	8,937	27,474	1,600	4,484	6,084
Repayments	0	-58,073	-58,073	0	-16,728	-16,728
Currency translation differences and other non-cash movements	40	-205	-164	982	4,702	5,684
Carrying amount as of September 30 of financial year	146,846	45,649	192,495	64,652	110,453	175,105

Additions and repayments are cash effective. Reclassifications between non-current and current financial liabilities are non-cash movements and relate to reclassifications due to repayment scheduled and remaining maturities.

The fair values and gross cash flows (including interest) of financial liabilities are as follows:

	Sept. 30, 2021	Sept. 30, 2022
In the next 6 months	42,540	20,793
In the next 7 to 12 months	6,830	92,478
Gross cash flows up to one year	49,370	113,272
Between 1 and 2 years	71,285	22,599
Between 2 and 3 years	32,952	18,550
Between 3 and 4 years	10,836	10,030
Between 4 and 5 years	19,004	5,017
Gross cash flows 2-5 years	134,077	56,197
Gross cash flows more than 5 years	17,621	9,100
Total	201,068	178,569

11 Provisions.

	March 31, 2021	Sept. 30, 2021	March 31, 2022	Sept. 30, 2022
Non-current provisions	3,349	2,557	1,685	1,510
Current provisions	42,472	29,705	28,630	24,542
	45,820	32,263	30,315	26,053

	March 31, 2022	Addition and accumulation	Utilization	Disposal	Reclassification	Currency translation differences	Sept. 30, 2022
Warranties	512	0	0	0	-127	0	386
Projects (excl. impending losses)	75	0	0	0	-25	0	50
Provision for restructuring costs	22	0			-20	0	2
Other non-current provisions	1,076	0	0	-15	0	11	1,072
Non-current provisions, total	1,685	0	0	-15	-172	11	1,510
		0					
Warranties	1,772	0	0	-195	127	27	1,730
Provision for losses from onerous contracts	20,976	727	-653	-6,376	0	1,996	16,670
Projects (excl. impending losses)	4,457	0	-25	0	25	-2	4,455
Legal fees, costs of litigation and contract risks	305	0	-63	-37	0	8	213
Provision for restructuring costs	155	0	-85	0	20	-2	87
Other current provisions	965	1,632	-292	-856	0	-62	1,387
Current provisions, total	28,630	2,359	-1,118	-7,465	172	1,965	24,542
Total	30,315	2,359	-1,118	-7,480	0	1,976	26,053

Provision for losses from onerous contracts as of September 30, 2022 as well as of March 31, 2022 mainly relates to implementation projects of an American subsidiary that cannot be completed with a profit.

	March 31, 2021	Addition and accu- mulation	Utilization	Disposal	Reclas- sification	Currency translation differences	Sept. 30, 2022
Warranties	1,177	0	0	0	-57	0	1,120
Projects (excl. impending losses)	194	0	0	0	-119	0	75
Provision for restructuring costs	556	0			-556	0	0
Other non-current provisions	1,422	16	0	-23	-103	50	1,362
Non-current provisions, total	3,349	16	0	-23	-834	50	2,557
		0					
Warranties	1,011	0	0	-13	57	8	1,063
Provision for losses from onerous contracts	19,611	4,782	-9,174	-3	0	175	15,391
Projects (excl. impending losses)	7,685	3	-25	-12	119	16	7,784
Legal fees, costs of litigation and contract risks	9,650	104	-6,785	0	0	-69	2,901
Provision for restructuring costs	3,361	0	-2,461	-397	534	1	1,038
Other current provisions	1,153	1,286	-112	-921	125	-4	1,528
Current provisions, total	42,472	6,175	-18,557	-1,346	834	127	29,705
Total	45,820	6,191	-18,557	-1,368	0	177	32,263

12 Contingent liabilities and other commitments.

The contingent liabilities primarily result from large-scale projects. Major projects frequently call for the issuance of bid bonds or performance bonds, which are issued by financial institutions and insurance firms. There is the possibility of a claim, which could lead to a right of recourse on the part of the financial institution or insurance company against the Group, if the contractual duties cannot be met.

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:

Contract, warranty, performance and bid bonds	March 31, 2022	Sept. 30, 2022
North America (toll collection systems)	27,363	28,856
Australia (toll collection systems)	15,919	15,324
	43,281	44,180

Further performance and bid bonds from financial institutes or insurance companies, where an outflow of resources is deemed unlikely, amount to EUR 305,590 k (March 31, 2022: EUR 267,417 k) and are not included in the balance sheet or in the contingent liabilities.

The disclosures concerning the joint venture autoTicket GmbH, Germany, did not change compared to the consolidated financial statements and can be reviewed in note 29 in the consolidated financial statements as of March 31, 2021.

13 Related party transactions.

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.

The direct parent company of the reporting entity is KAPSCH-Group Beteiligungs GmbH, Vienna. This company is a 100%-subsidiary of DATAX HandelsgmbH, Vienna, which is the controlling entity of Kapsch TrafficCom AG and the ultimate parent of Kapsch Group. Subsidiaries of KAPSCH Group are referred to as affiliated companies if they are not part of the Kapsch TrafficCom Group. Kapsch BusinessCom Group was still presented as an affiliated company in the first half of 2021/22, but left KAPSCH Group in October 2021.

The following tables provide an overview of revenues and expenses as well as receivables and liabilities for related parties.

	H1 2021/22	H1 2022/23
Parent company		
Revenues	0	30
Expenses	-564	-39
Income (+) / Expense (-) from tax allocation	581	0
Affiliated companies		
Revenues	342	69
Expenses	-5,691	-2,970
Associated companies		
Revenues	0	0
Expenses	0	0
Joint ventures		
Revenues	82	76
Expenses	-2,081	-1,554
Other related parties		
Revenues	0	0
Expenses	-3,414	-28

	March 31, 2022	Sept. 30, 2022
Parent company		
Trade receivables and other assets	42	36
Trade payables and other payables (-)	-310	-349
Affiliated companies		
Trade receivables and other non-current and current assets	88	36
Trade payables and other payables (-)	-3,518	-6,185
Associated companies		
Trade receivables and other non-current and current assets	875	1,505
Trade payables and other payables (-)	0	0
Joint ventures		
Trade receivables and other non-current and current assets	9,317	10,403
Trade payables and other payables (-)	-558	-1,477
Other related parties		
Trade receivables and other non-current and current assets	0	7
Trade payables and other payables including pension benefits (-)	-10,482	-9,500

Trade receivables and other non-current and current assets with joint ventures relate mainly to a loan to autoTicket GmbH, Germany.

Individual members of the Kapsch TrafficCom AG Executive and Supervisory Boards have management positions or are Supervisory Board members for the KAPSCH Group and/or its subsidiaries. Please refer to the consolidated Corporate Governance Report 2021/22 in this regard. Additionally, as of October 7, 2021, Andreas Hämmerle, Kapsch Traffic Com's CFO, assumed the role of managing director of KAPSCH-Group Beteiligungs GmbH.

A comprehensive presentation of the relationships with related parties is shown in note 32 of the consolidated financial statements 2021/22.

14 Risk and capital management.

The financial risks to which Kapsch TrafficCom is exposed are described in the consolidated financial statements for the year ended March 31, 2022 (note 33) as well as the management report on the first half of 2022/23.

15 New and amended standards and interpretations.

	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 statement
IAS 16	Proceeds before Intended Use	May 2020	January 1, 2022	None
IFRS 3	References to the Conceptual Framework	May 2020	January 1, 2022	None
	Onerous Contracts –			
IAS 37	Cost of Fulfilling a Contract	May 2020	January 1, 2022	None
AIP 2018-2020	Annual Improvements to IFRS Standards 2018-2020 Cycle	May 2020	January 1, 2022	None

The application of new and amended standards and interpretations does not cause a material change in the condensed interim financial information.

16 Significant events occurring after September 30, 2022.

There were no significant events after September 30, 2022.

Vienna, November 15, 2022

The Executive Board



Georg Kapsch
Chief Executive Officer



Andreas Hämmerle
Executive Board Member



Alfredo Escribá Gallego
Executive Board Member

Financial calendar.

February 22, 2023	Results Q1–Q3 2022/23
June 14, 2023	Results FY 2022/23
August 17, 2023	Results Q1 2023/24
August 27, 2023	Record date: Annual General Meeting
September 6, 2023	Annual General Meeting
November 15, 2023	Results H1 2023/24
February 21, 2024	Results Q1–Q3 2023/24

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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. 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 always refers to people of all gender categories.

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 with successful projects in more than 50 countries. Innovative solutions in the application fields of tolling, tolling services, traffic management and demand management contribute to a healthy world without congestion.

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.

Kapsch TrafficCom, headquartered in Vienna, has subsidiaries and branches in more than 25 countries and is listed in the Prime Market segment of the Vienna Stock Exchange (ticker symbol: KTCG). In its 2021/22 financial year, 4,220 employees generated revenues of about EUR 520 million.

>>> www.kapsch.net