

# Remuneration report as per Section 162 AktG for the 2022 financial year

## Preamble

In accordance with the requirements of Section 162 of the German Stock Corporation Act (AktG), the remuneration report has been prepared jointly by the Supervisory Board and the Executive Board of IVU for the 2022 financial year. Pursuant to the applicable legal requirements and the recommendations of the German Corporate Governance Code (DCGK) in the version dated 28 April 2022, it explains the main features of the remuneration system for the Executive Board and the Supervisory Board as well as the remuneration granted and owed to the individual members of the Executive Board and the Supervisory Board for the period from 1 January 2022 to 31 December 2022.

## Remuneration of the Executive Board

### Approval of the remuneration system by the shareholders

In accordance with Section 120a(1) AktG, the Annual General Meeting of IVU must adopt a resolution on the endorsement of the remuneration system for Executive Board members submitted by the Supervisory Board in the event of any material amendment of the remuneration system, but at least once every four years. The resolution on the remuneration system to be applied in the 2022 remuneration report was passed at the Annual General Meeting on 27 May 2021. The Annual General Meeting on 25 May 2022 also adopted a resolution on a new remuneration system to be applied from the 2023 financial year.

## Remuneration system

### Basic information

The remuneration system provides a key contribution to the promotion of IVU's business strategy and to the long-term and sustainable development of the company. In the implementation of the corporate purpose of strengthening and optimising public mobility for people and goods at a high level, IVU aims to grow its core business and advance the digitalisation of its customers. The remuneration system encourages the attainment of the aforementioned strategic goals, promotes connections between them, and provides effec-

tive incentives for the long-term, value-creating development of the company in consideration of the interests of shareholders, customers, employees and other stakeholders.

The definition of the remuneration system is carried out by the Supervisory Board in accordance with Section 87(1) AktG. In this context, the Supervisory Board as a whole provides advice and adopts resolutions on the recommendations of the General Committee. The General Committee prepares recommendations on the system for the remuneration of the Executive Board. In doing so, it bases its deliberations on the business strategy, on the long-term and sustainable development of the company and on the recommendations of the DCGK. When necessary, the General Committee and Supervisory Board can make use of advice from external remuneration experts. In such cases, care will be taken to ensure the independence of these experts from the Executive Board and the company. In regard to the handling of conflicts of interest of members of the Supervisory Board, the recommendations of the DCGK and the provisions of the rules of procedure of the Supervisory Board and its committees shall be observed including in the context of the definition, review and implementation of the remuneration system. Conflicts of interest must be disclosed to the Supervisory Board, which must report them and the manner in which they are addressed to the Annual General Meeting. In the event of a conflict of interest, the Supervisory Board or committee member concerned shall not participate in the Supervisory Board or General Committee's discussions or decisions regarding the matter. The remuneration system adopted by the Supervisory Board shall be submitted to the Annual General Meeting for endorsement. The regular review of the remuneration system is carried out by the Supervisory Board. It is supported in this task by the General Committee, which prepares the review and makes recommendations. The Supervisory Board shall adopt amendments as needed.

When determining the total emoluments of an individual Executive Board member, the Supervisory Board seeks to ensure that these are appropriate in relation to the tasks and performance of the Executive Board member and the situation of the company and do not exceed the typical remuneration without particular reasons. In this context, the Supervisory Board takes the remuneration and employment conditions of the employees of the company into consideration. In the

context of the external comparison of the total emoluments, a group of companies from Germany which are appropriate in regard to the market position of the company (particularly in terms of sector, size and country) is used as reference. In the context of the internal comparison, the Supervisory Board takes the remuneration of the upper management and the overall workforce in Germany into consideration. This takes place by means of a comparison of the ratio of Executive Board remuneration to the remuneration of the defined groups of people. The upper management consists of the management including the level of management below the Executive Board. In the event of significant changes in the ratios of the Executive Board's remuneration to those of the other comparative groups, the Supervisory Board shall review the causes and, in the event of a lack of objective grounds, make adjustments to the remuneration of the Executive Board. The remuneration system grants the Supervisory Board the flexibility to take the function and area of responsibility of individual Executive Board members into consideration in the amount of the total remuneration. The system allows for function-specific differentiations – e.g. for the chair of the Executive Board.

The remuneration system for the Executive Board of IVU comprises fixed/non-performance-based and variable / performance-based components:

### Fixed remuneration

The fixed remuneration consists of a base salary and ancillary benefits. The base salary is paid on a monthly basis. The fixed salary serves as compensation for any assumption of mandates at Group companies. In the event that an Executive Board member assumes Supervisory Board mandates outside the Group, any resulting remuneration will not be counted towards in-house remuneration. The ancillary benefits particularly include a public transport allowance, the provision of a company car or, alternatively, compensation for a car, and the provision of general security services. There are no provisions on retirement pensions or early retirement which extend beyond the applicable statutory requirements.

### Variable remuneration

These components are granted on the basis of financial and non-financial performance criteria. The performance criteria are derived from the company's key financial indicators. The variable remuneration is divided into short-term and long-term components.

#### Short-term variable remuneration

The short-term variable remuneration ("short-term incentive") comprises a bonus and target-oriented special remuneration.

<b>Fixed remuneration</b>	Base salary	Paid monthly	
	Ancillary benefits	Particularly public transport allowance, provision of a company car	
<b>Variable remuneration</b>	Short-term	<b>Type</b>	Bonus and target-oriented special remuneration
		<b>Limit / cap</b>	150% of base salary
		<b>Performance criteria</b>	Bonus: Group EBT in consideration of the EBT of the two preceding years Target-oriented special remuneration: Individualised targets
		<b>Payment</b>	Annually following establishment of the annual financial statements Bonus: 50% paid in cash, 50% as shares with a three-year lock-up period Target-oriented special remuneration: Paid in cash
	Long-term	<b>Type</b>	Long-term incentive
		<b>Limit / cap</b>	By maximum number and maximum value
		<b>Performance criteria</b>	Development of the IVU share price relative to the TecDAX over a four-year performance period
		<b>Payment</b>	After the four-year performance period in the form of shares with a one-year lock-up period
<b>Malus / clawback</b>	Full or partial clawback of variable remuneration possible		

The **bonus** serves as a reward for the operational success of the company:

- The bonus is based on the average earnings before taxes (EBT) of the company over the past three financial years, whereby the financial year to which the variable remuneration pertains is weighted double relative to the two preceding years. In addition, EBT which is significantly lower in the year to which the variable remuneration pertains than in either of the two preceding years will lead to a further reduction of the bonus.
- The basis of calculation for EBT is the company's IFRS consolidated income statement for the respective financial year as established by the Supervisory Board at its balance sheet meeting.
- The bonus is calculated annually on the basis of the consolidated financial statements for the respective financial year, and is granted half in cash and half in shares. For this purpose, the net amount attributable to half the bonus is divided by the average XETRA closing price of the IVU share of the 30 trading days preceding the adoption of the annual financial statements to determine the number of shares. Shares transferred in connection with the bonus are subject to a three-year lock-up period. The shares transferred to Executive Board members are entitled to voting rights and dividends during the lock-up period.

The short-term variable **target-oriented special remuneration** is agreed on an elective and individualised basis. It is dependent on the achievement of concrete strategic, long-term and operational challenges for the respective Executive Board member. The method for determining the degree of target attainment is decided in consideration of the specific targets in question. It is paid on an annual basis in the event of target attainment.

The total short-term variable remuneration is limited to 150% of the base salary.

### Long-term variable remuneration

The long-term variable remuneration ("long-term incentive") is based on the long-term performance of the company. The company would like to ensure attractive and sustainable returns for its shareholders over the long term. In accordance with the principle of sustainable remuneration, the right to transfer and the number of shares actually transferred to the Executive Board depends on the economic development of the company during the performance period.

The term of the long-term incentive began on 1 January 2019. The long-term incentive has a four-year term and thus ends on 31 December 2022 (performance period). The remuneration from the long-term incentive was allocated in January 2023. As it is already considered to be owed as at 31 December 2022, it is allocated in full to the 2022 financial year.

The amount of remuneration is dependent on the price performance of the IVU share relative to the performance of the TecDAX index over the performance period. The basis is the attainment of a target price defined by the Supervisory Board at the beginning of the performance period as of the end of the performance period.

The full entitlement from the long-term incentive is granted to Executive Board members in the form of shares in the company that are subject to a lock-up period of one year. Due to the preceding four-year performance period, this remuneration component thus takes five years to become disposable. The shares transferred to Executive Board members are entitled to voting rights and dividends during the one-year lock-up period. IVU has acquired the shares transferred to the Executive Board as treasury shares as part of a share buyback programme in accordance with statutory requirements.

The number of shares transferred is calculated on the basis of the following reference values:

- The number of shares transferred to the Executive Board is calculated by first dividing the actual price of the company's shares at the end of the performance period less the starting price by the target price of the performance period less the starting price of the company's shares at the beginning of the performance period.
- Next, this value is multiplied by the factor comparing the performance of the IVU share with the performance of the TecDAX index. Finally, this value is multiplied by the base target.
- The base target for the number of the company's shares allocated to the Executive Board at the end of the performance period on achievement of the specified target price is 40,000 for the CEO and 25,000 for each of the other Executive Board members.
- The maximum number of shares to be transferred is limited to twice the base target. The maximum number of shares to be transferred is also limited to the

amount resulting from three times the starting price and the maximum possible number of shares.

- The transfer of the shares took place in January 2023. The shares were transferred on the basis of the average XETRA closing price of the IVU share over the last 30 trading days in 2022.
- All price quotes are based on price data from the XETRA trading system on the Frankfurt Stock Exchange, whereby the average prices of the company's share are calculated as the average of 30 trading days at the beginning of the quarter or at the end of the quarter.

### Maximum remuneration

The maximum remuneration is the highest total remuneration the Executive Board can receive overall for a financial year in the event of optimal business and share price performance. In cases of maximum remuneration, the base salary and ancillary benefits should equate to roughly 30% of remuneration (EUR 866 thousand), the bonus and target-oriented special remuneration roughly 40% (EUR 1.211 million), and the long-term incentive roughly 30% (EUR 741 thousand). The maximum remuneration for the entire Executive Board per year during the performance period is EUR 2.818 million. The maximum remuneration includes the pro rata value allocation of the long-term incentive over the performance period.

However, as the allocation of the remuneration from the long-term incentive for the four-year performance period is to be allocated in full to the 2022 financial year, the maximum remuneration in this year will increase once by EUR 2.223 million (pro rata value allocation of the long-term incentive during financial years 2019 to 2021) to EUR 5.041 million.

### Malus / clawback

In the event that an Executive Board member commits severe breaches of duty or violations of the company's internal conduct guidelines, either with wilful intent or out of gross negligence, IVU may fully or partially reclaim the variable remuneration components paid / transferred for a period of up to thirty-six months, calculated from the time of the violation, from the Executive Board member for the purpose of compensating for any damages incurred due to the breach of duty.

The company may also reclaim payments of variable remuneration components in cases where the amount of the payments was calculated on the basis of incorrect information. The company is entitled to reclaim

the difference between the recalculated amount and the payments / transfers carried out. The company must demonstrate that the information used to calculate the remuneration was incorrect and that the Executive Board member's variable remuneration was too high for this reason. The clawback is subject to the requirement that the auditor or accounting firm who audited the consolidated financial statements containing the incorrect information or on which the incorrect information was based must subsequently assess the consolidated financial statements as incorrect.

An Executive Board employee's entitlement to the transfer of shares under the long-term incentive plan may be fully or partially cancelled in the context of certain termination scenarios depending on the reason for termination. There is no promise to provide severance payment. In the event of the termination of an Executive Board position before the end of the regular term of appointment, any potential severance or other benefits to be paid to the Executive Board member in connection with the termination of the employment contract, including all ancillary benefits, shall not cumulatively total more than the value of two annual remunerations or more than the value of the residual term of the employment agreement (severance cap).

### Remuneration within the meaning of Section 162(1), sentence 1 WpHG

The table below shows the individual remuneration granted to the Executive Board of IVU in the 2022 financial year (with comparative figures for 2021).

The permitted maximum remuneration for the Executive Board was not exceeded, taking into account the special features of the allocation of remuneration from the long-term incentive. No target-oriented special remuneration was agreed. This results in a share of fixed remuneration of around 15% and of variable remuneration of around 85%. There were no clawbacks from malus / clawback clauses.

In the context of the internal comparison, the fixed remuneration of the Executive Board corresponds to 1.7 times the fixed remuneration of the upper management and 3.8 times that of the overall workforce in Germany.

The total remuneration of the Executive Board taking into account the long-term incentives (the full amount of which is allocated to 2022 from the four-year period) is 7.3 times the average remuneration of upper management and 19.6 times that of the overall workforce in Germany.

Excluding the long-term incentive, the total remuneration of the Executive Board is 3.0 times the average remuneration of upper management and 8.4 times that of the overall workforce in Germany.

#### Remuneration of the Executive Board in € thousand

	Fixed remuneration							
	Base salary				Ancillary benefits			
	2021	Share in %	2022	Share in %	2021	Share in %	2022	Share in %
Martin Müller-Elschner (CEO)	324.0	40	324.0	15	21.2	3	20.6	1
Leon Struijk (CCO)	240.0	44	267.5	18	17.9	3	17.9	1
Matthias Rust (CTO)	216.0	41	216.0	16	17.9	3	19.2	1
<b>ENTIRE EXECUTIVE BOARD</b>	<b>780.0</b>	<b>41</b>	<b>807.5</b>	<b>16</b>	<b>57.1</b>	<b>3</b>	<b>57.7</b>	<b>1</b>

#### Remuneration of the Executive Board in € thousand

	Variable remuneration								Total remuneration	
	Bonus				Long-term incentive				2021	2022
	2021	Share in %	2022	Share in %	2021	Share in %	2022	Share in %		
Martin Müller-Elschner (CEO)	472.5	58	486.0	23	0	0	1,314.7	61	817.7	2,145.3
Leon Struijk (CCO)	287.2	53	360.0	25	0	0	821.7	56	545.2	1,467.2
Matthias Rust (CTO)	287.2	55	324.0	23	0	0	821.7	60	521.1	1,380.9
<b>ENTIRE EXECUTIVE BOARD</b>	<b>1,046.9</b>	<b>56</b>	<b>1,170.0</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>2,958.1</b>	<b>59</b>	<b>1,884.0</b>	<b>4,993.4</b>

## Remuneration of the Supervisory Board

### Resolution on the remuneration of Supervisory Board members

Pursuant to Section 113(3) AktG, a resolution must be adopted on the remuneration of members of the Supervisory Board of IVU at least once every four years.

The first resolution in this respect was adopted at the Annual General Meeting on 27 May 2021. A minor adjustment to the system was made at the Annual General Meeting on 25 May 2022. The remuneration amount was not changed.

Pursuant to Section 15(1) sentence 1 of the company's Articles of Association, the remuneration of the Supervisory Board is decided by Annual General Meeting resolution. Pursuant to Section 15(1) sentence 2 of the company's Articles of Association, the Annual General

Meeting must give particular consideration to the chair and the deputy chair of the Supervisory Board as well as the chairs and members of Supervisory Board committees when determining the level of remuneration.

The provisions apply for the entire 2022 financial year until the 2025 financial year or until they are redefined in accordance with Section 15(1) sentence 1 of the Articles of Association.

### Remuneration system

#### Basic information

The remuneration system is designed to meet the increased requirements for the members of the Supervisory Board in regard to time and content, as well as the legal regulations and recommendations of the DCGK.

The Supervisory Board has conducted a horizontal peer group comparison on this subject in cooperation with an external consultant in order to calculate remuneration for Supervisory Board activities which is comparatively moderate yet appropriate in consideration of the requirements and obligations involved.

### Fixed remuneration

Each member of the Supervisory Board receives the following fixed remuneration components for their work on the Supervisory Board:

An ordinary member receives EUR 8.0 thousand per year, the Deputy Chair EUR 17.0 thousand per year, and the Chair EUR 44.0 thousand per year.

For activities on the General Committee, the members of the Supervisory Board receive additional annual remuneration of EUR 4.5 thousand and for the chairs EUR 9 thousand. For activities on the Audit Committee, the members of the Supervisory Board receive additional annual remuneration of EUR 4.5 thousand and for the chairs EUR 18 thousand.

If a member joins or leaves the Supervisory Board during the year, remuneration is paid pro rata temporis on the basis of calendar months commenced.

### Meeting fee

Each member of the Supervisory Board receives an meeting fee of EUR 2.5 thousand for each regular meeting (if present) (for a total of EUR 10 thousand for four regular meetings per year).

### Reimbursements

In addition to reimbursement of their expenses in connection with Supervisory Board activities, IVU reimburses each member of the Supervisory Board for any value-added tax incurred for their remuneration.

### Remuneration within the meaning of Section 162(1), sentence 1 WpHG

The individual remuneration of the Supervisory Board of IVU in the 2022 financial year (with comparative figures for 2021) was:

### Remuneration of the Supervisory Board

in € thousand	Fixed remuneration				Meeting fee				Total remuneration	
	2021	Share in %	2022	Share in %	2021	Share in %	2022	Share in %	2021	2022
Prof. Herbert Sonntag (Chairman)	67.5	100	57.5	85	-	0	10.0	15	67.5	67.5
Ute Witt (Deputy Chairwoman)	45.0	100	35.0	78	-	0	10.0	22	45.0	45.0
Dr Heiner Bente	22.5	100	12.5	56	-	0	10.0	44	22.5	22.5
Prof. Barbara Lenz	18.0	100	8.0	44	-	0	10.0	56	18.0	18.0
Benedikt Woelki	18.0	100	8.0	44	-	0	10.0	56	18.0	18.0
Axel Zimmermann	22.5	100	12.5	56	-	0	10.0	44	22.5	22.5
<b>ENTIRE SUPERVISORY BOARD</b>	<b>193.5</b>	<b>100</b>	<b>133.5</b>	<b>69</b>	<b>-</b>	<b>0</b>	<b>60.0</b>	<b>31</b>	<b>193.5</b>	<b>193.5</b>

## Annual change in remuneration

The following table shows the percentage change of the total remuneration of the members of the Executive Board and of the Supervisory Board compared with that of the average remuneration of employees and the earnings performance of IVU. Starting with the year 2020, the aim is to successively increase the comparative values of the annual change in remuneration until the 2025 financial year.

The change in the average remuneration of employees is based on the average remuneration of the entire workforce of IVU at the German locations. In the case of part-time employees, the remuneration of part-time workers was extrapolated to full-time equivalents. In the section "Remuneration of employees", the average fixed salary remuneration of existing IVU employees whose staff membership extends to at least two financial years is also shown as a second comparative value.

### Comparison of annual change in remuneration

	2020 / 2021	2021 / 2022
<b>Total remuneration of the Executive Board</b>		
Martin Müller-Elschner (CEO)	6%	162%
Leon Struijk (CCO)	11%	169%
Matthias Rust (CTO)	6%	165%
<b>Total remuneration of the Executive Board (excluding LTI)</b>		
Martin Müller-Elschner (CEO)	6%	2%
Leon Struijk (CCO)	11%	18%
Matthias Rust (CTO)	6%	7%
<b>Total remuneration of the Supervisory Board</b>		
Prof. Herbert Sonntag (Chairman)	64%	0%
Ute Witt (Deputy Chairwoman)	71%	0%
Dr Heiner Bente	20%	0%
Prof. Barbara Lenz	20%	0%
Benedikt Woelki	20%	0%
Axel Zimmermann	20%	0%
<b>Employee remuneration</b>		
Average employee remuneration	0%	4%
Fixed salary remuneration of long-standing employees	3%	4%
<b>Earnings performance</b>		
EBIT IVU AG (HGB)	6%	18%
EBIT IVU Group (IFRS)	9%	7%

## Report on the audit of the remuneration report

Independent auditor's report on the formal audit of the remuneration report pursuant to Section 162(3) AktG

To IVU Traffic Technologies AG, Berlin

### Assurance opinion

We have formally audited the remuneration report of IVU Traffic Technologies AG, Berlin, for the financial year from 1 January to 31 December 2022 to determine whether the disclosures required by Section 162(1) and (2) AktG were made in the remuneration report. In line with Section 162(3) AktG, we have not audited the content of the remuneration report.

In our opinion, the disclosures required by Section 162(1) and (2) AktG were made in the attached remuneration report in all material respects. Our audit opinion does not extend to the content of the remuneration report.

### Basis for the assurance opinion

We conducted our audit of the remuneration report in accordance with Section 162(3) AktG in compliance with the IDW auditing standard on auditing the remuneration report in accordance with Section 162(3) AktG (IDW PS 870(08.2021)).

Our responsibility according to this regulation and this standard is described in further detail in the "Responsibility of the auditor" section of our report. As an audit firm, we applied the IDW quality management standards. We met the professional obligations pursuant to the German law regulating the profession of auditor and the professional code for auditors / chartered accountants, including the requirements for independence.

### Responsibility of the Executive Board and Supervisory Board

The Executive Board and the Supervisory Board are responsible for the preparation of the remuneration report, including the related disclosures, which meets the requirements of Section 162 AktG. They are also responsible for such internal controls as they consider necessary to enable the preparation of a remuneration report, including the related disclosures, which is free from material misstatement, whether due to fraud or error.

## Responsibility of the auditor

Our objective is to obtain reasonable assurance as to whether the disclosures required by Section 162(1) and (2) AktG were made in the attached remuneration report in all material respects, and to express an audit opinion on this in a report.

We planned and conducted our audit so as to determine the formal completeness of the remuneration report by comparing the disclosures made in the remuneration report with the disclosures required by Section 162(1) and 2 AktG. In line with Section 162(3) AktG, we have not audited the correctness of the content of the disclosures, the completeness of the content of the individual disclosures or the appropriate presentation of the remuneration report.

## Treatment of any misleading statements

In connection with our audit, we have the responsibility to read the remuneration report in light of the knowledge obtained from the audit of the financial statements while remaining alert to indications as to whether the remuneration report contains misleading statements regarding the correctness of the content of the disclosures, the completeness of the content of the individual disclosures or the appropriate presentation of the remuneration report.

If, based on the work we have performed, we conclude that there is such a misleading statement, we are obliged to report this fact. We have nothing to report in this regard.

Berlin, 28 March 2023

**BDO AG**

**Wirtschaftsprüfungsgesellschaft**

Sartori  
Wirtschaftsprüferin  
[German Public Auditor]

Blohm  
Public Auditor