

Explanatory Report of the Executive Board in accordance with § 176 (1) sentence 1 of the German Stock Corporation Act (AktG) on the disclosures in accordance with §§ 289 (4) and 315 (4) of the German Commercial Code (HGB)

The management report of IVU Traffic Technologies AG and the management report of the IVU Group for the financial year 2022 contain disclosures in accordance with §§ 289 (4) and 315 (4) HGB, which is outlined below:

1. The Company's share capital of €17,719,160 is divided into 17,719,160 no-par value shares with a nominal value of €1 each. The no-par value shares each grant the same rights, in particular the same voting rights. No shareholder or group of shareholders are entitled to special rights.
2. The shareholders of IVU Traffic Technologies AG are not restricted by the Articles of Association with regard to the acquisition or sale of shares in the Company. In particular, the acquisition and sale of shares does not require the approval of the corporate bodies of the Company in order to be effective. The Executive Board is not aware of any other restrictions affecting the transferability of shares in the Company.

To the Executive Board's knowledge, the shareholders' voting rights are not subject to any restrictions other than possible statutory voting prohibitions. The voting rights are not limited to a certain number of shares or a certain number of votes. All shareholders who have registered for the Annual General Meeting (AGM) in due time and have proven their entitlement to participate in the AGM and to exercise their voting rights are entitled to exercise these rights from all shares held and registered by them. In accordance with § 71b AktG, the no-par value shares currently held by IVU Traffic Technologies AG do not carry voting or dividend rights.

3. In the financial year 2022, to the knowledge of the Executive Board, there was no interest in the share capital of IVU Traffic Technologies AG that exceeded 10% of the voting rights.
4. IVU Traffic Technologies AG has not issued any shares with special rights that grant powers of control.

5. There are no interests held by employees in the share capital under which the employees cannot directly exercise their rights of control.
6. Members of the Executive Board are appointed and recalled in accordance with §§ 84, 85 AktG and § 6 of the Articles of Association. Based on these provisions, the Supervisory Board appoints the members of the Executive Board for a maximum term of five years. Reappointments - each for a maximum of five years - are permitted. According to § 6 (2) of the Articles of Association, the Supervisory Board determines the number of Executive Board members. According to § 84 (2) AktG and § 6 (2) of the Articles of Association, the Supervisory Board may appoint a member of the Executive Board as Chairperson. According to § 85 (1) AktG, a member of the Executive Board shall be appointed by the court in urgent cases at the request of an interested party if the Executive Board is short of a required member. If there is good cause, the Supervisory Board may, according to § 84 (3) AktG, revoke the appointment as member of the Executive Board and the appointment as Chairperson of the Executive Board.

The amendment to the Articles of Association must be made in accordance with §§ 179, 133 AktG as well as § 16 of the Articles of Association and requires - in accordance with the statutory provisions - a resolution of the AGM, which must be passed by a simple majority of votes as well as a three-quarters majority of the share capital represented during the vote on the resolution. The amendment to the Articles of Association becomes effective upon entry in the commercial register according to § 181 (3) AktG. According to § 16 of the Articles of Association, the Supervisory Board is authorised to adopt amendments and additions to the Articles of Association that only affect the latter's wording.

7. By resolution of the AGM of 27th May 2021, the Executive Board was authorised to increase the share capital of the Company on one or more occasions with the approval of the Supervisory Board until 26th May 2026 by a total of up to €5,315,748.00 by issuing new non-par value shares against cash and/or non-cash contributions. The Executive Board may exercise this authorisation for any purpose permitted by law.

Furthermore, by resolution of the AGM of 29th May 2019, the Executive Board was authorised to acquire shares in IVU Traffic Technologies AG until 28th May 2024 for any purpose permitted under § 71 (1) No. 8 AktG within the scope of statutory restrictions and in accordance with the following specifications. The authorisation is limited to the acquisition of shares with a proportionate amount of the share capital attributable to these shares of €1,771,916.00, which is 10% of the total share capital amounting to €17,719,160.00. The authorisation may be exercised in whole or in partial amounts, on one or more occasions, in pursuit of one or more purposes within the scope of statutory restrictions by IVU Traffic Technologies AG, but also by its dependent companies or majority-owned companies assigned by the Company to exercise the authorisation, or by third parties acting on its or their behalf. The shares acquired, together with other own shares held by the Company or

attributable to it according to §§ 71d f. AktG may at no point in time exceed 10% of the share capital.

8. There are no material agreements of the Company that are subject to a change of control in the event of a takeover bid.
9. No material compensation agreements have been made with the members of the Executive Board or employees in the event of a takeover bid.

Berlin, 29th March 2023

A handwritten signature in blue ink, appearing to read 'Martin Müller-Elschner'.

For the Executive Board

Martin Müller-Elschner (Chairperson of the Executive Board)