



init

innovation in traffic systems SE

WKN 575980

Invitation

to Virtual Shareholders' Meeting

on Wednesday, 19 May 2021 10:00 am



Overview including information according to Section 125 of the German Stock Corporation Act (AktG) in conjunction with table 3 of the Implementing Regulation (EU) 2018/1212

A. Content of the notification

1. initSE_oHV_20210519 - Virtual Shareholders' Meeting of init SE 2021
2. Convening the Shareholders' Meeting

B. Details of issuer

1. ISIN: DE0005759807
2. Name of issuer: init innovation in traffic systems SE

C. Details of the Shareholders' Meeting

1. Date of the Shareholders' Meeting: 19 May 2021
2. Start: 10:00 (CEST) 8:00 (UTC)
3. Form of the Shareholders' Meeting: virtual Shareholders' Meeting without the shareholders or their proxies being physically present
4. Venue of the Shareholders' Meeting:
<https://www.initse.com/ende/investors/shareholders-meeting/>
Pursuant to AktG: Registered office of the company, Kaeppelestr. 4-10,
76131 Karlsruhe, Germany
5. Technical record date: 28 April 2021, 0:00 (CEST)
Technically relevant record date is the end of 27 April 2021
6. Website for the Shareholders' Meeting:
<https://www.initse.com/ende/investors/shareholders-meeting/>

Overview of the agenda

Agenda item 1: Presentation of the adopted annual financial statements as of 31 December 2020, the approved consolidated financial statements and the combined management report as well as the report of the Supervisory Board and the report of the Managing Board including explanations on the disclosures pursuant to Sections 289 (4) and 315 (4) of the German Commercial Code (HGB) for the financial year 2020

Agenda item 2: Resolution on the appropriation of retained earnings 2020

Agenda item 3: Resolution on the exoneration of the members of the Managing Board for the financial year 2020

Agenda item 4: Resolution on the exoneration of the members of the Supervisory Board for the financial year 2020

Agenda item 5: Resolution on the appointment of the auditor and group auditor for the financial year 2021

Agenda item 6: Resolution on amendment to the articles of incorporation

Agenda item 7: Resolution on the cancellation of the existing authorisation to issue convertible bonds and/or bonds with warrants, new authorisation to issue convertible bonds and/or bonds with warrants and amendment of the articles of incorporation

Agenda item 8: Resolution on the approval of the system for the remuneration of the Managing Board members

Agenda item 9: Resolution on the confirmation of the remuneration and the system for the remuneration of the Supervisory Board members

init innovation in traffic systems SE

with its registered office in Karlsruhe

ISIN DE0005759807

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Dear shareholders,

We herewith invite you to attend the Shareholders' Meeting of init SE on Wednesday, 19 May 2021, 10:00 (CEST), which will take place as virtual Shareholders' Meeting without shareholders or their proxies being physically present.

However, shareholders can follow the entire Shareholders' Meeting that will be broadcast in audio and video in our Shareholders' Meeting portal in the Investor Relations/Shareholders' Meeting section on the website at www.initse.com. Shareholders who have duly registered will receive a voting card including further information on the exercise of rights instead of a conventional admission ticket. The voting card includes the access code shareholders can use to access the company's web-based online portal (Shareholders' Meeting portal) via the website.

Agenda

Agenda item 1: Presentation of the adopted annual financial statements as of 31 December 2020, the approved consolidated financial statements and the combined management report as well as the report of the Supervisory Board and the explanatory report of the Managing Board on disclosures pursuant to Sections 289 (4) and 315 (4) HGB for the financial year 2020

The aforementioned documents can also be downloaded from the Investor Relations/Shareholders' Meeting section of the website www.initse.com.

According to the legal requirements, no resolution has to be passed on this agenda item since the annual financial statements and consolidated financial statements prepared by the Managing Board were approved and hence adopted by the Supervisory Board.

Agenda item 2: Resolution on the appropriation of retained earnings 2020

The Managing Board and the Supervisory Board propose to appropriate the retained earnings of init SE for financial year 2020 amounting to EUR 23,644,582.08 as follows:

Distribution of a dividend of EUR 0.55	
per dividend-bearing no-par value share	EUR 5,464,779.65
Transfer to retained earnings	EUR ---
Profit carryforward	EUR 18,179,802.43
<hr/>	
Retained earnings	EUR 23,644,582.08

Pursuant to Section 58 (4) Sentence 2 AktG, shareholders are entitled to the dividend on the third business day after the resolution of the Shareholders' Meeting, i.e. Monday, 24 May 2021.

The amounts mentioned in the above proposal on the appropriation of profits relate to the capital stock with dividend entitlement on the date of convening the Shareholders' Meeting amounting to EUR 9,935,963, taking treasury shares into account. In the run-up to the Shareholders' Meeting on 19 May 2021, the number of shares with dividend entitlement may decrease or increase due to the purchase or sale of treasury shares that are not entitled to dividends pursuant to Section 71b AktG. Should the number of no-par value shares with dividend entitlement for the past financial year 2020 change in the run-up to the Shareholders' Meeting, an adjusted proposal will be put forward for resolution in the Shareholders' Meeting, which provides for an unchanged dividend of EUR 0.55 per no-par value share with dividend entitlement as well as adjusted amounts for dividend distribution and profit carryforward.

Agenda item 3: Resolution on the exoneration of the members of the Managing Board for the financial year 2020

The Managing Board and the Supervisory Board propose to exonerate the members of the Managing Board for financial year 2020.

Agenda item 4: Resolution on the exoneration of the members of the Supervisory Board for the financial year 2020

The Managing Board and the Supervisory Board propose to exonerate the members of the Supervisory Board for the financial year 2020.

Agenda item 5: Resolution on the appointment of the auditor and group auditor for the financial year 2021

The Supervisory Board proposes to elect Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditor and group auditor for the financial year 2021 as well as for the review of the interim financial statements 2021 if they are subject to review.

Agenda item 6: Resolution on amendment to the articles of incorporation

Article 15 (4) Convening the Shareholders' Meeting

Article 15 (4) Subparagraph 2 Sentence 2 is to be adapted to the terms of AktG, which has been amended in the meantime.

The Managing Board and Supervisory Board propose that the following resolution be adopted:

Article 15 (4) Subparagraph 2 Sentence 2 of the articles of incorporation reads as follows:

“A certificate in text form in German or English issued by the last intermediary is sufficient proof.”

Agenda item 7: Resolution on the cancellation of the existing authorisation to issue convertible bonds and/or bonds with warrants, new authorisation to issue convertible bonds and/or bonds with warrants and change to the articles of incorporation

The authorisation of the Managing Board to issue convertible bonds and/or bonds with warrants resolved by the Shareholder's Meeting on 21 July 2016 in agenda item 8 ends on 20 July 2021. In order to ensure that the Managing Board is able to use attractive

and flexible financing opportunities for another five years, the existing authorisation is to be revoked and the 2016 conditional capital that has not been utilised so far adjusted accordingly (Article 4 (4) of the articles of incorporation).

The Managing Board and the Supervisory Board propose to adopt the following resolution:

a) The authorisation of the Managing Board to issue convertible bonds and/or bonds with warrants resolved by the Shareholder's Meeting on 21 July 2016 in agenda item 8 ends on 20 July 2021. This authorisation is to be revoked with effect from the new authorisation to be resolved upon subsequently.

b) Authorisation to issue bonds with warrants or convertible bonds

aa) Term of the authorisation, nominal value, number of shares, term, interest

The Managing Board is authorised for a period ending on 18 May 2026 to issue, as specified in more detail in the terms and conditions of the bonds with warrants or convertible bonds, on one or more occasions, interest-bearing bearer or registered bonds with warrants or convertible bonds with or without a limited term with a total nominal value of up to EUR 100,000,000 and to grant the holders of the bonds with equal rights (partial debentures) option or conversion rights for up to 5,000,000 no-par value bearer shares with voting rights of the company (no-par shares). The minimum term of the bonds with warrants or convertible bonds is four years. Only after the expiration of this minimum term can creditors of the bonds with warrants and convertible bonds request the conversion of the bonds with warrants and convertible bonds into shares. The term of the option and conversion rights must not exceed the term of the bonds with warrants and convertible bonds. The bonds with warrants or convertible bonds may also carry a variable interest rate which, as in the case of a participating bond, may be fully or partially dependent on the amount of the company's dividend.

bb) Currency, issuance by companies in which init holds a majority interest

In addition to being issued in euro, the bonds with warrants or convertible bonds may also be issued in the legal currency of any OECD country – provided that the amount does not exceed the maximum equivalent in euro. They may also be issued by companies in which the company directly or indirectly holds a majority

interest (companies in which the company has a direct or indirect majority of the votes and capital); in this case, the Managing Board is authorised to guarantee the bonds with warrants or convertible bonds and to grant or guarantee the holders of such bonds with warrants or convertible bonds option and conversion rights for shares in the company.

cc) Option and conversion right

Where bonds with warrants are issued, one or more warrants will be attached to each bond which entitles the holder to subscribe to no-par value bearer shares in the company as specified in more detail in the terms and conditions of the options. The terms and conditions of the options may provide that the option price may also be satisfied in whole or in part by transferring bonds. In this case, the exercise ratio is calculated by dividing the nominal value of a bond by the option price for one share in the company. Fractional shares resulting therefrom are settled in cash; further, these fractions may be added up in accordance with the terms and conditions of the bonds with warrants or convertible bonds, if necessary against an additional contribution, to enable the subscription of whole shares. The share in the capital stock converted into a nominal value attributable to the shares to be acquired relating to each bond must not exceed the nominal value of the individual bond.

If convertible bonds are issued, the holders are granted the right to exchange their bonds in accordance with the terms and conditions of the convertible bonds for no-par value shares in the company. The exchange ratio is calculated by dividing the nominal value of a bond by the conversion price for one share in the company. Fractional shares resulting therefrom are settled in cash; moreover, an additional cash contribution may be specified, and the Company may require that fractional shares that cannot be converted be combined or settled in cash. The terms and conditions of the bonds may also provide for a variable exchange ratio and the determination of the conversion price (subject to the minimum price specified in section ff)) within a predetermined range, depending on the performance of the company's share during the term of the convertible bonds. The share in the capital stock converted into a nominal value attributable to the shares to be issued upon conversion must not exceed the nominal value of the

convertible bond.

dd) Option or conversion obligation; substitution right

The terms and conditions of the bonds with warrants or convertible bonds may also provide for an option or conversion obligation at the end of the term or at another point in time (both also referred to as “final maturity”) (option or conversion obligation) or provide a right to the company to grant the creditors of the bonds with warrants or convertible bonds shares in the company in full or partial substitution of the monetary amount due on final maturity (substitution right). Also in these cases, the share in the capital stock converted into a nominal value attributable to the shares to be issued upon conversion must not exceed the nominal value of the warrant bond or convertible bond.

ee) Grant of new shares; cash payment

In the event of conversion or exercise of option rights or upon fulfilment of the option or conversion obligations, the company grants new shares from conditional capital. The terms and conditions of the bonds with warrants or convertible bonds may also provide for a right to the company not to grant shares in the company in the event of the exercise of the conversion or option rights or the fulfilment of the option or conversion obligations, but to settle the equivalent value in cash, as specified in more detail in the terms and conditions of the bonds, the equivalent being the average of the closing auction prices of the company's share in the XETRA trading system of the Frankfurt Stock Exchange (or any successor system replacing the XETRA system) on the one to ten trading days prior to or after the declaration of the exercise of the option or conversion or, in the case of option or conversion obligations, prior to or after the day of final maturity.

ff) Option/conversion price, adjustment of the option or conversion price to preserve value

The option or conversion price to be determined per share based on the proportion of the nominal value of a bond to the number of shares to be acquired is specified in euro and must

(1) amount to at least 80% of the average closing price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the last ten trading days prior to the day on which the resolution on issuing the bonds with warrants or convertible bonds is passed by the Managing Board

or

(2) if a subscription right is granted, amount to at least 80% of the average closing price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the period from the commencement of the subscription period up to and including the day preceding the day on which the final determination of the terms and conditions is announced according to Section 186 (2) AktG.

The terms and conditions of the options may provide that the option price (subject to the minimum price specified above) may be adjusted within a predetermined range, depending on the performance of the company's share during the term of the bonds with warrants.

In deviation from the above, in the case of a conversion or option obligation (section dd)), the conversion or option price may correspond to the average closing price of the company's shares in the XETRA trading system of the Frankfurt Stock Exchange (or a comparable successor system) during the ten trading days prior to or after the day of final maturity, even if this average price is lower than the above-mentioned minimum conversion or option price of 80%.

Section 9 (1) AktG remains unaffected.

The option or conversion price may, without prejudice to the lowest issue amount pursuant to Section 9 (1) AktG, be adjusted to preserve value during the option or conversion period if any dilution occurs in respect of the economic value of the existing option or conversion rights or obligations, unless the adjustment is already mandatory by law.

As set out in more detail in the terms and conditions of the bonds with warrants or convertible bonds, in all these cases, payment of a corresponding amount in cash by the company upon exercise of the option or conversion right or upon

fulfilment of the option or conversion obligation instead of an adjustment of the option or conversion price may be provided or the holders of bonds with warrants or convertible bonds may be granted subscription rights as compensation.

gg) Subscription right, exclusion of subscription rights

In general, the bonds with warrants or convertible bonds must be offered to the company's shareholders for subscription. The statutory subscription right may also be granted in such a manner that the bonds with warrants or convertible bonds will be subscribed by one or more credit institutions or similar entities pursuant to Section 186 (5) Sentence 1 AktG, subject to the requirement to offer them to the shareholders for subscription. The company must ensure the shareholders' subscription right if the bonds with warrants or convertible bonds are issued by a company in which it directly or indirectly holds a majority interest.

However, with the consent of the Supervisory Board, the Managing Board is authorised to exclude the shareholders' statutory subscription right for bonds with warrants or convertible bonds in the following cases:

- (1) for fractional amounts arising from the subscription ratio;
- (2) to the extent required in order to grant holders of previously issued bonds with warrants or convertible bonds with option or conversion rights or obligations a right to subscribe company shares in the same volume that they would be entitled to after exercising their conversion or option rights or fulfilling their option or conversion obligations;
- (3) if the bonds with warrants or convertible bonds are designed in such a way that their issue price is not significantly lower than their theoretical market value, calculated on the basis of generally accepted financial modelling methods. However, this authorisation to exclude subscription rights only applies for bonds with option or conversion rights or obligations for shares with a pro rata share of up to 10 per cent of the capital stock of the company. The calculation of the 10 per cent threshold is based on the amount of the capital stock existing on the date the resolution on this authorisation is passed by the Shareholders' Meeting or - if this amount is lower - the amount of capital stock existing on the date on which the authorisation is exercised. The

authorised volume is to be reduced by the pro rata amount of capital stock represented by shares or to which option or conversion rights or obligations under bonds with warrants or convertible bonds relate which have been issued or sold since this authorisation took effect in direct, analogous or *mutatis mutandis* application of Section 186 (3) Sentence 4 AktG.

hh) Authorisation to determine further details

The Managing Board is authorised, as described above, to determine further details of the issue and design of the bonds with warrants and convertible bonds, in particular interest rate, type of interest, issue price, potential variability of the option price or exchange ratio, term and denomination as well as the option or conversion period, or to determine such details in consultation with the corporate bodies of the companies in which the company directly or indirectly holds a majority interest, which are issuing the bonds with warrants or convertible bonds.

c) Amendment to the articles of incorporation

Article 4 (4) of the articles of incorporation is amended as follows:

“The company’s capital stock has been increased by up to EUR 5,000,000 by issuing up to 5,000,000 new bearer shares (2021 conditional capital). The conditional capital increase is made solely for the purpose of granting shares, on the exercise of option or conversion rights or on the performance of option or conversion obligations, to holders of bonds with warrants attached and convertible bonds issued as authorised by the Annual General Meeting of 19 May 2021. The new shares will be issued at the option or conversion price (issuing price of the share) set pursuant to the authorisation of 19 May 2021 (2021 authorisation). The conditional capital increase will only be carried out provided the holders of warrants from bonds with warrants or convertible bonds issued or guaranteed by 18 May 2026 by the company or companies in which it directly or indirectly holds a majority interest pursuant to the authorisation of 19 May 2021 exercise their option or conversion rights or meet their corresponding option or conversion obligations or the company exercises its substitution right. The new shares participate in the profit from the beginning of the financial year in which they are created through the exercise of option or conversion rights or the satisfaction of option or conversion obligations; if

legally permissible, and notwithstanding this and Section 60 (2) of the German Stock Corporation Act (AktG), the Managing Board may, with the consent of the Supervisory Board, determine the profit share of new shares, even for a financial year that has already ended.

The Managing Board is authorised to determine further details of the implementation of the conditional capital increase with the consent of the Supervisory Board.

The Supervisory Board is authorised to amend the wording of the articles of incorporation after the complete or partial utilisation of the 2021 conditional capital or after the expiry of the authorised period.”

Agenda item 8: Resolution on the approval of the system for the remuneration of the Managing Board members

According to Section 120a AktG, the Shareholders' Meeting of a listed company shall pass a resolution on any significant amendment (but at least every four years) on the approval of the remuneration system for the Managing Board members passed by the Supervisory Board in accordance with Section 87a AktG.

The Supervisory Board proposes to approve the system for the remuneration of the Managing Board members presented in the report on agenda item 8.

Agenda item 9: Resolution on the confirmation of the remuneration and the system for the remuneration of the Supervisory Board members

According to Section 113 (3) Sentence 1 and 2 AktG, the Shareholders' Meeting of a listed company has to take a resolution at least every four years on the remuneration of the Supervisory Board members; a resolution confirming the remuneration is permitted. The remuneration of the Supervisory Board members of init SE was approved with the required majority by a resolution of the Shareholders' Meeting on 15 May 2019.

According to this, the Supervisory Board members receive a basic remuneration, the amount of which depends on the tasks the members assume on the Supervisory Board. Moreover, a variable component for all Supervisory Board members was approved, which depends in equal parts of 50 per cent on the achievement of earnings before

interest and taxes (EBIT) and of 50 per cent on the share price, based on reference values.

The Managing Board and the Supervisory Board propose to confirm the resolution on the remuneration of the Supervisory Board members passed in the Shareholders' Meeting on 15 May 2019 in agenda item 9.

The resolution of 15 May 2019 reads:

“The annual remuneration of members of the Supervisory Board comprises a fixed and a variable component. The fixed component totals EUR 25k for the members and twice as much for the Chairperson of the Supervisory Board. The variable component depends in equal parts of 50 per cent on the share price and of 50 per cent on EBIT, whereby a share price of EUR 8.00 and EBIT of EUR 8m are used as reference values. The variable component is only granted if EBIT reaches a minimum of EUR 8m.

On this basis, the variable component of the remuneration of the Supervisory Board is calculated according to the following formula:

$$V = \left[\left(0.5 \times \frac{\text{Share price}}{\text{EUR 8.00}} + 0.5 \times \frac{\text{Earnings before interest and taxes (EBIT)}}{\text{EUR 8 m}} \right) - 1 \right] \times \text{fixed component.}$$

In this formula, the share price is the average price of the respective financial year based on the daily closing rates or, if no closing rates are determined, the most recently recorded prices of the day of the share traded on XETRA (or equivalent successor system) at the Frankfurt Stock Exchange while EBIT is the respective earnings before interest and taxes. Moreover, the variable component of the remuneration is limited to 200 per cent of the fixed component of the remuneration. Where V is less than zero, the variable component does not apply and only the fixed component of the remuneration is payable.”

Report on agenda item 7 pursuant to Section 221 (4) Sentence 2 in conjunction with Section 186 (4) Sentence 2 AktG

The proposed authorisation to issue bonds with warrants or convertible bonds in a total nominal value of up to EUR 100,000,000 and to create the conditional capital of up to EUR 5,000,000 is intended to secure and extend the company's opportunities to finance its activities described below and to provide the Managing Board, with the consent of the Supervisory Board, with flexible and timely financing possibilities in the best interest of the company, in particular when the conditions in the capital markets are favourable.

There are two possible ways to arrange this: Firstly, the Managing Board is authorised, with the consent of the Supervisory Board, for a period ending on 18 May 2026 to issue on one or more occasions bonds with warrants or convertible bonds and to attach option or conversion rights to the relevant bonds, which entitle or oblige the purchaser, as specified in more detail in the terms and conditions of the bonds, to subscribe shares in the company up to a total of 5,000,000 shares. This authorisation does not affect the shareholders' legal subscription right. In order to facilitate the processing, use will be made of the possibility to issue the bonds with warrants or convertible bonds to one or more credit institutions or similar entities pursuant to Section 186 (5) Sentence 1 AktG with the obligation to offer them to the shareholders for subscription in proportion to their shareholding (indirect subscription right within the meaning of Section 186 (5) AktG).

Secondly, the Managing Board is authorised to exclude the shareholders' legal subscription right in respect of the bonds, however, only within certain limits:

Exclusion of subscription rights for fractional amounts as well as in favour of holders of already issued or still to be issued conversion or option rights

Firstly, it should be possible to exclude the subscription right to the extent necessary to be able to eliminate fractional amounts arising from the determination of the subscription ratio or to grant subscription rights to holders of already issued bonds with warrants or convertible bonds. Fractional amounts arise from the amount of the respective issue volume and the presentation of a practicable subscription ratio. In these cases, the exclusion of the subscription right facilitates the processing of the capital measure, in particular the subscription right of the shareholders.

The exclusion of subscription rights in favour of holders of already issued bonds with warrants or convertible bonds should be possible in consideration of the dilution

protection to which they are entitled under the terms and conditions of the bonds in the event of an issue of bonds with warrants or convertible bonds by the company. The exclusion of the subscription right upon exercise of this authorisation is an alternative to the otherwise necessary adjustment of the option or conversion price. In this way, a higher overall cash inflow is made possible.

Exclusion of subscription rights according to Section 186 (3) Sentence 4 AktG

The Managing Board is also to be authorised, with the consent of the Supervisory Board, to exclude the subscription right pursuant to Sections 221 (4) Sentence 2 and 186 (3) Sentence 4 AktG if the issue price of the bonds with warrants or convertible bonds falls below the market value of the financial instruments, determined particularly based on financial modelling methods. However, the scope of this authorisation to exclude subscription rights is limited to the issuance of bonds with warrants or convertible bonds which grant conversion or option rights or obligations for shares in the company with a pro rata amount of capital stock of no more than 10 per cent on the date on which this authorisation takes effect or - if this value is lower - on the date the present authorisation is exercised. The issuance or sale of shares in the company or the issuance of bonds with warrants or convertible bonds with the right to subscribe for such shares under exclusion of shareholders' subscription rights pursuant to or in accordance with Section 186 (3) Sentence 4 AktG on the basis other authorisations count towards this maximum limit. With this limited volume, the shareholders can maintain their share in the capital stock of the company by acquiring the necessary number of shares via the stock exchange at virtually the same conditions.

This authorisation enables the Managing Board, with the consent of the Supervisory Board, to access the capital markets rapidly at short notice and, by determining terms and conditions in line with the market, to achieve ideal conditions for setting the interest rate and in particular the issue price of the bonds with warrants or convertible bonds, and thereby strengthen the capital base. The placement excluding the shareholders' subscription right provides the possibility to generate a considerably higher cash inflow than in the case of an issue with subscription rights. This is mainly due to the fact that by excluding the subscription right, the company obtains the flexibility required to take advantage of favourable situations on the stock exchange at short notice. Section 186 (2) AktG does allow publication of the subscription price when a subscription right is granted (i.e., of the terms and conditions of the bonds in case of bonds with warrants or

convertible bonds) up to the third-to-last day of the subscription period. However, in view of the volatility on the stock markets, there is also a market risk, especially a price change risk, over a period of several days, which leads to safety margins when determining the terms and conditions of the bonds and thus to conditions that are not in line with the market. Even if a subscription right exists, the successful placement is at risk or at least burdened with additional expenses due to the uncertainty as to whether the right will be exercised (subscription behaviour). Finally, if a subscription right is granted, the company cannot react rapidly to favourable or unfavourable market conditions because of the length of the subscription period, but is exposed to declining share prices during the subscription period, which could lead to less favourable opportunities for the company to procure capital.

The requirement to protect shareholders is taken into account by setting the issue price at a level not significantly below the market value. This prevents a significant economic dilution of the value of the shares. Whether or not such a dilution effect will occur can be determined by calculating the hypothetical quoted price of the bonds with warrants or convertible bonds on the basis of generally accepted financial modelling methods in particular and comparing it to the issue price. If, after due examination by the Managing Board, this issue price is only insignificantly lower than the hypothetical quoted price at the date of issue of the bonds with warrants or conversion bonds the exclusion of the subscription right is permissible in accordance with and for the purpose of the provision in Section 186 (3) Sentence 4 AktG. This ensures that shareholders are protected from an unreasonable dilution of their shareholdings. By setting the issue price at a level not significantly below the imputed market value in accordance with the authorisation, the value of a subscription right practically drops to zero. Consequently, the shareholders do not suffer any material economic disadvantage from the exclusion of the subscription right. If the Managing Board considers it appropriate to obtain expert advice in the respective situation, it may call upon third parties for support. For example, a syndicate bank accompanying the issue can provide suitable assurances that no significant dilution of the value of the shares is expected. Irrespective of this due examination by the Managing Board, the implementation of the bookbuilding method also ensures that the terms and conditions are set in line with the market, thus avoiding a significant dilution of the value. Under this method the bonds with warrants or convertible bonds are not offered at a fixed issue price; in particular the issue price and the interest rate

as well as some other terms and conditions of the bonds with warrants or convertible bonds are only set on the basis of the purchase request submitted by the investors. In this way, the total value of the bond is determined in line with the market. All of this ensures that no significant dilution of the value of the company's shares occurs as a consequence of the exclusion of subscription rights.

There are currently no specific plans to exercise the authorisation to issue bonds with warrants/convertible bonds. The Managing Board will in any case carefully examine whether the exercise of the authorisation is in the interest of the company and its shareholders. The Managing Board will report to the Shareholders' Meeting on any exercise of the authorisation.

Report on agenda item 8: Resolution on the approval of the system for the remuneration of the Managing Board members

General information

The Supervisory Board developed the remuneration system for the Managing Board members with the objective of aligning it to the strategy and the goals of the company within the regulatory environment. It is intended to link the remuneration of the Managing Board closely to the success of our company.

The current system does not yet fully comply with the requirements of the AktG in every respect, but will be adapted accordingly in the new contracts. The transition will take place in 2022.

The remuneration system is to take account of the demanding task of leading a global company in a highly innovative and dynamic industry, which the members of our Managing Board have assumed. At the same time, it is meant to allow an internationally competitive remuneration to support init in the global competition for highly qualified executives as well as to meet the specific challenges in the hardware and software industry.

We continue to see growth potential for init and want to provide the Managing Board with sustainable and forward-looking incentives for dedicated and successful work, which allow for an appropriate participation in the successful exploitation of this growth potential. In this way, it can be ensured that the interests of the shareholders are aligned with those of the Managing Board.

Regarding the design of the remuneration system and the decisions on the structure and the amount of the remuneration of the individual members of the Managing Board, the Supervisory Board particularly considers the following principles:

- The remuneration of the Managing Board members as a whole contributes significantly to promoting the business strategy.
- The amount and the structure of the remuneration of the Managing Board members are in line with the market and take account of the size, the complexity and the economic situation of the company.
- The remuneration of the Managing Board members takes into account the remuneration structure that generally applies within the company. For this purpose, the remuneration of the Managing Board is compared to the remuneration of init executives and init employees and proportionality within init is ensured.

Methods for determination and review

The Supervisory Board is responsible by law for determining, implementing and reviewing the remuneration and the remuneration system for the Managing Board members.

The Supervisory Board addressed the remuneration system at the Supervisory Board meeting on 23 March 2021. The review of the remuneration system resulted in the decision to introduce a maximum remuneration.

The Supervisory Board decided against considering non-financial performance criteria with regard to the variable component as sustainability criteria are already prescribed by init's product portfolio and the purpose of the company.

Using the previous remuneration system as a basis, the present remuneration system was developed for new contracts and renewals of contracts.

Then, at its meeting on 23 March 2021, the Supervisory Board decided on this system for the remuneration of the Managing Board members, subject to approval of the Shareholders' Meeting.

In the course of determining this remuneration system, the remuneration of init's executives was taken into consideration to ensure the above-mentioned proportionality within init.

With respect to the remuneration system, a distinction is made between two groups of Managing Board members:

- Managing Board group 1: Managing Board in general (V1)
- Managing Board group 2: Chairperson of the Managing Board and his/her deputy (V2)

Individual remuneration components (see below) are structured in different ways and different ranges are set for each Managing Board group. The specific remuneration agreements must be within the specified ranges.

On this basis, the Supervisory Board will decide on the specific total compensation in the case of future new appointments and reappointments of Managing Board members, taking

the requirements of the AktG and this remuneration system into account. Within this framework, the Supervisory Board determines the further details which are laid down in the specific agreements with the Managing Board members.

The remuneration of the Managing Board members and the remuneration system are subject to annual review by the Supervisory Board in its meeting. In particular, the appropriateness of the total remuneration of the individual Managing Board members is reviewed and benchmarked. If necessary, the Supervisory Board will change the remuneration system and the amended system will be presented to the Shareholders' Meeting for approval.

If the Shareholders' Meeting on 19 May 2021 does not approve the remuneration system, a revised remuneration system will be presented in the following Annual General Meeting. Since the Supervisory Board is by law responsible for determining, reviewing and implementing the system for the remuneration of the Managing Board members, conflicts of interest can largely be avoided from the outset.

Components of the remuneration of the Managing Board

The remuneration of the Managing Board members comprises non-performance-based and performance-based components. These are presented in the following table:

Basic structure of the remuneration

Non-performance-based remuneration	
Fixed remuneration	
Fringe benefits	
Pension scheme	
Performance-based remuneration	
STI	Short Term Incentive - cash management bonus
LTI	Long Term Incentive - subscription of shares

1. Non-performance-based remuneration

a. Fixed remuneration

The fixed remuneration is paid in twelve equal instalments in euro. A special payment (e.g. Christmas bonus) may be agreed which would also be deemed part of the fixed remuneration. The Supervisory Board reviews the fixed remuneration annually and determines pay rises effective as of April each year. The pay rises follow the general average development of salaries within the init group.

b. Fringe benefits

The fixed remuneration is supplemented by contractually agreed fringe benefits. These mainly relate to the usual additional benefits of init SE, which also apply to employees and executives, such as childcare subsidies, insurance and non-cash benefits such as private use of the company car. In case of the present Chairperson of the Managing Board, his vehicle taxes are borne by the company.

If members of the Managing Board have their habitual abode outside Germany, suitable arrangements appropriate to the situation can be made, such as assumption of tax advisory costs, relocation costs, etc.

c. Pension scheme

The members of the Managing Board participate in the employee benefit plans of the init core companies and in the employer-financed pension scheme there. Where models exist from prior periods of employment, they are continued. New members of the Managing Board are admitted according to the models in place at the company at the time. They are classified in the same way as managing directors and authorized signatories.

Furthermore, there is additional financial protection due to the function as member of the Managing Board. Essentially, this is a defined contribution payment into a superannuation scheme on an annual basis. The amounts of the contributions are contractually agreed every year and may differ. At the same time, occupational disability is covered in the form of a defined benefit.

Only if a pension scheme has existed and been maintained for years in the form of a direct commitment, will this be continued accordingly and replaces what has been described above.

Furthermore, there is a supplementary accident insurance.

If other insurance is offered to all employees of the company, they also apply for members of the Managing Board.

2. Performance-based remuneration

a. Short Term Incentive (STI)

The STI is a short-term, annually determined performance-based remuneration component which is granted annually in case of success. The STI provides uniform incentives for members of the Managing Board to achieve important targets from managing the init group which are reflected in the consolidated EBIT of init SE. Accordingly, the amounts payable under the STI are determined on the basis of financial performance criteria.

A minimum EBIT (after deduction of costs for the bonuses of all employees of the group) must be achieved. After that, the management bonus is determined according to a percentage of EBIT.

The cash management bonus must not exceed 25 per cent of the fixed remuneration under a) i.

Payment is always made after the consolidated financial statements have been approved by the Supervisory Board in the current calendar year. Achieving this performance target requires a continuous performance contribution by the participants to the company's earnings.

b. Long Term Incentive (LTI)

The LTI is a long-term, multi-year performance-based remuneration distributed in the form of init shares. In this way, the LTI provides uniform incentives for the members of the Managing Board to achieve important long-term strategic planning targets.

Moreover, the LTI rewards members of the Managing Board for the performance of the share price of init and thus ensures the alignment with the shareholders' interests.

Shares are issued every year. To this end, a minimum EBIT (after deduction of costs for all bonuses of all employees in the group) must be achieved, after which a share distribution is made which is linked to the level of EBIT achieved. The maximum number of shares is limited. Differentiations may be made between the individual members of the Managing Board; in this case, the above-mentioned Managing Board groups V1 and V2 are decisive.

Taxes and duties for the share bonus are borne by the company. In case of extraordinary success, the maximum cap for the value of all shares paid out to members of the Managing Board in one year, including taxation thereon, is nonetheless not higher than 10 per cent of EBIT.

The minimum holding period is five years.

The issue/transfer always takes place after the consolidated financial statements have been approved by the Supervisory Board in the current calendar year.

Issuing these shares is intended to motivate and retain the eligible members of the Managing Board and serves as an incentive to increase the quoted price of the share in the long term, which is also in the interest of the shareholders. Achieving this performance target requires a continuous performance contribution by the participants to the company's earnings. Moreover, during the holding period participants have a significant incentive to further increase the share price of the company through their own performance. The motivational effect of this program is designed to encourage participating members of the Managing Board to invest their energy in our company in the long term and decide and act as entrepreneurs in the interest of the company and all shareholders.

3. Start of contract during the year, end of contract during the year

If a contract starts during the year or a contract ends during the year, the fixed remuneration, the STI and the LTI are paid or granted on a pro-rata basis.

In the event of death, there are transitional arrangements and limited surviving dependants' benefit payments.

Payments into particular superannuation schemes are paid or granted on a pro-rata basis. If an outflow has already taken place for the current year, future payments into the scheme will be stopped.

In the event of illness, the non-performance-based remuneration and the performance-based remuneration continue to be paid for a limited period of time.

4. Structure and amount of the remuneration of the Managing Board

The remuneration system is intended to provide init with the necessary leeway to allow us to continue to offer internationally competitive remuneration in the future.

5. Maximum remuneration

From the Supervisory Board's perspective, all remuneration components are appropriately proportionate to one another. Section 87a AktG prescribes that the proportion of the remuneration components to the maximum remuneration must be documented.

The maximum remuneration is the maximum total amount of remuneration that may be paid to a member of the Managing Board for one financial year. It amounts to EUR 2.6m for members of the Managing Board group V1 and to EUR 5.0m for members of the Managing Board group V2.

The Supervisory Board points out that these amounts are merely an absolute limit which can be achieved in the very best case, given an optimum achievement of targets and an enormous price increase of the init share. This means an extremely high EBIT must be achieved and the share price must be exceptionally high at a level of more than EUR 100.00.

6. Structure of the remuneration of the Managing Board in the case of maximum remuneration

Taking the maximum remuneration based on the very best case performance of the company as a basis for all remuneration components, the proportion between the performance-based remuneration and the non-performance-based remuneration is as follows:

Managing Board group V1:

The non-performance-based remuneration corresponds to approximately 17 per cent and the performance-based remuneration to 83 per cent of the total remuneration, of which the STI accounts for approximately 5 percentage points and the LTI for 78 percentage points (rounded figures).

Managing Board group V2:

The non-performance-based remuneration corresponds to approximately 15 per cent and the performance-based remuneration to 85 per cent of the total remuneration, of which

the STI accounts for approximately 4 percentage points and the LTI for 81 percentage points (rounded figures).

Within the maximum remuneration the ratios shift for STI and LTI if the earnings values change.

7. Determination of the specific remuneration for individual Managing Board members

The amount of the fixed remuneration and the target amounts of the STI and LTI for each Managing Board member may vary within the specified ranges. Differences result from the tasks they assume, the qualification and experience of the Managing Board member, the performance of the Managing Board member and the market conditions.

New Managing Board contracts are concluded for new members and every three years for existing members. In addition, the content is in line with previous contracts and the economic situation of the company. Every three years, the Supervisory Board also reviews the variable component together with the financial performance criteria and redefines the parameters if required.

Vertical comparisons including assessments of the customary level of remuneration with other companies are made.

8. Special contractual clauses

a. Claw back clause

Parts of the shares issued within the scope of the LTI distribution must be returned in the event of a criminal conviction if init SE has suffered a loss as a result.

b. Recognition of intragroup remunerations

The assumption of intragroup activities, particularly the acceptance of offices, is covered by the Managing Board remuneration.

c. Remuneration-related transactions

i. Employment contracts for Managing Board members

The basic arrangements regarding the remuneration of the Managing Board are contractually agreed with the Managing Board members in their employment contracts. The term of the employment contracts for Managing Board members corresponds to the period of their appointment. Generally, the Managing Board

contract is renewed at the end of the appointment period (conclusion of a new contract).

ii. Terms and conditions of the STI/LTI

The terms and conditions included in the employment contract for Managing Board members govern the annual STI and LTI tranches.

iii. Termination and other cancellation

Summary termination is permissible if an appropriate situation exists.

iv. Termination bonuses

Termination bonuses are regulated in the contracts. In the event of early termination, except termination without notice, any claim for a termination bonus is limited to the value of the total compensation (basic salary, management bonus and fringe benefits) for two years or, if less, the remaining term of the employment contract.

Report on agenda item 9: Remuneration system for the Supervisory Board including the information according to Sections 113 (3) Sentence 3 and 87a (1) Sentence 2 AktG

General information

The remuneration of the Supervisory Board members of init SE was approved with the required majority by a resolution of the Shareholders' Meeting 2019. According to this, the Supervisory Board members receive a basic remuneration, the amount of which depends on the tasks the members assume on the Supervisory Board. Moreover, a variable component for all Supervisory Board members was approved, which depends in equal parts of 50 per cent on the achievement of earnings before interest and taxes (EBIT) and of 50 per cent on the share price, based on reference values. The Supervisory Board takes the view that through a variable component and by also pegging the Supervisory Board remuneration to the key performance indicators and the share price performance, a special contribution to supervision and consulting activities for the long-term development of the company can be achieved that reflects the complexity of the business of init SE.

Specific form

In detail, remuneration is composed according to the following criteria:

1. Each member of the Supervisory Board receives annual basic remuneration of EUR 25k. The Chairperson of the Supervisory Board receives annual basic remuneration of EUR 50k. A larger amount of time is not required by the Deputy Chairperson of the init Supervisory Board, therefore, he/she is not granted a higher basic remuneration.
 - a) The variable component depends in equal parts of 50 per cent on the share price and of 50 per cent on EBIT.
 - b) The variable component depending on the share price is determined based on the difference between a reference value to be specified in the respective resolution of the Shareholders' Meeting and the average price of the respective financial year in which the remuneration was granted. The average price is calculated based on the daily closing rates or, if no closing rates are determined, based on the most recently recorded prices of the day, of the share traded on XETRA (or a comparable successor system) at Frankfurt Stock Exchange.

- c) The variable component depending on EBIT is determined based on the difference between a reference value to be specified in the respective resolution of the Shareholders' Meeting and the group's EBIT of the financial year of the grant.
- d) The determined variable components each account for 50 per cent of the calculation amount of the variable remuneration. This amount is multiplied by the basic remuneration amount.
- e) The variable component is only granted if EBIT reaches at least the specified reference value. Where the determined amount is less than zero, the variable component will not be paid either.
- f) The upper limit of the remuneration of the Supervisory Board members results from the respective sum of the basic remuneration and variable component which is capped at 200 per cent of the respective basic remuneration.

The Managing Board and the Supervisory Board are of the opinion that variable remuneration promotes the Supervisory Board members' long-term commitment to the company that reflects the complexity of the business of init SE. The variable component is also focused on a sustainable development of the company as the current basis of calculation is always based on significant decisions of the past.

- 2. Due to the small number of Supervisory Board members, it has so far not been necessary to set up Supervisory Board committees for the purpose of effectively performing Supervisory Board activities. However, if committees such as an audit committee have to be formed, there is currently no provision for separate attendance fees for committee members.
- 3. Supervisory Board members who have not been in office for the entire financial year receive one twelfth of their basic remuneration for each month of membership commenced. The variable component is also calculated on a pro-rata basis.
- 4. The remuneration is payable at the end of a financial year.
- 5. The members of the Supervisory Board are covered by a D&O insurance for members of corporate bodies maintained by the company. The premiums for this insurance are paid by the company. Moreover, the company reimburses all Supervisory Board members for their expenses and any applicable value added tax payable on their remuneration.

Procedure

The remuneration system for the Supervisory Board is resolved by the Shareholders' Meeting, based on a proposal put forward by the Managing Board and the Supervisory Board. On a regular basis, but at least every four years, the Managing Board and the Supervisory Board review if the amount and form of the remuneration are still in line with the market and proportional to the tasks of the Supervisory Board as well as the situation of the company.

Due to the special nature of the remuneration granted for the work on the Supervisory Board, which is fundamentally different from the work of the employees of init SE, a vertical comparison with the remuneration of employees cannot be considered when reviewing and determining the remuneration.

Any conflicts of interest in the review of the remuneration system are counteracted by the statutory system of competences as the final decision-making authority regarding the remuneration of the Supervisory Board lies with the Shareholders' Meeting and this proposed resolution is submitted by both the Managing Board and the Supervisory Board meaning that a system of mutual control is already provided by law.

Shareholders' Meeting without physical presence of the shareholders

With the approval of the Supervisory Board pursuant to Section 1 (1) and (2) of the Act concerning measures under the law of companies, cooperative societies, associations, foundations and commonhold property to combat the effects of the COVID-19 pandemic (COVID-19 Act) of 27 March 2020 and the regulation for extension from 20 October 2020 until 31 December 2021, the Shareholders' Meeting is to be held in the form of a virtual meeting without the need for shareholders or their authorised representatives to be physically present, in which the shareholders cast their votes particularly by means of electronic communication. The Shareholders' Meeting takes place at the company's premises in Karlsruhe, Kaeppelestrasse 4a.

The shareholders or their proxies may not physically attend the Shareholders' Meeting. Therefore, the shareholders or their proxies exercise their voting right exclusively by means of postal vote or by authorising the proxies designated by the company.

Holding the Shareholders' Meeting 2021 as virtual Shareholders' Meeting requires modifications to the processes of the Shareholders' Meeting as well as the shareholders' rights. There will be a video and audio transmission of the entire Shareholders' Meeting in our Shareholders' Meeting portal in the Investor Relations/Shareholders' Meeting section on the website at www.initse.com on Wednesday, 19 May 2021 at 10:00 (CEST). Shareholders who want to attend the virtual Shareholders' Meeting must register in advance. It will be possible for shareholders to exercise their voting right by means of electronic communication (postal vote) and authorisation of proxies, shareholders will be given the opportunity to ask questions by means of electronic communication and shareholders who have exercised their voting right may object to resolutions of the Shareholders' Meeting by means of electronic communication.

This year, we ask our shareholders to pay particular attention to the following notes concerning the registration for the Shareholders' Meeting, the exercise of voting rights and other shareholder rights.

Prerequisites for participation in the Shareholders' Meeting and exercise of the voting right

Registration for the virtual Shareholders' Meeting

According to Section 15 (4) of our articles of incorporation, those shareholders who have registered for the Shareholders' Meeting in advance are entitled to attend and exercise their voting rights. The registration must be in text form (Section 126b of the German Civil Code (BGB)) and submitted in German or English.

Proof of the right to attend the Shareholders' Meeting and to exercise the voting right has to be furnished. A written certificate in German or English issued by a German or foreign intermediary is sufficient proof. Proof must relate to the beginning of the 21st day prior to the Shareholders' Meeting, i.e. 28 April 2021, 00:00 (CEST).

Proof of the right to attend and the registration must be received by the company no later than 7 days prior to the Shareholders' Meeting, i.e. before 12 May 2021, 24:00 (CEST), at the following address:

init innovation in traffic systems SE
c/o Link Market Services
Landshuter Allee 10
80637 Munich
Fax: + 49 (0) 89 21027 289
e-mail: inhaberaktien@linkmarketservices.de

The company has the right to request additional proof in case of any doubt concerning the accuracy or authenticity of the documentation. If this proof is not furnished in due form, the shareholder may be rejected by the company.

Instead of a conventional admission ticket, voting rights cards with further information on the exercise of rights will be sent to duly registered shareholders. The voting rights card includes the access code which shareholders can use to access the Shareholders' Meeting portal. The Shareholders' Meeting portal is expected to be available at www.initse.com in the Investor Relations/Shareholders' Meeting section from 28 April 2021.

The company only considers shareholders entitled to participate in the meeting and to exercise the voting right if they furnished proof of shareholding. The right to participate and the scope of voting rights depend exclusively on the shareholding on the record date. The record date does not involve any lock-up period for the shares. Sales after the record date do not affect the seller's right to participate or to exercise voting rights. The same applies to the purchase of additional shares in the company after the record date. Any person who does not own shares at the record date and becomes a shareholder only after that date is not entitled to participate and cast votes. After receipt of the registration and the proof of shareholdings, the registration office will send a voting rights card for the Shareholders' Meeting to the shareholders instead of admission tickets.

Procedure for casting of votes by postal vote

Shareholders can cast their vote by postal vote. Only those shareholders who are registered in due time according to the conditions specified under "Registration for the virtual Shareholders' Meeting" are entitled to exercise their voting right by means of postal vote. Our Shareholders' Meeting portal is available for you in the Investor Relations/Shareholders' Meeting section at www.initse.com to exercise your voting right by means of postal vote until immediately prior to the start of the votes in the virtual Shareholders' Meeting on 19 May 2021.

Procedure for casting of votes by proxy

Shareholders who do not want to attend the Shareholders' Meeting in person can also exercise their voting right in the Shareholders' Meeting by proxy, e.g. an intermediary, an association of shareholders, other intermediaries or persons covered by Section 135 AktG, a person of their choice or by proxies appointed by the company in accordance with their instructions. Here too, a timely registration and proof of shareholding according to the above provisions is required.

The proxy authorisation must be granted or revoked, and proof of the proxy authorisation must be provided to the Company in text form (Section 126b BGB). Proof of such proxy authorisation can be furnished by sending the proof by post, fax or electronically by e-mail no later than 18 May 2021, 18:00 (CEST) (date of receipt) to the following address:

init innovation in traffic systems SE
c/o Link Market Services
Landshuter Allee 10
80637 Munich
Fax: + 49 (0) 89 21027 289
e-mail: inhaberaktien@linkmarketservices.de

If authorisation is only granted after the expiration of this period, the proxy does not have to be registered but can exercise the shareholder's voting right without being personally registered, provided that the shareholder was registered in due time and passes on the access code for the Shareholders' Meeting portal to the proxy. In this case, the proxy does not have to be granted in writing. The use of the access code by the proxy is also accepted as proof of the proxy authorisation.

A proxy form will be sent to those duly registered for the Shareholders' Meeting.

The aforementioned provisions about the form of proxies do not apply to the form of the granting, revocation thereof and the proof of proxies to intermediaries, associations of shareholders or other intermediaries or persons covered by Section 135 AktG. Special provisions may apply here; in such instances, shareholders are requested to consult with the proxy in good time on the type of proxy to be granted.

Furthermore, shareholders can make use of the possibility to authorise the proxies appointed by the company, Ms. Alexandra Wirthmann and Mr. Christian Naumer, to vote according to the shareholders' instructions. This can particularly be of interest to shareholders if the intermediary refuses to vote by proxy in the Shareholders' Meeting. In order to authorise the proxies designated by the company, shareholders need a voting rights card. Shareholders should order voting rights cards as soon as possible from the intermediary for each securities account. Prior to the Shareholders' Meeting you can use the postal vote form that has been sent to you together with the voting card. If you use the postal vote form, it has to be sent exclusively to the above-mentioned postal address, fax number or e-mail address of the registration office and must be received by the registration office by 18 May 2021, 24:00 (date of receipt). If several statements are received, the statement received last takes precedence.

Moreover, also in this case the Shareholders' Meeting portal in the Investor Relations/Shareholders' Meeting section at www.initse.com is available and can be

used to grant and make changes to the proxy and instructions to the proxies appointed by the company until immediately prior to the start of voting in the virtual Shareholders' Meeting on 19 May 2021.

Please note that the proxies appointed by the company will not accept instructions on motions, neither prior to nor during the virtual Shareholders' Meeting. Likewise, the proxies appointed by the company will not accept orders or instructions to object to resolutions of the Shareholders' Meeting or to ask questions.

It is not obligatory to use the forms provided by the company to grant authorisation or give instructions to the proxies of the company.

Shareholders' rights

Motions for amendments to the agenda according to Article 56 SE regulation, Section 50 (2) SE Implementation Act, Section 122 (2) AktG

Shareholders whose shares amount in aggregate to one twentieth of the capital stock or a proportionate amount of capital stock of EUR 500,000 when the motion is made, may request that items are added to the agenda and announced.

An explanatory statement or proposed resolution must be submitted with each new agenda item. The request has to be addressed in writing to the Managing Board of init SE and must be received by the company by 18 April 2021, 24:00 (CEST) at the latest. Please send such requests to the following address:

Managing Board
init innovation in traffic systems SE
Kaeppelestrasse 4 - 10
76131 Karlsruhe

Amendments to the agenda that are required to be announced are published in the Bundesanzeiger [German Federal Gazette] immediately upon receipt of the motion, unless they have already been announced upon convening the Shareholders' Meeting. In addition, they will be published online at www.initse.com/hauptversammlung and announced to the shareholders. Such motions for requests to amend the agenda are treated as if they had been put forward verbally in the Shareholders' Meeting.

Shareholders' motions and nominations according to Sections 126 (1), 127 AktG

Shareholders' motions against a proposal of management regarding a certain agenda item according to Sec. 126 (1) AktG and nominations for members of the Supervisory Board or auditors according to Section 127 AktG are to be exclusively addressed to:

init innovation in traffic systems SE

Investor Relations

Kaeppelestrasse 4 - 10

76131 Karlsruhe

Fax: +49 (0) 721 6100 130

E-Mail: ir@initse.com

Shareholders' motions regarding agenda items and nominations for members of the Supervisory Board or auditors, including explanatory statements, which have been received by the company at the above-mentioned address no later than 14 days prior to the Shareholders' Meeting, i.e. by 4 May, 2021, 24:00 (CEST), will be published in the Investor Relations/Shareholders' Meeting section at www.initse.com immediately after receipt. Shareholders' nominations for members of the Supervisory Board or auditors do not require an explanatory statement. Motions sent to other addresses will not be considered. Any statements by the management on the motions are also published under the mentioned internet address.

The company may refrain from publishing a countermotion and the relating explanatory statement if one of the reasons according to Section 126 (2) Sentence 1 No. 1 to 7 AktG applies, for instance because the countermotion would lead to a resolution of the Shareholders' Meeting that is against the law or contrary to the articles of incorporation. An explanatory statement attached to a countermotion does not have to be made accessible if it contains more than 5,000 characters. Except for the cases specified in Sec. 126 (2) AktG, the Managing Board does not need to make shareholders' nominations accessible, even if they do not contain the information according to Section 124 (3) AktG (name, professional occupation and place of residence, in the case of audit firms name and registered office).

A countermotion or nomination that has to be made accessible according to Sections 126 and 127 AktG is considered to have been made in the virtual Shareholders' Meeting if the shareholder making the request is duly registered for the Shareholders' Meeting.

During the virtual Shareholders' Meeting, no countermotions can be made and no nominations submitted.

Shareholders' right to ask questions according to Section 131 (1) AktG in conjunction with Section 1 (2) No. 3 Sentence 2 COVID-19 Act

Shareholders have the possibility to ask questions. To do so, shareholders must register in advance (see below "Registration for the virtual Shareholders' Meeting"). Questions asked in foreign languages will not be considered. The Managing Board reserves the right to answer questions in advance on the company's website. The shareholders' questions must be drafted in German and received via the web-based portal in the Investor Relations/Shareholders' Meeting section at www.initse.com no later than one day prior to the meeting, i.e. no later than Monday, 17 May 2021, 24:00 (CEST) (time of receipt). Any other way of submission is excluded. During the virtual Shareholders' Meeting, no questions can be asked. When answering questions, it is planned to generally name the person asking a question unless that person has expressly objected to being named.

Objection to a resolution of the Shareholders' Meeting

Shareholders or their proxies who have exercised the voting right may request their objection to a resolution of the Shareholders' Meeting according to Section 245 No. 1 AktG in conjunction with Section 1 (2) Sentence 1 No. 4 COVID-19 Act to be recorded from the beginning of the virtual Shareholders' Meeting until the end of the Shareholders' Meeting on 19 May 2021 via the Shareholders' Meeting portal in the Investor Relations/Shareholders' Meeting section at www.initse.com.

Information pursuant to Section 124a AktG and further explanations on the company's website

This invitation to the Shareholders' Meeting, the documents that have to be made accessible to the Shareholders' Meeting, including the required information pursuant to Section 124a AktG, shareholders' motions and further explanations regarding shareholders' rights pursuant to Article 56 SE regulation, Section 50 (2) SE

Implementation Act, Section 122 (2) AktG, Section 126 (1), Section 127 and Section 131 (1) AktG are available in the Investor Relations/Shareholders' Meeting section of the website www.initse.com upon convening the Shareholders' Meeting.

After the Shareholders' Meeting, the voting results are published under the same internet address.

Total number of shares and voting rights on the date of convening the Shareholders' Meeting

As of the date the Shareholders' Meeting is convened, the capital stock of the company amounts to EUR 10,040,000.00 and is divided into 10,040,000 no par value shares with an imputed share in the capital stock of EUR 1.00 each. Each no par value share carries one vote in the Shareholders' Meeting. As of the date the Shareholders' Meeting is convened, the company holds treasury shares, so that the total number of voting rights amounts to 9,935,963.

Information on data privacy for shareholders

For information on the processing of personal data in connection with the Shareholders' Meeting we refer to the Investor Relations/Shareholders' Meeting section at www.initse.com.

Karlsruhe, April 2021

init innovation in traffic systems SE

The Managing Board

Q1

25 March

Publication Annual Report 2020
Press and Analyst Conference (virtual)

Q2

11 May

Publication Quarterly Statement 1/2021

19 May

Annual General Meeting 2021 (virtual)

FINANCIAL CALENDAR 2021

Q3

11 August

Publication Half-Year Financial Report 2021

Q4

10 November

Publication Quarterly Statement 3/2021

22/23 November

Equity Forum (one-on-one meetings)