



SUPERVISORY BOARD REPORT

SUPERVISORY BOARD REPORT

Dear shareholders,

Over the past year the global economy felt the impacts of disruption and uncertainty. Even though this affected our business in one way or another, we on the Supervisory Board of init innovation in traffic systems SE, can nevertheless draw very satisfying conclusions from this annual report. The employees and the Managing Board have understood what is needed to ensure that init displays remarkable resilience in a world that is becoming ever more unpredictable.

Despite all the hurdles that global politics is placing in our way, we managed to set new records in terms of revenue and earnings. As a result, init is continuing along the successful trajectory that began with the IPO in July 2001. A good reason to celebrate our 25th anniversary as a listed company at the coming shareholders' meeting in Karlsruhe and at the Frankfurt Stock Exchange in summer.

However, in the summer of 2026 the eyes of the world will be mainly on the World Soccer Cup in Canada, Mexico and the United States. Cutting edge technology from init will be present from the day the event kicks-off. In Atlanta, "Better Breeze", our most advanced ticketing system at present, will ensure the greatest ease of use for paying and travelling on the regional local transport network operated by MARTA, and its partners. Work on the installation has begun and will be completed on schedule. At practically the same time, work commenced on another mega-project: modernisation of the existing fleet management of Transport for London and creation of a real-time passenger information system. Here, too, the roadmap and preparations for the roll-out are running on schedule. The fact that these mega-projects – like every other init project in the reporting period – could be processed on schedule, despite the headwinds facing them, deserves great recognition and our sincere gratitude. However, Atlanta and London are also characteristic for the trend of ever more public transport operators moving towards integrated systems or seeking to transfer their services and operators to an external platform that affords a state-of-the-art technological partnership for the long term. This is just one example for the rapid change in market demand for init solutions.

The increasing complexity of tasks and recent acquisitions have made it advisable to establish a new management structure. To leverage the strengths of individual units in a forward-looking and value-enhancing manner, and to achieve greater impact collectively, the Managing Board of init innovation in traffic systems SE has reorganised the company into three business units, effective from 1 January 2026: INIT Integrated Systems, INIT Cloud Solutions and INIT Passenger Intelligence. This move was preceded by intensive analyses and rounds of talks in the Managing Board. The Supervisory Board supports this strategic realignment for it gives the management of the respective business units closer proximity to the business and allows them to implement innovations and successful strategies more rapidly, thereby adding value.

To ensure that this closer orientation towards reaching operative and strategic objectives is also reflected at board level, we have added a further operative component to the Managing Board's variable compensation package. Operative cash flow has been added as a criterion for the short-term incentive (STI) as this factor supports the growth of the company from a financial perspective. This move was welcomed by the shareholders' meeting.

The Supervisory Board discussed all these topics intensively with the Managing Board. I would now like to move to reporting in detail on how the Supervisory Board fulfils its tasks and advises and supervises the Managing Board.



SUPERVISORY BOARD REPORT

Responsibility of the Supervisory Board

Over the last year, the Supervisory Board of init SE obtained regular, timely and comprehensive reporting from the Managing Board to fulfil its duty to advise the Managing Board and monitor its management of the business. This took the form of verbal and written reports. The briefings and discussions at the Supervisory Board meetings included all the important issues and measures pertaining to the company and its business operations.

The Supervisory Board also actively supports the Managing Board during acquisitions, working in an advisory capacity and addressing organisational matters. The members of the Supervisory Board undertake training at their own initiative and with init's support.

The Supervisory Board conducts a regular self-assessment once annually in accordance with the recommendations of the German Corporate Governance Code (GCGC). In contrast to the prior years, the Supervisory Board commissioned an external assessment of its work for the first time in the 2025 financial year. Forvis Mazars was engaged for this task. Within the course of this process, the Supervisory Board not only addressed the topics, but also the evaluation methods that can be used as a supportive tool in future. Based on the results of the preliminary discussion, the evaluation process was structured into five phases: a kick-off workshop, creation of questionnaires, interviews with the Chairman of the Supervisory Board, Audit Committee and the Chief Financial Officer. The findings of these steps were collated in a report to the Supervisory Board. At the ensuing workshop, the members of the Supervisory Board discussed the findings with Forvis Mazars. The evaluation concentrated on three central categories: composition of the Supervisory Board and succession planning, working methods and processes (e.g. sources of information, digital transformation, involvement of the Supervisory Board in strategy and understanding of the competitive environment) as well as the assignment of roles and responsibilities within the Supervisory Board. Based on the results of the external assessment, the Supervisory Board drew the relevant conclusions for its work in future at a special session held on 20 January 2026. In essence, the Supervisory Board recommends that the Managing Board further reinforces the strategic components of its executive activities.

The Chairperson of the Supervisory Board and the other members of the Supervisory Board were in close contact with the Managing Board throughout the financial year. Furthermore, all relevant transactions were communicated on an ad hoc basis. Between meetings, the Chairperson of the Supervisory Board informed the members of the Supervisory Board in a timely manner, orally and in writing, of any discussions with the Managing Board and its reports. Where the approval of the Supervisory Board was required by law or the articles of incorporation for the measures to be taken, these were always deliberated at the appropriate time and presented for a resolution.



SUPERVISORY BOARD REPORT

Attendance at meetings

Meetings are convened at least once a quarter. There were eleven meetings of the Supervisory Board in the 2025 financial year, of which five were held as ordinary meetings the members of the board in physical attendance, five as extraordinary meetings (of which three as video conferences) and one meeting to constitute the Supervisory Board.

Name	Member since	Full board (11, of which 8 attending in person)	Personnel and nomination committee (4, of which 2 attending in person)	Audit committee (4, of which 4 attending in person)	Attendance % (total)
Andreas Thun (Chair)	2022	10 ¹ /11	-	4/4	93%
Ulrich Sieg	2014	11/11	4/4	4 ² /4	100%
Michaela Dickgießer	2023	10 ¹ /11	4/4	4 ³ /4	94%
Christina Greschner	2019	11/11	4/4	4 ³ /4	100%
Johannes Haupt	2023	11/11	-	4/4	100%

¹ excused from an extraordinary meeting of the Board called at short notice/excused due to illness

² attended as a guest

³ attended two meetings as a guest and two as a member of the Board.

The Supervisory Board also meets regularly without the Managing Board. The Chairperson of the Supervisory Board and the Chair of the personnel and nominations committee held two meetings with the works' council to discuss issues relevant to the employees of group entities.

Topics on the audit committee agenda

The audit committee prepares the decisions of the Supervisory Board on the annual and consolidated financial statements as well as quarterly statements during the year, the proposal to the Shareholders' Meeting to elect the auditor and the engagement agreement made with the auditor. Furthermore, the audit committee is responsible for inviting tenders for the audit of the annual and the consolidated financial statements. In addition, the audit committee monitors the independence of the external auditor, addresses any additional services rendered by the auditor and assesses the quality of the audit of the financial statements by discussing the audit risk, the audit strategy and planning, and the findings of the audit. It advises and monitors the Managing Board in issues related to financial reporting, the operating effectiveness of the internal control system, and the risk management system as well as compliance and sustainability. In particular, it ensures that the Managing Board incorporates social and ecological considerations into its strategy. In the 2025 financial year, special focus was placed on the development and harmonisation of the internal control system in the wider sense. The audit committee effectively supported the entire Supervisory Board in its work in the reporting year and reported on its preparatory work on the agreed-upon topics at the subsequent meeting. According to Article 7 (2) of the Supervisory Board's rules of



SUPERVISORY BOARD REPORT

procedure, the personnel and nomination committee only has an advisory function unless the Supervisory Board empowers it by resolution to make decisions on behalf of the full Supervisory Board.

Topics on the personnel and nomination committee agenda

The personnel and nomination committee focuses on the personnel issues relating to the Supervisory Board and the Managing Board and searches for successors to fill positions on the Managing Board and Supervisory Board. It submits proposals for the remuneration system of the Managing Board and the Supervisory Board and reviews this system at regular intervals. According to Article 8 (2) of the Supervisory Board's rules of procedure, the personnel and nomination committee only has an advisory function unless the Supervisory Board empowers it by resolution to make decisions on behalf of the full Supervisory Board. The committee reports on its preliminary work at the subsequent meeting of the Supervisory Board.

Topics discussed at Supervisory Board meetings

Based on reports from the Managing Board, the following matters were regularly discussed at Supervisory Board meetings: the economic situation, including business and liquidity planning, incoming orders, order backlog, potential risks, compliance issues, the internal control system, sustainability, legal disputes, key business transactions, projects of particular importance, subsidiaries and the medium and long-term corporate strategy including organisational issues as well as human resources planning and development. In addition to corporate strategy and sales strategy, key topics on the agenda were the development of productivity within the group and the associated budget and CapEx planning, the impact of the US tariffs and trade agreements on current and future business and the topic of cyber security.

There was also a special focus on the following topics in the 2025 financial year:

- strategic alignment and strategic understanding of the group in cooperation with subsidiaries
- reorganisation of the management structure of the init group
- change in the competence profile of the Supervisory Board
- Discussion of the 2024 annual and consolidated financial statements as well as of the dependent company report and the separate consolidated non-financial report with the involvement of the auditor
- Ratification of the financial statements for 2024, approval of the consolidated financial statements for 2024, release of the separate consolidated non-financial report for 2024 as well as discussion of the Managing Board's proposal for the appropriation of profit and approval of the report of the Managing Board on relations with affiliated companies ("Dependent Company Report")
- Proposal for the auditor for the 2025 financial year
- Resolution on the voluntary audit of the group sustainability report and the approval process for non-audit services commissioned from the audit firm by the Managing Board
- Adoption of the proposals for resolutions for the agenda for the 2025 Shareholders' Meeting and of the report of the Supervisory Board as well as the statement on corporate governance
- Resolution on the 2024 remuneration report pursuant to Section 162 AktG and the necessary auditing and preparatory activities
- Resolution on the remuneration system for the Managing Board pursuant to Section 87a AktG and other adjustments as well as the development of the remuneration system taking account of the projected growth of the company



SUPERVISORY BOARD REPORT

- Adjusted Declaration of Compliance with the German Corporate Governance Code in the version dated 28 April 2022
- Constituent meeting of the Supervisory Board following the elections at the 2025 Shareholders' Meeting as well as organisational and personnel matters and the way the Supervisory Board members view their functions
- External efficiency review of the Supervisory Board commissioned, as reported above
- Prolongation of the appointment of members of the Managing Board (Dr. Marco Ferber/CFO and Jörg Munz/CHRO) and reappointment of Matthias Kühn/COO and Deputy CEO
- Resolution to convene the Shareholders' Meeting in 2026 with the shareholders in physical attendance
- Business requiring board approval: Approval of a corporate acquisition, capital increase and founding of subsidiaries as well as the sale of the retail business of the DILAX group
- Discussion of changes in the operative business and the development of long-term planning. In this context, the Supervisory Board convened an advisory meeting at the Berlin location for the first time, placing a focus on corporate developments at the subsidiaries of the iris group and the DILAX group

Audit of the annual and consolidated financial statements as well as of the combined management report

The annual financial statements and the combined management report of init innovation in traffic systems SE as of 31 December 2025 were prepared in accordance with the German Commercial Code (HGB). The consolidated financial statements dated 31 December 2025 were prepared according to Section 117 of the WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act] based on the International Financial Reporting Standards (IFRS) as adopted by the EU. The combined management report group also includes the group sustainability report, which has been drawn up in accordance with the requirements of the EU Corporate Sustainability Directive (“CSRD”) (EU Directive 2022/2464 of the European Parliament and of the Council of 14 December 2022), Sections 315b to 315c HGB for a corporate non-financial statement and Art. 8 of Regulation (EU) 2020/852 with full reference to the ESRS as the acknowledged reporting framework pursuant to Sections 315c (3) in conjunction with Section 289d HGB. As the ESRS have not yet been applied for an extended time period, there were uncertainties when drawing up this first report concerning unresolved issues and the corresponding interpretations. This state of affairs continued into the year 2025. The company has considered all the information that was available as of 16 March 2026.

All these documents were audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, appointed by the Shareholders' Meeting as auditor of init innovation in traffic systems SE and group auditor, and also of the group sustainability report as a precautionary measure. They all received unqualified independent auditor's reports. The annual financial statements, combined management report, consolidated financial statements and audit reports were provided to all members of the audit committee and the Supervisory Board in good time. The audit of the group sustainability report contained in the combined management report, which was commissioned from the auditor on a voluntary basis, and the audit of the formal requirements of the remuneration report, which was commissioned from the auditor separately, were concluded without any qualifications.

The annual financial statements, combined management report and consolidated financial statements as well as the independent auditor's reports and audit reports were discussed in detail with the Supervisory Board, the Managing Board and the auditor at the audit committee meeting on 16 March 2026. The



SUPERVISORY BOARD REPORT

independent auditors reported on the significant audit results and on key audit matters, in particular. For the consolidated financial statements of init SE these included the recoverability of goodwill and revenue recognition in project business. With regard to the separate financial statements of init SE, they also included the measurement of equity investments pursuant to German GAAP (HGB). In addition, the auditor reported on the internal control and risk management system in relation to the financial reporting process, on services rendered in addition to the audit and on its independence as defined in the legal regulations. Detailed answers were given to questions raised by the audit committee and members of the Supervisory Board. Based on this evidence and its own examination, the audit committee came to the conclusion that the audit methodology used was reasonable and appropriate and that the figures and calculations contained in the financial statements had been adequately tested and were consistent. No objections were raised. The Supervisory Board therefore agrees with the results of the audit. The annual financial statements of init innovation in traffic systems SE prepared by the Management Board and the consolidated financial statements of init were approved; the annual financial statements of init innovation in traffic systems SE are therefore adopted.

The Managing Board has presented its proposal to the audit committee for the appropriation of profits. Under the proposal, the following appropriation of the retained earnings of init SE of EUR 17,099,863.24 will be recommended to the Shareholders' Meeting on 21 May 2026: Payment of a one-off special distribution of EUR 0.10 to mark the 25th anniversary of the company's listing on the stock exchange, as well as a regular dividend of EUR 0.80 per dividend-bearing share. The remaining amount is to be carried forward to new account. The Supervisory Board agreed with this proposal.

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditor, also audited the Dependent Company Report prepared by the Managing Board in accordance with Section 312 AktG ["Aktiengesetz": German Stock Corporation Act]. The auditor issued the following independent auditor's report concerning the result:

"Based on the audit and assessment performed in accordance with our professional duties, we hereby confirm that

- the factual statements contained in the report are correct and
- the payments made by the company in connection with transactions detailed in the report were not unreasonably high."

The audit committee acknowledged the Managing Board's dependent company report and the results of the audit of the report by the auditor, examined both reports and discussed the results with the auditor. The audit committee endorsed the results of the audit of the dependent company report by the auditor. After the final results of the discussions and its own examination of the dependent company report by the audit committee and its report to the Supervisory Board, the Supervisory Board is of the opinion that the Managing Board's findings are appropriate, and it therefore raises no objections to the Managing Board's declaration at the end of the report.

The Supervisory Board also adopted the report of the Supervisory Board at its meeting on 17 March 2026.



SUPERVISORY BOARD REPORT

Corporate Governance Code

The Supervisory Board actively implemented and monitored compliance with the German Corporate Governance Code. Effective 22 May 2025, the Managing Board and the Supervisory Board jointly issued an updated Confirmation of Compliance with the German Corporate Governance Code pursuant to Section 161 AktG and made it permanently available to shareholders on the company's website.

Pursuant to Principle 23 of the German Corporate Governance Code, the Managing Board and the Supervisory Board report on corporate governance at init in the Corporate Governance Statement in this annual report.

Should any changes be made to this Confirmation of Compliance with the Corporate Governance Code during the financial year, the Supervisory Board together with the Managing Board will immediately update this information and make it available to all shareholders on the website of init.

The Supervisory Board would like to express its gratitude to all employees and the Managing Board for their motivation and commitment in the 2025 financial year. Special thanks also go to our shareholders, investors, customers and business partners for the trust they have placed in us.

Karlsruhe, 17 March 2026

On behalf of the Supervisory Board

Andreas Thun

Chairperson