

# init

innovation in traffic systems SE

# Invitation

to Shareholders' meeting

Thursday, 25 May 2023 at 10:00 am  
at Gartenhalle of Kongresszentrums Karlsruhe,  
Festplatz 3, 76137 Karlsruhe



new  
dimensions



# Shareholders' Meeting 2023

## Imprint

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### Editing and text

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The invitation to the Shareholders' Meeting is originally drafted in German:

This is a courtesy translation only. In case of doubt, the German version shall prevail.

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**Overview including information required by Section 125 of the German Stock Corporation Act (hereinafter AktG) in conjunction with table 3 of Commission Implementing Regulation (EU) 2018/1212**

**A. Specification of the message**

1. 4c0382aa80cced118145005056888925  
Ordinary Shareholders' Meeting of init SE 2023
2. Notice of Shareholders' Meeting

**B. Specification of issuer**

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

**C. Specification of the Shareholders' Meeting**

1. Date of the Shareholders' Meeting: 25 May 2023
2. Start: 10:00 hours (CEST) 08:00 hours (UTC)
3. Form of the Shareholders' Meeting: ordinary Shareholders' Meeting with physical attendance
4. Venue of the Shareholders' Meeting:  
Garden Hall of the Karlsruhe Convention Center (Kongresszentrum)  
Festplatz 3, 76137 Karlsruhe
5. Record date: 4 May 2023 0:00 hours (CEST)  
3 May 2023 22:00 hours (UTC)  
Technically relevant record date is the end of 3 May 2023
6. URL 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, 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) HGB for the financial year 2022

**Agenda item 2:** Resolution on the appropriation of retained earning 2022

**Agenda item 3:** Resolution to exonerate the members of the Managing Board for the financial year 2022

**Agenda item 4:** Resolution to exonerate the members of the Supervisory Board for the financial year 2022

**Agenda item 5:** Resolution on the appointment of the auditor and group auditor for the financial year 2023

**Agenda item 6:** Amendment of Article 15 (1) of the articles of incorporation (venue for the Shareholders' Meeting)

**Agenda item 7:** Supplement to Article 15 of the articles of incorporation (virtual Shareholders' Meeting)

**Agenda item 8:** Amendment of Article 15 (6) of the articles of incorporation (attendance at a virtual Shareholders' Meeting)

**Agenda item 9:** Amendment to the articles of incorporation regarding the number of members of the Supervisory Board

**Agenda item 10:** Resolution on the election of new members to the Supervisory Board

10.1 Dipl.-Kfm. Hans-Joachim Rühlig

10.2 Dipl.-Ing. Ulrich Sieg

10.3 Dipl.-Ing. (FH), M.A., Christina Greschner

10.4 Dipl.-Ing. Andreas Thun

10.5 Prof. Michaela Dickgießer (new member)

10.6 Dr. Johannes Haupt (new member)

10.7 Dr. Gottfried Greschner (substitute member)

**Agenda item 11:** Resolution on the approval of the amended remuneration system for the members of the Supervisory Board

**Agenda item 12:** Resolution on the remuneration of the members of the Supervisory Board

**Agenda item 13:** Resolution on the approval of the remuneration report



init innovation in traffic systems SE

with its registered office in Karlsruhe

ISIN DE0005759807

WKN 575 980

Dear shareholders,

The Managing Board of the company hereby cordially invites you to the Shareholders' Meeting of init innovation in traffic systems SE (init SE) on Thursday, 25 May 2023, 10:00 hours (CEST) at the Garden Hall of the Karlsruhe Convention Center [Gartenhalle des Kongresszentrums], Festplatz 3, 76137 Karlsruhe.

## I. Agenda

**Agenda item 1: Presentation of the adopted annual financial statements, 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) HGB for the financial year 2022**

The aforementioned documents can also be downloaded from the [Investor Relations/Shareholders' Meeting](#) section of the [www.initse.com](http://www.initse.com) website.

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 have already been approved and hence adopted by the Supervisory Board.

### **Agenda item 2: Resolution on the appropriation of retained earnings 2022**

The Managing Board and the Supervisory Board propose to appropriate the retained earnings ["Bilanzgewinn"] of init SE for financial year 2022 amounting to EUR 33,186,897.12 as follows:

Payment of a dividend of EUR 0.60 and

an additional one-off special dividend of EUR 0.10

(total dividend of EUR 0.70)

per dividend-bearing no-par value share

EUR 6,933,057.60

Transfer to the revenue reserves

EUR ---

Profit carried forward

EUR 26,253,839.52

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Retained earnings

EUR 33,186,897.12



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 is passed, i.e. Wednesday, 31 May 2023.

The amounts mentioned in the above proposal on the appropriation of profits relate to the capital stock with dividend entitlement on the date the Shareholders' Meeting is called amounting to EUR 9,904,368.00, taking treasury shares into account. In the run-up to the Shareholders' Meeting on 25 May 2023, 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 2022 change in the run-up to the Shareholders' Meeting, an adjusted proposal will be put forward for resolution at the Shareholders' Meeting, which provides for an unchanged total dividend of EUR 0.70 per no-par value share with dividend entitlement as well as adjusted amounts for the dividend distribution and profit carried forward.

**Agenda item 3: Resolution to exonerate the members of the Managing Board for the financial year 2022**

The Managing Board and the Supervisory Board propose to exonerate the members of the Managing Board for the financial year 2022.

**Agenda item 4: Resolution to exonerate the members of the Supervisory Board for the financial year 2022**

The Managing Board and the Supervisory Board propose to exonerate the members of the Supervisory Board for the financial year 2022.

**Agenda item 5: Resolution on the appointment of the auditor and group auditor for the financial year 2023**

Upon the recommendation of the audit committee, the Supervisory Board proposes to elect PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, as the auditor and group auditor for the financial year 2023 as well as for the review of the half-year financial report 2023 if such a review is performed.

The audit committee declared that its recommendation was free from undue influence by third parties and that its choice was not restricted by a clause within the meaning of Article 16 (6) of the EU Audit Regulation (Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest



entities and repealing Commission Decision 2005/909/EC).

**Agenda item 6: Amendment of Article 15 (1) of the articles of incorporation (venue for the Shareholders' Meeting)**

In order to have more flexibility in the selection of venues for the Shareholders' Meeting, Article 15 (1) of the articles of incorporation should be supplemented.

The Managing Board and Supervisory Board therefore propose the following resolution:

Article 15 (1) of the articles of incorporation reads as follows:

“The Shareholders' Meeting will be held at the registered offices of the company or within 50 km of it, or in Frankfurt am Main or in a city in Baden-Württemberg with at least 100,000 inhabitants.”

**Agenda item 7: Supplement to Article 15 of the articles of incorporation (virtual Shareholders' Meeting)**

With the introduction of the *Gesetz zur Einführung virtueller Hauptversammlungen von Aktiengesellschaften und Änderung genossenschafts- sowie insolvenz- und restrukturierungsrechtlicher Vorschriften* [Act on the Introduction of Virtual Stockholders' Meetings of Stock Corporations and Amendment of Cooperative and Insolvency and Restructuring Law Provisions] (Federal Law Gazette I No. 27 2022, pp. 1166 et seq.), virtual stockholders' meetings are now governed by a permanent ruling codified in the AktG. According to Section 118a (1) sentence 1 AktG, the articles of incorporation or the managing board can stipulate for a period of not more than five years after the amendment to the articles is entered in the commercial register, that the shareholders' meeting is held as a virtual shareholders' meeting without the physical presence of the shareholders or their proxies at the venue of the shareholders' meeting. This option should be exercised and a resolution passed to authorise the Managing Board accordingly. With regard to the new law, which permits an authorisation of up to five years, the authorisation should be limited to three years. This enables the shareholders to decide on a resolution to renew the authorisation of the Managing Board to convene a virtual Shareholders' Meeting at an earlier date than the date upon which the legal limit would be fully exhausted. During the three-year term of the authorisation, the Managing Board will decide anew for each Shareholders' Meeting whether, and under what conditions, this meeting should be convened as a virtual Shareholders' Meeting. In doing so, the Managing Board will take the specific circumstances of each case into account and make its decision at its own due discretion in the interests of the company and the shareholders. The Managing Board will give due consideration to the participation rights of the shareholders in its decision.



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

Article 15 of the articles of incorporation is supplemented by the following clause 8:

“The Managing Board is authorised for a period expiring on 24 May 2026, to stipulate that the Shareholders’ Meeting is held without the physical presence of the shareholders or their proxies at the venue of the Shareholders’ Meeting (virtual Shareholders Meeting).”

**Agenda item 8: Amendment of Article 15 (6) of the articles of incorporation (attendance at a virtual Shareholders’ Meeting)**

With regard to the members of the Supervisory Board, the possibility afforded by Section 118a (2) sentence 2 in conjunction with Section 118 (3) sentence 2 AktG should be used and the members of the Supervisory Board entitled to attend a virtual Shareholders’ Meeting via video or conference call. If direct interaction is required between the Shareholders’ Meeting and all or individual members of the Supervisory Board, this should be enabled by directly connecting these members via the two-way communication that has been provided for.

The Managing Board and the Supervisory Board therefore propose the following resolution:

Article 15 (6) of the articles of incorporation and bylaws will be amended as follows:

“The members of the Supervisory Board should attend the Shareholders’ Meeting. Members of the Supervisory Board can attend Shareholders’ Meetings via video or conference call in the following cases: when they are prohibited from attending in person due to good cause, or their place of residence or habitual abode is in a foreign country, or when the Shareholders’ Meeting is convened as a virtual Shareholders’ Meeting without the physical presence of the shareholders or their proxies at the venue of the Shareholders’ Meeting; it must be ensured, however, that either the Chairperson of the Supervisory Board or their Deputy attends in person. The Managing Board decides on how a video or conference call is to be executed.”

**Agenda item 9: Amendment to the articles of incorporation regarding the number of members of the Supervisory Board**

The Managing Board and the Supervisory Board propose expanding the Supervisory Board and wording Article 8 (1) of the articles of incorporation as follows:

“The Supervisory Board has six members who are elected by the Shareholders’ Meeting.”





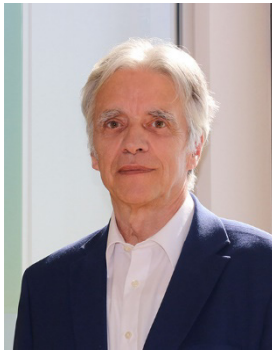
### **Agenda item 10: Resolution on the election of new members to the Supervisory Board**

According to Article 17 SE Implementation Act and Article 8 (1) of the articles of incorporation of init SE, the Supervisory Board of init SE consists of members who are elected by the Shareholders' Meeting.

Upon expiry of this year's Shareholders' Meeting, the term of office of all Supervisory Board members ends.

The Supervisory Board proposes to elect the following persons 10.1) to 10.6) as members of the Supervisory Board for the term ending upon the close of the Shareholders' Meeting that decides on the exoneration for the financial year 2023. Furthermore, the Supervisory Board proposes to elect 10.7) Dr. Gottfried Greschner as the replacement member for any Supervisory Board members who leave, thus replacing the first Supervisory Board member to leave.

The election of the persons under 10.5) and 10.6) are subject to the condition precedent that the amendment to the articles of incorporation proposed under agenda item 9 has been passed by resolution and entered into the commercial register.



10.1)  
Dipl.-Kfm.  
Hans-Joachim Rühlig

**About**

- Year of birth: 1948
- Place of residence: Ostfildern/Germany
- Nationality: German
- First-time appointment: 2011
- Term of office: until 2024

Independent in the sense of the German Corporate Governance Code C6

**Audit committee**

- Chairperson since 2021
- Specialising in accounting

**Vita**

- Independent management consultant
- Former CFO of Ed. Züblin AG, Stuttgart
- Member of the Advisory Board of DRResearch Fahrzeugelektronik GmbH, Berlin
- Board member of Stiftung Bauwesen, Stuttgart



10.2)  
Dipl.-Ing.  
Ulrich Sieg

**About**

- Year of birth: 1949
- Place of residence: Jork/Germany
- Nationality: German
- First-time appointment: 2014
- Term of office: until 2024

Independent in the sense of the German Corporate Governance Code C6

**Vita**

- Consultant specialising in public transportation
- Former Deputy Chairman of the Management Board of Technischer Vorstand der Hamburger Hochbahn AG
- Member of the Advisory Board of HanseCom Public Transport Ticketing Solutions-GmbH, Hamburg
- Member of the Board of VDV Stiftung Führungsnachwuchs

**Additional Supervisory Board mandate**

Member of the Supervisory Board of SECURITAS Holding GmbH, Düsseldorf



10.3)  
Dipl.-Ing. (FH), M.A.,  
Christina Greschner

**About**

- Year of birth: 1977
- Place of residence: Karlsruhe/Germany
- Nationality: German
- First-time appointment: 2019
- Term of office: until 2024

Not independent in the sense of the German Corporate Governance Code C6 (daughter of the Chairperson of the Managing Board)

**Audit committee**

- Member since 2021
- Specialising in audit

**Vita**

- Advisory role
- Various management positions at the init group since 2007
- Extensive knowledge of the init group
- International experience
- “Qualified Supervisory Board” exam at Deutsche Börse
- “Qualified Supervisory Board Member in the Audit Committee” exam at Deutsche Börse



10.4)  
Dipl.-Ing.  
Andreas Thun

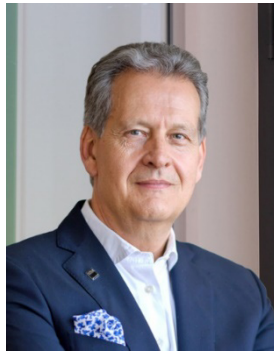
**About**

- Year of birth: 1955
- Place of residence: Wandlitz/Germany
- Nationality: German
- First-time appointment: 2022
- Term of office: until 2024

Not independent in the sense of the German Corporate Governance Code C6 (business relationship)

**Vita**

- Independent entrepreneur
- Former Managing Director and shareholder of iris-GmbH infrared & intelligent sensors
- Sole shareholder and General Manager of Landsensor GmbH, partner of iris-GmbH infrared & intelligent sensors
- Deputy Chairman of the Advisory Board of DRResearch Fahrzeugelektronik GmbH, Berlin
- Member of the Board of Infrared & Intelligent Sensors NA Inc., Atlanta, Georgia, USA.



10.5)  
Prof. Michaela Dickgießer

10.6)  
Dr. Johannes Haupt

10.7)  
Dr.-Ing. Gottfried Greschner

*About*

- Year of birth: 1960
- Place of residence: Karlsruhe/Germany
- Nationality: German
- First-time appointment: 2023
- Term of office: until 2024

Independent in the sense of the German Corporate Governance Code C6

*About*

- Year of birth: 1961
- Place of residence: Karlsruhe/Germany
- Nationality: German
- First-time appointment: 2023
- Term of office: until 2024

Independent in the sense of the German Corporate Governance Code C6

*About*

- Year of birth: 1946
- Place of residence: Karlsruhe/Germany
- Nationality: German

Substitute member

Not independent in the sense of the German Corporate Governance Code C6

*Vita*

- Head of Business Development at MRH Trowe AG Holding specialising in international insurance solutions and M&A processes
- Music Professor at the Karlsruhe University of Music
- Managing Board member of the Kronberg Academy Foundation
- Managing Board member of FEDORA, Paris/France
- Managing Board member of the Help with Plan Foundation
- Managing Board member of the Hildegard Zadek Foundation
- Member of the Music Committee of the Kulturkreis der deutschen Wirtschaft (Cultural Association of German Business)
- Former Managing Director of ITUS GmbH, Karlsruhe

**Awards**

- Bearer of the Federal Cross of Merit on ribbon
- Velte Prize
- Honorary senator of the Karlsruhe University of Music

*Vita*

- Management consultant and shareholder and Chairperson of the Advisory Board of Regionique Produktfabrik GmbH, Ettlingen
- Member of the Advisory Board of Lenze SE, Aerzen
- Member of the Advisory Board of LBBW, Stuttgart
- Former CEO of Blanc&Fischer family holding und Chairman of the Board of the sub-groups
- Former CEO Metabo AG, Nürtingen – Marketing, Sales and Strategy
- Former CEO and Chairman of the Board of the Duscholux AG group of companies Thun, Switzerland
- Former Managing Board member for Marketing and Sales at Hansa und KWC, Hansa Metallwerke AG, Stuttgart

**Additional Supervisory Board mandate**

Member of the Supervisory Board of TAKKT AG, Stuttgart

**Additional mandates in similar control committees**

Member of the Board of ACO Group SE, Büdelsdorf

*Vita*

- Chairperson of the Supervisory Board of init SE
- Managing Director of the subsidiary, INIT GmbH, Karlsruhe
- Managing Director of the subsidiary, IMSS GmbH, Karlsruhe
- Chairperson, Board of Directors of the subsidiary, INIT Inc., Chesapeake, Virginia, USA

**Awards**

- Innovation Award of the State of Baden-Württemberg (Dr. Rudolf Eberle Preis)
- Entrepreneur of the Year, awarded by Ernst & Young
- “Special Career Service Award” at the “Talent in Mobility Awards” in Paris/France



In accordance with Section 100 (2) Sentence 1 No. 4 AktG, the election proposal for the replacement member, 10.7) Dr. Gottfried Greschner, is based on a proposal made by shareholders holding more than 25 per cent of the voting rights in init SE. If elected, Dr. Gottfried Greschner will make sure that the term of his offices as CEO of the company and as legal representative or any role comparable to a Supervisory Board member in all companies dependent on init SE ends before he replaces someone on the Supervisory Board.

Pursuant to C13 of the German Corporate Governance Code, the Supervisory Board should disclose in the election proposals to the Shareholders' Meeting, the personal and business relationships of every candidate with the company, the governing bodies of the company and any shareholders with a material interest in the company. The disclosure recommendation is limited to information and circumstances that, in the appraisal of the Supervisory Board, an objectively judging shareholder would consider decisive for their election decision:

- Dipl.-Ing. Christina Greschner is the daughter of the Chairperson of the Managing Board.
- Andreas Thun is the sole shareholder of Landsensor GmbH that has a business relationship with a subsidiary of init SE.
- Material business relationships exist between Dr. Gottfried Greschner (replacement member) and the company. As of 31 March 2022 Dr. Gottfried Greschner held 3,385,100 shares in init SE (some of them indirectly), which is equivalent to 33.7 per cent of the capital stock.
- In addition, init SE rents the office building in Kaeppelestrasse 6 in Karlsruhe from Dr. Gottfried Greschner GmbH & Co. Vermögens-Verwaltungs KG, Karlsruhe, that is controlled by Dr. Gottfried Greschner (replacement member).

According to point C7 of the German Corporate Governance Code, reasons must be stated as to why a member of the Supervisory Board still qualifies as independent, even though they have been a member of the Supervisory Board for more than twelve years:

We deem Mr. Hans-Joachim Rühlig to still be independent as a membership on the Supervisory Board of more than twelve years does not necessarily preclude independence as long as there are no other indications that independence is misplaced, which is not the case here.

The persons intended to be elected to the Supervisory Board should provide assurance, based on their professional expertise, skills and experience, their integrity, their ethical conduct, independence and personality that they can responsibly carry out the duties of a supervisory board member in a leading international technology firm for the mobility sector. Therefore, init SE's Supervisory Board is convinced that a strict general restriction on membership on the



Supervisory Board which does not consider the respective Supervisory Board member individually, is not an appropriate method to further improve and professionalise the work of the Supervisory Board. The company's interests in searching for suitable candidates is better served by a flexible composition of the Supervisory Board with different terms of office and experience and practical consideration of a diverse age structure.

Pursuant to C7 of the German Corporate Governance Code, more than half of the members of the Supervisory Board should be independent from the company and the Management Board. Consequently, the Supervisory Board of init SE can be considered independent.

Female representation of 33.33 per cent lies above the target of 25 per cent for the Supervisory Board that was set by resolution. The members of the Supervisory Board are to be elected individually.

The election proposal also takes into account the competence profile for the composition of the body as a whole, which was agreed on by the Supervisory Board.

The Supervisory Board has ensured that the persons proposed for election are able to spend the expected amount of time needed to fulfil their mandate.

If Dipl.-Kfm. Hans-Joachim Rühlig is re-elected, it is intended to nominate him again as Chairperson of the Supervisory Board. The Chairperson of the Supervisory Board will be elected immediately after the Shareholders' Meeting.

If the replacement member succeeds to the Supervisory Board, he will be proposed to the Supervisory Board members as Chairperson of the Supervisory Board. The immediate admission to the Supervisory Board and the planned takeover as Chairperson of the Supervisory Board immediately following his membership of the Managing Board allow Dr. Gottfried Greschner, in his position as supervisor and advisor of the Managing Board, to capitalise on his decades of experience in managing the company and his extensive knowledge of the technologies used by the company for the benefit of the company.

The CVs of the individual members of the Supervisory Board, the rules of procedure of the Supervisory Board as well as its competence profile in its entirety are available on the [website](#) of the company.



### **Agenda item 11: Resolution on the approval of the amended remuneration system for the members of the Supervisory Board**

According to Section 113 (3) Sentence 1 and 2 AktG, the Shareholders' Meeting of a listed company shall pass a resolution on any significant amendment (but at least every four years) on the confirmation of the remuneration system for the Supervisory Board members passed by the Supervisory Board in accordance with Section 113 AktG.

A remuneration system for the Supervisory Board was already approved at the Shareholders' Meeting on 19 May 2021 and again on 18 May 2022 after it was amended subsequent to the establishment of an audit committee. The creation of a nomination and personnel committee is planned for the Supervisory Board of init SE in the near future, the members of which should be granted remuneration for their service. For this reason, the Supervisory Board has passed a resolution to expand the existing remuneration system to include the future committee.

The Managing Board and Supervisory Board propose to confirm the amended system for the remuneration of the Supervisory Board members presented in "II Additional information on the agenda items".

### **Agenda item 12: Resolution on the remuneration of the members of the Supervisory Board**

The Managing Board and the Supervisory Board propose to pay the members of the Supervisory Board, subject to the approval of agenda item 11, in addition to the reimbursement of their expenses and any VAT to be paid on their remuneration and expenses, the following remuneration from the Shareholders' Meeting 2023 onwards:

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 of the Supervisory Board and EUR 50k for the Chairperson. 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 28.00 and EBIT of EUR 12m are used as reference values. The variable component is only granted if EBIT reaches a minimum of EUR 12m.

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

$$V = ((0.5 \times \text{share price}/\text{EUR } 28 + 0.5 \times \text{EBIT}/\text{EUR } 12 \text{ m}) - 1) \times \text{fixed component}$$

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.

The Supervisory Board of init SE formed an audit committee for the first time as of 1 October 2021. The Chairperson of the audit committee receives fixed remuneration of EUR 20k p.a., while the other committee members receive fixed remuneration of EUR 10k p.a.

The Supervisory Board of init SE will establish a nomination and personnel committee. The Chairperson of the committee receives fixed remuneration of EUR 10k p.a., while the other committee members receive fixed remuneration of EUR 5k p.a.

The remuneration paid to committee members is not a component of the fixed remuneration of Supervisory Board members used to calculate their variable remuneration.

The above remuneration agreement for the Supervisory Board applies until the Shareholders’ Meeting decides otherwise.

### **Agenda item 13: Resolution on the approval of the remuneration report**

Following the amendment of the Stock Corporation Act due to the implementation of the Shareholder Rights Directive II (SRD II), a remuneration report pursuant to Section 162 AktG has to be prepared by the Managing Board and the Supervisory Board and to be presented to the Shareholders’ Meeting for approval in accordance with Section 120 a (4) AktG.

In accordance with Section 162 (3) AktG, the remuneration report was audited by the auditor to determine whether the disclosures required by Section 162 (1) and (2) AktG have been made.

The report on the audit of the remuneration report is attached to the remuneration report.

The Managing Board and Supervisory Board propose to approve the audited remuneration report for the financial year 2022 under “II Additional information on the agenda items.





## II. Additional information on the agenda items

### **Additional information on agenda item 11: Resolution on the confirmation of the amended remuneration system for the Supervisory Board members**

A remuneration system for the Supervisory Board was already approved at the Shareholders' Meeting on 19 May 2021 and amended on 18 May 2022.

In the course of establishing a nominations and personnel committee from the members of the Supervisory Board of init SE in addition to the existing audit committee and with regard to the growing relevance of committee meetings, it is intended to grant the members of the committees remuneration for their service.

For this reason, the Supervisory Board has passed a resolution to expand the existing remuneration system to include remuneration for the committees as follows:

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 of the Supervisory Board and EUR 50k for the Chairperson. 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 28.00 and EBIT of EUR 12m are used as reference values. The variable component is only granted if EBIT reaches a minimum of EUR 12m.

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

$$V = ((0.5 \times \text{share price}/\text{EUR } 28 + 0.5 \times \text{EBIT}/\text{EUR } 12 \text{ m}) - 1) \times \text{fixed component}$$

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.

The Supervisory Board of init SE formed an audit committee for the first time as of 1 October 2021. The Chairperson of the audit committee receives fixed remuneration of EUR 20k p.a., while the other committee members receive fixed remuneration of EUR 10k p.a.

The Supervisory Board of init SE will establish a nomination and personnel committee. The Chairperson of the committee receives fixed remuneration of EUR 10k p.a., while the other





committee members receive fixed remuneration of EUR 5k p.a.

The remuneration paid to committee members is not a component of the fixed remuneration of Supervisory Board members used to calculate their variable remuneration.

## **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 Supervisory Board members of init SE receive basic remuneration, the amount of which depends on the Supervisory Board tasks the members assume. 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. The Chairperson of the audit committee receives fixed annual remuneration of EUR 20k, while the other committee members receive fixed annual remuneration of EUR 10k.
3. The Chairperson of the nomination and personnel committee receives fixed annual remuneration of EUR 10k, while the other committee members receive fixed annual remuneration of EUR 5k.
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 and the remuneration for committee membership is also calculated on a pro-rata basis.
4. The remuneration is payable at the end of a financial year, namely after the adoption of the annual financial statements and the approval of the consolidated financial statements of init SE.
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.



## **Additional information on agenda item 13: Resolution on the approval of the remuneration report**

### **Remuneration Systems of the Managing Board and the Supervisory Board**

The Managing Board and Supervisory Board prepare a remuneration report each year in accordance with the statutory provisions of Section 162 of AktG. The Shareholders' Meeting passes a resolution on the approval of the remuneration report for the preceding financial year on an annual basis. The remuneration reports and the auditor's opinion thereon can be found in the Shareholders' Meeting section of the company's website.

The contracts with the members of the Managing Board of init SE were originally concluded for three years and expired on 31 March 2022. Follow-up contracts were signed by members of the Managing Board on 1 April 2022. In the course of renewing the contracts a change to the remuneration system was proposed to the Shareholders' Meeting and approved by them on 18 May 2022. The main changes relate to the cap on the cash bonus (STI), which is set at 40 per cent of the fixed remuneration, the term of the Managing Board members' contracts, which is no longer than five years, an improved designation of the peer group, and the cash inflow principle for the company pension plan, which defines a payment for the current financial year. This new remuneration system takes effect upon any new appointments and the reappointment of Managing Board members. In addition, an adjustment was made to the minimum threshold for the cash-based short-term incentive (STI) and the share-based long-term incentive (LTI) within the variable remuneration components that applies to the full financial year 2022. As a result, both the remuneration system for the Managing Board based on the old contracts and the system approved by the 2022 Shareholders' Meeting are covered by this Remuneration Report.

Variable remuneration components are granted to the Managing Board on the basis of financial criteria. There are no variable remuneration components that are set on the basis of non-financial criteria. Sustainability criteria are already covered by the product portfolio of init and its registered business activities.

It is the strategic target of the company to achieve average long-term revenue growth of 10-15 per cent per year. Additionally, it is intended to continuously improve earnings before interest and taxes (EBIT), both in absolute and in relative figures. The company strives for a minimum EBIT yield of 10 per cent. The share price should rise appropriately. In this way, the LTI provides uniform incentives for the members of the Managing Board to achieve important long-term strategic planning targets (EBIT), also due to the five-year minimum holding period for the shares.

The init Shareholders' Meeting held on 19 May 2021 approved the remuneration system of the Supervisory Board. An adjusted remuneration system for the Supervisory Board was approved by the Shareholders' Meeting on 18 May 2022 and came into effect on the same day. The main changes relate to the reference values used for the variable remuneration – setting higher minimum thresholds – as well as the remuneration payable to committee members. As a result, both remuneration systems of the Supervisory Board apply in the 2022 financial year.

The Managing Board and Supervisory Board agree that providing variable remuneration to the members of the Supervisory Board fosters their long-term commitment to the company, thereby



giving due weight to the complexity of the init SE business. Moreover, variable remuneration is aligned towards the sustained development of the company because the current measurement base is always founded on past decisions.

The 2021 remuneration report was approved by a majority of 78.79 per cent of the Shareholders' Meeting. The contents of this current report has been expanded to create greater ease of understanding. However, there was no need to make any changes to the structure of the report.

### **Personnel changes**

Ms. Jennifer Bodenseh, CFO, left the company on 30 June 2022. It was not possible to appoint her successor by 31 December 2022. The new CFO of init SE will be appointed on 1 March 2023.

Hans Rat was a member of the Supervisory Board until the close of the Shareholders' Meeting on 18 May 2022. Andreas Thun was appointed to the Supervisory Board of init SE as his successor. Those Supervisory Board members who do not hold office for an entire financial year receive one twelfth of their basic remuneration for every month of service. Variable remuneration is calculated in the same way.

### **Remuneration of the Managing Board 2022**

The remuneration for members of the Managing Board is set by the Supervisory Board. The remuneration of the Managing Board is determined by the size of the company, its economic and financial situation, the amount and structure of remuneration at comparable companies as well as its relationship to the salaries paid to employees.

The fixed remuneration components are paid out in twelve equal instalments denominated in euro. A bonus, such as the Christmas bonus, can also be agreed upon, which will then be treated as fixed remuneration. The Supervisory Board reviews the fixed remuneration on an annual basis and sets the level of each pay rise in April. Such increases are based on the general average salary trends within the init Group.

The short-term incentive (STI) is a short-term annual performance-based remuneration component that is granted when targets are met for the year. The STI sets uniform incentives for the members of the Managing Board to achieve important targets that arise from the management of the init Group and 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 deducting the costs of all bonuses paid to employees in the group) has been set as a threshold.

The Long Term Incentive (LTI) is a long-term, multi-year performance-based remuneration component that is paid-out 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 init share price and thereby aligns management with shareholder interests. Shares are issued on an annual basis. A minimum EBIT (after deducting the costs of all bonuses paid to employees in the group) is set as a lower threshold. If met, shares are issued based on



the level of EBIT reached. The maximum number of shares is capped. There may be some differences between the arrangements made with the individual members of the Managing Board. The following groups (V1 and V2) apply:

Managing Board 1: General Managing Board (V1)

Managing Board 2: Chair of the Managing Board and his/her deputy (V2)

Based on the approved remuneration system, the Supervisory Board determines the total target remuneration of the Executive Board members for the respective financial year.

<b>Name of the Managing Board member</b>	<b>Fixed remuneration FY2022 in EUR'000</b>	<b>Incidental benefits FY 2022 in EUR'000</b>	<b>STI FY 2022 in EUR'000</b>	<b>LTI FY 2022 in EUR'000</b>	<b>Pension system FY 2022 in EUR'000</b>
Gottfried Greschner (CEO)	503	28	58	337	0
Jürgen Greschner (CSO)	439	21	58	337	102
Jennifer Bodenseh (CFO) Assumption full FY	231	4	58	168	20
Matthias Kühn (COO)	280	10	58	168	28

The reported remuneration of the Managing Board in the reporting period is the consideration paid for the service rendered.

The remuneration of the Managing Board breaks down as follows:

### 1. Non-performance-based remuneration

A non-performance-based remuneration component is payable on a pro rata basis in 12 monthly instalments. The non-performance-based component of the Managing Board members' remuneration consists of fixed remuneration including incidental benefits and pension system, which amounted to EUR 1,550k in the year 2022 (previous year: EUR 1,556k). Jennifer Bodenseh left the company during the year, which is reflected in the pro rata values.

#### a) Fixed remuneration

<b>Name of the Managing Board member</b>	<b>Fixed remuneration FY 2022 in EUR '000</b>	<b>Fixed remuneration FY 2021 in EUR '000</b>
Gottfried Greschner (CEO)	503	497
Jürgen Greschner (CSO)	439	432
Jennifer Bodenseh (CFO) until 30 June 2022	125	201
Matthias Kühn (COO)	280	255



## b) Incidental benefits

The other incidental benefits are company cars, allowances for childcare and Christmas bonuses.

<b>Name of the Managing Board member</b>	<b>Other incidental benefits FY 2022 in EUR'000</b>	<b>Other incidental benefits FY 2021 in EUR'000</b>
Gottfried Greschner (CEO)	28	28
Jürgen Greschner (CSO)	21	21
Jennifer Bodenseh (CFO) until 30 June 2022	4	7
Matthias Kühn (COO)	10	10

## c) Pension system

In the place of defined pension obligations, there are defined contribution plans (annuity lump-sum payments) in place for two members of the Managing Board and one former member of the Managing Board, as well as benefit obligations (retirement pension payments or, alternatively, a capital payment with attached invalidity, widows and surviving dependents' benefits) that have been frozen at the existing level. The expenses amounted to EUR 18k in 2022 (previous year: EUR 21k).

<b>Name of the Managing Board member</b>	<b>Pension obligations FY 2022 in EUR'000</b>	<b>Pension obligations FY 2021 in EUR'000</b>
Jürgen Greschner (CSO)	9	9
Jennifer Bodenseh (CFO) (resigned)	3	6
Matthias Kühn (COO)	6	6

There is an additional defined contribution plan in place for two members of the Managing Board and one former member of the Managing Board. These are paid out either as recurring pension payments with the option of a lump-sum capital payment (older plans) or as one lump-sum capital payment. The expenses amounted to EUR 118k in 2022 (previous year: EUR 80k).



<b>Name of the Managing Board member</b>	<b>Additional pension obligations FY 2022 in EUR'000</b>	<b>Additional pension obligations FY 2021 in EUR'000</b>
Jürgen Greschner (CSO)	90	50
Jennifer Bodenseh (CFO) (resigned)	7	11
Matthias Kühn (COO)	21	19

Furthermore, occupational disability insurance has been taken out for two members of the Managing Board and one former member of the Managing Board. The expenses amounted to EUR 5k in 2022 (previous year: EUR 4k).

<b>Name of the Managing Board member</b>	<b>Contributions FY 2022 in EUR'000</b>	<b>Contributions FY 2021 in EUR'000</b>
Jürgen Greschner (CSO)	3	2
Jennifer Bodenseh (CFO) (resigned)	1	1
Matthias Kühn (COO)	1	1

There are also pension commitments for one of the four members of the Managing Board. These provide for fixed pension payments and an occupational disability pension plus, in the event of death, a widow's and surviving dependents' pension. It is also possible for the entitlement to be paid out in one lump-sum capital payment at the mutual agreement of the parties. The increase in pension provisions (DBO) allocable to this member of the Managing Board came to EUR 9k in 2022 (previous year: EUR 226k). The change is due to the discount rate. The increase in the pension provision and the net present value of the obligation are based on HGB (German GAAP) values.

<b>Name of the Managing Board member</b>	<b>Increase pension commitments FY 2022 in EUR'000</b>	<b>Increase pension commitments FY 2021 in EUR'000</b>
Gottfried Greschner (CEO)	9	226

<b>Name of the Managing Board member</b>	<b>Present value Pension obligations FY 2022 in EUR'000</b>	<b>Present value pension obligations FY 2021 in EUR'000</b>
Gottfried Greschner (CEO)	4,032	4,023





## 2. Performance-based remuneration

### a) STI (Short Term Incentive)

With regard to performance-based remuneration, a variable component (the cash-based STI) is paid out that is linked to the group's earnings before interest and taxes (EBIT) but after the deduction of all bonuses and employee profit participations, and applies on a percentage basis beyond a minimum EBIT threshold of EUR 12 million (previous year: EUR 8 million). The applicable percentage for the STI is set at 0.3 per cent. 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 criteria and are therefore purely performance-based. In the former contracts, the management bonuses were capped at 25 per cent of total remuneration, excluding the share-based bonus referred to in point 3. They are capped at 40 per cent of the fixed remuneration in the new contracts. The variable component of the Managing Board members totalled EUR 221k in 2022 (previous year: EUR 212k). Jennifer Bodenseh receives her STI for 2022 on a pro rata basis.

The EBIT of the init Group amounted to EUR 21.0 million as of 31 December 2022 (previous year: EUR 17.6 million), resulting in the following values for STI remuneration:

<b>Name of the Managing Board member</b>	<b>STI FY 2022 in EUR'000</b>	<b>Achievement of maximum STI FY 2022 in per cent*</b>	<b>STI FY 2021 in EUR'000</b>
Gottfried Greschner (CEO)	63	47%	53
Jürgen Greschner (CSO)	63	54%	53
Jennifer Bodenseh (CFO) until 30 June 2022	32	95%	53
Matthias Kühn (COO)	63	84%	53

\* 4 months under the former contracts and 8 months under the new contracts

### b) LTI (Long Term Incentive)

Another bonus that forms part of the performance-based remuneration for 2022 is the LTI share-based bonus which is paid out as 1,050 shares to the V1 board category and 2,100 shares to the V2 board category (previous year: V1: 750 / V2: 1.500 shares) provided that the group's EBIT reaches the threshold of EUR 12 million (previous year: EUR 8 million) after the deduction of all bonuses. The LTI is a long-term, multi-year performance-based remuneration paid out 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 (EBIT), also due to the five-year minimum holding period for the shares. Moreover, the LTI rewards members of the Managing Board for the performance of the init share price and thereby aligns management with shareholder interests. Furthermore, for each EUR 1 million of EBIT that exceeds the threshold of EUR 12 million (previous year: EUR 8 million) up to the cap of EUR 15 million, another



150/300 shares are granted as a bonus to the V1/V2 categories respectively. In addition, for each EUR 1 million of EBIT that exceeds the cap of EUR 15 million, another 300/600 shares (previous year: 250/500) are granted as a bonus to the V1/V2 categories respectively. The total number of shares for the V1/V2 categories is restricted to 10,000/20,000 (previous year: 10,000/20,000) respectively. If the EBIT target is not achieved, no shares are granted. The income tax on the pecuniary benefit of the share transfer is borne by the company. The variable component of the Managing Board members' share-based remuneration amounts to EUR 728k as of the reporting date (previous year: EUR 828k).

Some of the shares issued as part of the LTI distribution have to be returned in the event of a criminal conviction if init SE has suffered a loss as a result (clawback clause). The clawback clause was not triggered in the 2022 financial year. Finally, no remuneration was granted by third parties.

The EBIT of the init Group amounted to EUR 21.0 million as of 31 December 2022 (previous year: EUR 17.6 million) resulting in the following values for LTI remuneration.

The total numbers of shares granted are as follows:

<b>Name of the Managing Board member</b>	<b>LTI granted FY 2022 no. of shares</b>	<b>LTI granted FY 2021 no. of shares</b>
Gottfried Greschner (CEO)	6,600	4,600
Jürgen Greschner (CSO)	6,600	4,600
Jennifer Bodenseh (CFO) until 30 June 2022	0	2,300
Matthias Kühn (COO)	3,300	2,300

<b>Name of the Managing Board member</b>	<b>LTI granted FY 2022 in EUR'000</b>	<b>True-up difference in EUR'000</b>	<b>Total FY 2022 in EUR'000</b>	<b>LTI granted FY 2021 in EUR'000</b>
Gottfried Greschner (CEO)	302	-18	273	276
Jürgen Greschner (CSO)	302	-18	273	276
Jennifer Bodenseh (CFO) until 30 June 2022	0	-9	-9	138
Matthias Kühn (COO)	151	-9	137	138

The granted share-based bonuses listed in the above table are measured using the share price of EUR 25.45 as of 31 December 2022 and EUR 33.30 as of 31 December 2021.

The true-up difference arises from the shares granted in 2021 but transferred in 2022 at a price of EUR 31.10.



The shares granted correspond to 30 per cent of the maximum number of shares that can be issued to the V1 and V2 board categories of 10,000 and 20,000 respectively.

The remuneration of the Managing Board members can be allocated to the fixed and variable components as follows:

<b>Name of the Managing Board member</b>	<b>Fixed remuneration FY 2022</b>	<b>Incidental benefits FY 2022</b>	<b>Share STI FY 2022</b>	<b>Share LTI FY 2022</b>	<b>True-up</b>
Gottfried Greschner (CEO)	57.3%	3.1%	7.2%	34.5%	-2.1%
Jürgen Greschner (CSO)	48.3%	13.5%	6.9%	33.3%	-2.0%
Jennifer Bodenseh (CFO) until 30 June 2022	76.9%	9.3%	19.4%	0.0%	-5.6%
Matthias Kühn (COO)	53.4%	7.4%	12.0%	28.9%	-1.7%

The contracts with the members of the Managing Board include a clause that limits severance payments. If a service contract is terminated prematurely, other than immediately for due cause, any severance payment is limited to the equivalent of two total annual remuneration packages (fixed salary, bonuses and incidental benefits) or, if less, the residual term of the service contract. No severance payment was paid out in the reporting period.

### Remuneration of the Supervisory Board 2022

In addition to the reimbursement of out-of-pocket expenses, the annual remuneration paid to members of the Supervisory Board comprises a basic remuneration and a variable component. The basic remuneration component totals EUR 25,000 p.a. for the members of the Supervisory Board and EUR 50,000 p.a. for the chairperson. The variable component is split into two equal parts: 50 per cent measured on the share price and 50 per cent measured on EBIT. The relevant reference prices are the share price of EUR 28.00 (annual average of the closing prices) for the system approved by the 2022 Shareholders' Meeting and EUR 8.00 for the system approved by the 2021 Shareholders' Meeting as well as consolidated EBIT of EUR 12 million for the system approved by the 2022 Shareholders' Meeting and EUR 8 million for the system approved by the 2021 Shareholders' Meeting. The variable component is limited to 200 per cent of the basic remuneration and is calculated using the following formula:

2022 system:  $V = ((0.5 \times \text{share price}/\text{EUR } 28 + 0.5 \times \text{EBIT}/\text{EUR } 12\text{m}) - 1) \times \text{fixed component}$

2021 system:  $V = ((0.5 \times \text{share price}/\text{EUR } 8 + 0.5 \times \text{EBIT}/\text{EUR } 8\text{m}) - 1) \times \text{fixed component}$

Where V (variable component) is less than zero, the variable component does not apply and only the basic remuneration is payable.

Since the close of the 2022 Shareholders' Meeting, the Chairperson of the audit committee receives annual fixed remuneration of EUR 20,000.00 with the remaining members of the



committee receiving annual fixed remuneration of EUR 10,000.00. The compensation for committee members is paid on a pro rata basis for each month of service.

Those Supervisory Board members who do not hold office for an entire financial year receive one twelfth of their basic remuneration for every month of service. Variable remuneration is calculated in the same way.

The references used for the variable remuneration in the 2022 financial year were significantly adjusted on the previous year, commencing from the close of the 2022 Shareholders' Meeting. A higher minimum threshold was set (EBIT of EUR 12 million instead of EUR 8 million and a share price of EUR 28.00 instead of EUR 8.00), which resulted in a significant decrease of variable remuneration in the 2022 financial year. In the 2021 financial year, the variable remuneration reached the cap of 200 per cent of the basic remuneration.

The annual average closing share price came to EUR 25.58 in the 2022 financial year (previous year: EUR 37.93). The EBIT of the init Group amounted to EUR 21.0 million as of 31 December 2022 (previous year: EUR 17.6 million).

The remuneration paid to the Supervisory Board breaks down as follows:

<b>Name of the Supervisory Board member</b>	<b>Fixed component FY 2022 in EUR'000</b>	<b>Variable component FY 2022 in EUR'000</b>	<b>Fixed component FY 2021 in EUR'000</b>	<b>Variable component FY 2021 in EUR'000</b>
Hans-Joachim Rühlig	63	49	50	100
Ulrich Sieg	25	25	25	50
Christina Greschner	32	25	25	50
Dr. Hans Rat (until the Shareholders' Meeting 2022)	17	6	25	50
Andreas Thun (from the Shareholders' Meeting 2022)	10	20		

<b>Name of the Supervisory Board member</b>	<b>Fixed component FY 2022 in per cent</b>	<b>Variable component FY 2022 in per cent</b>	<b>Fixed component FY 2021 in per cent</b>	<b>Variable component FY 2021 in per cent</b>
Hans-Joachim Rühlig	56.3	43.7	33.3	66.7
Ulrich Sieg	50.0	50.0	33.3	66.7
Christina Greschner	56.1	43.9	33.3	66.7
Dr. Hans Rat (until the Shareholders' Meeting 2022)	73.9	26.1	33.3	66.7
Andreas Thun (from the Shareholders' Meeting 2022)	33.3	66.7		

## Comparative presentation

According to Section 162 (1) sentence 2 AktG a comparative presentation is made below of the annual change in remuneration, the development of the company's earnings and the average remuneration of the employees over the last five financial years on an FTE (Full Time Equivalent) basis.



The changes in earnings are shown on the basis of group revenue and group EBIT. While these are both key performance indicators, it is EBIT that affects the performance-based remuneration component of the Managing Board and the Supervisory Board.

The earnings before taxes (EBT) of init SE in accordance with the German Commercial Code (HGB) amounted to EUR 11.2 million in the 2022 financial year (previous year: EUR 14.7 million).

The remuneration granted to the members of the Managing Board and Supervisory Board in the respective financial year is presented.

The employees' average remuneration on an FTE basis is shown based on the workforce at the Karlsruhe location (excluding trainees). The Karlsruhe location comprises init SE, INIT GmbH and IMSS GmbH. An average of 551 FTEs (previous year: 526) were employed there in the 2022 financial year.

The average remuneration paid to employees consists of personnel expenses for wages and salaries, including ancillary expenses for the employer's contributions to social security as well as variable remuneration components.

### Changes in earnings

<b>EUR'000</b>	<b>2022</b>	<b>2021</b>
<b>Group revenue (IFRS)</b>	<b>191,252</b>	<b>176,659</b>
Changes on the previous year (per cent)	8.26%	-2.2%
<b>Earnings before interest and taxes (EBIT) of the group (IFRS)</b>	<b>21,005</b>	<b>17,566</b>
Changes on the previous year (per cent)	19.58%	-11.7%
<b>EUR'000</b>	<b>2022</b>	<b>2021</b>
<b>Revenue (separate HGB financial statements)</b>	<b>7,164</b>	<b>7,115</b>
Changes on the previous year (per cent)	0.69%	-18.98%
<b>Earnings before interest and taxes (EBIT) (separate HGB financial statements)</b>	<b>11,294</b>	<b>14,737</b>
Changes on the previous year (per cent)	-23.36%	308.91%

### Changes in employees' average remuneration

<b>EUR'000</b>	<b>2022</b>	<b>2021</b>
<b>Average remuneration at the Karlsruhe location</b>	<b>65</b>	<b>64</b>
Changes on the previous year (per cent)	0.4%	0.9%



## Remuneration of the Managing Board (fixed and variable components)

EUR'000	2022	2021
<b>Gottfried Greschner (CEO)<sup>1</sup></b>	<b>878</b>	<b>853</b>
Changes on the previous year (per cent)	2.9 %	-0.6%
Percentage of maximum remuneration	17.6 %	17.06%
<b>Jürgen Greschner (CSO)<sup>2</sup></b>	<b>909</b>	<b>842</b>
Changes on the previous year (per cent)	7.9 %	-5.9%
Percentage of maximum remuneration	18.2 %	16.85%
<b>Jennifer Bodenseh (CFO)<sup>2</sup> (until 30 June 2022)</b>	<b>162</b>	<b>416</b>
Changes on the previous year (per cent)	-61.0 %	-6.2%
Percentage of maximum remuneration	6.2 %	16.01%
<b>Matthias Kühn (COO)<sup>2</sup></b>	<b>523</b>	<b>481</b>
Changes on the previous year (per cent)	8.7 %	-4.5%
Percentage of maximum remuneration	20.1 %	18.51%

<sup>1</sup> Does not include the increase in the pension provision and pension provisions

<sup>2</sup> Includes pension payments

The maximum remuneration was not reached.

## Remuneration for former Managing Board members

No remuneration was paid out to former members of the Managing Board in the 2022 financial year after they left the company.

## Remuneration of the Supervisory Board (fixed and variable components)

EUR'000	2022	2021
<b>Hans-Joachim Rühlig</b>	<b>112</b>	<b>150</b>
Changes on the previous year (per cent)	-25.3%	2.7%
<b>Ulrich Sieg</b>	<b>50</b>	<b>75</b>
Changes on the previous year (per cent)	-33.3%	2.7%
<b>Christina Greschner</b>	<b>57</b>	<b>75</b>
Changes on the previous year (per cent)	-24.0%	2.7%
<b>Hans Rat (until the Shareholders' Meeting 2022)</b>	<b>23</b>	<b>75</b>
Changes on the previous year (per cent)	-69.3%	2.7%
<b>Andreas Thun (from the Shareholders' Meeting 2022)</b>	<b>30</b>	
Changes on the previous year (per cent)	100%	

Variable remuneration is capped at 200 per cent of the basic remuneration. In contrast to 2022, the cap on remuneration was reached in 2021.

## Outlook for the 2023 financial year

It is planned to establish both a nomination committee and a personnel committee from the members of the Supervisory Board of init SE. It is also planned to pay the members of these committees remuneration for their services. For this reason, the Supervisory Board will submit an amended remuneration system to the 2023 Shareholders' Meeting for approval.



## **Report of the independent auditor on the audit of the remuneration report pursuant to Section 162 (3) AktG**

To init innovation in traffic systems SE, Karlsruhe

### **Opinion**

We have formally audited the remuneration report of the init innovation in traffic systems SE, Karlsruhe, for the financial year from January 1, to December 31, 2022 to determine whether the disclosures pursuant to § 162 Abs. 1 and 2 AktG [Aktiengesetz: German Stock Corporation Act] have been made in the remuneration report. In accordance with § 162 Abs. 3 AktG, we have not audited the content of the remuneration report.

In our opinion, the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the accompanying remuneration report. Our opinion does not cover the content of the remuneration report.

### **Basis for the opinion**

We conducted our formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG and IDW [Institut der Wirtschaftsprüfer: Institute of Public Auditors in Germany] Auditing Standard: The formal audit of the remuneration report in accordance with § 162 Abs. 3 AktG (IDW AuS 870). Our responsibility under that provision and that standard is further described in the "Auditor's Responsibilities" section of our auditor's report. As an audit firm, we have complied with the requirements of the IDW Quality Assurance Standard: Requirements to quality control for audit firms [IDW Qualitätssicherungsstandard - IDW QS 1]. We have complied with the professional duties pursuant to the Professional Code for German Public Auditors and German Chartered Auditors [Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer - BS WP/vBP], including the requirements for independence.

### **Responsibility of the Management Board and the Supervisory Board**

The management board and the supervisory board are responsible for the preparation of the remuneration report, including the related disclosures, that complies with the requirements of § 162 AktG. They are also responsible for such internal control as they determine is necessary to enable the preparation of a remuneration report, including the related disclosures, that is free from material misstatement, whether due to fraud or error.



## Auditor's Responsibilities

Our objective is to obtain reasonable assurance about whether the information required by § 162 Abs. 1 and 2 AktG has been disclosed in all material respects in the remuneration report and to ex-press an opinion thereon in an auditor's report.

We planned and performed our audit to determine, through comparison of the disclosures made in the remuneration report with the disclosures required by § 162 Abs. 1 and 2 AktG, the formal completeness of the remuneration report . In accordance with § 162 Abs 3 AktG, we have not audited the accuracy of the disclosures, the completeness of the content of the individual disclosures, or the appropriate presentation of the remuneration report.

Stuttgart, March 28, 2023

PricewaterhouseCoopers GmbH  
Wirtschaftsprüfungsgesellschaft

Andrea Ehrenmann  
Wirtschaftsprüferin  
(German Public Auditor)

ppa. Birgit Pflumm  
Wirtschaftsprüferin  
(German Public Auditor)





### III. Additional information and remarks

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

##### Registration for the 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. 4 May 2023, 00:00 hours (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 18 May 2023, 24:00 hours (CEST), at the following address:

init innovation in traffic systems SE  
c/o Computershare Operations Center  
80249 Munich  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.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 the company may not admit the shareholder to the Meeting.

The company only considers shareholders entitled to participate in the meeting and to exercise the voting right if they have 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 imply 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 tickets for admission to the Shareholders' Meeting to the shareholders. Attached to the ticket is a form for casting a vote by mail ballot in text form, instructing on the direction of the vote, as well as the access data to the InvestorPortal of init, which also allows a vote to be cast



by mail ballot before 18:00 hours (CEST) on the day preceding the Shareholders' Meeting, i.e., by 18:00 hours (CEST) on 24 May 2023.

### **Means of casting votes**

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.

### **Method by which proxies appointed by the company cast votes received via the InvestorPortal**

Shareholders who have duly registered for the Shareholders' Meeting receive an access code to the InvestorPortal when they receive their ticket of admission to the meeting. Via this electronic medium, shareholders can have their votes cast for them by proxies appointed by init SE. The InvestorPortal will be available at [www.initse.com](http://www.initse.com) under [Investor Relations/Shareholders' Meeting](#) until 18:00 hours (CEST) on 24 May 2023.

The InvestorPortal is scheduled to be available from 4 May 2023 and serves the sole purpose of allowing postal votes to be cast by instructing the proxies appointed by the company of the direction of the vote.

The Shareholders' Meeting will not be streamed live via this portal.

### **Procedure for casting of votes by proxy**

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 proxy authorisation can be furnished by the proxy on the day of the Shareholders' Meeting or in advance by sending proof of authorisation by post or electronically by email no later than 24 May 2023, 18:00 hours (CEST) (time of receipt) to the following address:

init innovation in traffic systems SE  
c/o Computershare Operations Center  
80249 Munich  
Email: [anmeldestelle@computershare.de](mailto:anmeldestelle@computershare.de)

If a shareholder empowers more than one proxy, the company has the right to reject one or more of these proxies.



A proxy form will be sent to those duly registered for the Shareholders' Meeting (printed on the ticket of admission). The corresponding form can also be downloaded from the [Investor Relations/Shareholders' Meeting](#) section of the [www.initse.com](http://www.initse.com) website.

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, Alexandra Wirthmann and David Frerking, 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. To empower the proxies appointed by the company, the Shareholders can avail of the power of attorney options on their ticket of admission. Shareholders should order their tickets of admission as early as possible from the final intermediary for each securities account. If you use the ticket of admission for authorisation, it has to be sent exclusively to the above-mentioned postal address, fax number or email address of the registration office and must be received by the registration office by 24 May 2023, 18:00 (CEST) (date of receipt). If several statements are received, the statement received last takes precedence.

If an item on the agenda should be voted on individually instead of collectively with other items, the instruction issued for this agenda item shall apply to each item on the individual vote.

Please note that the proxies appointed by the company will not accept instructions on motions, neither prior to nor during the 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.

A form for issuing the power of attorney to proxies and directing the votes is available to shareholders on the [Investor Relations/Shareholders' Meeting](#) section of the [www.initse.com](http://www.initse.com) website.



## Rights of shareholders

### 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 directed in writing to the Managing Board of init SE and must be received by the company by 24 April 2023, 24:00 (CEST) at the latest. Please send such requests to the following address:

Managing Board  
init innovation in traffic systems SE  
Käppelestraße 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 <https://www.initse.com/ende/investors/shareholders-meeting/> and announced to the shareholders.

### 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 proposals for the election of 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  
Käppelestraße 4 - 10  
76131 Karlsruhe  
Email: [ir@initse.com](mailto: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 10 May 2023, 24:00 (CEST), will be published in the [Investor Relations/Shareholders' Meeting](#) section at [www.initse.com](http://www.initse.com) immediately after receipt. 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' election proposals accessible, even if they do not contain the information according to Section 124 (3) AktG (name, professional occupation and place of residents, in the case of audit firms name and registered office).

#### **Right to information pursuant to Section 131 (1) AktG**

According to Section 131 (1) AktG, each shareholder has a right to obtain information about the company's affairs from the Managing Board upon request, where such information is needed to make a due appraisal of an item on the agenda. The duty to provide this information extends to the legal and business relationships that the company maintains with its affiliated companies. Moreover, the duty of the Managing Board to provide information also extends to the situation of the group and the entities included in the consolidated financial statements, where such information is needed to make a due appraisal of an item on the agenda.

The Managing Board is relieved from this duty with regard to answering individual questions for the reasons laid out in Section 131 (3) AktG, such as when disclosing such information would, from the perspective of a prudent businessman, put the company or its affiliated companies at the risk of suffering a not insignificant disadvantage.

#### **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 at the [Investor Relations/Shareholders' Meeting section](#) of the [www.initse.com](http://www.initse.com) website upon the call to



convene the Shareholders' Meeting being announced. The documents to be made accessible will also be available in the room during 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. On the date on which this call to the Shareholders' Meeting was announced, the company holds 135,632 treasury shares, so that the total number of voting rights at this time amounts to 9,904,368.

### **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](http://www.initse.com/Investor-Relations/Shareholders-Meeting-section) at [www.initse.com](http://www.initse.com).

Karlsruhe, April 2023

init innovation in traffic systems SE

The Managing Board