

Sensys Gatso Group AB

Half year Report

January - June 2020



| MSEK | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 |
|--------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
| Net Sales | 93.5 | 96.9 | 189.1 | 175.3 |
| Order intake | 282.6 | 141.5 | 316.2 | 241.4 |
| Operating profit (EBIT) | -0.9 | -8.2 | -14.6 | -20.4 |
| Operating profit (EBITDA) | 12.3 | 4.4 | 13.3 | 4.3 |
| Total Comprehensive income | -17.1 | -5.1 | -12.4 | -7.1 |
| Earnings per share, before and after dilution (SEK) | 0.00 | -0.01 | -0.01 | -0.02 |
| Cash flow from operating activities | 1.8 | -2.7 | 21.7 | -23.3 |

Table of contents

| | |
|--------------------------------------------------------------|-----------|
| Comments from the CEO | 3 |
| Financial summary | 5 |
| Financial results Group | 6 |
| Second quarter April – June 2020 | 6 |
| Half-year January – June 2020 | 7 |
| Business Segments | 9 |
| Managed Services | 9 |
| System Sales | 10 |
| Cash flow and financial position | 12 |
| Significant events and other information | 14 |
| Group figures | 17 |
| Consolidated statement of comprehensive income | 17 |
| Consolidated balance sheet | 18 |
| Consolidated statement of changes in equity | 19 |
| Cash flow statement | 21 |
| Parent company figures | 22 |
| Statement of comprehensive income | 22 |
| Balance sheet | 23 |
| Statement of changes in shareholders equity | 24 |
| The Sensys Gatso share | 25 |
| Quarterly data | 26 |
| Consolidated statement of income | 26 |
| Key indicators and other information | 26 |
| Segment data | 27 |
| Notes and definitions | 28 |
| Key Indicator definitions | 28 |
| General | 28 |
| Financial calendar and invitation to the presentation | 30 |

Comments from the CEO

Resilient business during COVID-19 pandemic

As the COVID-19 pandemic is increasingly spreading across the world, we keep in very close contact with our employees and our customers. At the customer's side we continue to see the social relevance of the traffic safety industry we operate in. Without exception, Sensys Gatso is seen as an essential business, helping to ensure the roads remain safe. Even in lockdown situations, like currently in the USA or Australia, we receive governmental permissions to continue maintaining and operating our activated traffic enforcement solutions. With most of our employees still working safely from home locations and with systems and tools in place that enable remote working for many of our employees, we have not seen any impact on the output of our workforce to date. This position makes our business resilient to the impact of the COVID-19 pandemic.

Order intake breaking records

Year to date we received a total order intake of SEK 344 million, which is at the highest order intake in the history of our company. This is to a large extent driven by our deal sizes becoming larger. In the past 7 months we received orders from a customer in Australia for a total value of SEK 167 million and from Costa Rica for a total value of SEK 192 million. Including new TRaaS contracts in the USA and The Netherlands, our twelve months rolling order intake is now at SEK 665 million, another record in the history of Sensys Gatso.

Largest contract in our history

This momentum of larger contracts continues. After the quarter we received a contract from our customer in the Kingdom of Saudi Arabia for our in-vehicle solution. With a total value of SEK 275 million, this represents the largest single contract ever received by Sensys Gatso. The contract underscores Saudi Arabia's commitment to increased traffic safety, in line with their vision 2030. It also demonstrates the effectiveness and scalability of our unique in-vehicle solution in various regions in the world.

TRaaS growth of 27%

Our strategic focus on recurring TRaaS revenue has resulted in a revenue growth of 12% in the second quarter and 27% in the first half of the year. The total TRaaS order intake year to date is SEK 146 million, of which SEK 109 million is from new contracts. As we are adding these new contracts, our TRaaS revenue continues to grow. Our TRaaS revenue of SEK 107 million now represents 57% of our total revenue, close to our long term ambition of at least 60% of total revenue.

TRaaS drives the EBITDA-margin growth

During the quarter we received COVID-19 relief from the Dutch and US governments for a total of SEK 8.3 million, of which SEK 3.5 million has been accounted for in the Profit and Loss as a grant. The COVID-19 relief has enabled Sensys Gatso to maintain the workforce needed to execute on future revenues from the increased order intake. Including this grant, the EBITDA arrived year to date at SEK 13 million or a margin of 7%. Most of the profitability is coming from the segment Managed Services, which yields an EBITDA margin of 12.5%. Although the segment only contributes to 33% of revenue, the EBITDA share of the segment is 59%. It confirms our strategy to focus on the higher margin recurring revenue businesses in both our segments System Sales and Managed Services

Financial position strengthened

Our cash at the end of the period amounts to a solid SEK 103 million. This includes the first tranche of SEK 12,5 million of the SEK 50 million new facility agreement, which was signed with Rabobank during the quarter, to facilitate further growth.

Outlook

Traffic Safety continues to be a high priority for our government customers. With the “essential business” label for Sensys Gatso in all our markets, the execution of projects and TRaaS contracts continues. We therefore retain our expectation that the impact of the COVID-19 crisis for the group is limited. New and larger orders keep coming in and our order book is larger than ever before. We therefore retain our long-term ambition to grow our net sales to more than SEK 1 billion in 2025. Sixty percent, or more than SEK 600 million, of this revenue is to come from our recurring TRaaS business. We also hold-on to our ambition to increase our EBITDA margin to more than 15 percent by 2025.

Ivo Mönnink
CEO, Sensys Gatso Group

Financial summary

Key indicators

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 | Jan - Dec 2019 |
|---------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| TSEK | | | | | |
| Net sales | 93,456 | 96,863 | 189,086 | 175,303 | 406,328 |
| Order intake | 282,569 | 141,457 | 316,195 | 241,432 | 561,940 |
| Gross margin (%) | 37.5 | 37.7 | 33.7 | 37.4 | 35.8 |
| Operating profit (EBIT) | -927 | -8,248 | -14,648 | -20,426 | -24,374 |
| Operating margin (EBIT %) | Neg | Neg | Neg | Neg | Neg |
| Operating profit (EBITDA) | 12,315 | 4,420 | 13,332 | 4,304 | 28,585 |
| Profit for the period | 3,123 | -8,248 | -12,690 | -17,838 | -15,096 |
| Earnings per share (SEK) | 0.00 | -0.01 | -0.02 | -0.02 | 0.00 |
| Cash flow from operations | 1,812 | -2,697 | 21,726 | -23,264 | -3,738 |

EBITDA

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 | Jan - Dec 2019 |
|---------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| TSEK | | | | | |
| Operating profit (EBIT) | -927 | -8,248 | -14,648 | -20,426 | -24,374 |
| Depreciation tangible and intangible fixed assets | 7,172 | 6,700 | 16,864 | 12,939 | 30,767 |
| Amortization of acquired intangible assets | 6,070 | 5,968 | 11,116 | 11,791 | 22,192 |
| Operating profit (EBITDA) | 12,315 | 4,420 | 13,332 | 4,304 | 28,585 |

Financial results Group



Second quarter April – June 2020

Order intake during the second quarter totalled SEK 282.6 million compared to SEK 141.5 million in the same quarter last year. The order intake for the quarter mainly relates to signing the final contract with Costa Rica, with a total contract value of SEK 192 million. This contract has a large system sales component of SEK 132 million combined with a four year TRaaS Service and Maintenance contract with a total contract value of SEK 60 million. The order intake in our US Market continued with a new School zone Speed Photo Enforcement program in Parma Ohio with a total contract value of SEK 21 million. In the Netherlands we have seen one of our TRaaS Operations and Maintenance contracts being extended with another four years bringing the total contract period to 12 years. The total contract value of this contract extension is SEK 8 million.

Net sales in the second quarter amounted to SEK 93.5 million (96.6). The segment System Sales contributed SEK 63.8 million (79.3) and Managed Services contributed SEK 30.8 million (25.0).

Of the total sales in the second quarter, 58 percent relates to TRaaS recurring revenues based on Service & Maintenance, License and Managed Services revenue, compared to 50 percent in Q2 2019.

The gross margin for the quarter was 37.5 percent (37.7).

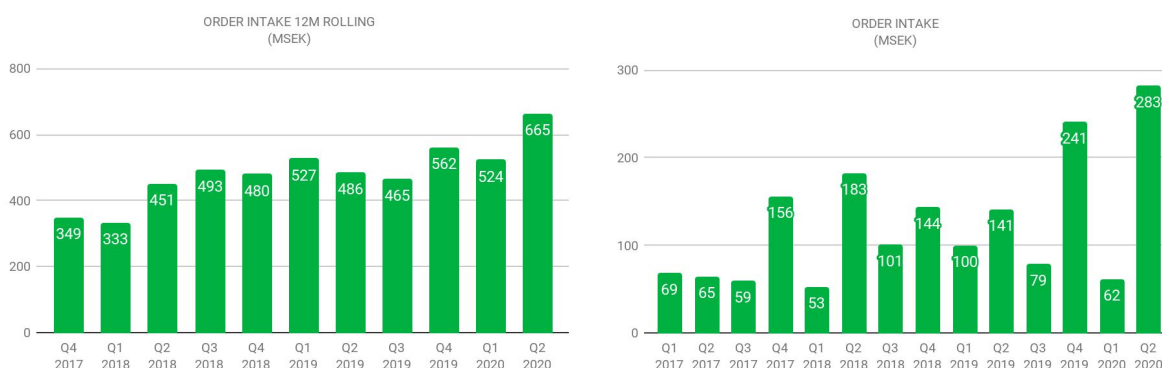
The operating expenses totalled SEK 35.9 million (44.7) including amortisation of intangible fixed assets recognized as part of the acquisition to the amount of SEK 6.1 million (6.0). In the quarter Sensys Gatso received COVID-19 relief from the Dutch and US governments for a total amount of SEK 8.3 million, of which SEK 3.5 million has accounted for under Other operating income in the Profit and Loss Statement and SEK 4.8 million has been accounted for as a loan (see cash flow statement). The COVID-19 relief can be turned into a government grant if requirements are met.

The EBITDA amounted to SEK 12.3 million (4.4) and the EBITDA-margin increased to 13.1% (3.3).

The operating profit for the quarter totalled SEK -0.9 (-8.2) million and the profit after taxation totalled SEK 3.1 million (-8.2).

Half-year January – June 2020

The 12 months rolling order intake of the second quarter amounted to SEK 665 million (486), which is the highest order intake in our history. A big contributor to this order intake level is the Costa Rica order that was finalized in the second quarter of this year to the amount of SEK 192 million. The order intake of the second quarter ended at a record high order intake to the amount of 283 million (141).



TRaaS is recurring revenue from Service and Maintenance within System Sales and Managed Services. TRaaS revenues amounted to SEK 53.9 million (48.0), an increase of 12.4 percent.

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - Jun 2019 | Jan - Dec 2019 |
|------------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| TSEK | | | | | |
| System Sales | 39,528 | 48,885 | 82,074 | 91,097 | 229,153 |
| TRaaS: Service & Maintenance | 22,706 | 22,267 | 42,850 | 40,137 | 79,021 |
| TRaaS: Licenses | 3,558 | 1,165 | 3,723 | 2,232 | 3,468 |
| TRaaS: Managed Services | 27,664 | 24,546 | 60,439 | 41,837 | 94,686 |
| Total Sales | 93,456 | 96,863 | 189,086 | 175,303 | 406,328 |
| Of which TRaaS: | 53,928 | 47,978 | 107,012 | 84,206 | 177,175 |
| TRaaS % of total Sales: | 58% | 50% | 57% | 48% | 44% |

Of the total sales in the first half year 2020, 57 percent relates to recurring revenues based on Service & Maintenance, License and Managed Services revenue, compared to 48 percent in the first half year of 2019.

| | Apr - June | Jan - June | Jan - June | Jan - Jun | Jan - Dec |
|--------------------|---------------|---------------|----------------|----------------|----------------|
| TSEK | 2020 | 2019 | 2020 | 2019 | 2019 |
| Europe | 33,247 | 43,520 | 52,333 | 91,448 | 188,089 |
| Americas | 28,722 | 22,370 | 60,510 | 39,404 | 103,453 |
| APAC and MEA | 31,487 | 30,973 | 76,243 | 44,451 | 114,786 |
| Total Sales | 93,456 | 96,863 | 189,086 | 175,303 | 406,328 |

In the first and second quarter of 2020 we have seen higher levels of sales in the America's which mainly relates to our US operation and the TRaaS Managed Services contracts that we operate. The higher level of sales is due to the contribution of the new orders won in 2019, that contribute to Sales in 2020. Because of COVID-19 driven school closings in March, no citations have been issued for our school zone speed programs in the second quarter. Based on the current available information we anticipate that most of these programs will restart after the summer holiday, in the second half of the year.

During the first half year the sales between the regions Europe and APAC & MEA have shifted. This is due to the tender driven volatility in mainly the System Sales business model. The APAC & MEA region have had a good first half year due to the continuation of the roll-out on the Australian In-vehicle project. On July 7th we announced that the first section control system has been delivered and activated in the Netherlands. We will continue to deliver on this project during the second half of this year, positively impacting the sales in the European region.

The gross margin for the first half year was 33.7 percent (37.5).

The operating expenses totalled SEK 78.3 million (86.1) As explained in the second quarter analysis, the expense level is lower due to receipt of COVID-19 relief support from the Dutch government of approximately SEK 3.5 million, accounted for under Other operating income in the Profit and Loss Statement.

The EBITDA in the first half year amounted to SEK 13.3 million (4.4) and the EBITDA-margin increased to 7.1 percent (2.5).

The operating profit for the quarter totalled SEK -14.6 million (-20.4) and the profit after taxation totalled SEK -12.7 million (-17.8).

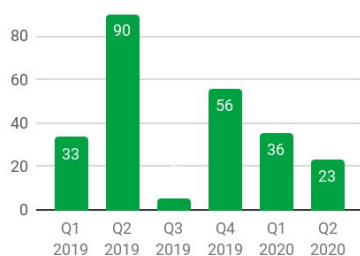
Personnel

The average number of full-time employees was 224 people (201). The number of employees at the end of the period was 255 to be compared with 231 at the end of the same period last year. The increase in employees is mainly due to processing staff in the USA, relating to on-boarding of new programs.

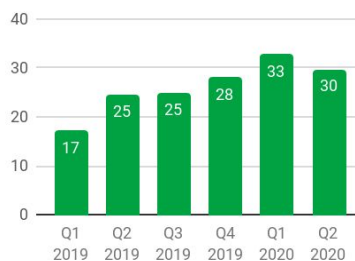
Business Segments

The two main segments used for internal reporting and managing the different operations are System Sales and Managed Services. TRaaS is recurring revenue from service and maintenance within System Sales and Managed Services.

ORDER INTAKE MANAGED SERVICES EXCL
PROCUREMENT AWARDS (MSEK)



SALES MANAGED SERVICES
(MSEK)



EBITDA MANAGED SERVICES
(MSEK)



Managed Services

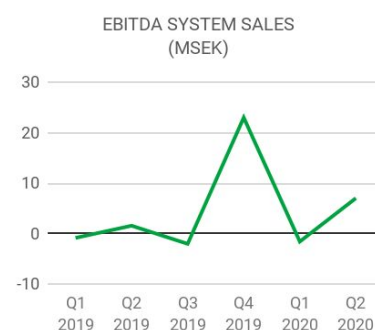
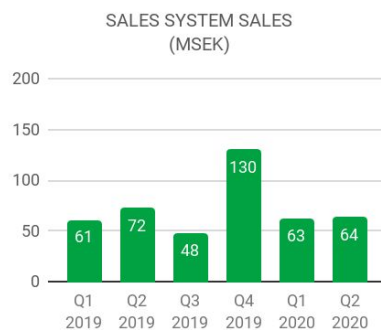
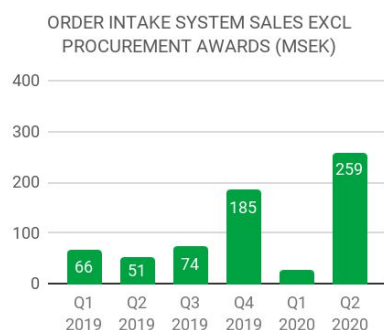
During the quarter we have received a new School zone Speed Photo Enforcement program in Parma Ohio with a total contract value of SEK 21 million over a five year contract period. During the first quarter we have received several contract extensions worth SEK 8 million and a new school zone program in a new state for Sensys Gatso, the state of Georgia, for a total contract amount of SEK 28 million over a 5 year contract period.

Managed Services sales amounted to SEK 29.8 million (24.5) in the quarter. The increase in sales is due to the startup of new programs announced during 2019 in the USA and Germany. The segment has incurred an EBITDA of SEK 5.3 million (2.8).

Besides the US operation the segment Managed Services also includes Managed Service programs in Germany and the software development department in Amsterdam, which develop the software platforms PULS and Xilium.

The depreciation of this segment, mainly relating to fixed assets in operations, amounted to SEK 4.4 million excluding the depreciation of intangible fixed assets of SEK 3.7 million relating to the acquisition of Gatso Beheer B.V.

The operating profit in the second quarter, adjusted for the depreciation of intangible fixed assets of SEK 3.7 million amounted to SEK 0.8 million (-1.6).



System Sales

The order intake for the segment System Sales amounted to SEK 259.3 million in the quarter. The order intake mainly relates to the order won in Costa Rica to the amount of SEK 192 million and the order received from our Swedish customer, Trafikverket, to the amount of SEK 24 million.

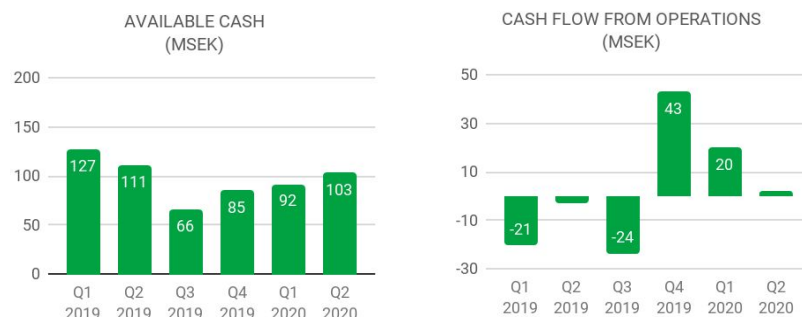
Sales in the segment System Sales relates to one-off system sales and recurring revenue from service and maintenance. In this segment the service and maintenance sales provide a solid income evenly spread throughout the year. The one-off System Sales in this quarter relates mainly to Systems Sales in Europe and Australia. Systems Sales amounted to SEK 63.7 million (72.3) in the quarter, of which SEK 26.3 million (23.4) relates to TRaaS recurring revenue, i.e. 41 percent (32).

The segment has incurred an EBITDA of 7.0 million in the second quarter compared to 1.6 million in the same quarter of 2019.

| TSEK | Apr - June 2020 | | | Apr - June 2019 | | |
|--------------------------------------|-----------------|-----------------|---------------|-----------------|-----------------|---------------|
| | System Sales | Managed Service | Total | System Sales | Managed Service | Total |
| Total Net sales per business segment | 63,838 | 30,755 | 94,593 | 79,389 | 25,034 | 104,423 |
| Inter-segment transactions | -158 | -979 | -1,137 | -7,072 | -487 | -7,559 |
| Total Net Sales | 63,680 | 29,776 | 93,456 | 72,317 | 24,547 | 96,864 |
| EBITDA | 7,042 | 5,273 | 12,315 | 1,586 | 2,834 | 4,420 |
| Depreciation and amortization | -5,087 | -8,154 | -13,241 | -4,579 | -8,089 | -12,668 |
| Operating Profit | 1,955 | -2,881 | -926 | -2,993 | -5,255 | -8,248 |
| Net financial items | | | 1,797 | | | -1,594 |
| Profit before tax | | | 871 | | | -9,842 |
| Tax | | | 2,253 | | | 1,594 |
| Profit for the period | | | 3,124 | | | -8,248 |

| TSEK | Jan - June 2020 | | | Jan - June 2019 | | |
|--------------------------------------|-----------------|-----------------|----------------|-----------------|-----------------|----------------|
| | System Sales | Managed Service | Total | System Sales | Managed Service | Total |
| Total Net sales per business segment | 127,473 | 63,755 | 191,228 | 140,887 | 42,618 | 183,505 |
| Inter-segment transactions | -938 | -1,204 | -2,142 | -7,252 | -949 | -8,201 |
| Total Net Sales | 126,535 | 62,551 | 189,086 | 133,635 | 41,669 | 175,304 |
| EBITDA | 5,469 | 7,863 | 13,332 | 758 | 3,546 | 4,304 |
| Depreciation and amortization | -10,273 | -17,707 | -27,980 | -9,464 | -15,266 | -24,730 |
| Operating Profit | -4,804 | -9,844 | -14,648 | -8,706 | -11,720 | -20,426 |
| Net financial items | | | -3,341 | | | -2,059 |
| Profit before tax | | | -17,989 | | | -22,485 |
| Tax | | | 5,299 | | | 4,647 |
| Profit for the period | | | -12,690 | | | -17,838 |

Cash flow and financial position



Cash and available cash

Cash and cash equivalents at the end of the period totalled SEK 53.9 million (56.8). At the end of the period free available cash amounted to SEK 102.9 million (111.5) taking into account the total amount of available credit facilities.

The group's credit facility agreements are subject to covenant clauses, whereby the group is required to meet certain financial ratios. Sensys Gatso did not fulfil the financial ratio as required in the contract for the credit facility with one of our banks to the amount of SEK 15 Million. The bank has provided Sensys Gatso with a waiver with regards to the covenants. By receiving this waiver Sensys Gatso has fulfilled its obligations towards the bank.

The group has processes in place to monitor the bank covenants and cash flow and is in control of cash requirements.

To facilitate further growth, Sensys Gatso and Rabobank have agreed to extend the current total facilities granted by the Rabobank with additional SEK 50 million. The facility increase will be provided to Sensys Gatso upon request, and is conditional upon meeting agreed covenants, with steps of SEK 12.5 million each 6 months. In this quarter the first SEK 12,5 million additional funding has become available. The short term part of the loan has been presented as a short term obligation under short-term borrowings on the balance sheet.

Cash flow from operating activities

During the quarter Sensys Gatso had a positive cash flow from operating activities of SEK 6.6 million (-2.7).

Cash flow from investing activities

The investments in fixed assets for the quarter amounted to SEK 6.2 million (10.0). During the first half of the year the investments in fixed assets amounted to SEK 10.2 million (14.8) of which SEK 2.4 million (12.1) related to tangible fixed assets and SEK 7.8 million (2.7) relates to intangible fixed assets. The investments in intangible fixed assets mainly relates to the continued development of our FLUX platform.

Financial position

The Group's equity at the end of the period totalled SEK 436.5 million (446.5), producing an equity/assets ratio of 64.3 percent (66.1).

Net interest-bearing debt amounted to SEK 73.4 million (75.1). Due to the implementation of IFRS 16 in 2019 the lease liabilities of operational lease contracts are recorded in the balance sheet as Long-term and short-term lease liabilities. These classifications have an impact on the calculation of Net Interest Bearing Debt. In the calculation of the Adjusted net interest-bearing debt the Lease liabilities are discarded. The Adjusted net interest-bearing debt amounted to SEK 43.5 million (37.7) at the end of the second quarter.

| | 30 June 2020 | 30 June 2019 | 31 Dec 2019 |
|-------------------------------------------|-----------------|-----------------|----------------|
| TSEK | | | |
| Lease liabilities | 29,831 | 37,435 | 33,449 |
| Bank Loans and Credit facilities | 47,156 | 33,666 | 56,429 |
| Shareholder loans | 50,312 | 60,806 | 49,836 |
| Cash and bank | -53,949 | -56,804 | -52,373 |
| Net Interest-bearing debt | 73,350 | 75,103 | 87,341 |
| -/- Lease liabilities | -29,831 | -37,435 | -33,449 |
| Adjusted Net Interest-bearing debt | 43,519 | 37,668 | 53,892 |

Significant events and other information

Significant events during the quarter

- 8 May Sensys Gatso receives order from the Swedish Transport Administration worth SEK 24 million
- 15 May Sensys Gatso confirms contract signature in Costa Rica, Central America, valued at SEK 192 million
- 2 June Sensys Gatso receives five year TRaaS contract, valued at SEK 21 million for school zone photo enforcement in the city of Parma, Ohio
- 11 June Sensys Gatso receives four year TRaaS contract extension, valued at SEK 8 million, for section control in the Netherlands
- 22 June Sensys Gatso completed growth financing with Rabobank of SEK 50 million

Significant events after the quarter

- 10 July Sensys Gatso has received a procurement award for red-light and mobile speed enforcement in Malaysia worth SEK 14 million
- 15 July Sensys Gatso receives Purchase Order for upgrade of technology under an existing TRaaS maintenance services contract to the value of SEK 6.4 million
- 3 Aug Sensys Gatso receives contract from Saudi Arabia worth SEK 275 million
- 6 Aug Gatso Special Products B.V. informs Sensys Gatso Group about the intention to convert the installment of EUR 1 million of the Vendor loan into shares

Significant events during the previous quarter

- 7 Jan Sensys Gatso receives five-year TRaaS contract, valued at SEK 28 million, for a new school zone speed enforcement program from St. Mary's, Georgia, USA
- 7 Feb Sensys Gatso expects to receive notice of award in Costa Rica, Central America, valued at SEK 192 million
- 12 Feb Sensys Gatso confirms notice of award in Costa Rica, Central America, valued at SEK 192 million

A list of Sensys Gatso's press releases can be found on www.sensysgatso.com

Related party transactions

For the period under review no material business transactions were performed with related parties. We refer to the annual report for a list of common related party transactions during the year.

After the period

In connection with the acquisition of Gatso Beheer B.V. in 2015 a vendor note of approximately EUR 6.8 million was issued as part of the consideration. The vendor loan may under certain circumstances be converted into new shares in Sensys Gatso Group. The remaining part of the vendor loan amounted to a total of EUR 2.84 million per June 30, 2020.

Gatso Special Products B.V. has informed Sensys Gatso Group that it intends to convert the outstanding installment due on July 31, 2020, to the amount of EUR 1 million into shares.

Sustainability

Making the roads safer by changing human behaviour in traffic is our business strategy. Our TRaaS business model supports our customers in the transformation towards sustainable and safe environments. Sensys Gatso develops, produces, markets and sells system solutions and products to improve traffic safety. Our largest product category includes automatic speed and redlight monitoring systems designed to prevent traffic accidents and thereby saving lives and reducing costs to society. Our customers consist of police and road authorities all around the world, and to some extent of private operators contracted by government agencies. We have a close relationship with our customers and together we find customized solutions for local needs and objectives. Our long-term relationship with customers often results in additional sales over time. The production of our solutions is partly done by third party suppliers in Sweden, and partly at our own production facility in Haarlem, the Netherlands - overall engaging approximately 10 employees in Haarlem and 80 different suppliers in Sweden and the Netherlands. Sensys Gatso is committed to UN Global Compact ten principles and reports on progress. Sensys Gatso is all about making traffic safer in the world's drive for sustainable cities and the UN 2030 Sustainable Development Goals (SDG). Sensys Gatso's business is focused on SDG goal number 11, building sustainable cities and communities. This is where we can make the biggest difference. See more information in our Sustainability Report in the 2019 Annual Report, available at www.sensysgatso.com.

Audit

This report has not been reviewed by the company's auditor.

Declaration of the board of directors

The Board of Directors and the CEO declare that this half-yearly report provides a fair view of the Group's and Company's activities, financial position and financial results, and describes the significant risks and uncertainty factors faced by the Group.

Jönköping, 20 August 2020

Claes Ödman
Chairman of the Board

Jochem Garritsen
Board member

Pia Hofstedt
Board member

Kerstin Sjöstrand
Board member

Christina Hallin
Board member

Nishant Batra
Board member

Ivo Mönnink
Chief Executive Officer

For further information please contact:

Ivo Mönnink, CEO

e-mail: i.monnick@sensysgatso.com

e-mail IR: investors@sensysgatso.com

Telephone: +46 36 34 29 80

This information is information that Sensys Gatso Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 on 20 August 2020.

Group figures

Consolidated statement of comprehensive income

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 | Jan - Dec 2019 |
|-----------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| TSEK | | | | | |
| Net sales | 93,456 | 96,863 | 189,086 | 175,303 | 406,325 |
| Cost of goods sold | -58,443 | -60,360 | -125,407 | -109,632 | -261,278 |
| Gross profit | 35,013 | 36,503 | 63,679 | 65,671 | 145,047 |
| Selling expenses | -20,018 | -20,885 | -40,917 | -39,818 | -81,157 |
| Administrative expenses | -11,816 | -11,716 | -23,743 | -21,047 | -41,067 |
| Development expenses | -7,745 | -11,562 | -17,647 | -25,492 | -47,849 |
| Other operating expenses/income (1) | 3,639 | -588 | 3,980 | 260 | 634 |
| Operating profit | -927 | -8,248 | -14,648 | -20,426 | -24,392 |
| Net financial items | 1,797 | -1,594 | -3,341 | -2,059 | -3,137 |
| Profit before tax | 870 | -9,842 | -17,989 | -22,485 | -27,529 |
| Tax | 2,253 | 1,594 | 5,299 | 4,647 | 12,418 |
| Profit for the period | 3,123 | -8,248 | -12,690 | -17,838 | -15,111 |
| Profit is attributable to owners of Sensys Gatso Group AB | 3,569 | -7,985 | -11,433 | -16,822 | -13,386 |
| Profit is attributable to non- controlling interest | -446 | -263 | -1,257 | -1,016 | -1,725 |
| | 3,123 | -8,248 | -12,690 | -17,838 | -15,111 |
| Other comprehensive income | | | | | |
| <i>Items that may be reclassified to profit or loss</i> | | | | | |
| Translation differences | -20,191 | 3,160 | 332 | 10,697 | 9,154 |
| Total other comprehensive income for the period, net after tax | -20,191 | 3,160 | 332 | 10,697 | 9,154 |
| Total comprehensive income for the period | -17,068 | -5,088 | -12,358 | -7,141 | -5,957 |
| Number of shares (thousands) | 860,024 | 860,024 | 860,024 | 860,024 | 860,024 |
| Earnings per share (SEK) | 0.00 | -0.01 | -0.01 | -0.02 | -0.02 |

1) This includes 3.5MSEK Governmental COVID-19 relief

Consolidated balance sheet

| TSEK | 30 June 2020 | 30 June 2019 | 31 Dec 2019 |
|---------------------------------------------------|-----------------|-----------------|----------------|
| Assets | | | |
| Goodwill | 257,391 | 258,495 | 257,164 |
| Customer contracts and relations | 2,904 | 17,551 | 10,338 |
| Brand | 11,579 | 13,932 | 12,738 |
| Product and software development | 34,053 | 32,596 | 29,582 |
| Property, plant and equipment | 39,694 | 47,229 | 45,253 |
| Fixed assets in operations | 50,666 | 39,759 | 56,110 |
| Deferred tax assets | 45,019 | 41,281 | 45,315 |
| Other non-current assets | 317 | 347 | 330 |
| Trade and other receivables | 41,917 | 47,455 | 76,137 |
| Inventories and work in progress | 114,876 | 94,465 | 96,939 |
| Other current assets | 26,087 | 25,222 | 26,074 |
| Cash and bank balances | 53,949 | 56,804 | 52,373 |
| Total assets | 678,452 | 675,136 | 708,353 |
| Shareholders' equity and liabilities | | | |
| Shareholders' equity | 436,497 | 446,548 | 448,854 |
| Long-term Lease liabilities | 20,307 | 27,573 | 23,110 |
| Long-term Bank loans | 11,791 | 0 | 0 |
| Long-term Liabilities towards shareholders | 39,832 | 50,248 | 39,387 |
| Provision | 9,947 | 7,258 | 10,032 |
| Deferred tax liabilities | 6,188 | 13,345 | 9,753 |
| Short-term Lease liabilities | 9,524 | 9,862 | 10,339 |
| Short-term Bank liabilities | 35,365 | 33,666 | 56,429 |
| Short-term liabilities towards shareholders | 10,480 | 10,558 | 10,449 |
| Trade and other payables | 25,696 | 29,457 | 47,955 |
| Other current interest-free liabilities (1) | 72,825 | 46,621 | 52,045 |
| Total shareholders' equity and liabilities | 678,452 | 675,136 | 708,353 |

1) The other current interest-free liabilities includes 4.8MSEK Governmental COVID-19 Relief loan

Consolidated statement of changes in equity

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 | Jan - Dec 2019 |
|--------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| TSEK | | | | | |
| Beginning of period | 453,564 | 451,636 | 448,854 | 453,689 | 453,689 |
| New share issue, net | 0 | 0 | 0 | 0 | 0 |
| Other movements | 0 | 0 | 0 | 0 | 1,107 |
| Net profit for the period | 3,570 | -7,985 | -11,432 | -16,822 | -13,371 |
| Minority interest in subsidiaries | -446 | -263 | -1,257 | -1,016 | -1,725 |
| Other comprehensive income | -20,191 | 3,160 | 332 | 10,697 | 9,154 |
| Total comprehensive income for the period | -17,067 | -5,088 | -12,357 | -7,141 | -4,835 |
| End of period | 436,497 | 446,548 | 436,497 | 446,548 | 448,854 |

Goodwill impairment test

Goodwill is not subject to amortisation but is tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be subject to impairment. Due to the COVID-19 pandemic, Sensys Gatso has tested the goodwill for impairment during the second quarter.

A test was performed on each of the cash generating units (CGU), Segment System Sales and Segment Managed Services, to assess whether any need for impairment for goodwill exists in line with the applied accounting policies.

The impairment test data is based on similar assumptions as disclosed in our annual report 2019. The forecast used for the CGU's is based on the five year business plan for each unit, approved by the board of directors, as a starting point. The budgets and forecasts were built-up from the entities in collaboration between entity General Managers and Group Management.

The movement in goodwill valuation in 2020 of the segments System Sales and Managed Services relates to currency effects. No impairments were taken in 2020 (Full year 2019:0).

SIGNIFICANT ASSUMPTIONS

General

The future cash flows per CGU are calculated based on the five year business plans of the entities belonging to that CGU. Cash flows beyond the five-year period are extrapolated based on the long-term growth, estimated at 2%, in line with historical inflation rates.

The discount rate after tax which has been applied to calculate the present value of the future cash flows is approximately 9.4% (9.4) for both System Sales and Managed Services. During COVID-19 our

business is seen as an essential business, which has proven to be resilient during this pandemic. Therefore we have retained our assumptions and calculation around the discount rate.

Market share and growth

The forecasts are based on the company history and previous management experience, as well as external sources like the “MarketsandMarkets” report on Road safety market as used in for the impairment test of 2019, press releases and investor presentations from competition.

Sensys Gatso Group

Sensys Gatso as a group has communicated its long-term financial ambition for 2025, set at SEK 1 billion revenue, of which SEK 600 million in TRaaS recurring revenue, with an EBITDA ambition greater than 15%. These long-term financial metrics are the base for the impairment testing of the segment's goodwill. As communicated in our Q1 report of 2020, Sensys Gatso does not anticipate an impact on order intake on a full year basis. Including new TRaaS contracts in the USA and The Netherlands, our twelve months rolling order intake in H1 is now at SEK 665 million, a record in the history of Sensys Gatso.

System Sales

In 2020 the segment System Sales has received large orders from Costa Rica (192MSEK) and Saudi Arabia (275MSEK) supporting our business plan under the long-term financial ambition and as part of the basis for impairment testing.

Managed Services

As communicated in our first quarter presentation, the segment Managed Services is impacted by school closings in the USA, possibly resulting in less revenues from these new programs. We expect that these programs will resume at the end of the third quarter of 2020. Because these programs on average have a 5 year contract period and Sensys Gatso has a good track record of extending contracts, we have not anticipated an impact in this segment.

Sensitivity analysis

Management has performed a sensitivity analysis per segment on an increased investment of 1%, an adjustment of EBITDA of -2%, an adjustment in long-term growth of -2% and an adjustment of the WACC of 2%. The sensitivity analyses performed are based on a change in an assumption or a combination of two assumptions while holding the other assumptions constant. The recoverable amount exceeds the carrying amount of goodwill. The overall outcome of the sensitivity analysis for both segments does not provide a reason for impairment of the Goodwill.

Goodwill is distributed among the Group's cash-generating units (CGUs) and identified as follows (TSEK):

| Group | Q2-2020 | 31 Dec 2019 |
|------------------|----------------|----------------|
| System Sales | 171,246 | 170,923 |
| Managed Services | 86,145 | 86,241 |
| Total | 257,391 | 257,164 |

Cash flow statement

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 | Jan - Dec 2019 |
|-----------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| TSEK | 2020 | 2019 | 2020 | 2019 | 2019 |
| Operating profit | -927 | -8,248 | -14,648 | -20,426 | -24,392 |
| Items with no effect on cash flow | 13,192 | 13,345 | 28,562 | 26,172 | 57,561 |
| Financial items | 3,119 | 574 | -3,344 | -581 | -1,817 |
| Tax paid | 288 | -329 | 874 | -542 | 425 |
| Funds contributing from operating activities | 15,672 | 5,342 | 11,444 | 4,623 | 31,777 |
| Change in working capital | -13,860 | -8,039 | 10,282 | -27,887 | -35,517 |
| Cash flow from operating activities | 1,812 | -2,697 | 21,726 | -23,264 | -3,740 |
| Cash flow from investing activities | -6,238 | -10,011 | -10,223 | -14,768 | -45,005 |
| | -4,426 | -12,708 | 11,503 | -38,032 | -48,745 |
| Financing activities | | | | | |
| New share issue | 0 | 0 | 0 | 0 | 0 |
| New loan (1) | 17,910 | 0 | 17,910 | 0 | 0 |
| Repayment of loan | -2,601 | -3,344 | -5,346 | -5,604 | -11,689 |
| Repayment/usage of credit facilities | -11,512 | 13,609 | -22,374 | 23,804 | 46,090 |
| Repayment of loan to shareholders | 0 | 0 | 0 | 0 | -10,199 |
| Change in cash and bank balances | -629 | -2,443 | 1,693 | -19,832 | -24,543 |
| Liquid funds at the beginning of the period | 54,209 | 59,067 | 52,372 | 76,607 | 76,607 |
| Translation differences in liquid funds | 369 | 180 | -116 | 29 | 309 |
| Closing cash and cash equivalents | 53,949 | 56,804 | 53,949 | 56,804 | 52,373 |

1) This includes 4.8MSEK received Governmental COVID-19 relief

Parent company figures

Statement of comprehensive income

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 | Jan - Dec 2019 |
|------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| TSEK | | | | | |
| Other sales | 928 | 826 | 2,062 | 1,993 | 7,981 |
| Cost of goods sold | 0 | 0 | 0 | 0 | 0 |
| Gross profit | 928 | 826 | 2,062 | 1,993 | 7,981 |
| Selling expenses | 0 | 0 | 0 | 0 | 0 |
| Administrative expenses | -2,201 | -2,487 | -4,632 | -5,035 | -13,665 |
| Development expenses | 0 | 0 | 0 | 0 | 0 |
| Other operating expenses/income | 0 | -19 | 0 | -19 | -24 |
| Operating profit | -1,273 | -1,680 | -2,570 | -3,061 | -5,708 |
| Net financial items | 1,689 | -216 | 141 | -460 | 10,883 |
| Profit before tax | 416 | -1,896 | -2,429 | -3,521 | 5,175 |
| Tax | 0 | 0 | 0 | 0 | -1,121 |
| Profit for the period/Comprehensive income for the period | 416 | -1,896 | -2,429 | -3,521 | 4,054 |

Balance sheet

| | 30 June | 30 June | 31 Dec |
|---------------------------------------------------|----------------|----------------|----------------|
| TSEK | 2020 | 2019 | 2019 |
| Product and software development | 14,098 | 5,811 | 6,896 |
| Shares in subsidiaries | 413,952 | 413,952 | 413,952 |
| Deferred tax assets | 18,640 | 19,761 | 18,640 |
| Receivables from Group | 34,735 | 42,365 | 43,787 |
| Other current assets | 2,623 | 2,037 | 1,027 |
| Cash and bank balances | 15,022 | 16,133 | 12,866 |
| Total assets | 499,070 | 500,059 | 497,168 |
| Shareholders' equity and liabilities | | | |
| Shareholders' equity | 464,216 | 457,269 | 465,146 |
| Long-term Bank loans | 0 | 0 | 0 |
| Long-term liabilities towards shareholders | 18,871 | 29,132 | 18,489 |
| Short-term Bank liabilities | 0 | 0 | 0 |
| Short-term liabilities towards shareholder | 10,480 | 10,558 | 10,449 |
| Trade and other payables | 315 | 0 | 1,412 |
| Trade and other payables from Group | 3,335 | 742 | 0 |
| Other current interest-free liabilities | 1,853 | 2,358 | 1,672 |
| Total shareholders' equity and liabilities | 499,070 | 500,059 | 497,168 |

Statement of changes in shareholders equity

| | Apr - June 2020 | Apr - June 2019 | Jan - June 2020 | Jan - June 2019 | Jan - Dec 2019 |
|-----------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|-------------------|
| TSEK | | | | | |
| Beginning of period | 462,301 | 459,165 | 465,146 | 460,790 | 460,790 |
| New share issue, net | 0 | 0 | 0 | 0 | 0 |
| Other movements | 1,500 | 0 | 1,500 | 0 | |
| Profit for the period/Comprehensive income for the period | 416 | -1,896 | -2,429 | -3,521 | 4,054 |
| Stock related remuneration | 0 | 0 | 0 | 0 | 302 |
| End of period | 464,217 | 457,269 | 464,217 | 457,269 | 465,146 |

The other movements in the period relate to additional Parent Company Contribution from the Swedish Subsidiary Sensys Gatso Sweden AB relating to the year 2019.

The Sensys Gatso share

The number of shares at the end of the period was 860,024,407 (860,024,407). The average number of shares during the year was 860,024,407 (860,024,407).

The table below shows the five largest shareholders in the Company as per end of June 2020. The family office that founded Gatso, which was acquired by Sensys Traffic AB in 2015, is the company's largest shareholder with 19 percent (BNP). (Source Euroclear)

| # | Shareholder | Number of shares | Proportion of share capital/ Votes% |
|---|-----------------------------------------|------------------|----------------------------------------|
| 1 | BNP PARIBAS SEC SERVICES PARIS | 164,247,615 | 19.1 |
| 2 | FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION | 37,226,446 | 4.3 |
| 3 | WALL, PER | 23,000,000 | 2.7 |
| 4 | BERGSTRAND, INGER | 20,659,837 | 2.4 |
| 5 | NORDNET PENSIONS FÖRSÄKRING AB | 16,395,651 | 1.9 |

| # | Concentration | Proportion of share capital/ Votes% |
|-----|-----------------|----------------------------------------|
| 10 | Largest holders | 34.4 |
| 20 | Largest holders | 38.8 |
| 50 | Largest holders | 46.0 |
| 100 | Largest holders | 52.1 |

| # | Country | Proportion of share capital/ Votes% |
|---|---------------|----------------------------------------|
| 1 | Sweden | 75.3 |
| 2 | Netherlands | 19.1 |
| 3 | Denmark | 1.1 |
| 4 | United States | 1.0 |
| 5 | Belgium | 0.8 |
| 6 | Other | 2.7 |
| | | 100.0 |

Quarterly data

Consolidated statement of income

| | 2020 | | 2019 | | | | 2018 | |
|------------------------------|---------------|----------------|---------------|----------------|---------------|----------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Net sales | 93,456 | 95,630 | 157,997 | 73,028 | 96,863 | 78,440 | 124,423 | 95,688 |
| Cost of goods sold | -58,443 | -66,964 | -103,374 | -48,272 | -60,360 | -49,272 | -73,546 | -49,006 |
| Gross profit | 35,013 | 28,666 | 54,623 | 24,756 | 36,503 | 29,168 | 50,877 | 46,682 |
| Costs | -35,940 | -42,387 | -40,726 | -42,601 | -44,751 | -41,346 | -43,586 | -37,896 |
| Operating profit | -927 | -13,721 | 13,897 | -17,845 | -8,248 | -12,178 | 7,291 | 8,786 |
| Net financial items | 1,797 | -5,138 | -1,017 | -63 | -1,594 | -465 | 649 | -1,843 |
| Profit before tax | 870 | -18,859 | 12,880 | -17,908 | -9,842 | -12,643 | 7,940 | 6,943 |
| Tax | 2,253 | 3,046 | 5,532 | 2,238 | 1,594 | 3,053 | -129 | -2,854 |
| Profit for the period | 3,123 | -15,813 | 18,412 | -15,670 | -8,248 | -9,590 | 7,811 | 4,089 |

Key indicators and other information

| TSEK | 2020 | | 2019 | | | | 2018 | |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Operating margin (%) | Neg | Neg | 0.09 | Neg | Neg | Neg | 5.86 | 9.18 |
| Gross margin (%) | 37.46 | 29.98 | 34.57 | 33.90 | 37.69 | 37.19 | 40.89 | 48.79 |
| Profit margin (%) | 0.03 | Neg | 0.12 | Neg | Neg | Neg | 6.28 | 4.27 |
| Equity per share (SEK) | 0.51 | 0.53 | 0.52 | 0.51 | 0.52 | 0.53 | 0.53 | 0.52 |
| Cash flow per share (SEK) | 0.00 | 0.02 | 0.05 | -0.03 | 0.00 | -0.02 | 0.05 | 0.01 |
| Number of employees | 255 | 270 | 252 | 255 | 231 | 210 | 195 | 188 |
| No. of outstanding shares (thousands) | 860,024 | 860,024 | 860,024 | 860,024 | 860,024 | 860,024 | 860,024 | 860,024 |
| Equity/assets ratio (%) | 64.34 | 64.49 | 63.37 | 61.41 | 66.14 | 66.24 | 71.82 | 72.90 |
| Order intake (SEK thousands) | 282,569 | 33,626 | 241,194 | 79,314 | 141,457 | 99,975 | 143,941 | 100,689 |

Segment data

| | 2020 | | 2019 | | | 2018 | | |
|---------------------|----------------|---------------|----------------|---------------|----------------|---------------|----------------|----------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Order intake | | | | | | | | |
| System Sales | 259,326 | 26,017 | 185,194 | 73,554 | 51,157 | 66,487 | 106,941 | 84,689 |
| Managed Services | 23,243 | 35,608 | 56,000 | 5,760 | 90,300 | 33,488 | 37,000 | 16,000 |
| | 282,569 | 61,625 | 241,194 | 79,314 | 141,457 | 99,975 | 143,941 | 100,689 |

| | 2020 | | 2019 | | | 2018 | | |
|------------------|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Net sales | | | | | | | | |
| System Sales | 63,680 | 62,855 | 129,705 | 48,124 | 72,316 | 61,318 | 107,393 | 72,944 |
| Managed Services | 29,776 | 32,775 | 28,291 | 24,904 | 24,547 | 17,122 | 17,030 | 22,744 |
| | 93,456 | 95,630 | 157,996 | 73,028 | 96,863 | 78,440 | 124,423 | 95,688 |

| | 2020 | | 2019 | | | 2018 | | |
|----------------------------------|---------------|--------------|---------------|---------------|--------------|-------------|---------------|---------------|
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| Operating Profit (EBITDA) | | | | | | | | |
| System Sales | 7,042 | -1,553 | 22,661 | -2,217 | 1,586 | -828 | 15,046 | 9,290 |
| Managed Services | 5,273 | 2,570 | 4,411 | -574 | 2,834 | 712 | 1,658 | 8,951 |
| | 12,315 | 1,017 | 27,072 | -2,791 | 4,420 | -116 | 16,704 | 18,241 |

Notes and definitions

Key Indicator definitions

| KPI | Definition |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gross margin | Gross profit as a percentage of net sales |
| Operating profit (EBIT) | Profit for the period before net financial items and tax |
| Operating margin | Operating profit (EBIT) as a percentage of net sales |
| Operating profit (EBITDA) | Operating profit (EBIT) before depreciation and amortisation |
| Net margin | Profit for the period as a percentage of net sales |
| Return on equity | Profit for the period as a percentage of (average) shareholders' equity |
| Equity/Assets ratio | Total Shareholders' equity as a percentage of total assets |
| Earnings per share | Profit for the period divided by the (average) number of outstanding shares |
| Interest-bearing liabilities | All interest-bearing debts (the sum of on balance lease liabilities, bank loans & credit facilities and shareholder loans) |
| Adjusted interest-bearing liabilities | Interest-bearing liabilities adjusted for on balance lease liabilities |
| Net interest-bearing debt | Interest-bearing liabilities less cash and bank balances |
| Adjusted Net interest-bearing debt | Interest-bearing liabilities adjusted for on balance lease liabilities less cash and bank balances |
| (Net) Working capital | The balance of current assets (inventory & work in progress, trade receivables, other current assets and cash) less current liabilities (trade payables and other current interest-free liabilities) |
| Order intake | The sum of purchase orders received in the period |
| Purchase order | Received order to deliver goods or services |
| Procurement award | Contract with estimated sales volume against fixed conditions over a period of time without purchase order obligations |
| Number of employees | The number of employees (fixed and variable) at the end of the period |
| Average number of employees (FTE) | The number of average full time equivalent employees during a period |
| Free available cash | Cash and bank balances plus remainder of the credit facilities made available to the company |
| 12M Rolling | Sum of the last 12 months |

General

Nature of operations

Sensys Gatso Group develops markets, sells and operates world-leading system solutions and products to improve traffic safety. Our largest product category includes automatic speed and red-light monitoring systems designed to prevent traffic accidents and thereby saving lives and social resources. All products are based on our unique, high precision, target-tracking radars offering high legal certainty. The market for traffic safety systems is a global niche market with healthy underlying growth.

EBITDA (Earnings before interest, taxes, depreciation and amortization)

The Intangible fixed assets, relating to the Purchase Price Allocation on the acquisition of Gatso Beheer BV, generate considerable amounts of amortisation. Due to this, we believe that, in order to assist in understanding the operational business and growth, it is useful to consider EBITDA when assessing the financial performance.

Comparability of figures

As of 1 January 2019 IFRS16 has been implemented. Financial numbers before the financial year 2019 are without IFRS16. For comparison to the 2018 financial numbers we refer to the interim reports of 2019 and the annual report of 2019.

Volatility

The Group's revenue is affected by the volatility of the System Sales business. Due to the variance in bigger and smaller contracts and the time at which opportunities occur, revenue can be affected significantly during a quarter. To assist in understanding the operational business and to get a better view of the Group's performance, we provide quarterly data over six quarters.

Risks and uncertainty

Significant risks and uncertainties faced by the group primarily consist of commercial risks associated with customers and suppliers, and financial risks in its international business due to changes in exchange- and interest rates, as well as liquidity, financing and credit risks. Currency risks also arise in the translation of foreign net assets and earnings. Sensys Gatso Group's overall goal is as far as possible to avoid taking financial risks that may arise through changes in foreign currency rates, interest levels and market prices, as well as liquidity, financing and credit risks.

For more information about the group's risks, please refer to note 24 of the 2019 Annual Report. There are not considered to be any significant risks in addition to these.

Accounting policies

Sensys Gatso Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Accounts Act.

The Parent Company's interim report was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 – Accounting for Legal Entities.

The accounting policies adopted are consistent with those of the previous financial year as presented in the annual report for 2019.

For more information about the accounting policies applied and definitions of key indicators, please refer to the annual report issued for 2019, which is available on the Sensys Gatso [website](http://www.sensysgatso.com) www.sensysgatso.com

Financial calendar and invitation to the presentation

Invitation to a presentation for press and analysts

On 20 August at 10 am CET Sensys Gatso Group invites to a presentation/audiocast. The company's CEO Ivo Mönnink and CFO Simon Mulder will present the financial results in English. The presentation in connection with this report will be published on the website.

The presentation/audiocast can be joined online or via telephone and will be available on the company's webpage <https://www.sensysgatso.com>

Link to the presentation/audiocast:

<https://tv.streamfabriken.com/sensys-gatso-group-q2-2020>

Dial-in number

SE: +46 8 505 583 55

UK: +44 333 300 90 35

US: 1 844 625 15 70

Upcoming financial events

| Calendar | |
|-----------------------------------------|------------------|
| Interim Report July - September 2020 | 26 November 2020 |
| Year-End Report January - December 2020 | 25 February 2021 |

Sensys Gatso Group AB

Office address Vasavägen 3c,
SE-554 54 Jönköping
Postal address Box 2174,
SE-550 02 Jönköping
Sweden

T +46 36 34 29 80

F +46 36 12 56 99

info@sensysgatso.com

www.sensysgatso.com

Registered No 556215-4459

VAT NO SE556215445901

Registered Office Jönköping