

Sensys Traffic to acquire Gatso Beheer

SENSYS Traffic AB (publ) ("Sensys Traffic"), a global supplier of traffic safety solutions, has entered into an agreement to acquire the Dutch company Gatso Beheer B.V. ("Gatso") for a total consideration of approximately MSEK 278.

- » Payment for the acquisition will be made through (i) a cash payment of SEK 75,000,000, (ii) an issue in kind of a number of new shares to the seller corresponding to a value of SEK 140,000,000 (the number of shares to which the seller is entitled to subscribe shall be calculated on the basis of the average price for Sensys Traffic's shares during a period of 90 days before and including 23 June 2015 and 28 days after 23 June 2015) and (iii) the issuance of a vendor note of approximately SEK 63,080,000 (which under certain circumstances may be converted into new shares in Sensys Traffic). In addition the seller may, under certain circumstances, be entitled to an additional purchase price of maximum EUR 4,000,000, to be payable no earlier than during 2016.
- » The acquisition of Gatso and the merger of the operations of Sensys Traffic and Gatso will create the largest supplier of traffic enforcement equipment with a strong and unique value proposition in the managed services market. The combined company will have strong presence in Europe, the Middle East, Asia and Australia, and will also have a foothold in the North American managed services market. The combined company is proposed to operate under the name Sensys Gatso Group AB.
- » Sensys Gatso Group proforma numbers for 2014 looks as follows: Net revenues of MSEK 436, EBITDA of MSEK 65.4, Installed base of 18,000 systems and 202 employees.
- » The transaction is combining the customer base and the capabilities of the two companies, which will reduce the volatility of the project oriented equipment markets while providing better growth opportunities in the managed services markets.
- » An extraordinary general meeting will be held on 24 July 2015 to approve the acquisition and the acquisition is expected to be finalized around early August 2015.
- » The acquisition is conditional upon the resolutions to be taken at the extraordinary general meeting.

Sensys Traffic will host a Press and Analyst Conference call on 23 June 2015 at 10.00 a.m.

"Sensys and Gatso complement each other very well and still share the fundamental values and ethics that are needed to build sustainable business growth in the enforcement market. Sensys and Gatso will be significantly stronger together than as individual companies. The Sensys Gatso Group comes out of the merger in the pole position in the equipment market being the market leader and as a challenger with solid foothold in the managed services market. We expect synergies in sales where our combined sales force will be able achieve better market coverage while we also get a broader product portfolio to bring to our joint customer base. On top of the strong market position, synergies in R&D will provide a great focus on core

¹ Corresponding to EUR 6,840,000 based on the EUR/SEK exchange rate as set by the Swedish Central Bank per 22 June 2015.

technologies, software as well as on customized solutions allowing the company to expand into new markets." says Torbjörn Sandberg, CEO of Sensys Traffic.

Timo Gatsonides, CEO of Gatso adds "Integrity, dedication and innovation were the cornerstones of Gatso when my grandfather Maurice founded the company 57 years ago. Those values made us strong and its those values which continue to lead us today - inspiring our people worldwide. Today, more than ever, governments around the globe are challenged by the negative effects of increased mobility and urbanization. Fast-paced innovations as part of an holistic approach are pivotal in helping governments keep their citizens safe in traffic. This is why I'm extremely happy that we've found in Sensys a partner who shares the same fundamental values and views. This merger will forge innovations that will likely re-shape the managed services market for road safety."

BACKGROUND AND REASON

Gatso, founded in 1958, is a leading Dutch supplier of traffic enforcement systems and associated services with service provider operations in the North American market. Gatso, headquartered in The Netherlands and owned by the Gatsonides family, generates MEUR 30 in turnover with 160 employees in five countries.

Gatso's product portfolio encompasses traffic enforcement systems and software that enable customers to administer traffic violations. With some 15,000 systems installed throughout the world, Gatso is the largest traffic enforcement supplier in Great Britain, the Netherlands and Belgium and has strong market shares in France and Switzerland. Gatso also has a market presence in Asia with large market shares in Hong Kong and Taiwan, as well as subsidiaries in the USA and Australia. Gatso USA is currently a service provider in six states in USA, delivering its services to more than fifteen different municipalities. With this entry into the managed services market in the recent years, Gatso has established itself as a reliable service provider in the North American market.

The acquisition of Gatso and the merger of the operations of Sensys Traffic and Gatso will create the world's largest supplier of traffic enforcement equipment with a strong and unique value proposition in the managed services market. Sensys and Gatso complement each other very well in market coverage as well as in product and technology portfolio, while sharing similar company culture and values.

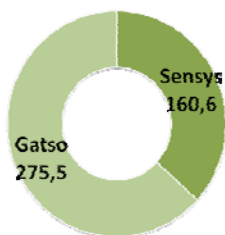
Both companies have very strong presence in their respective markets and share a reputation of being open, trustworthy and reliable. The combined company will be well established through its local partners and subsidiaries in Europe, the Middle East, Asia and Australia whilst, at the same time, it will also have a foothold in the North American managed services market, also known as the service provider or operator market. The main rationale for the transaction is that by combining the customer base and capabilities of the two companies will reduce the volatility of the project oriented equipment markets while providing better growth opportunities in the managed services markets. The transaction gives the opportunity to a more predictable and sustainable growth going forward.

The Sensys Gatso Group will have the capability of providing solutions to every traffic enforcement need through its unique, broad product and service portfolio. In combination with its managed services expertise the Sensys Gatso Group will have the capability of providing end-to-end-solutions in both the mature operator market in North America as well as in the emerging operator markets in Europe, Asia, Latin America and Africa. The objectives for the Sensys Gatso Group will be to grow faster than the market in equipment sales by combining product portfolios and customer base, and increasing market share in the North American market based on its current foothold and the solid ethical values throughout the business

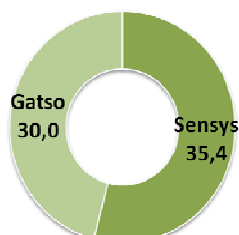
conduct, as well as making use of the managed services expertise in order to drive expansion of the managed services business into other markets.

Sensys Gatso Group proforma numbers for 2014 look as follows:

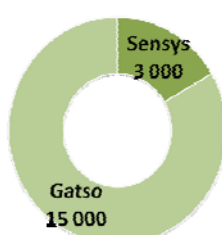
Net revenues 2014
436 MSEK



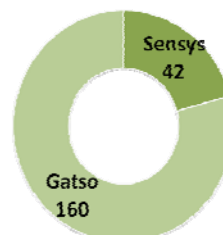
EBITDA 2014
65,4 MSEK



Installed Base
18 000 systems



No of employees
202



CONSIDERATION

Payment for the acquisition will be made through (i) a cash payment of SEK 75,000,000, (ii) an issue in kind of a number of new shares to the seller corresponding to a value of SEK 140,000,000 (the number of shares to which the seller is entitled to subscribe shall be calculated on the basis of the average price for Sensys Traffic's shares during a period of 90 days before and including 23 June 2015 and 28 days after 23 June 2015) and (iii) the issuance of a vendor note of approximately SEK 63,080,000 (which under certain circumstances may be converted into new shares in Sensys Traffic). The vendor loan carries an annual interest rate corresponding to EURIBOR 1M (one month). The vendor loan shall be repaid in five installments; EUR 3,000,000 three years after closing, EUR 1,000,000 four, five and six years respectively after closing and EUR 840,000 seven years after closing of the acquisition. Sensys Traffic may, at its own discretion, pay the instalments in advance. If Sensys Traffic has not paid the instalments when they fall due the seller may choose to convert such due instalment (excluding interest) into shares in Sensys Traffic based on the same subscription price as in the share issue in kind as described above. In addition the seller may, under certain circumstances, be entitled to an additional purchase price of maximum EUR 4,000,000, to be payable no earlier than during 2016.

The dilution effect for existing shareholders in connection with the share issue in kind and the additional maximum dilution effect if maximum conversion takes place will be disclosed in connection with the closing of the acquisition.

INDICATIVE TIMETABLE AND CONDITIONS

Sensys Traffic will today convene an extraordinary general meeting to be held on 24 July 2015 to approve the acquisition and, in order to execute payment, amend the articles of association and to authorise the board of directors, until the next annual general meeting, on one or several occasions, with or without deviation from the shareholders' preferential rights, to resolve on new issues of shares and convertibles. The extraordinary general meeting will also resolve on certain other issues, see the separate press release for the extraordinary general meeting.

² Corresponding to EUR 6,840,000 based on the EUR/SEK exchange rate as set by the Swedish Central Bank per 22 June 2015.

The board of directors will in connection with the closing of the acquisition resolve, by using the authorisation to issue shares and convertibles, to issue the shares and the convertible to the seller as described above.

The acquisition is conditional upon the resolutions to be taken at the extraordinary general meeting. If the necessary resolutions are taken by extraordinary general meeting, Sensys Traffic believes that the acquisition can be finalized around early August 2015.

In addition to the above customary warranties and conditions apply.

FOR FURTHER INFORMATION

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Torbjörn Sandberg, CEO, +46 (0)76-843 43 76

PRESS CONFERENCE FOR JOURNALISTS AND ANALYSTS

A press conference will be held on 23 June at 10.00 a.m. where journalists and analysts will have a chance to ask questions in a webcast. The press conference can be followed online via the link on Sensys' website:

www.sensys.se

You can also listen to the press conference and ask questions over the telephone, using the following numbers:

Sweden: +46 (0)8 505 20 110

Netherlands: +31 (0)20 7965 008

US: +1 334 323 6201

UK: +44 (0) 207 1620 077

Password: Sensys.

Please call 10 minutes prior to the specified time.

Sensys Traffic is obliged to publish the information contained in this press release pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. This information was submitted for publication at 8.00 on 23 June 2015.

Sensys Traffic is a leading supplier of traffic enforcement systems. Sensys develops, markets and sells systems that are mainly used for speed enforcement and red-light enforcement. The company also provides servicing and maintenance alongside sales of systems. Sensys Traffic's end customers are primarily police and road authorities throughout the world, as well as private operators. The company sells direct to customers, or via partners, agents and distributors. Sensys Traffic is headquartered in Jönköping and its shares are listed on Nasdaq OMX Stockholm. The company has 42 employees and its sales in 2014 totaled SEK 160.6 million.

For further information: www.sensys.se