

[www.sensys.se](http://www.sensys.se)



» *Advanced sensors and systems  
for traffic informatics and traffic safety* «

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# Vision

"To be the leading company within advanced traffic system solutions that save lives, save the environment and other social resources."

# Mission

SENSYS Traffic AB develops, markets and sells systems that are mainly used for speed enforcement and red-light enforcement.

# Annual Report 2014

SENSYS Traffic is a Swedish company that is subject to Swedish legislation. All amounts are expressed in Swedish kronor. Millions of kronor are abbreviated to SEK million and thousands to SEK '000. Numerical data within parentheses refer to 2013, unless otherwise stated. Data on market and competition conditions are SENSYS Traffic's own estimates. These estimates are based on the best and most up-to-date available information from published sources.

Financial information, both in Swedish and English, is available at [www.sensys.se](http://www.sensys.se) under Investera/Investor Relations, where a printed copy of the Annual Report may also be ordered. A copy of the Annual Report can also be obtained by calling +46 (0)36-34 29 80, or faxing +46 (0)36-12 56 99 or by e-mailing [info@sensys.se](mailto:info@sensys.se).

## 2014 in brief

- » Net sales SEK 160.6 million (62.5)
- » Order intake totalled SEK 166.2 million (169.7)
- » Operating profit/loss amounted to SEK 34.6 million (-10.7)
- » Profit/loss after tax was SEK 27.3 million (-10.5)
- » Earnings per share SEK 0.05 (-0.02)
- » Cash flow per share SEK 0.06 (0.07)
- » Equity/assets ratio 79 percent (79)
- » Average number of employees 40 (32)

## Significant events

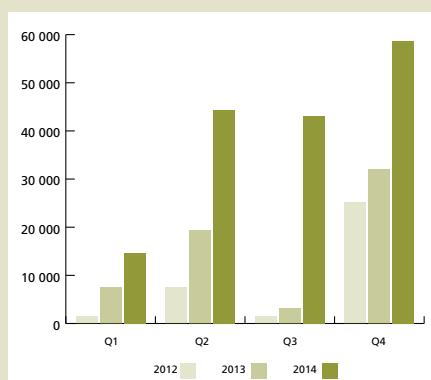
- » Start of serial deliveries and service operations comprising installation, commissioning and maintenance for the Swedish Transport Administration, with associated invoiced sales.
- » SENSYS Traffic won an order from the Swedish Transport Administration regarding additional Swedish Road Safety Camera systems for the Swedish road network. The orders are follow-on orders on the contract that was signed in 2013.
- » Several orders from Middle East worth a total of SEK 25 million. The Middle East is currently SENSYS Traffic's second largest market and the company now has customers in 8 of the region's 14 countries.

## Key figures

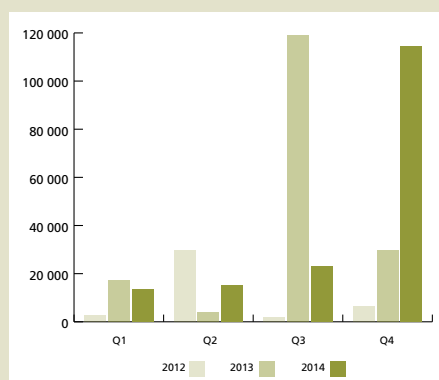
Individual orders are often of such a size that they perceptibly affect sales and operating results.

SEK K	Oct–Dec 2014	Oct–Dec 2013	Jan–Dec 2014	Jan–Dec 2013
Net sales	58,743	32,192	160,580	62,467
Order intake	114,502	29,600	166,243	169,700
Operating profit/loss	20,470	3,719	34,553	-10,656
Operating margin (%)	34.8	11.6	21.5	Neg
Gross margin (%)	59.5	46.3	49.4	43.2
Profit/loss for the period	16,265	3,947	27,294	-10,523
Earnings per share (SEK)	0.03	0.01	0.05	-0.02
Cash flow	17,400	15,000	33,514	19,747

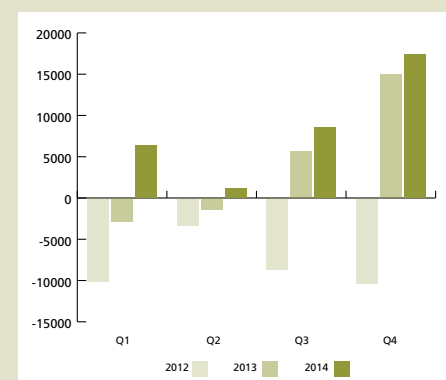
### Net sales



### Order intake



### Cash flow



## SENSYS Traffic has never been stronger

2014 was a highly successful year for SENSYS Traffic, with strong sales growth of +157 percent, healthy margins, robust cash flow and an extremely solid balance sheet by the end of the year. Meanwhile SENSYS Traffic continues to see a good order intake and an increasing number of possible orders that are strategically focused on interesting markets with considerable potential. Overall, SENSYS Traffic is in an excellent position to enable continued organic growth at a rate that outpaces the market, while investigating opportunities to grow through acquisitions.



Overall, Sensys is in an excellent position to enable continued organic growth at a rate that outpaces the market, while investigating opportunities to grow through acquisitions.

### Swedish business an engine for growth in 2014

Contracts with the Swedish Transport Administration fuelled our growth in 2014, with a sharp increase in production during the first half of the year, and the establishment of a new field service organisation in Sweden, which laid the foundations for increases in both sales and profit. This was a challenging task, which we accomplished without any serious problems or delays, and without tying up capital.

During the second quarter, our service organisation was ready to independently install, commission and maintain Swedish Road Safety Camera systems in Sweden. Our service operations allow us to conduct an ongoing dialogue with our customers, which means we can better adapt the products to the situation in the field and take advantage of business opportunities arising in connection with the commissioning of Swedish Road Safety Camera systems. Furthermore, experiences from the service organisation in Sweden help develop our international service operations. The service also provides us with regular earnings, accounting for approximately 7 percent of our sales.

The Swedish Transport Administration has the explicit aim of replacing all Road Safety Camera systems with SENSYS Traffic's latest generation of speed enforcement systems, while also increasing the number of new Road Safety Camera system stations. In the national transport plan, the Swedish Transport Administration sets out its objective of having 9,000 km of roads with Road Safety Camera systems by the year 2025, compared with 3,000 km at the start of 2014. Moreover, existing Swedish Road Safety Camera systems on stretches of road will be positioned closer together, which will also boost SENSYS Traffic's volumes.

### Growing market in Middle East

While we have devoted considerable resources to the Swedish project, we have also succeeded in winning new orders both in Sweden and abroad, with stronger growth in the Middle East. I believe this is evidence of the fact that we now have an organisation that is capable of both selling and delivering. At the start of 2015 we succeeded in winning a number of new orders in the region as a direct result of previous pilot orders.

The Middle East is a market with an increasing number of proficient cus-

tomers, who have acquired substantial experience of automatic traffic safety systems. This market comprises 14 countries with a total of 350 million inhabitants. Most of these countries face significant traffic safety challenges, with high fatality rates, but they are also making ambitious traffic safety investments, which include systems for speed and/or red-light enforcement. As customers in this region have gained experience, demands as regards functionality, performance and design have increased, which benefits SENSYS Traffic. We are also seeing a tendency for procurement processes to be about several smaller projects as opposed to a few large projects, which reduces risk and increases the likelihood of the projects being successful. This means that activity in general has increased, which in turn requires us to have a local presence to allow us to participate in procurements in the region. It is in light of this that we have decided to establish a local sales and service office in the Middle East in 2015. The purpose is naturally to be able to pick up business in the region, while establishing service operations to offer customers improved and quicker service.

In addition to the Middle East, we are also well-positioned in North America and Asia, where we see major opportunities for growth in the medium term. We are targeting these markets together with our partners, with a view to positioning ourselves in preparation for future volumes. 2014 saw our first order from Mexico, a market with considerable potential where we are now beginning to get established. Our strategic approach in the Middle East, which we have been pursuing for some time, is now starting to bear fruit, and I am confident that it will earn SENSYS Traffic well-deserved growth in other regions as well, going forward.

Sales of our product for the railway market, APMS, remain sluggish. During the year we received an additional order from Finland, where we have a base installed previously for APMS, however this did not bring any new customers, as was hoped. We are aware that we offer a unique product that solves a significant problem on the market. But SENSYS Traffic is a small and relatively unknown company among railway operators compared to the suppliers they normally work with, which means that SENSYS Traffic is starting from a more challenging position. We are continuing to market our pilot customers in Europe and Asia, with the aim of winning bigger contracts and establishing pilots on new

markets. We have high hopes of achieving our objective of a breakthrough during the year.

### Strategy for the future

SENSYS Traffic's strategy remains firmly in place, with our objective of continuing to grow organically at a rate that outpaces the market. We will achieve this by:

- » Continuing to develop sales processes and strengthen the sales organisation
- » Establishing local offices in the Middle East in 2015 and Asia in the longer term
- » Expanding our service operations internationally and maintaining close proximity to our customers
- » Achieving a breakthrough on the international railway market

Meanwhile, the strength of our financial situation and market position offer us opportunities to investigate potential acquisitions and mergers.

### A strong organisation

I would like to take this opportunity to thank all SENSYS Traffic's employees, who have been responsible for the strong growth in sales and earnings in 2014. Our service organisation has made a significant contribution in carrying out a large number of replacements and new installations, while improving both organisation and processes. Our purchasing and logistics organisation has made a strong contribution by increasing production in the Swedish project. This has been a requirement for the rapid roll-out and essential for invoicing, cash flow and profitability. We were able to significantly raise production in the second quarter, while maintaining a positive cash flow throughout the entire process, which is an indication of strength. Meanwhile our sales organisation and development organisation have advanced our positions on the international market, which resulted in a strong order intake towards the end of 2014.

All in all this means that I am excited about the future of the company. I am convinced that SENSYS Traffic will continue to develop and that we will reap further successes from all our hard work.

Jönköping, March 2015



Johan Frilund, CEO



## Business concept

SENSYS Traffic AB develops, markets and sells systems for traffic safety and traffic informatics.



*According to the World Health Organization (WHO), some 1.2 million people are involved in traffic accidents every year and 20–50 million people are injured. Automatic traffic monitoring, including speed and red-light enforcement, is an effective way of improving traffic safety and saving lives.*

## Our strategic position

SENSYS Traffic's overarching aim is to lead developments within advanced sensors and systems for traffic safety through a product-driven offering, where the focus is on customer needs and objectives. Our strategy is divided into four focus areas: cutting-edge technology, customer benefit, production and delivery efficiency and market presence.

### Cutting-edge technology:

#### Market-leading radar sensor.

SENSYS Traffic's proprietary target-tracking radar sensor is at the very core of our business. The innovative RS242 model represents the third generation of radar, featuring a sensor with superior precision and functionality. This brings unique competitive advantages in the form of legal security, coverage capacity of wide, multi-lane roads and high-performance registration of traffic violations.

### Customer benefit:

#### Excellent image quality.

SENSYS Traffic offers the best image quality on the market, which enables registration across wide roads, while also ensuring high performance in terms of driver identification and prosecution. We have achieved this outstanding image quality by using the latest full-frame technology, which in addition to unbeatable resolution also offers cost benefits over standard industry cameras.

### Production and delivery capacity:

#### Effective processes.

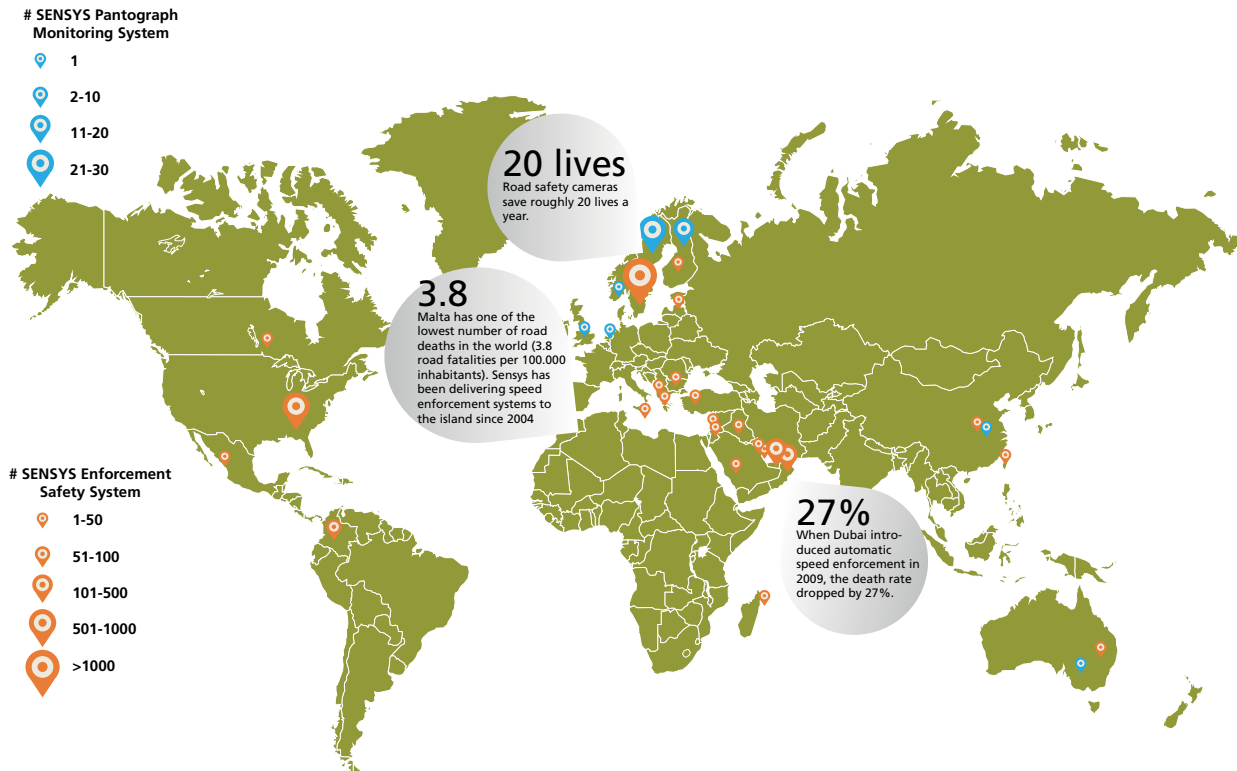
SENSYS Traffic's outsourced supply chain is a key competitive advantage, as it offers us high delivery capacity, flexibility and short lead times. Furthermore, the outsourced supply chain also cuts the cost compared with in-house production.

### Market presence:

#### Strong sales organisation.

SENSYS Traffic markets its products and systems all over the world via its own sales organisation, partners, agents and distributors. But in order to be able to adapt our offering and create customised product and service solutions, the company's relationships with its end customers are crucial to its success. It is for this reason that considerable emphasis is placed on functions and material that support the sales process.

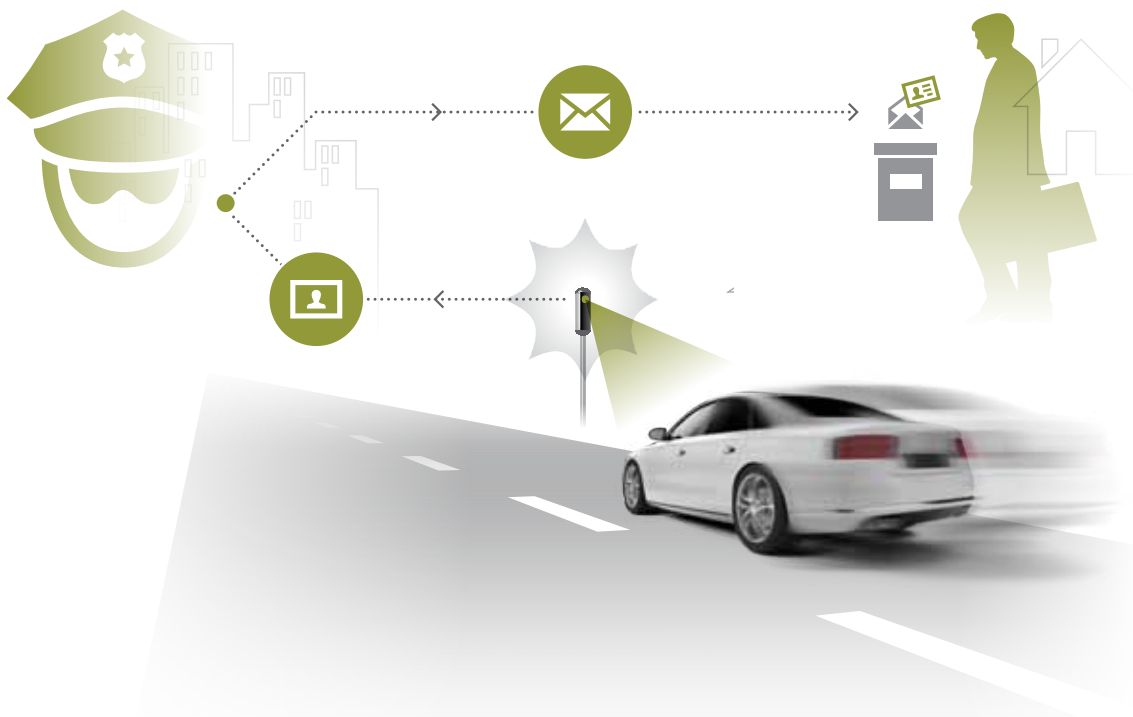
# Over 3,000 Sensys systems in more than 25 countries



## Changing behaviour to save lives!

The Swedish Transport Administration and the National Police Board own and jointly manage the Swedish Road Safety Camera systems in Sweden. In consultation with the police, the Swedish Transport Administration is responsible for establishing, operating and maintaining the fixed speed cameras and for data transfer to the police. The police handle the activation of the cameras. The police are also responsible for all the investigative work surrounding speed limit violations. In the event of a speed limit violation, the driver and vehicle number plate are photographed. The package of evidence is sent to the police, who issue the fines. In addition to speed limit violations, staff at the traffic enforcement section can detect whether the driver has a driver's licence, or whether a car is untaxed or not allowed on the road.

The number of people killed and seriously injured in traffic has fallen sharply in Sweden over the past few years. Speed cameras are partly responsible for this development. The long-term aim of the Swedish Road Safety Camera system is to bring about a change in behaviour. Sweden saves the lives of around 20 people every year with the help of speed cameras. One human life lost costs society an estimated SEK 20 million, based on what is invested in each individual and what that person can generate.



# Customer relationships across the world

SENSYS Traffic develops, markets and sells 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 save lives and save social resources. All products are based on a unique, proprietary target-tracking radar, which gives high precision and offers high legal security.

The market for traffic safety systems is a global niche market with healthy underlying growth.

## Priority customer groups.

SENSYS Traffic is a market leader in system solutions and products to improve traffic safety. The company has supplied thousands of systems to customers in more than 25 countries and is a market leader in the Nordic traffic enforcement market. Our customers primarily comprise police and road authorities throughout the world, as well as private operators that are contracted by government agencies to run systems.

Our customer relationships are characterised by close cooperation as part of a joint endeavour to find customised solutions for local needs and objectives. We have long-term customer relationships, which often result in add-on sales over time.

Our largest customers are the Swedish Transport Administration and Sensys America in the US. Our most significant customers among private operators are based in the US and Malta.

## Social factors.

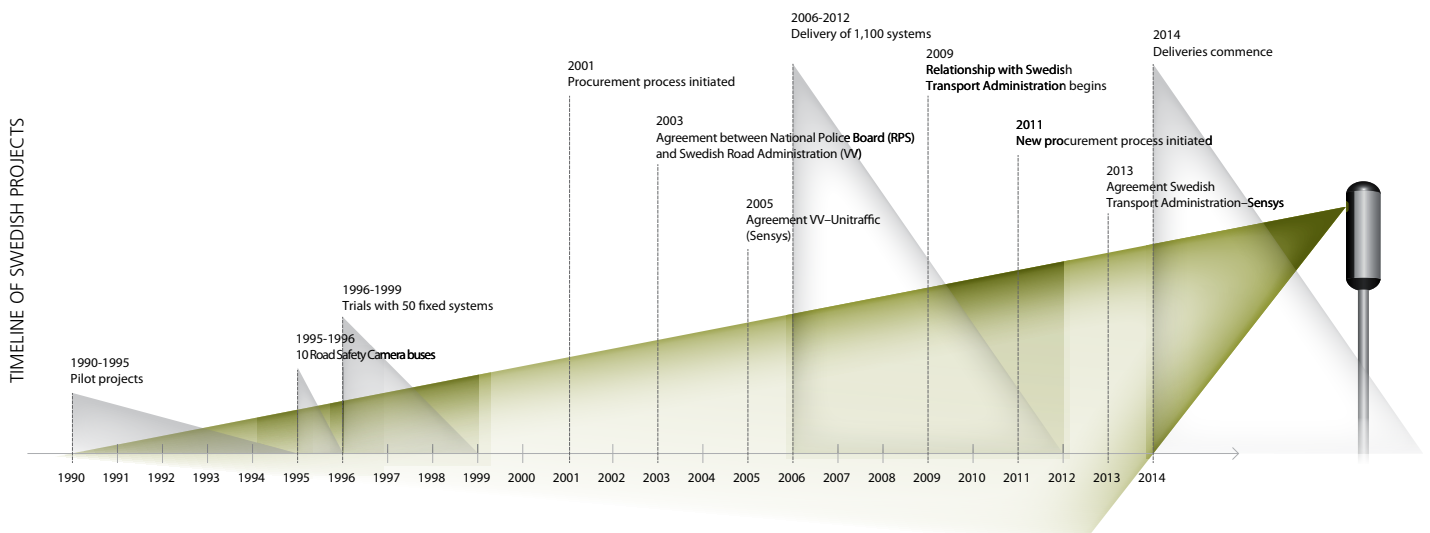
The key factor for growth is increased awareness of both the problems caused by traffic and the measures that can be taken to improve safety. Over the past few years, general acceptance of traffic monitoring systems has increased among the general public in many countries.

From a financial perspective, traffic safety systems also generate increased income as violations lead to fines. The major economic gain for governments, however, is reduced traffic accidents.

## Lengthy procurement processes.

The procurement processes for police authorities and government agencies are often lengthy and sometimes part of political decision-making processes. They normally involve a strategic assignment based on the objective of improving traffic safety, including a trial period with pilot tests to ascertain the anticipated effect. Sweden is one example, where a pilot project was initiated in 1990 that led to over 2,000 delivered systems. See illustration below.

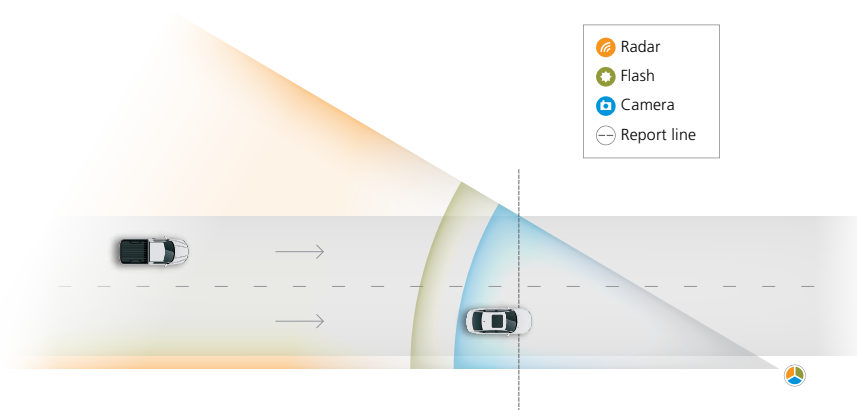
The procurement processes for operators generally happen on a more commercial basis, with considerable emphasis being placed on the systems' potential to generate earnings over time. We are seeing increased demand from operators and have therefore adapted our offering and business model to meet the needs within this customer group.





# How our systems work

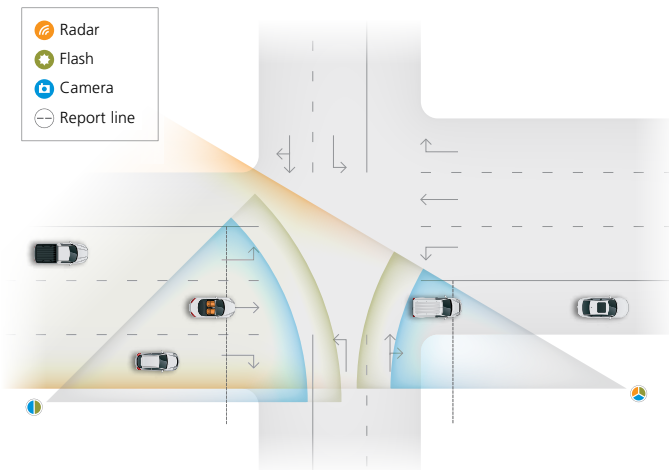
## SSS. Speed Safety System



SENSYS Traffic's proprietary radar sensor, RS242, can monitor several lanes simultaneously, and tracks vehicles from 150 metres to 10 metres within the radar lobe.

If the speed of the vehicle exceeds a certain limit, a photograph is taken of the number plate and the driver at a pre-determined report line. The stationary Speed Safety System does not require any alterations to the road, which makes it simple and inexpensive to install.

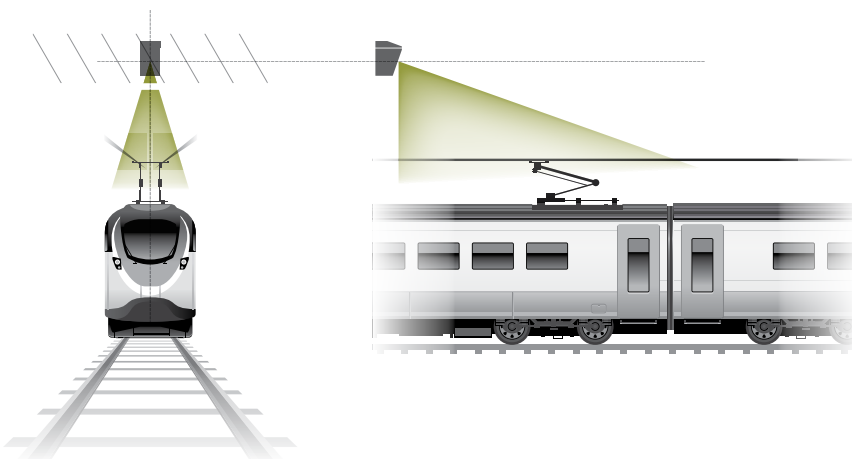
## RLSS. Red Light Safety System



When a vehicle approaches the stop bar at a set of traffic lights, its speed is analysed by the radar. If it is detected that a vehicle is unable to stop before the stop bar and there is a red light, a picture of the vehicle is taken showing its position in front of the red light, the red light and the number plate.

Once the vehicle has passed the stop bar during the red-light phase, the camera will take a second photograph. The second photograph will either be taken by the same camera showing its position behind, or by another camera positioned on the other side of the intersection. This is dependent on whether or not driver identification is required.

## APMS. Automatic Pantograph Monitoring System

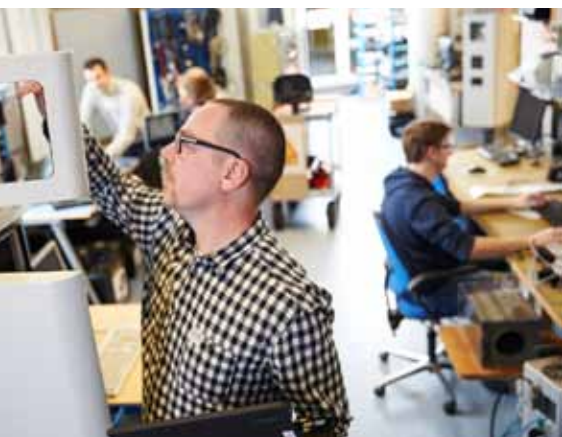
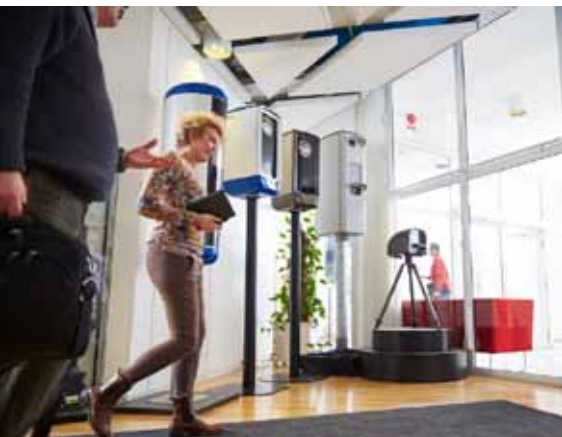


The radar sensor first detects the radar echo from the current collector when the approaching train is roughly 100 metres away. As the train moves towards the sensor, the echo signal is tracked until the current collector is about seven metres from the camera. At this point the image quality is optimal and the picture is taken.

After the camera captures the image of the current collector, the digital image is transferred to the image processing unit, which separates and checks the images of the carbon strips. If the check shows that the carbon strip has been damaged or worn down, an alarm is transmitted.

## Our most important resources

SENSYS Traffic aims to be an attractive employer and partner on the global market. We have a focused approach towards securing and developing the right skills to satisfy current and future needs. Talented and motivated employees are the very backbone of our business.



### Committed employees with considerable technical expertise

On 31 December 2014, SENSYS Traffic had 41 employees. Of those, 14 people work within research and development. There are six people in sales and marketing, and 14 working with after sales services such as installations, service, support and training.

“SENSYS Traffic is reliant on well-educated and motivated individuals with a strong interest in pushing developments forward. The company cultivates an innovative climate. We have a down-to-earth approach, working together towards our common goal to retain our technical advantage,” says Göran Löfqvist, Research and Development Director at SENSYS Traffic.

SENSYS Traffic is careful to recruit, develop and retain employees with the right attributes when it comes to expertise and commitment. Each employee should feel involved and responsible for the company's development. Our flexible organisation, with delegated responsibility and quick decision-making, means that each employee feels a strong sense of participation.

“One advantage of working for a company of our size is that you are able to clearly follow the solutions you've been working on and see the effect and impact they have out on the market. And it's very satisfying to work with industry-leading technical solutions that aim to save lives,” says Göran Löfqvist.

“Both technicians and sales representatives meet our customers and suppliers worldwide through the projects we carry out. These natural relationships often constitute a key advantage in joint development projects. Another one of our strengths is our diversity – our employees bring different experiences and backgrounds, speak several languages and contribute knowledge of different cultures.”

### Niche partners

SENSYS Traffic does not own any production units, but instead has extensive cooperation with a few key manufacturers. We have two partners for system installation and cabinet manufacture. This secures high delivery capacity and access to the best possible technology for sub-systems and components. These two suppliers are environmentally certified in accordance with ISO 14001.

We also have strategic collaboration with partners for the development of flash and lighting technology, image processing, number plate recognition and complementary sensor technology. We always ensure that these suppliers are either ISO 14001-certified, or plan to acquire certification.

### Conduct

SENSYS Traffic has strong business ethics and respects others when pursuing its operations. The company's Code of Conduct is based on the UN's Universal Declaration of Human Rights. To ensure a common standard of behaviour among all SENSYS Traffic staff, we operate in accordance with a policy covering issues such as bribery and corruption.

### SENSYS Traffic's role in society

SENSYS Traffic engages in continual consultations and discussions with public bodies on issues of current concern. In Sweden, it is primarily the Swedish Transport Administration and VTI (the National Road and Transport Research Institute) whose remits touch upon the company's activities. Issues of common concern for the industry are also addressed within the framework of the reference group on the Vision Zero Initiative, the Swedish government's initiative to boost the export of Swedish know-how related to work with Vision Zero. SENSYS Traffic is also engaged in dialogue with SIS (Swedish Standards Institute) on the ISO 39001 management system for traffic safety.

## SENSYS Traffic share information

SENSYS Traffic's share is listed on Nasdaq Stockholm's Small Cap list. As at 30 December 2014, the share capital amounted to SEK 27,061,716 divided into 541,234,314 shares. Each share gives the right to one vote.

### SHARE PERFORMANCE

The highest price paid for SENSYS Traffic shares during the year was SEK 1.23 (6 Feb, 2014) and the lowest price paid was SEK 0.77 (17 Nov, 2014). The last price paid on 30 December 2014 was SEK 0.81 (1.06).

In 2014, a total of 77,876,388 (204,443,854) SENSYS Traffic shares were traded on the Stockholm Stock Exchange. At the end of the year, the market value amounted to SEK 438 million (574).

### DIVIDEND POLICY

The Board of Directors of SENSYS Traffic has not established a dividend policy and does not believe that a dividend will be paid in the near future. The profitability of the company has fluctuated and the fundamental principle of the Board is to reinvest any pre-tax profit in the business until a stable level of profitability has been reached. Once sustained profitability has been achieved, however, the ambition of the Board is to establish a long-term and, over time, stable dividend policy. When this occurs, consideration will be given to the company's profit level, financial position and other factors thought to be of relevance by the Board.

### SHAREHOLDER CATEGORIES

	Capital %	Votes %
Overseas shareholders	8.3	8.3
Swedish shareholders	91.7	91.7
of which		
- Institutions	42.0	42.0
- Individuals	49.7	49.7

### OWNERSHIP CONCENTRATION

	Capital %	Votes %
The 10 largest shareholders	41.2	41.2
The 20 largest shareholders	48.7	48.7
The 100 largest shareholders	65.9	65.9

### THE 20 LARGEST SHAREHOLDERS

The shares in SENSYS Traffic AB were held as of 31 December 2014 as follows:

	Number of shares	Proportion of share capital/ votes %
Danske Invest Sverige Fokus	95,730,030	17.69
Försäkringsaktiebolaget, Avanza Pension	30,691,536	5.67
Inger Bergstrand	29,200,674	5.40
AMF – Försäkringar och fonder	14,850,000	2.74
Danica Pension	12,807,785	2.37
Per Wall	11,368,489	2.10
Nordnet Pensionsförsäkring AB	11,024,876	2.04
A.N Holding AB	6,378,498	1.18
JP Morgan Bank	5,432,865	1.00
Försäkrings AB Scandia	5,416,711	1.00
UBS AG Clients Account	5,328,149	0.98
SEB Life (Ireland) ASS CO LTD	5,115,059	0.95
Clarence Bergman	4,564,810	0.84
Peter Svensson	4,312,218	0.80
Leif Klevbo	4,000,000	0.74
Services AB, Arding Language	4,000,000	0.74
Tomas Klevbo	3,561,440	0.66
Dan Segenmark	3,445,025	0.64
Jan Kihlberg	3,349,629	0.62
Robur försäkring	3,157,611	0.58
<b>Total, 20 largest shareholders</b>	<b>263,735,405</b>	<b>48.74%</b>
<b>Total, other shareholders (10,426)</b>	<b>277,498,909</b>	<b>51.26%</b>
<b>Total</b>	<b>541,234,314</b>	<b>100.0%</b>

# Directors' Report

The Board of Directors and Chief Executive Officer of SENSYS Traffic AB (publ.), corporate registration number 556215-4459, hereby present the Annual Report & Accounts for the financial year ended 31 December 2014.

## SENSYS TRAFFIC'S OPERATIONS

Sensys develops, markets and sells sensors and 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 primarily comprise police and road authorities throughout the world, as well as private operators. Sales are conducted either directly or via partners, agents and distributors.

## INCOME AND EARNINGS

Income for the full year was SEK 160.6 million (62.5), with the single largest project relating to deliveries of Speed Safety Systems for the Swedish Transport Administration. The gross margin was 49.4 percent (43.2).

Profit/loss before tax amounted to SEK 35.1 million (-10.5). Profit/loss after tax was SEK 27.3 million (-10.5).

## LIQUIDITY

Cash and cash equivalents amounted to SEK 80.5 million (49.2) at the end of the year, of which SEK 0.0 million (0.8) was in short-term investments. The company also has SEK 10 million in a blocked bank deposit as a performance bond regarding the contract with the Swedish Transport Administration. The guarantee expires in July 2016.

Cash flow from operating activities during the year totalled SEK 33.5 million (19.7).

In 2013 the company's two warrant schemes TO3 and TO4 were exercised. TO3 raised SEK 8.9 million for the company after issue costs, while TO4 raised SEK 18.1 million after issue costs. The subscription prices were SEK 0.30 and SEK 0.60 respectively.

## SHARE DATA AND KEY RATIOS

Earnings per share were SEK 0.05 (-0.02) and equity per share was SEK 0.26 (0.21). The equity/assets ratio at year-end was 79 percent (79).

## LEGAL STRUCTURE

SENSYS Traffic consists of SENSYS Traffic AB (publ) and the wholly-owned subsidiary Sensys International AB. The shares in the subsidiary company were acquired in July 2010. The total acquisition cost amounted to the company's shareholders' equity of SEK 50 thousand. The subsidiary company is completely dormant, and has been since it was formed. The purpose of the acquisition is solely to meet the terms of an international procurement. SENSYS Traffic has no intention of pursuing any business activities through the subsidiary in the foreseeable future.

## SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

No significant events have taken place further to the end of the financial year that could have an effect on this Annual Report.

## EMPLOYEES

The average number of employees was 40 persons (32). The number of employees at the end of the period was 41 (32).

## ENVIRONMENTAL ISSUES

The environment is a consideration in SENSYS Traffic's development of new products, its improvement of existing products and with regard to deliveries and business trips involving employees. SENSYS Traffic supplies systems for traffic informatics. The functionality of these systems contributes to lower carbon dioxide emissions as a result of reduced speeds and more even flows of traffic.

SENSYS Traffic complies with the applicable WEEE Directive (Waste of Electric and Electronic Equipment), which stipulates how future used electrical equipment will be processed, and the RoHS Directive (Restriction on Hazardous Substances), which aims to remove hazardous substances from products.

SENSYS Traffic has been certified under the ISO 9001:2008 standard since June 2012.

## RESEARCH AND DEVELOPMENT

SENSYS Traffic prioritises research and development in order to maintain and strengthen the company's market position. Remaining at the forefront by offering innovative solutions is fundamental to what we do. Since its inception, SENSYS Traffic has worked with universities and institutes of higher education, offering students the opportunity to write papers with the assistance of the company.

## WORK OF THE BOARD OF DIRECTORS

The members of the Board have long and extensive experience of several different sectors both in Sweden and internationally. The Board includes directors with technical as well as commercial expertise. The Board proceeds according to an established agenda. The Board shall hold four meetings per financial year. Other meetings may be held when necessary. The Board shall primarily devote its time to all-embracing and long-term issues, as well as issues that are of significance for the company. Furthermore, the Board shall continuously assess how the Chief Executive Officer fulfils his responsibilities regarding ongoing operations.

The Chairman of the Board represents the Board both externally and internally. The Chairman shall lead the work of the Board, ensure the Board fulfils its tasks in accordance with prevailing legislation and the Articles of Association, and ensure meetings are held when required.

The CEO is responsible for ongoing administration according to the guidelines and instructions provided by the Board. In accordance with separate instructions, the CEO shall refer to the Board all questions that are of fundamental significance, or of unusual character or of considerable value. The registered office of the company is based in Jönköping, Municipality of Jönköping, Sweden.

## Policies concerning remuneration and other conditions of employment for SENSYS Traffic's senior executives

The Annual General Meeting in 2014 established policies for the remunera-



tion of the company's senior executives. The company's senior executives include the CEO and five members of SENSYS Traffic's senior management. The company shall offer remuneration that is consistent with market terms and this shall be established by the Board in consultation with the Chief Executive Officer. The criteria shall be based on the importance of the duties performed, requirements as regards competence, experience and performance, and remuneration shall consist of the following components:

- » Basic salary
- » Variable remuneration
- » Pension benefits
- » Other benefits and severance terms

Salaries and remuneration of the CEO and other senior executives for 2014 are listed under Note 1.

#### **Proposed guidelines for remuneration and other employment conditions of the company's senior executives in 2015 (corresponding with the previous year)**

The Board of Directors proposes to the Annual General Meeting of Shareholders that the following guidelines be adopted with regard to the remuneration and other employment conditions of the company's senior executives. The Board's proposal corresponds to previous years' remuneration principles and is based on contracts and agreements already entered into between the company and each executive.

The company's management team for 2015 is composed of Johan Frilund (CEO), Göran Löfqvist, Helena Claesson, Kjell Lundgren, Per Ekholm and Jörgen Andersson.

The company shall offer total remuneration at prevailing market conditions that enables the recruitment and retention of senior executives. Remuneration of the company's senior executives shall consist of a basic salary, variable remuneration, pension and other remuneration. Together, these various parts shall comprise each individual's total remuneration.

Basic salary and variable remuneration shall together form the employee's salary. The basic salary shall take into consideration each individual's area of responsibility and experience. The variable remuneration shall depend on each individual's fulfilment of quantitative and qualitative goals. For the CEO and other senior executives the variable remuneration is based on the company's order intake and net sales for the financial year, and is subject to an upper limit

of 50 percent of the basic salary, i.e. SEK 3,500 thousand, of which SEK 1,000 thousand for the CEO.

The CEO and other senior executives received SEK 1,981 thousand in variable remuneration for the financial year 2014.

As previously, the Chief Executive Officer shall benefit from a supplementary pension scheme with a premium that represents approximately 25 percent of the current annual salary. Other members of the company's management team shall have the right to retirement pensions as per the Swedish ITP plan or equivalent. The retirement age is 65 years.

Other remuneration and benefits shall be at market conditions and contribute to enabling each respective senior executive to fulfil his/her duties. The employment contract of the Chief Executive Officer includes termination conditions. According to this contract, there is a reciprocal notice of termination of twelve months. The customary notice of termination applies to other members of the company's management team. The salary shall remain unchanged during the period of notice of termination. The Board shall have the right to deviate from the above guidelines should the Board deem in individual cases that special grounds exist to motivate such deviation.

#### **RISKS**

A description of potential risks and how these are managed is provided under Note 19.

#### **SENSYS TRAFFIC SHARE INFORMATION**

There are no limitations on the right to assign shares of SENSYS Traffic (first refusal). Nor are there any limitations on how many votes each shareholder may cast at general shareholders' meetings. The company is not aware of any agreements between shareholders which could entail a limitation on the right to assign shares. No significant changes in the ownership structure took place in 2014. For more information, see page 11, SENSYS Traffic share information and ownership structure.

#### **APPOINTMENT AND DISMISSAL OF BOARD MEMBERS**

The Articles of Association contain no specific provisions on the appointment or dismissal of Board members.

#### **OUTLOOK FOR 2015**

SENSYS Traffic has received orders from the Swedish Transport Administration totalling SEK 95 million, of which SEK 7 million was delivered in 2014. It is estimated that, combined with the ongoing maintenance that Sensys carries out for the Swedish Transport Administration, sales will amount to SEK 90-110 million in 2015.

In addition, there is the international order backlog for delivery during 2015, which amounted to SEK 42 million at the end of February.

Uncertainty regarding lead times and the extent of such orders means that SENSYS Traffic does not submit a sales forecast in addition to the information given above, i.e. a minimum total for 2015 of SEK 130-150 million. Reservation is made for possible delays of deliveries to the Swedish Transport Administration due to delays beyond SENSYS Traffic's control, e.g. the accessibility of locations or unforeseen events in the delivery chain.

#### **PROPOSED APPROPRIATION OF PROFIT OR LOSS**

The following profits are at the disposal of the Annual General Meeting:

Share premium reserve	88,754,140
Retained earnings	-27,060,602
Profit for the year	27,294,290
<b>Total SEK</b>	<b>88,987,828</b>

The Board of Directors proposes that the profits be carried forward.





# Corporate Governance Report 2014

SENSYS Traffic is a Swedish public limited liability company with corporate registration number 556215-4459. The company is headquartered in Jönköping and its share is listed on Nasdaq Stockholm's Small Cap list. The governance of the company is based on external as well as internal governing documents.

## EXTERNAL GOVERNANCE SYSTEMS

The external governance systems, which provide a framework for corporate governance at SENSYS Traffic, include the Swedish Companies Act and Annual Accounts Act. Furthermore, SENSYS Traffic observes the terms of the listing agreement with Nasdaq OMX Stockholm ("the Stockholm Stock Exchange") and the Swedish Corporate Governance Code.

Governance, management and control are spread among the shareholders at the Annual General Meeting, the Board of Directors and the Chief Executive Officer in accordance with Swedish corporate law, the Swedish Corporate Governance Code and the company's Articles of Association.

## INTERNAL GOVERNANCE SYSTEMS

The most important internal governing document is the Articles of Association adopted by the general shareholders' meeting, followed by the rules of procedure for the Board of Directors and the CEO instructions. The company has also adopted a number of policies and guidelines containing binding rules for the company, such as the Company Code, Equality Policy, management systems, etc.

## FINANCIAL REPORTING TO THE BOARD OF DIRECTORS

The Chief Executive Officer is responsible for ensuring that the Board of Directors receives the reports required to enable the Board to continually assess the company's financial position. The Board of Sensys receives monthly financial reports and the company's financial situation is discussed at every Board meeting.

## RISK ASSESSMENT

With regard to financial risk assessment, the risks are deemed to exist primarily in the possibility of material errors arising in the reporting of the company's financial position and earnings. Accounting procedures have been established in order to minimise these risks. The Board of Sensys continually assesses reporting from a risk perspective, including via comparisons with previous reports of income statements and balance sheet items, as well as with budgets and forecasts.

In addition, management works continually on identifying, assessing and managing risks in individual projects that

affect Sensys from an operative and financial perspective. Further details about the company's risk management are provided under Note 19.

## APPOINTMENT AND DISMISSAL OF BOARD MEMBERS

The Articles of Association contain no specific provisions on the appointment or dismissal of Board members.

## SHAREHOLDERS

SENSYS Traffic's shares have been listed on the Stockholm Stock Exchange since 2001. SENSYS Traffic has a share capital of SEK 27.1 million. The number of outstanding shares in SENSYS Traffic at year-end was 541,234,314 and the number of shareholders totalled 10,446. All shares carry the same voting rights and entitle the holder to the same share of the company's earnings and capital. As detailed on page 11, the company has one shareholder (Danske Invest Fokus) with a stake that exceeds 10 percent of the company's shares. For further information about the ownership structure, trading and share price movements, see page 11.

The Articles of Association do not contain any conditions concerning voting right restrictions.

There is no authorisation for repurchase of treasury shares.

## ANNUAL GENERAL MEETING

The Annual General Meeting is the company's highest decision-making body. Shareholders who wish to participate in the Annual General Meeting must be entered in the register of shareholders five working days before the Annual General Meeting and notify the company in accordance with the notice of the meeting. Notice of the Annual General Meeting is given no earlier than six weeks and no later than four weeks prior to the Annual General Meeting by means of an advertisement placed in the publications Post and Inrikes Tidningar, as well as on the company's website. The fact that notice of the AGM has been given is advertised in Dagens Industri.

## ARTICLES OF ASSOCIATION

The Articles of Association of SENSYS Traffic AB state that the company's business is to develop and market traffic

enforcement and traffic informatics products. The Board of Directors shall consist of at least three and no more than seven Board members with no more than three Deputy Board members. The Board of Directors shall have its registered office in Jönköping in the Municipality of Jönköping. The company's accounts shall be examined by one or two auditors with up to two deputy auditors or a registered auditing firm.

## ANNUAL GENERAL MEETING 2014

The Annual General Meeting of Shareholders in SENSYS Traffic was held in Jönköping on Thursday 24 April 2014. The meeting was attended by 19 (22) shareholders or their representatives, representing approximately 26 percent (17) of the votes. Peter Svensson was elected Chairman of the meeting. All Board members elected by the AGM were present, with the exception of Anders Norling.

The Chief Executive Officer informed the Annual General Meeting of the development and position of the company and commented on the results for 2013 and the first quarter of 2014. During the Annual General Meeting, shareholders were given the opportunity to ask questions, which were then answered.

Thanks were expressed to outgoing Board members Jeanette Jakobsson and Anders Norling, as well as to outgoing Chairman of the Board Peter Svensson.

## Resolutions

The minutes of the AGM can be found on SENSYS Traffic's website. The following are some of the resolutions passed by the AGM:

» That no dividend be paid for the financial year 2013, in accordance with the proposal of the Board of Directors and CEO (SEK 0.00 per share for financial year 2013).

» Decision on six Board members (6), with the re-election of Torbjörn Sandberg, Ingemar Skogö and Claes Ödman. Newly elected Board members were: Helena Nordman-Knutson and Karin Ahl.

» Election of Gunnar Jardelöv as Chairman of the Board.

» The AGM adopted the Annual Report for 2013 submitted by the Board of Directors and Chief Executive Officer,

passed a resolution on the appropriation of the company's profits and discharged the Members of the Board and the Chief Executive Officer from personal liability.

» That remuneration of the Board of Directors and auditors should be in accordance with the proposal of the nominating committee. A resolution was also passed on guidelines for the remuneration of senior executives.

Election of Öhrlings Pricewaterhouse Coopers (PwC) as auditing firm, with auditors Martin Odqvist and Magnus Brändström for the period until the 2015 Annual General Meeting.

## NOMINATING COMMITTEE

In accordance with a resolution passed at the 2014 AGM, a nominating committee was elected with the task of presenting proposals concerning the number of Board members and the composition of the Board of Directors.

The nominating committee consists of Tomas Klevbo (DDB, Chairman), Gunilla Nyström (AMF Fonder), Jan Johansson (Midway Holding etc.), Per Wall (for own and others' holdings) and Gunnar Jar-delöv (in his capacity as Chairman of the company).

During the year, the nominating committee performed an assessment of the work of the Board, as well as its size and composition based on the requirements stipulated in the Swedish Corporate Governance Code. The nominating committee's proposals with regard to the election and remuneration of Board members was presented in the notice of the Annual General Meeting as well as on the company's website.

No remuneration has been paid for the work of the nominating committee.

All shareholders are entitled to approach the nominating committee with proposals regarding Board members and fees. Proposals must be sent to the chairman of the nominating committee. No such proposals were received before the Annual General Meeting in 2014.

## BOARD OF DIRECTORS

The Board of Directors makes decisions relating to SENSYS Traffic's strategic focus, funding, investments, acquisitions, sales, organisational issues and rules and policies.

The Board monitors business operations partly through their own work and partly through periodical reporting. Informal contact is also maintained among the members of the Board. The Board held nine minuted meetings during the financial year. In conjunction with the Annual General Meeting, a statutory Board meeting was held at which decisions were made regarding company signatories, the Board's rules of procedure, CEO instructions and scheduled Board meetings throughout the year. Four of the Board meetings were held prior to the publication of interim reports. The

CEO took part in all the Board meetings to present the reports. During 2014, Chief Financial Officer Helena Claesson performed the secretarial duties. For information on the Chief Executive Officer, see page 37 of the Annual Report.

The Board has also held three minuted strategy meetings with the company's management.

## Special committees

The Board does not include any special committees.

The whole Board takes responsibility for, and makes decisions concerning the salaries of the CEO and the company's management, other conditions of employment and incentive programmes on the basis of policies determined by the Annual General Meeting.

All members of the Board of Directors assume responsibility for ensuring that audit activities are conducted in an effective manner and that the company has appropriate internal control procedures in place and produces high-quality financial reports. The Board fulfils this duty by maintaining regular contact with the auditor and by examining their plan for the audit activities and the remuneration for this work.

According to the Swedish Corporate Governance Code, the majority of the elected Board members must be independent in relation to the company and management team. At least two of these must also be independent in relation to the company's largest shareholders. All members of the SENSYS Traffic's Board are independent in relation to the company and in relation to the company's largest shareholders.

## ASSESSMENT OF THE WORK OF THE BOARD

The Chairman is responsible for the assessment of the work of the Board, while the Chief Financial Officer compiles the assessment of the Chairman of the Board. The Chairman is also responsible for ensuring that the assessments are submitted to the nominating committee.

## MANAGEMENT TEAM

The CEO leads the activities in accordance with the adopted rules of procedure governing the relationship between the CEO and Board, and with the CEO instructions. The CEO is responsible for keeping the Board of Directors up-to-date and for ensuring that the Board has all necessary decision guidance documents and that these are as comprehensive as possible. The CEO and management team hold regular meetings to review the company's results and plan and discuss strategic issues. At year-end the management team consisted of Johan Frilund, Helena Claesson, Jörgen Andersson, Per Ekholm, Göran Löfqvist and Kjell Lundgren.

The Board is responsible for ensuring that there is an effective system for internal control and risk management. Responsibility for creating a good environment for working on these issues has been delegated to the CEO. The management team has this responsibility in its respective areas. Authorities and responsibilities are defined in guidelines, descriptions of responsibilities and authorisation instructions.

## AUDIT

The authorised public accountants Martin Odqvist and Magnus Brändström from PwC have been elected as auditors for the period until the end of the 2015 Annual General Meeting. At the first Board meeting of the year, the auditor reports his observations concerning the financial audit of the company's internal controls and accounts.

## INTERNAL CONTROL

The purpose of internal control is to create an effective decision-making process in which requirements, goals and frameworks are clearly defined. Ultimately, internal control is aimed at protecting the company's assets and thereby the shareholders' investment. The company also has a set of internal instructions, procedures, systems and a specified division of roles and responsibilities in place to improve internal control.

## FINANCIAL REPORTING

The company's results and development are followed up on a monthly and quarterly basis and reported with analyses and comments to the Board. The company's business plan and reviews of the business plan constitute an important means of ensuring internal control. The company's financial reporting complies with the laws and regulations applicable to companies listed on the Stockholm Stock Exchange.

SENSYS Traffic does not have a separate review function (internal audit) as the Board came to the conclusion that there are no special circumstances in operations or other conditions to warrant such a function.

## DISSEMINATION OF INFORMATION

In accordance with the listing agreement with the Stockholm Stock Exchange, SENSYS Traffic disseminates information to shareholders and other interested parties through the publication of press releases, financial statements, interim reports and annual reports. Information is also presented on the company's website, [www.sensys.se](http://www.sensys.se).

The company's information policy is laid down in a separate document ratified by the Board of Directors.

## Board of Directors



**GUNNAR JARDELÖV**  
CHAIRMAN OF THE BOARD

Born: 1947.  
Chairman of the Board since 2014.  
Board member since 2012.  
Has held several positions within major Swedish groups. Previously Chairman of Seamless Distribution AB (small cap).  
Has worked and lived abroad for a number of years. His work related mostly to the shipping and transport industry and associated activities.  
Other directorships: Co-owner and Board member/CEO of SSS AB and Chairman of the Board of InProdicon Int. AB.  
Education: MBA  
Shareholding: 2,150,000



**KARIN AHL**

Born: 1978.  
Board member since 2014.  
Head of Sales and Marketing at Rala Infratech. Has worked in the telecommunications industry in Sweden and abroad for over 12 years. Several different directorships in trade organisations in Sweden and Europe.  
Education: Master's Degree in Political Science, Linköping University.  
Shareholding: 0



**HELENA NORDMAN-KNUTSON**

Born: 1964  
Board member since 2014.  
Director Hallvarsson&Halvarsson. Previously a financial analyst at SEB Enskilda, Öhman FK, Pareto Securities.  
Other directorships: Board member of Transmode Systems, Rejlers.  
Education: Master's in Political Science majoring in international politics at Helsinki University and Master Econ. Sciences major in international marketing, Hanken School of Economics in Helsinki.  
Shareholding: 0



**TORBJÖRN SANDBERG**

Born: 1966  
Board member since 2012.  
CEO Netadmin Systems AB. Previously Group CEO of Birdstep Technology ASA (publ).  
Education: MSc Engineering.  
Shareholding: 50,000



**INGEMAR SKOGÖ**

Born: 1949  
Board member since 2011. Previously county governor of Västmanland and Director General of the Swedish Aviation Administration and Swedish Road Administration.  
Other directorships: Fordonsforskning För Innovation, VINNOVA, Swedavia, Teologiska Högskolan i Stockholm AB.  
Education: MBA.  
Shareholding: 75,552



**CLAES ÖDMAN**

Born: 1965  
Board member since 2011.  
Head of Division and CEO of Ascom Wireless Solutions, and member of Group management of Swiss company Ascom. Has previously held various managerial positions at Ericsson AB, including in Singapore and Taiwan.  
Education: Degree in Engineering Physics and an MBA, both from Chalmers in Gothenburg.  
Shareholding: 50,000

Up-to-date information on the members of the Board of Directors and management team and their securities holdings is available on our website:

[www.sensys.se](http://www.sensys.se)





## ATTENDANCE

	ATTENDANCE	BORN	BOARD MEMBER SINCE	NATIONALITY	FUNCTION	INDEPENDENT*
Gunnar Jardelöv	9/9	1947	2012	swedish	chairman of the board	independent
Karin Ahl	6/6	1978	2014	swedish	board member	independent
Helena Nordman-Knutson	6/6	1964	2014	finnish	board member	independent
Torbjörn Sandberg	9/9	1966	2012	swedish	board member	independent
Ingemar Skogö	7/9	1949	2011	swedish	board member	independent
Claes Ödman	9/9	1965	2011	swedish	board member	independent
Peter Svensson	3/3	1952	1998	swedish	former chairman of the board	independent
Anders Norling	3/3	1951	2002	swedish	former board member	independent
Jeanette Jakobsson	3/3	1967	2010	swedish	former board member	independent

\*Independent in relation to the company and/or the owners.

# Income statement

SEK	Note	2014	2013
Net sales	2	160,580,428	62,467,070
Cost of goods sold		-81,241,426	-35,477,376
Adjustment of value of inventories	7	0	0
<b>Gross profit</b>		<b>79,339,002</b>	<b>26,989,694</b>
Selling costs	4, 5, 6	-20,523,707	-19,024,683
Administrative costs	4, 5, 6	-6,224,546	-5,874,506
Development costs	4, 5, 6	-17,847,543	-12,746,571
Other operating costs/income		-190,349	
<b>Operating profit/loss</b>	1, 3, 17	<b>34,552,857</b>	<b>-10,656,066</b>
<b>Profit/loss from financial investments</b>	10		
Interest income/foreign exchange gains		562,429	319,105
Interest expense/foreign exchange loss		-44,926	-186,164
<b>Profit/loss after financial items</b>		<b>35,070,360</b>	<b>-10,523,125</b>
Income tax for the year	11	-7,776,070	0
<b>PROFIT OR LOSS FOR THE YEAR/TOTAL PROFIT OR LOSS FOR THE YEAR</b>		<b>27,294,290</b>	<b>-10,523,125</b>
Earnings per share before dilution		0.05	-0.02
Earnings per share after dilution		0.05	-0.02
Proposed dividend per share		0	0
Average number of outstanding shares before dilution, thousands		541,234	505,680
Average number of outstanding shares after dilution, thousands		541,234	505,680
Number of outstanding shares, thousands		541,234	541,234



# Balance sheet

SEK	Note	31 Dec 2014	31 Dec 2013
<b>ASSETS</b>			
<i>Non-current assets</i>			
<b>Intangible assets</b>			
	5		
Trademark		0	92,406
Distributor agreements		275,000	0
		<b>275,000</b>	<b>92,406</b>
<b>Property, plant and equipment</b>			
	6		
Machines and other technical plant		640,000	11,500
Equipment, tools etc.		580,866	33,791
		<b>1,220,866</b>	<b>45,291</b>
<b>Financial assets</b>			
Deferred tax recoverable	11	31,301,828	39,077,898
Investments in Group companies	8	50,000	50,000
Performance bond to customer	13, 18	10,000,000	10,000,000
		<b>41,351,828</b>	<b>49,127,898</b>
		<b>42,847,694</b>	<b>49,265,595</b>
<i>Total non-current assets</i>			
<b>Current assets</b>			
<b>Inventories</b>			
	7		
Raw materials and consumables		15,012,962	10,008,759
Finished products and goods for resale		2,890,251	6,116,809
		<b>17,903,213</b>	<b>16,125,568</b>
<b>Current receivables</b>			
Trade receivables	9	34,356,993	27,888,795
Other receivables		870,070	801,250
Prepaid expenses and accrued income	12	1,629,982	1,307,801
		<b>36,857,045</b>	<b>29,997,846</b>
<b>Cash and cash equivalents</b>			
Cash and bank balances	13	80,513,534	49,223,226
		<b>80,513,534</b>	<b>49,223,226</b>
		<b>135,273,792</b>	<b>95,346,640</b>
<i>Total current assets</i>			
<b>TOTAL ASSETS</b>		<b>178,121,486</b>	<b>144,612,235</b>

## Balance sheet

SEK	Note	31 Dec 2014	31 Dec 2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Restricted equity</b>			
Share capital		27,061,716	27,061,716
Statutory reserve		25,214,947	25,214,947
		<b>52,276,663</b>	<b>52,276,663</b>
<b>Non-restricted equity</b>			
Share premium reserve		88,754,140	88,754,140
Retained earnings		-27,060,602	-16,537,477
Profit/loss for the year		27,294,290	-10,523,125
		<b>88,987,828</b>	<b>61,693,538</b>
<b>Total shareholders' equity</b>		<b>141,264,491</b>	<b>113,970,201</b>
<b>Provisions</b>			
Long-term provisions	16	2,221,000	604,800
Short-term provisions		2,856,000	862,266
<b>Provisions</b>		<b>5,077,000</b>	<b>1,467,066</b>
<b>Current liabilities</b>			
Liabilities to customers		2,333,170	10,314,588
Trade payables		11,206,551	4,636,797
Other liabilities		4,593,448	2,566,065
Accrued expenses and deferred income	15	13,646,826	11,657,518
<b>Total current liabilities</b>		<b>31,779,995</b>	<b>29,174,968</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>178,121,486</b>	<b>144,612,235</b>
<b>PLEGDED ASSETS AND CONTINGENT LIABILITIES</b>			
Pledged assets	18	28,500,000	29,300,000
Contingent liabilities		None	None

## Statement of changes in equity

	Share capital	Statutory reserve	Share premium reserve	Retained earnings incl. profit/loss for the year	Total equity
Shareholders' equity 1 Jan 2013	23,991,894	25,214,947	64,782,760	-16,537,477	97,452,124
New share issue	3,069,822		24,495,199		27,565,021
Share issue costs			-523,819		-523,819
Profit/loss for the year/Total profit/loss				-10,523,125	-10,523,125
Shareholders' equity 31 Dec 2013	27,061,716	25,214,947	88,754,140	-27,060,602	113,970,201
New share issue	0	0	0		0
Share issue costs			0		0
Profit/loss for the year/Total profit/loss				27,294,290	27,294,290
Shareholders' equity 31 Dec 2014	27,061,716	25,214,947	88,754,140	233,688	141,264,491

# Cash flow

SEK		31 Dec 2014	31 Dec 2013
<b>Operating activities</b>			
<b>Operating profit/loss</b>		<b>34,552,857</b>	<b>-10,656,066</b>
<b>Adjustments for non-cash items</b>			
Depreciation and amortisation	5, 6	866,224	149,766
Change in accrued income		-10,314,588	11,021,846
Warranty provision	16	3,609,934	-492,267
		<b>28,714,427</b>	<b>23,279</b>
Interest received		405,027	228,940
Interest paid		0	-6,969
Exchange rate effects		112,476	-89,030
<b>Cash flow from operating activities before changes in working capital</b>		<b>29,231,930</b>	<b>156,220</b>
<b>Cash flow from changes in working capital</b>			
Trade receivables		-6,468,198	-13,681,942
Inventories	7	-1,777,645	13,526,045
Trade payables		6,569,754	3,968,782
Liabilities to customers		2,333,170	9,348,520
Other changes in working capital		3,625,689	6,429,759
<b>Cash flow from operating activities</b>		<b>33,514,700</b>	<b>19,747,384</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-550,000	0
Acquisition of property, plant and equipment		-1,674,392	-21,347
Increase in financial assets	13	0	-10,000,000
<b>Cash flow from investing activities</b>		<b>-2,224,392</b>	<b>-10,021,347</b>
<b>Financing activities</b>			
New share issue		0	27,041,202
<b>Cash flow from financing activities</b>		<b>0</b>	<b>27,041,202</b>
<b>Cash flow for the year</b>		<b>31,290,308</b>	<b>36,767,239</b>
Cash and cash equivalents at beginning of the year		49,223,226	12,455,987
Cash and cash equivalents at end of the year		80,513,534	49,223,226

## Financial performance

# Five-year summary

<b>INCOME STATEMENT</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Sales	160,580	62,467	41,000	43,371	36,816
Operating expenses	-126,027	-73,123	-82,492	-95,300	-47,859
<b>Operating profit/loss</b>	<b>34,553</b>	<b>-10,656</b>	<b>-41,492</b>	<b>-51,929</b>	<b>-11,043</b>
Financial items	517	133	121	109	662
<b>Profit/loss before tax</b>	<b>35,070</b>	<b>-10,523</b>	<b>-41,371</b>	<b>-51,820</b>	<b>-10,381</b>
Income tax	-7,776	0	-1,776	13,532	2,609
<b>Profit/loss for the year/Total profit/loss</b>	<b>27,294</b>	<b>-10,523</b>	<b>-43,147</b>	<b>-38,288</b>	<b>-7,772</b>

<b>BALANCE SHEET</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Non-current assets	42,848	49,265	39,394	58,006	28,198
Current assets	135,273	95,347	69,723	70,843	143,783
<b>Total assets</b>	<b>178,121</b>	<b>144,612</b>	<b>109,117</b>	<b>128,849</b>	<b>171,981</b>
Shareholders' equity	141,264	113,970	97,452	113,503	151,790
Non-current liabilities	0	0	0	0	0
Current liabilities	36,857	30,642	11,665	15,346	20,191
<b>Total equity and liabilities</b>	<b>178,121</b>	<b>144,612</b>	<b>109,117</b>	<b>128,849</b>	<b>171,981</b>

<b>DATA PER SHARE</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Earnings per share 30 Dec, SEK	0.05	-0.02	-0.09	-0.13	-0.03
Equity per share, SEK	0.26	0.20	0.20	0.39	0.53
Dividend per share, SEK	0	0	0	0	0
Share price 30 Dec, SEK	0.81	1.06	0.49	0.45	1.16
P/E ratio	16.2	Neg	Neg	Neg	Neg
Number of shares at end of period before full conversion <sup>1)</sup> , thousands	541,234	541,234	479,837	287,903	287,903
Number of shares at end of period after full conversion <sup>1)</sup> , thousands	541,234	541,234	543,816	287,903	287,903
Average number of shares during the period before full conversion <sup>1)</sup> , thousands	541,234	505,680	400,434	287,903	287,903

<sup>1)</sup> In order to facilitate comparison over the years, the number of shares at the end of each period has been adjusted to take into consideration the split and bonus issues.

The figures above for 2010 are based on previously applied accounting principles, i.e. the Swedish Financial Accounting Standards Council's recommendations 1–29. The accounts have not been restated for the application of RFR 2. All amounts are expressed in SEK thousands unless otherwise stated.

KEY FIGURES AND RATIOS	2014	2013	2012	2011	2010
Adjusted equity (SEK)	141,264	113,970	97,452	113,503	151,790
Capital employed	141,264	113,970	97,452	113,503	155,120
Interest-bearing liabilities	0	0	0	0	3,330
Return on equity, %	0.19	Neg	Neg	Neg	Neg
Return on capital employed, %	24.80	Neg	Neg	Neg	Neg
Operating margin, %	21.60	Neg	Neg	Neg	Neg
Net margin, %	21.50	Neg	Neg	Neg	Neg
Rate of asset turnover, multiple	1.10	0.59	0.39	0.32	0.28
Equity/assets ratio, %	79	79	89	88	88
Proportion of risk-bearing capital, %	79	79	89	88	88
Cash flow for the year	31,290	36,767	-5,391	-35,157	35,317
Investments in property, plant and equipment	1,674	21	30	0	0
Investments in intangible assets	550	0	0	0	0
Average number of employees	40	32	32	36	36

## DEFINITIONS OF KEY FIGURES AND RATIOS

### Equity and capital

**Adjusted equity:** Reported shareholders' equity + untaxed reserves after deduction for deferred tax at the current rate of tax.

**Capital employed:** Total assets less non interest-bearing liabilities including deferred tax liabilities in untaxed reserves.

### Profitability

**Return on equity:** Net profit as a percentage of average adjusted equity.

**Return on capital employed:** Profit after net financial items + financial costs as a percentage of average capital employed.

**Operating margin:** Profit after depreciation and amortisation as a percentage of the year's invoicing.

**Net margin:** Operating profit as a percentage of the year's invoicing.

### Sundry

**Rate of asset turnover:** The year's invoicing divided by average capital employed.

**Equity/assets ratio:** Adjusted equity as a percentage of total assets.

**Risk-bearing capital:** Adjusted equity + deferred tax liabilities in untaxed reserves as a percentage of total assets.





# Accounting and valuation principles

This Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and in relation to the Swedish Financial Reporting Board's recommendation RFR 2, Accounting for legal entities. The principal rule of the recommendation is that legal entities shall apply the International Financial Reporting Standards (IFRS), which are applied by groups, as far as this is possible within the framework of the Swedish Annual Accounts Act and taking into account the relationship between accounting and taxation. The principle is unchanged compared with the previous year. The recommendation specifies which exceptions and additions shall be made with regard to IFRS. By observing RFR 2, the company applies IFRS as approved by the EU.

## SEGMENTS

SENSYS Traffic offers system solutions and products for increased traffic safety to police authorities, highway authorities and private concessionaires worldwide. The company's proprietary radar is the core component of all products. The systems register and document digital images, including driver identification, as well as date, time, location and speed information. The systems can also be adapted to some extent to local laws and regulations and technical standards. According to the IFRS 8 definition of operating segments, the company's entire operations constitute a single operating segment. In view of the fact that the information for this single segment is synonymous with the company's overall accounts, no separate accounts for this segment have been provided.

## REVENUE RECOGNITION

### Goods

Income consists almost exclusively of sales of goods. Income from the sale of goods is recognised upon delivery to and acceptance by the customer, in accordance with the terms and conditions of sale. Income comprises the fair value of goods sold, exclusive of VAT and any discounts.

For the contract with the Swedish Transport Administration, the company applies the percentage of completion method to determine the amount to be recognised in each period. The degree of completion is defined as project costs paid for work performed by the end of the reporting period as a percentage of estimated total project costs for each project. Expenditure which has been incurred during the year but which relates to future work is not included in project costs paid at the time of determining the

degree of completion. At year-end, the company has no ongoing projects that are recognised in accordance with the percentage of completion method.

### Services

The company's service organisation installs, commissions and maintains traffic enforcement systems in Sweden and conducts services and provides support to our customers abroad. Revenue from these services is recognised on an ongoing basis as the services are carried out.

### Other operating income

Other operating income comprises income from activities outside the company's primary business.

### Interest income

Interest income is recognised in the income statement over the term of the loan by applying the effective interest method.

### Translation of foreign currency

Foreign currency transactions are translated to SEK using the transaction date exchange rates. Resulting foreign exchange differences relating to the company's operating activities are recognised in operating profit/loss.

Assets and liabilities in foreign currency are translated at the balance sheet date exchange rate and recognised in financial income and financial costs.

## INCOME TAXES

Reported income taxes include tax that is payable or due in respect of the current year, adjustments relating to current

tax for previous years and changes in deferred tax.

All tax liabilities and tax assets are carried at their nominal amounts by applying those tax rules and tax rates which have been adopted or announced.

For items included in the income statement the associated tax effects are also included in the income statement.

Deferred tax is recognised on all temporary differences arising between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised. In cases where the company has reported losses in recent years, deferred tax recoverable relating to previous losses is only recognised to the extent that there are compelling circumstances indicating that it will be used to offset future taxable profits.

## LEGAL STRUCTURE

SENSYS Traffic consists of SENSYS Traffic AB (publ) and the wholly-owned subsidiary SENSYS International AB. The shares in the subsidiary company were acquired in July 2010. The subsidiary company is completely dormant, and has been since it was formed. The purpose of the acquisition is solely to meet the terms of an international procurement. SENSYS Traffic has no intention of pursuing any business activities through the subsidiary. In view of the fact that SENSYS International AB is dormant, and has never carried out any business, no consolidated accounts have been prepared.

## EARNINGS PER SHARE

Earnings per share before dilution are computed as the year's profit divided by a weighted average of outstanding shares during the period.

Earnings per share after dilution are computed as the year's profit divided by the total of a weighted average of the number of shares and potential shares giving rise to a dilution effect. The potential shares that could arise from stock warrants, for which the current value of the subscription price is the same as or higher than the fair value, are therefore not included in the computation.

## RESEARCH AND DEVELOPMENT COSTS

SENSYS Traffic's technology is based on an internally developed radar sensor, which is the core component of the company's products. Costs closely associated with the development of technology which is controlled by SENSYS Traffic and is likely to yield economic benefits are recognised as intangible assets. The related projects have been valued as the total of direct costs plus reasonable amounts for indirect costs. Development costs incurred in connection with product adaptations for an existing project are recognised in the income statement.

The company does not hold any patents.

## PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at acquisition value less accumulated depreciation and any impairment.

## DEPRECIATION/AMORTISATION IMPAIRMENT

Intangible assets and property, plant and equipment are amortised/depreciated on a straight-line basis over the length of their useful life as of the moment they are ready to be taken into use as follows:

» Trademark	5 years
» Machines	2–5 years
» Other equipment	5 years
» Distributor agreements	2 years

The carrying value of the company's assets is regularly reviewed to see if any impairment is required should events or a change in conditions indicate that

the carrying value may not be recoverable. Any impairment and reversals of impairment are reported in the income statement.

## INVENTORIES

Inventories are carried at the lower of the acquisition value as per the first-in first-out principle (FIFO) and the net sales value at the balance sheet date. The acquisition value of own-produced goods includes direct production costs and a reasonable portion of indirect production costs. A requisite deduction for obsolescence has been made further to individual assessment.

## CASH FLOW STATEMENT CASH AND CASH EQUIVALENTS

The reported cash flow only comprises transactions resulting in incoming and outgoing payments. Cash balances and bank deposits as well as short-term financial investments with a maturity of less than three months are classified as cash and cash equivalents. This balance sheet item includes cash and funds deposited with a bank, as well as frozen assets, which constitute security for a bid and fulfilment bond related to a procurement procedure as described under Note 13.

## FINANCIAL INSTRUMENTS

Financial assets reported in the balance sheet include trade receivables, other receivables and cash and cash equivalents. These are accounted for as current assets with the exception of items maturing later than 12 months from the balance sheet date, which are classified as non-current assets. The fair value of financial assets and liabilities is the carrying amount, unless otherwise specified.

### Trade and other receivables

Trade and other receivables are recognised at acquisition value less any provisions for impairment. A provision for impairment of trade receivables is made when there exists objective evidence that the company will not be able to receive all amounts that are due under the original terms of the receivables. Receivables expressed in foreign currencies are valued at the rate of exchange prevailing on the balance sheet date or, where appropriate, at the rate according to the forward exchange contract entered into. Impairment of trade receivables is reported

as sales costs. Recovery of amounts that were previously written off reduce the sales costs in the income statement.

### Trade and other payables

Financial liabilities are initially recognised at fair value, net of transaction costs, and subsequently at amortised cost. The financial liabilities category comprises the items borrowing, trade payables and other liabilities. Trade payables with a short expected maturity are stated at their nominal value and are not discounted. Liabilities in foreign currencies are translated at the balance sheet date.

Purchase and sales of financial instruments are recognised at the transaction date, i.e. the date when the company undertakes to buy or sell the asset.

Financial instruments are removed from the balance sheet when the right to receive cash flows from the instrument has expired or been assigned to another party and the company has transferred essentially all risks and benefits associated with ownership.

## FINANCIAL GUARANTEES/ FROZEN ASSETS

The company's financial guarantees refer to guarantees in individual customer projects such as guarantees against advances, tenders, fulfilment and warranties. Under a financial guarantee the company undertakes to compensate the holder of the guarantee for any losses incurred by the same in consequence of the company's failure to fulfil its contractual obligations. The company recognises the limitation of liquidity imposed by the guarantee as frozen assets under Cash and bank balances, provided that the guarantee has a remaining term of less than three months. The amount is limited by the corresponding value of the guarantee.

## PROVISIONS

Provisions for guarantee expenses and legal demands are recognised when the company has a legal, contractual or informal obligation as a consequence of past events, it is more probable than not that a payment will be required in order to fulfil the obligation and the amount can be reliably estimated. If the company has several similar obligations the probability that a payment will be required upon settlement is assessed jointly for this group of obligations. The balance

sheet contains provisions related to warranties. Provisions are reviewed at each financial year-end.

## LEASING

Leases in which a significant portion of the risks and benefits associated with ownership are retained by the lessor are classified as operating leases. Payments made during the term of the lease (less any deductions for incentives from the lessor) are charged to expense on a straight-line basis in the income statement over the term of the agreement.

## REMUNERATION OF EMPLOYEES

### Retirement benefit obligations

Defined-contribution pension plans exist for all employees, for which the company pays ongoing established charges to a separate legal entity, such as an insurance company, and consequently does not have any legal or informal obligation to pay further charges. The company's costs for these are reported as a cost during the period when the employees concerned have performed the services related to such cost.

### Share-based payments

The company has no agreements on share-based payments.

### Severance pay

Severance pay is paid when an employee's employment has been terminated before the normal retirement age or when an employee accepts voluntary redundancy in exchange for such payment. The company recognises severance pay when it is demonstrably obliged to either terminate the employment of employees under a detailed formal plan with no possibility of withdrawal or to pay compensation upon termination as a result of an offer to encourage voluntary redundancy.

## SIGNIFICANT ESTIMATES

The preparation of financial statements requires the use of certain estimates and assessments for accounting purposes. Management also makes assessments in applying SENSYS Traffic's accounting principles. Estimates and assessments can influence the income statement and balance sheet as well as the additional disclosures presented in the financial

statements. Changes to estimates and assessments can therefore lead to changes in the financial statements.

## Income tax

In previous years, SENSYS Traffic has reported negative results and has consequently accumulated unutilised tax losses. The future utilisation of these tax losses depends upon taxable profits. At 31 December 2014 SENSYS Traffic had total estimated unutilised tax losses of SEK 147,862 thousand (173,613), which require future profits of equivalent value within a reasonable time to fully consume the tax losses.

Reporting of deferred tax attributable to previous years' losses mean the company must conduct comprehensive estimates. For further information, see Note 11.

## Inventories

SENSYS Traffic has an inventory of products produced for a specific customer that have been held in stock since the project was terminated. The company sold almost SEK 29 million of the current inventory to customers in 2013 and 2014. On 31 December 2014, the carrying amount of the remaining customised inventory amounted to SEK 0.0 million (2.8).

For further information, see Note 7.

## RISKS AND UNCERTAINTIES

Significant risks and uncertainties faced by the company include commercial risks associated with customers and suppliers, as well as other external factors. SENSYS Traffic'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. A description of material financial and commercial risks faced by the company is given in Note 19.

## APPLICATION OF NEW OR AMENDED STANDARDS

The following standards have been applied by the company for the first time for the financial year beginning 1 January 2014:

IFRS 10 Consolidated Financial Statements is based on existing principles as

it identifies control as the key factor in establishing whether a company should be included in the consolidated financial statements. The standard provides additional guidance to assist in the establishment of control in cases where it is difficult to determine.

IFRS 12 Disclosure of Interests in Other Entities covers disclosure requirements for all forms of holdings in other companies, such as subsidiaries, joint arrangements, associates and unconsolidated structured entities.

The new standards have not had any material impact on the company's financial statements.

## NEW STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED BY THE COMPANY

Several new standards and interpretations enter into force for the financial year beginning after 1 January 2014 and have not been applied in the preparation of these financial statements.

IFRS 15 Revenue from Contracts with Customers specifies how revenue will be recognised. The principles upon which IFRS 15 is based will provide users of financial reports with more useful information regarding the company's earnings. The expanded disclosure requirement means that information must be submitted on type of income, date of settlement, uncertainties linked to revenue recognition and cash flow attributable to the company's customer contracts. According to IFRS 15, income shall be recognised once control over the sold product or service is passed to the customer and the customer is able to use and receive benefit from the product or service.

IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts, as well as related SIC and IFRIC interpretations. IFRS 15 comes into force on 1 January 2017. The standard can be applied in advance. The company has yet to evaluate the effects of introducing this standard.

IFRS 9 Financial Instruments relates to the classification, measurement and recognition of financial assets and liabilities. The company has yet to evaluate the effects of introducing this standard.

No other IFRS or IFRIC interpretations which have not yet entered into force are expected to have any material impact on the company.

# Notes on the accounts

All amounts are expressed in SEK '000 unless otherwise stated.

## Note 1 Employees

Average number of employees	2014	2013
Men	38	30
Women	3	2
<b>Total</b>	<b>41</b>	<b>32</b>

Salaries and other remuneration	2014	2013
Board of Directors	650	560
Chief Executive Officer	2,611	2,938
Other senior executives, 5 persons	6,165	6,884
Other employees	18,254	12,380
<b>Total</b>	<b>27,680</b>	<b>22,762</b>

The Board of Directors received remuneration of SEK 650 thousand (560), of which the Chairman received SEK 150 thousand (110). No other remuneration has been paid and other Board members receive equal shares.

Pension costs	2014	2013
Board of Directors	0	0
Chief Executive Officer	438	480
Other senior executives, 5 persons	1,191	1,046
Other employees	3,238	1,989
<b>Total</b>	<b>4,867</b>	<b>3,515</b>

Legal and contractual social charges (excluding Board)	2014	2013
<b>Total</b>	<b>9,320</b>	<b>8,167</b>

### VARIABLE REMUNERATION

SENSYS Traffic has two separate agreements for its employees.

#### Variable remuneration for employees

The current agreement for employees (excluding the CEO and management team) has been in force since 2009, and entitles employees to a bonus defined as the lower of:

- (i) 5 percent of net earnings for the current year, subject to a limit of SEK 3 million
- (ii) An amount corresponding to two months' pay for bonus-entitled staff at the end of the bonus year.

Variable remuneration is paid in the year after the financial year.

Variable remuneration in 2014 totalled SEK 1,356 (0).

#### Variable remuneration for the CEO and senior executives

The agreement for the CEO and management team applies since 2010. The variable remuneration is based on the company's order intake, cash flow and invoicing for the year, and is subject to an upper limit of SEK 3,500 thousand, of which SEK 1,000 refers to the CEO.

A provision of SEK 1,981 thousand (3,500) has been made for the 2014 financial year.

#### Remuneration of the Board of Directors, the CEO and other senior executives

The company shall offer total remuneration at prevailing market conditions that enables the recruit-

ment and retention of senior executives. Remuneration of the company's senior executives shall consist of a basic salary, variable remuneration, pension and other remuneration. Together, these various parts shall comprise each individual's total remuneration. Basic salary and variable remuneration shall together form the employee's salary.

The basic salary shall take into consideration each individual's area of responsibility and experience. The variable remuneration shall depend on each individual's fulfilment of quantitative and qualitative goals.

#### Board of Directors

The Chairman and Members of the Board shall receive fees as resolved by the Annual General Meeting of Shareholders. No special fee shall be paid for committee work. The annual Board fees resolved by the Annual General Meeting in 2014 amounted to SEK 650 thousand (560). Of this amount, SEK 150 thousand (110) is for the Chairman of the Board. The remaining portion is divided equally among the members of the Board. No other remuneration or benefits have been paid. The Board fees were paid in their entirety after the Annual General Meeting.

#### Chief Executive Officer

According to contract, the basic salary of the CEO amounted to SEK 1,962 thousand (1,962) in 2014.

The Chief Executive Officer has a healthcare insurance policy, as well as a supplementary pension with a premium of 25 percent of the current annual salary.

The employment contract of the Chief Executive Officer includes termination conditions. According to this contract, the company and the CEO have a reciprocal period of notice of termination of twelve months. The salary shall remain unchanged during the period of notice of termination.

The retirement age is 65 years.

#### Other senior executives

In 2014, other senior executives included Göran Löfqvist, Helena Claesson, Magnus Ferlander (Jan-Aug), Kjell Lundgren and Jörgen Andersson.

Other senior executives have been paid total compensation specified in a resolution from the 2014 AGM, under which the variable remuneration depends on each employee's position and employment contract.

Senior executives are entitled to pensions in accordance with the Swedish ITP plan or equivalent.

Other remuneration and benefits are at current market conditions and contribute to enabling senior executives to fulfil their duties. The customary notice of termination applies to the management team's employment agreement.

The Board of Directors has the right to deviate from the above guidelines should the Board deem that special grounds exist to motivate such deviation in certain cases. No such deviations were made in 2014.

#### Agreements regarding severance pay

The company does not have any signed agreements regarding severance pay or similar benefits to Members of the Board, the CEO or other senior executives.

**BREAKDOWN BY GENDER OF THE SENIOR EXECUTIVES**

<b>Breakdown between men and women on SENSYS Traffic's Board of Directors:</b>	<b>2014</b>	<b>2013</b>
Women	33%	14%
Men	67%	86%

<b>Breakdown between men and women in management:</b>	<b>2014</b>	<b>2013</b>
Women	20%	14%
Men	80%	86%

**NOTE 2 TOTAL SALES**

<b>Net sales by region</b>	<b>2014</b>	<b>2013</b>
Sweden	121,349	20,400
Rest of Europe	8,399	2,658
USA	6,719	32,134
Middle East	20,241	3,299
Rest of the world	3,872	3,976
<b>Total</b>	<b>160,580</b>	<b>62,467</b>

In 2014, the company had one customer whose share of the company's total net sales exceeded 10 percent. This customer is the Swedish Transport Administration, with SEK 121.0 million.

In 2013, these customers were Sensys America (SEK 32.1 million) and the Swedish Transport Administration (SEK 17.4 million).

**NOTE 3 RELATED-PARTY TRANSACTIONS**

Remuneration to the Board of Directors and CEO stated under Note 1.

**NOTE 4 EXPENSES BY NATURE OF EXPENSE**

	<b>2014</b>	<b>2013</b>
Cost of goods sold	61,701	25,149
Cost of remuneration to employees (Note 1)	42,264	34,590
Advertising and sales costs	6,710	4,950
Depreciation, amortisation and impairment (Notes 5, 6, 7 and 8)	866	150
Other	14,486	8,283
<b>Total</b>	<b>126,027</b>	<b>73,122</b>

**NOTE 5 INTANGIBLE ASSETS****Trademark**

	<b>2014</b>	<b>2013</b>
<b>Opening accumulated acquisition value</b>	<b>462</b>	<b>462</b>
Acquisitions	550	0
<b>Closing accumulated acquisition value</b>	<b>1,012</b>	<b>462</b>
Opening accumulated amortisation	-370	-277
Amortisation for the period	-367	-93
<b>Closing accumulated amortisation</b>	<b>-737</b>	<b>-370</b>
<b>Carrying amount</b>	<b>275</b>	<b>92</b>



## NOTE 6 PROPERTY, PLANT AND EQUIPMENT

	Machines and other technical plant		Equipment		Motor vehicles	
	2014	2013	2014	2013	2014	2013
Opening accumulated acquisition value	2,346	2,346	2,333	2,312	0	469
Acquisitions	800	0	437	21	438	0
Disposals	0	0	0	0	0	-469
<b>Closing accumulated acquisition value</b>	<b>3,146</b>	<b>2,346</b>	<b>2,770</b>	<b>2,333</b>	<b>438</b>	<b>0</b>
Opening accumulated depreciation	-1,761	-1,738	-1,030	-995	0	-469
Disposals	0	0	0	0	0	469
Depreciation for the period	-172	-23	-218	-34	-109	0
<b>Closing accumulated depreciation</b>	<b>-1,933</b>	<b>-1,761</b>	<b>-1,248</b>	<b>-1,030</b>	<b>-109</b>	<b>0</b>
Opening accumulated impairment	-573	-573	-1,270	-1,270	0	0
<b>Closing accumulated impairment</b>	<b>-573</b>	<b>-573</b>	<b>-1,270</b>	<b>-1,270</b>	<b>0</b>	<b>0</b>
<b>Carrying amount</b>	<b>640</b>	<b>12</b>	<b>252</b>	<b>34</b>	<b>329</b>	<b>0</b>

## Breakdown of scheduled depreciation by function

	2014	2013
Cost of goods sold	634	18
Selling costs	52	49
Administrative costs	15	8
Development costs	165	75
<b>Total scheduled depreciation</b>	<b>866</b>	<b>150</b>

## Leasing

The company has entered into the following operating leases:

	Machines, plant and equipment		Premises	
	2014	2013	2014	2013
Lease payments for the year	989	505	2,498	2,190
Minimum lease payments falling due within 1 year	794	343	2,566	2,190
Minimum lease payments falling due within 1–5 years	1,355	176	10,172	1,095
Minimum lease payments falling due later than 5 years		0	14,400	0

Notice of termination has been given on the current rental agreement, effective 28/02/2017. A new rental agreement has been signed with a new landlord, continuing for ten years with the possibility of extension.

Leases for machines, plant and equipment concern photocopy machines and motor vehicles. The lease term varies from three to five years, after which the lessee has the possibility to acquire the leased object, which will probably be the case. There are no variable charges.

## NOTE 7 INVENTORIES

	2014	2013
Acquisition value	41,664	49,484
Adjustment of value of inventories	-23,761	-33,358
<b>Carrying amount</b>	<b>17,903</b>	<b>16,126</b>

The company has an inventory of products produced for a specific customer that have been held in stock since the project was terminated. At the beginning of 2014 this inventory had a value of approximately SEK 3 million (12). Due to technical advances, opportunities to sell some parts of the inventory are limited in time. This assessment remains in place for 2015.

## NOTE 8 INVESTMENTS IN GROUP COMPANIES

Name	Share of equity	Share of voting rights	Number of shares	Carrying amount
SENSYS International AB	100%	100%	500	50
<b>Total</b>				<b>50</b>
	Corp. reg. no.	Registered office	Shareholders' equity	Result
SENSYS International AB	556811-3376	Jönköping	50	0

	2014	2013
<b>Opening acquisition value</b>	<b>50</b>	<b>50</b>
Acquisitions for the year	0	0
<b>Closing accumulated acquisition value</b>	<b>50</b>	<b>50</b>
<b>Carrying amount</b>	<b>50</b>	<b>50</b>

## NOTE 9 TRADE RECEIVABLES

	2014	2013
Age structure of outstanding trade receivables		
Trade receivables not yet due	33,146	27,798
Trade receivables past due but not impaired:		
< 3 months	741	8
3–12 months	470	83
>12 months	0	7
	<b>34,357</b>	<b>27,896</b>

The company's customers chiefly comprise companies within the public sector with good creditworthiness. The company has historically experienced very few losses on trade receivables.

## Trade receivables past due and impaired

	2014	2013
< 3 months	0	0
3–12 months	0	0
>12 months	0	0
Provision for doubtful trade receivables	0	7
<b>Carrying amount</b>	<b>34,357</b>	<b>27,889</b>

## Change in provision for doubtful trade receivables

	2014	2013
Opening provision	7	1
Acquisitions (-)/Sales (+)		
Confirmed losses	-7	
Provision for the year	0	6
<b>Closing provision</b>	<b>0</b>	<b>7</b>

## NOTE 10 PROFIT/LOSS FROM FINANCIAL INVESTMENTS

Interest and similar profit/loss items	2014	2013
Interest income on bank deposits	399	227
Exchange rate effects	157	90
Other financial income	6	2
<b>Total financial income</b>	<b>562</b>	<b>319</b>

Interest expense on financial liabilities	2014	2013
Interest expense	0	-7
Exchange rate effects	-45	-179
<b>Total financial costs</b>	<b>-45</b>	<b>-186</b>

## NOTE 11 TAXES

	2014	2013
Current tax	0	0
Deferred tax	-7,776	0
<b>Total</b>	<b>-7,776</b>	<b>0</b>
<b>Difference between tax expense and tax expense based on applicable tax rate</b>		
Recognised profit/loss before tax	35,070	-10,523
Tax at 22% (22)	-7,715	2,315
Tax effect of non-deductible expenses	-62	-52
Tax effect of non-deductible income	1	0
Effect of unrecognised tax asset relating to tax losses	0	-2,263
<b>Tax on profit/loss for the year in accordance with income statement</b>	<b>-7,776</b>	<b>0</b>

At 31 Dec 2014 the company had total estimated unutilised tax losses of SEK 147,862 thousand (173,612).

In the annual accounts, total tax losses from 2005 up until Q1 2012 have been recognised as an asset.

## Temporary tax differences

Deferred tax recoverable	2014	2013
Accumulated tax losses	26,075	32,742
Temporary differences relating to inventories	5,227	6,336
	<b>31,302</b>	<b>39,078</b>

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised. In cases where the company has reported losses in recent years, deferred tax recoverable relating to previous losses is only recognised to the extent that there are compelling circumstances indicating that it will be used to offset future taxable profits. The company has an extensive budget process which has proved highly accurate. Furthermore, there are verifiable circumstances in the form of the current order backlog and agreements with customers.

## NOTE 12 PREPAID COSTS AND ACCRUED INCOME

	2014	2013
Prepaid lease payments	247	49
Prepaid rent	621	524
Other items	762	735
<b>Total</b>	<b>1,630</b>	<b>1,308</b>

## NOTE 13 CASH AND BANK BALANCES

In 2013 the company deposited SEK 10 million with a bank, which will be frozen under a performance bond in the contract with the Swedish Transport Administration. The guarantee expires in July 2016.

## NOTE 14 SHAREHOLDERS' EQUITY

### Share capital

The share capital of Sensys Traffic AB amounts to SEK 27,061,716 (23,991,894), divided into 541,243,314 (479,837,886) shares. The quota value, previously the nominal value, is SEK 0.05 per share. All shares have an equal right to a portion of the company's assets and profits. Each share entitles the holder to one vote. At shareholders' meetings, each person entitled to vote may vote for the full number of shares owned and represented by him/her without any restriction in the number of votes. The share capital and number of shares has developed as follows since 1 January 1995:

Year	Transaction	Increase in number of shares	Increase in share capital (SEK)	Total share capital (SEK)	Number of shares	Nominal value of shares (SEK)
1995	Opening values			50,000	500	100
1997	Bonus issue	500	50,000	100,000	1,000	100
1998	Split 1000:1	999,000		100,000	1,000,000	0.10
1998	Bonus issue	4,000,000	400,000	500,000	5,000,000	0.10
1998	New share issue	1,025,000	102,500	602,500	6,025,000	0.10
1999	New share issue	4,065,999	406,600	1,009,100	10,090,999	0.10
2000	Bonus issue		1,009,100	2,018,200	10,090,999	0.20
2000	Split 4:1	30,272,997		2,018,200	40,363,996	0.05
2000	Exchange of convertibles	5,888,218	294,411	2,312,611	46,252,214	0.05
2000	New share issue	10,068,556	503,428	2,816,039	56,320,770	0.05
2001	Exchange of convertibles	101,776	5,089	2,821,128	56,422,546	0.05
2002	New share issue	79,787,095	3,989,355	6,810,483	136,209,641	0.05
2003	New share issue	34,781,829	1,739,091	8,549,574	170,991,470	0.05
2004	Redemption of warrants	360,000	18,000	8,567,574	171,351,470	0.05
2004	New share issue	3,171,909	158,595	8,726,169	174,523,379	0.05
2004	New share issue	35,783,672	1,789,184	10,515,353	210,307,051	0.05
2005	Redemption of warrants	3,620,000	181,000	10,696,353	213,927,051	0.05
2006	Redemption of warrants	2,000,000	100,000	10,796,353	215,927,051	0.05
2010	New share issue	71,975,683	3,598,784	14,395,137	287,902,734	0.05
2012	New share issue	191,935,152	9,596,757	23,991,894	479,837,886	0.05
2013	Redemption of warrants	30,909,453	1,545,473	25,537,367	510,747,339	0.05
2013	Redemption of warrants	30,486,975	1,524,349	27,061,716	541,234,314	0.05

In connection with the company's rights issue in April 2012, each subscriber was allocated two warrants (TO3 and TO4) for each interim certificate.

The subscription period for each warrant was predefined. TO3 warrants could be exercised to subscribe for new shares during the period 1–31 March 2013, while TO4 warrants were exercisable during the period 1–31 October 2013.

## NOTE 15 ACCRUED EXPENSES AND DEFERRED INCOME

	2014	2013
Accrued salaries	3,701	3,292
Holiday pay liability	3,969	3,394
Social charges	3,114	3,509
Other liabilities	2,863	1,462
<b>Total</b>	<b>13,647</b>	<b>11,657</b>

## NOTE 16 PROVISION FOR GUARANTEE EXPENSES

	2014	2013
Guarantee provision 0–360 days	2,856	862
Guarantee provision > 360 days	2,221	605
<b>Total</b>	<b>5,077</b>	<b>1,467</b>

## NOTE 17 AUDIT FEES AND REIMBURSEMENT OF RELATED COSTS

	2014	2013
PwC		
Audit assignment	220	210
Auditing work over and above the audit assignment	25	18
Tax consulting	105	135
Other assignments	133	188
<b>Total</b>	<b>483</b>	<b>551</b>

## NOTE 18 PLEDGED ASSETS

	2014	2013
Floating charges	18,500	18,500
Frozen assets	10,000	10,800
<b>Total</b>	<b>28,500</b>	<b>29,300</b>

In 2013 the company deposited SEK 10 million with a bank, which will be frozen under a performance bond in the contract with the Swedish Transport Administration. The guarantee expires in July 2016.



## NOTE 19 RISKS

Risk management is a part of all business operations, and its purpose is to identify, assess, manage and report significant risks. SENSYS Traffic's risk management covers risks associated with individual projects, operational risks, the risk of failing to comply with laws and regulations such as the risks involved in financial reporting. Market risks include the effects of economic conditions, customer development, supplier dependence, political decisions and competition. Risks also include technological and market trends, production disturbances and the capacity to attract and retain key individuals. Financial risks include existing financing, options for future financing, currency risks and interest risks. Legal risks consist of legislation, regulations, insurance, public authorities and supervisory bodies, as well as disputes and claims for damages. Risks that are managed well can lead to opportunities and generate value, while risks that are not dealt with correctly can be damaging and lead to costs for the company. This is why the ability to identify risk factors and manage risks is an important part of the company's operational activities.

### FINANCIAL RISKS

#### Capital risk

The company's aim as regards its capital structure is to secure the company's ability to continue its operations, so that it can persistently generate a return for its shareholders and benefit for other stakeholders, and maintain an optimum capital structure to keep capital costs down.

To maintain or adjust the capital structure, the company may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce liabilities.

#### Liquidity and financing risks

Financing risk refers to risks associated with existing and future financing, re-financing of overdue loans, or difficulties in raising external loans. Liquidity risk refers to the risk of being unable to fulfil payment commitments when they fall due as a consequence of insufficient liquidity. Both of these forms of risk are managed by the company preparing regular cash flow forecasts. The Board closely monitors rolling forecasts for the company's liquidity reserve to ensure that the company has sufficient cash funds to meet the requirements of operating activities. SENSYS Traffic has no long-term loans.

#### Financial risk management

SENSYS Traffic is exposed to financial risks through its international operations. Financial risk refers to changes in the company's cash flow that are due to changes in exchange rates and interest rates, as well as liquidity, financing and credit risks. The company's policy for managing financial risks has been defined by the Board and serves as a framework for risk management.

#### Currency risks

Currency risk refers to the risk of exchange rate fluctuations having a negative impact on SENSYS Traffic's income statement, balance sheet and/or cash flow. SENSYS Traffic's activities are exposed to currency risks, primarily in the form of transaction risks. This currency risk is eliminated by the fact that most of the company's sales are denominated in SEK. A small number of cases involve sales in foreign currencies, in which case any transactions of significant size are hedged against currency fluctuations. Approved instruments for currency hedging are forward exchange contracts. SENSYS Traffic had no forward exchange contracts at the end of 2014 and 2013.

As purchases of valuable components must be paid for in foreign currency, the company demands equivalent compensation from its customers in the form of currency clauses.

#### Interest risks

SENSYS Traffic manages interest risk arising from interest-bearing assets by investing cash and cash equivalents in a non-speculative manner in instruments with maturities that match SENSYS Traffic's known outflows and/or payments on debts. The aim is to limit the interest risk in SENSYS Traffic's interest-bearing liabilities. SENSYS Traffic had no interest-bearing liabilities at the end of 2014 and 2013.

SENSYS Traffic holds no listed financial instruments.

#### Credit risks

Financial credit risks are defined as the risk of loss if the opposite parties with whom SENSYS Traffic has invested cash and cash equivalents, short-term bank investments or financial instruments entered into that have a positive market value for the company, fail to fulfil their obligations. Credit risks are to a large extent avoided through effective creditworthiness analyses/monitoring of existing and potential customers, and in certain cases by obtaining payments in advance or payment against a letter of credit. SENSYS Traffic's assets are recognised in the balance sheet after deducting for provisions for expected credit losses. The credit risk is limited to the carrying amount of each financial asset.

### OPERATIONAL RISKS

#### Operational risk management

For SENSYS Traffic, a major part of operational risk lies in the management of each individual project. SENSYS Traffic works actively to integrate risk management in each customer project, and has developed an in-house tool, Risk Assessment Analysis, for this purpose. The tool enables the company to identify, manage and, where necessary, accept and limit the risks involved in each individual project. The project manager is responsible for implementing Risk Assessment Analysis and subsequently following up and reporting on important matters. In addition to this, for larger projects, a member of the management team will be appointed to act as sponsor for the project and the point of contact for regular reports from the project manager.

Each departmental manager is also responsible for driving and developing his/her respective area of responsibility, which includes identifying opportunities and threats as well as continuously following up activities.

Finally, the management team's meetings function as a forum for discussions upon which operational decisions are based, thereby consolidating risk management in its entirety.

#### Insurance

SENSYS Traffic has adequate insurance policies covering property, product liability, interruptions and transport, as well as an insurance policy covering the Board of Directors and CEO.

#### Events after the balance sheet date

During the period from the balance sheet date to the signing of this Annual Report, no significant events have occurred and no information on circumstances on the balance sheet date or thereafter, whether favourable or unfavourable, has required additional disclosures, other than what has been stated above.

The undersigned hereby certify that the annual accounts, as far as possible within the framework of the Swedish Annual Accounts Act, have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, as well as generally accepted accounting principles, and thereby give a true and fair view of the company's financial position and earnings, and that the Directors' Report provides a true and fair overview of the development of the company's operations, financial position and earnings, as well as describing significant risks and uncertainties that the company may face.

The Annual Report was approved for distribution by the Board of Directors on 20 March 2015.

The income statement and balance sheet will be presented for adoption at the Annual General Meeting of Shareholders on 22 April 2015.

Jönköping, 20 March 2015

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Gunnar Jardelöv  
Chairman of the Board

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Karin Ahl  
Board member

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Ingemar Skogö  
Board member

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Torbjörn Sandberg  
Board member

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Helena Nordman-Knutson  
Board member

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Claes Ödman  
Board member

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Johan Frilund  
Chief Executive Officer

Our audit report was submitted on 20 March 2015

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Martin Odqvist (chief auditor)  
Authorised Public Accountant

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Magnus Brändström  
Authorised Public Accountant



# Auditor's report

## To the annual meeting of the shareholders of SENSYS traffic AB (publ), corporate identity number 556215-4459

### *Report on the annual accounts*

We have audited the annual accounts of SENSYS traffic AB (publ) for the year 2014, except for the corporate governance statement on pages 14-17. The annual accounts of the company are included in the printed version of this document on pages 12-34.

### **Responsibilities of the Board of Directors and the Managing Director for the annual accounts**

The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing Director, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinions**

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 14-17. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

### **Report on other legal and regulatory requirements**

In addition to our audit of the annual accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of SENSYS traffic AB (publ) for the year 2014. We have also conducted a statutory examination of the corporate governance statement.

### **Responsibilities of the Board of Directors and the Managing Director**

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act and that the corporate governance statement on pages 14-17 has been prepared in accordance with the Annual Accounts Act.

### **Auditor's responsibility**

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

### **Opinions**

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts.

Jönköping 20 March 2015

Öhrlings PricewaterhouseCoopers AB

Martin Odqvist  
Authorized Public Accountant  
Auditor in charge

Magnus Brändström  
Authorized Public Accountant



# Senior executives



**JOHAN FRILUND**  
CHIEF EXECUTIVE OFFICER

Born: 1963.  
Employed since: 2008.  
Education: MSc in Engineering, Faculty of Engineering at Lund University and MBA, Gothenburg School of Business.  
Professional experience:  
» Head of Europe at Flextronics Infrastructure, Poland  
» CEO and Factory Manager at Samina-SCI Enclosure Systems AB

» Management consultant at Cap Gemini Ernst & Young  
» Kapsch TrafficCom AB (formerly Combitech Traffic Systems AB), notably as Head of Region in Malaysia.

External commissions: Board member of Value Management Sverige AB.  
Shareholding: 932,893 of which 711,333 in a unit-linked insurance plan.



**JÖRGEN ANDERSSON**  
PURCHASING AND LOGISTICS DIRECTOR

Born: 1970.  
Employed since: 2009.  
External commissions: None.  
Shareholding: 73,034.



**HELENA CLAESSION**  
CHIEF FINANCIAL OFFICER AND DIRECTOR OF QUALITY ASSURANCE

Born: 1969.  
Employed since: 2004.  
External commissions: None.  
Shareholding: 0.



**PER EKHOLM**  
DIRECTOR OF AFTER SALES  
as of DECEMBER 2014

Born: 1959.  
Employed since: 2014.  
External commissions: None.  
Shareholding: 0.



**MAGNUS FERLANDER**  
DIRECTOR OF MARKETING AND BUSINESS DEVELOPMENT  
up until SEPTEMBER 2014

Born: 1968.  
Employed since: 2011.  
External commissions: None.  
Shareholding: 250,173.



**KJELL LUNDGREN**  
SALES DIRECTOR

Born: 1967.  
Employed since: 2011.  
External commissions: Board member IF Hallby HK.  
Shareholding: 172,216.



**GÖRAN LÖFQVIST**  
RESEARCH AND DEVELOPMENT DIRECTOR

Born: 1967.  
Employed since: 2000.  
External commissions: None.  
Shareholding: 53,259.  
Up-to-date information on the members of the Board of Directors and management team and their securities holdings is available on our website:

[www.sensys.se](http://www.sensys.se)



# Information to shareholders

SENSYS Traffic AB (publ) will publish the following financial information:

- » Q1 2015, 22 April
- » Q2 2015, 27 August
- » Q3 2015, 26 November

Annual reports and other reports are available at our website at [www.sensys.se](http://www.sensys.se) and can also be ordered directly from SENSYS Traffic.

## ANNUAL GENERAL MEETING OF SHAREHOLDERS

SENSYS Traffic will hold its Annual General Meeting of Shareholders on 22 April 2015 at 3pm at Elite Stora Hotellet, Hotellplan, Jönköping.

## RIGHT TO PARTICIPATE IN THE ANNUAL GENERAL MEETING

Shareholders wishing to attend the Annual General Meeting of SENSYS Traffic must be recorded in the share register maintained by Euroclear Sweden AB no later than 16 April 2015, and have given notice of their intention to attend the Meeting by 16 April 2015.

In order to be entitled to attend the Annual General Meeting and exercise their right to vote, shareholders whose shares are registered under a nominee name must temporarily register the shares in their own name. Such re-registration must be handled by the trustee/bank and shall be completed with Euroclear Sweden AB by Wednesday 16 April 2015.

## NOTIFICATION OF INTENTION TO ATTEND

Notice of intention to attend the Annual General Meeting must be made to SENSYS Traffic by 12 noon on 16 April, by mail:

SENSYS Traffic AB  
Box 2174  
550 02 Jönköping  
by telephone: +46 (0)36-34 29 98  
by fax: +46 (0)36-12 56 99  
or by e-mail: [info@sensys.se](mailto:info@sensys.se)

## NOMINATING COMMITTEES AUDIT COMMITTEE

Due to the size of the company it has not been deemed necessary to set up a separate audit committee.

## REMUNERATION COMMITTEE

No separate remuneration committee has been appointed in the company. Issues relating to remuneration for the CEO are handled by the Chairman in consultation with the other Board members.

Decisions on remuneration to other senior executives are made by the CEO in consultation with the Chairman of the Board.

## NOMINATING COMMITTEE

The nominating committee prepares proposals for the Annual General Meeting with regard to the election and remuneration of Board members and auditors. The nominating committee meets when required, although at least once a year. Since the AGM held on 16 April 2013, the nominating committee of SENSYS Traffic AB (publ) has been composed of the following members:

### Tomas Klevbo DDB (Chairman)

Danske Bank  
Danske Capital AB  
Box 7523  
Kungsträdgårdsgatan 16  
103 92 Stockholm  
Telephone: +46 (0)752-48 19 13  
E-mail: [tomas.klevbo@danskecapital.com](mailto:tomas.klevbo@danskecapital.com)

### Gunilla Nyström, AMF fonder

Telephone: +46 (0)70-281 74 60  
E-mail: [gunilla.nystrom@amf.se](mailto:gunilla.nystrom@amf.se)

### Jan Johansson, for Midway and others

Telephone: +46 (0)8-149502 or +46 (0)706-709047  
E-mail: [jfab@telia.com](mailto:jfab@telia.com)

### Per Wall, for own and other holdings

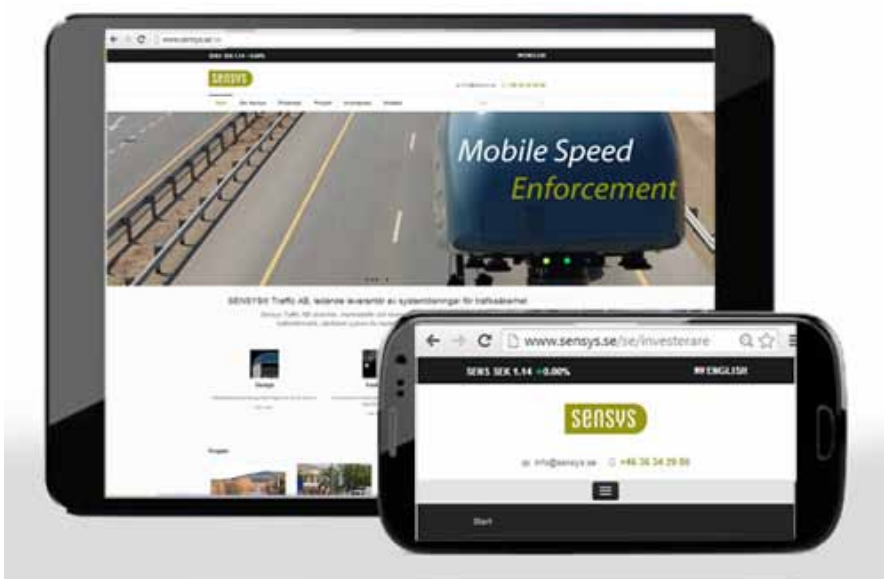
E-mail: [per.wall@penser.se](mailto:per.wall@penser.se)  
Proposals to the nominating committee must be submitted to the Chairman, Tomas Klevbo.

### Gunnar Jardelöv, as Chairman of the company

Telephone: +46 (0)708-348 148  
E-mail: [gunnar@contigoab.com](mailto:gunnar@contigoab.com)

## CONTACT FOR FINANCIAL INFORMATION

Chief Financial Officer Helena Claesson  
Telephone: +46 (0)36-34 29 98 or +46 (0)70-6760750.  
E-mail: [helena.claesson@sensys.se](mailto:helena.claesson@sensys.se)



*SENSYS Traffic's website – [www.sensys.se](http://www.sensys.se) – contains detailed and up-to-date financial information. The website also has a subscriber service for those wishing to subscribe to press releases and reports via e-mail.*

# Addresses

## **SENSYS TRAFFIC AB (PUBL.)**

Postal address: Box 2174  
SE-550 02 Jönköping, Sweden

Visiting address: Slottsgatan 14  
553 22 Jönköping

Telephone: +46 (0)36-34 29 80

Fax: +46 (0)36-12 56 99

[www.sensys.se](http://www.sensys.se)

## **DEVELOPMENT OFFICE**

Postal and visiting address:  
C/o Technosite  
Smedgränd 3  
SE-753 20 Uppsala, Sweden

Telephone: +46 (0)18-18 66 67



