

Sensys Gatso Group AB Market Presentation Interim Report Q1 2023

Sensys
Gatso
Group

April 26, 2023

Tycker | SENS
Small Cap | Market Cap SEK Billion 1
Nasdaq Stockholm

AGENDA

Interim Report Q1 2023

MARKET PRESENTATION

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- » Business update
- » Financial update
- » Summary and Outlook



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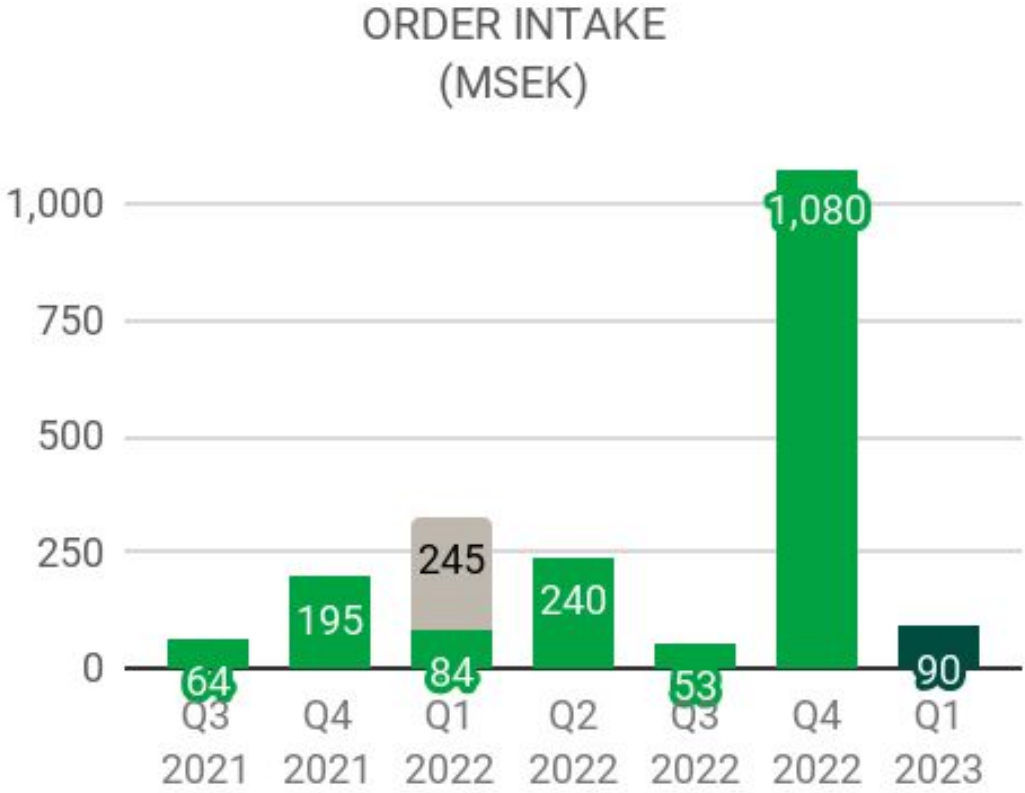
BUSINESS UPDATE

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- » 93% of Order Intake is recurring TRaaS
- » TRaaS Sales 76% of total sales
- » Investments in US market paying off
- » Historic order intake makes increased development necessary
- » Development Cost increase is temporary
- » Short-term EBITDA decrease was planned



93% of Order Intake is recurring TRaaS



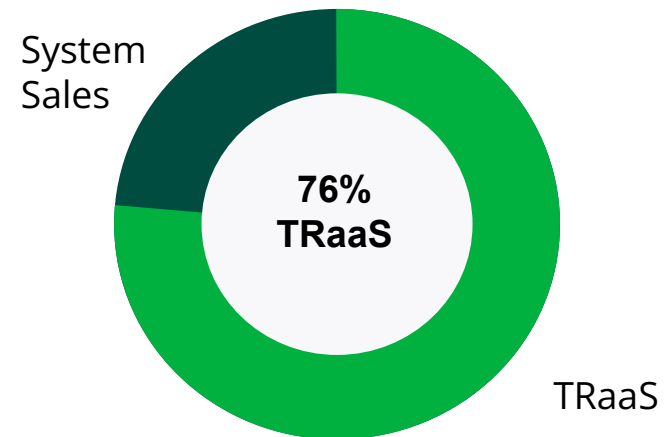
- Order Intake MSEK 90 (84)
- Q1 2022 order intake excludes MSEK 245 Dutch procurement award
- 93% of MSEK 90 order Intake is TRaaS
- MSEK 35 from 3 TRaaS contracts in USA

TRaaS sales represents 76% of Sales



MSEK	Q1 2023	Q1 2022
System Sales	27	44
TRaaS: Service & Maintenance	36	27
TRaaS: Licenses	1.7	1.3
TRaaS: Managed Services	49	40
Total Sales	113	113
Of which TRaaS:	86	69
TRaaS % of total Sales:	76%	61%

- Net sales in Q1 MSEK 113 (113)
- TRaaS sales in Q1 MSEK 86 (69), up 25%
- US Managed Services up 23%
- TRaaS is 76% of total sales



Investments in US market



- USA TRaaS sales in Q1 MSEK 49 (40), up 23%
- Executing on our plan for strategic US market
- Investments in sales team paying off
- 7 new contracts, of which 4 new cities and 3 renewals

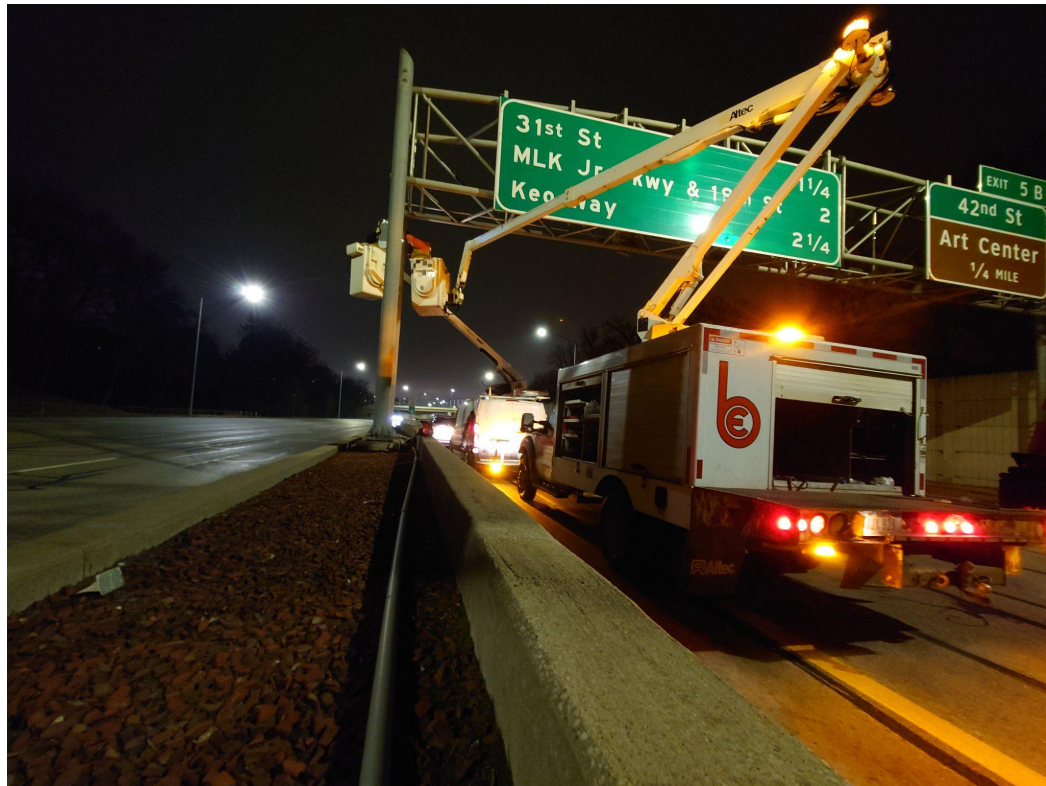
Historic order intake drives increase in development

Long term projects in Development phase

Customer	Contract value (MSEK)	Contract length (yrs)	Estimated <u>first</u> revenue
Zweden TrV	850	12	Q4/23
Netherlands EG37	250	12	Q3/23
USA 7 new TRaaS contracts	70	5 -7 years	2023
Total	1,170		
FLUX	New Platform		

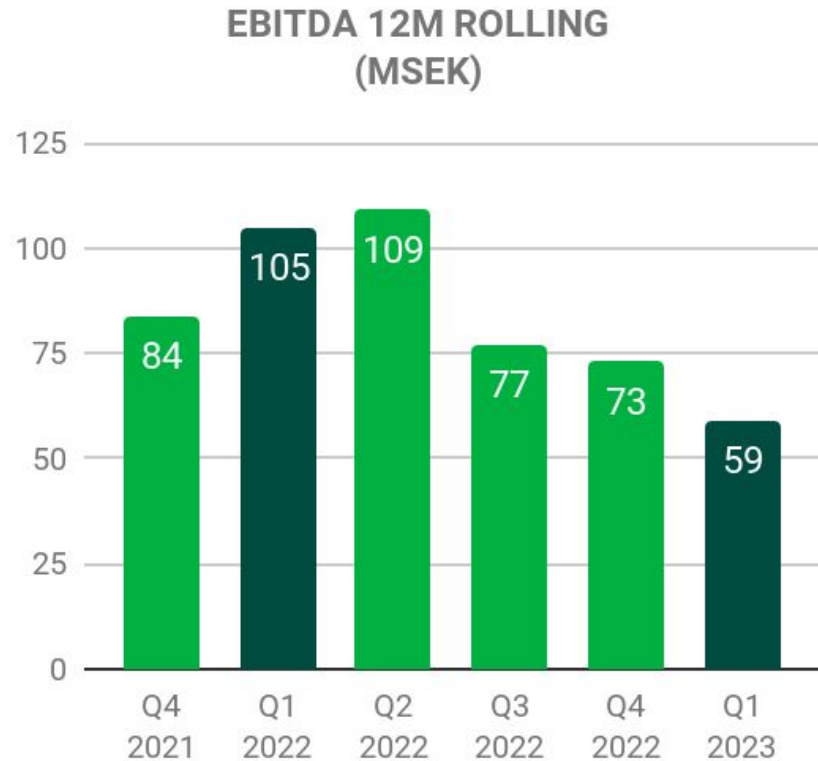
- FY 2022 historic order intake of SEK 1.5 billion
- Additional order intake of MSEK 90 in Q1
- Customer specific requirements drive short term higher development costs
- Investments will be leveraged during revenue phase of these long term contracts

Development cost increase is temporary



- Using consultants is flexible but costly
- After completion of FLUX platform and commercial projects, development capacity will be adapted
- Expected second half of 2023
- Ongoing engineering costs reduced by 15-20%
- FLUX scales better

Short-term EBITDA decrease was planned



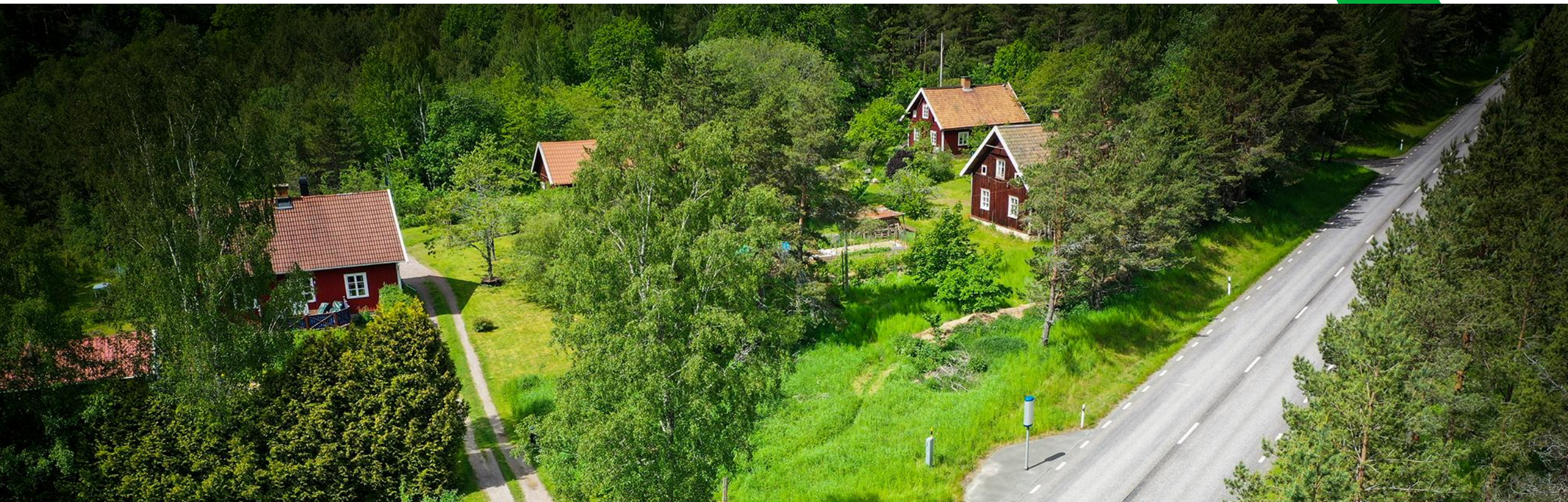
- EBITDA MSEK 1,5 (16)
- MSEK 11 higher Opex, due to more sales expenses in USA
- Leveraged when 7 new contracts start adding to topline
- MSEK 9 higher COGS, due to simultaneous completion of projects
- EBITDA decrease this quarter not long term structural

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FINANCIAL UPDATE

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- » Consolidated income statement
- » Analysis of the segments performance
- » Financial position



Consolidated Income Statement

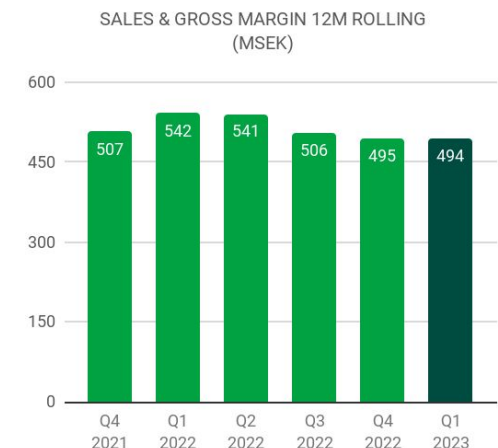
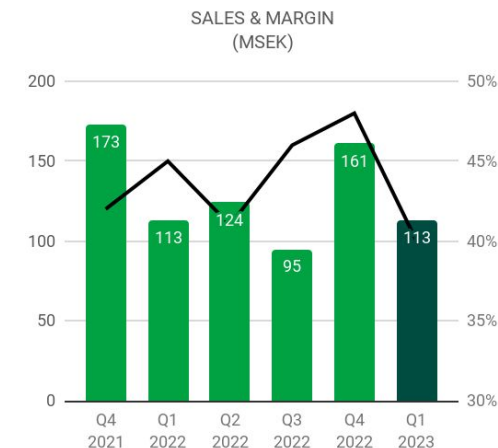
MSEK	Jan - Mar	Jan - Mar
	2023	2022
System Sales	27	44
TRaaS Sales	86	69
Total Sales	113	113
Cost of goods sold	-68	-62
Gross profit	45	52
	40%	45%
Expenses	-54	-46
Operating profit	-9	6
	-8%	5%
Net financial items	-7	4
Profit before tax	-16	9
Tax	2	-3
Profit for the period	-14	6

Q1

TRaaS Sales
+25%

Gross Margin
40%

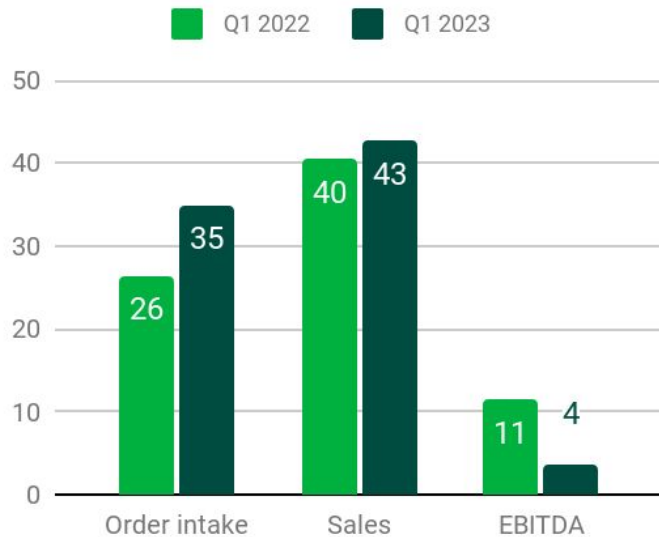
EBIT
-9MSEK



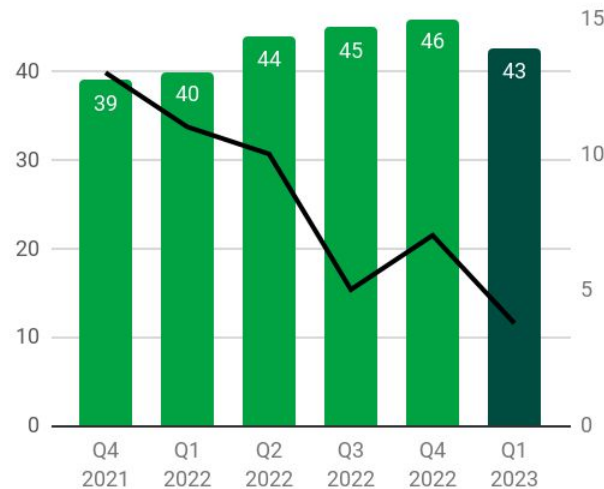
Segment Managed Services

- Sales Q1 is up by 8% to MSEK 43 (40)
- Order intake Q1 up by 35% to MSEK 35 (26)
- EBITDA Q1 down to MSEK 4 (11)

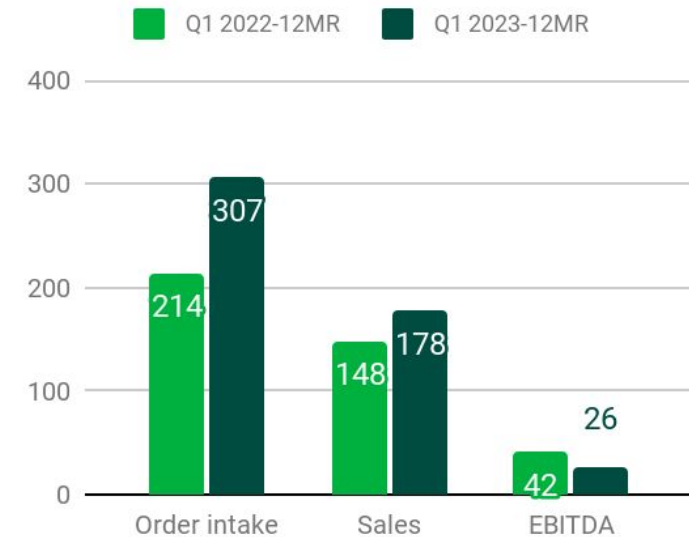
KEY FINANCIALS
(MSEK)



SALES & EBITDA MANAGED SERVICES
(MSEK)



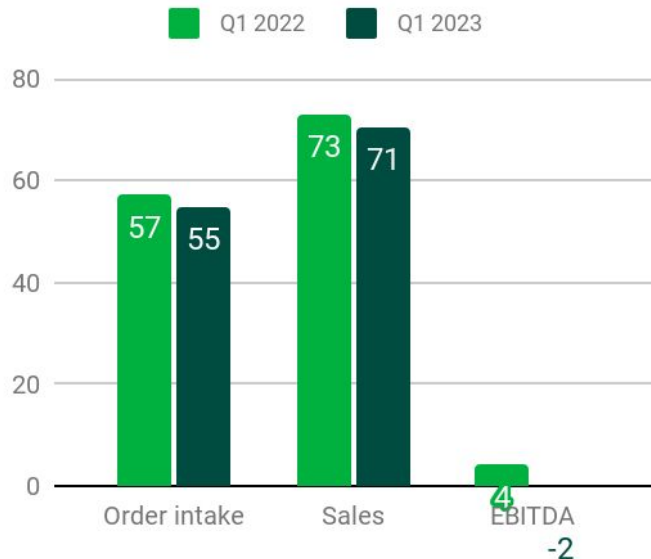
KEY FINANCIALS
(MSEK)



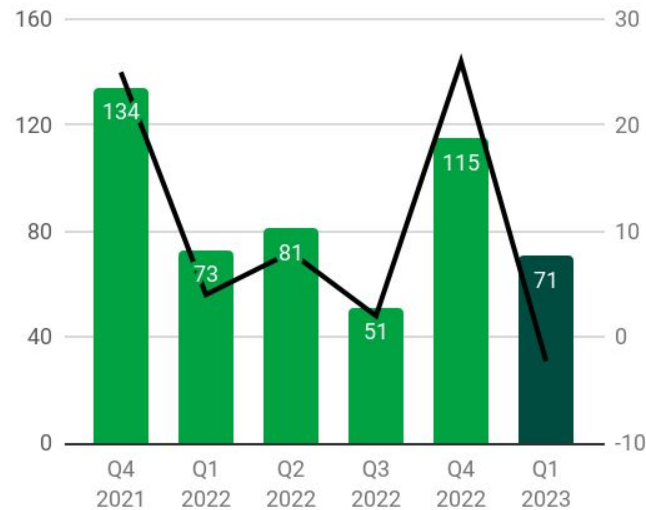
Segment System Sales

- Order intake at MSEK 55 (57)
- Sales slightly lower at MSEK 71 (73), with more TRaaS
- EBITDA Q1 at MSEK -2 (4)

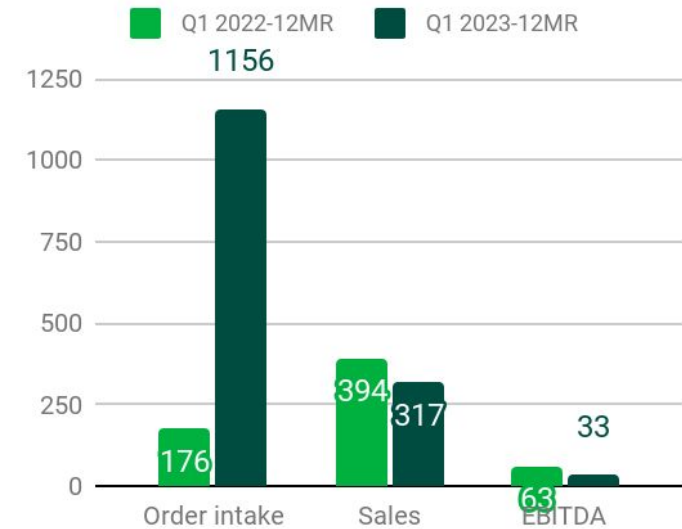
KEY FINANCIALS (MSEK)



SALES & EBITDA SYSTEM SALES (MSEK)



KEY FINANCIALS (MSEK)

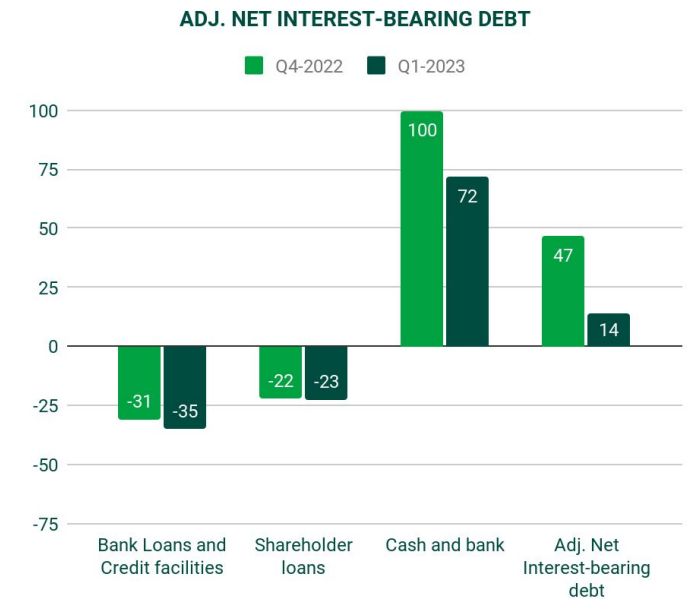
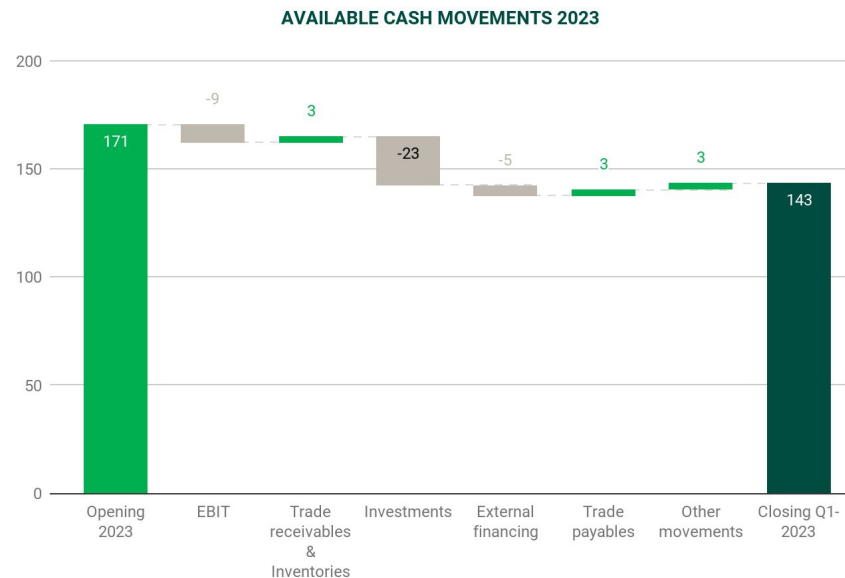
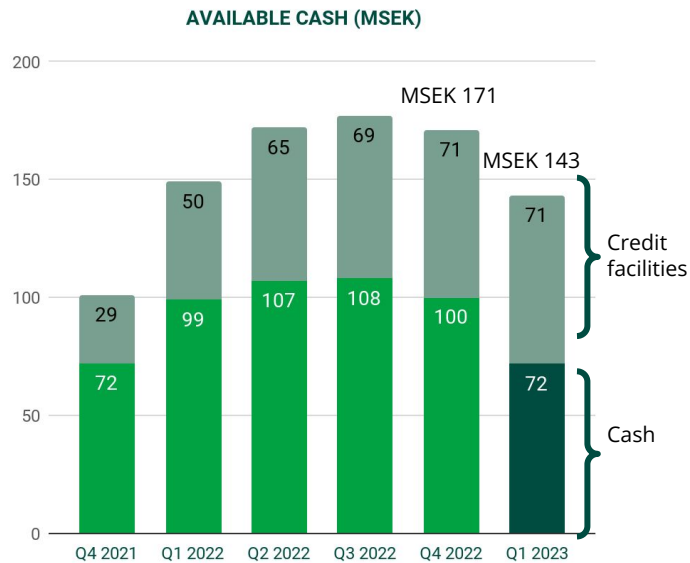


Financial Position

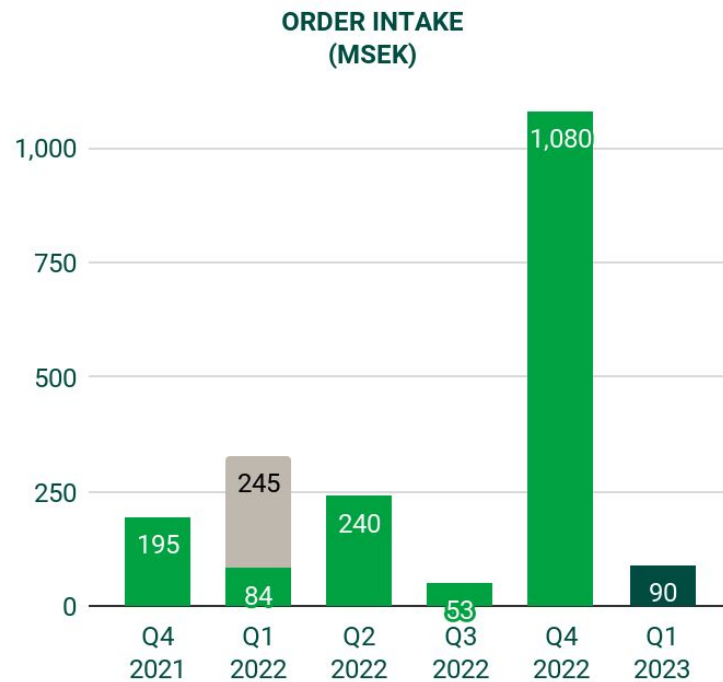


Solvency ratio
76%

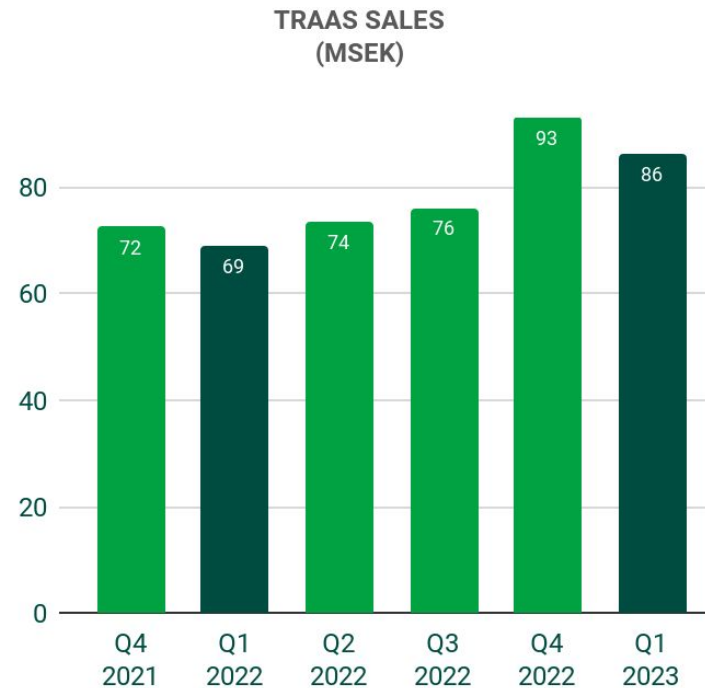
- Available cash at MSEK 143 (171 end of 2022)
- Investments in Software and Fixed Assets MSEK 23
- Net positive cash position MSEK 14 (47 end of 2022)



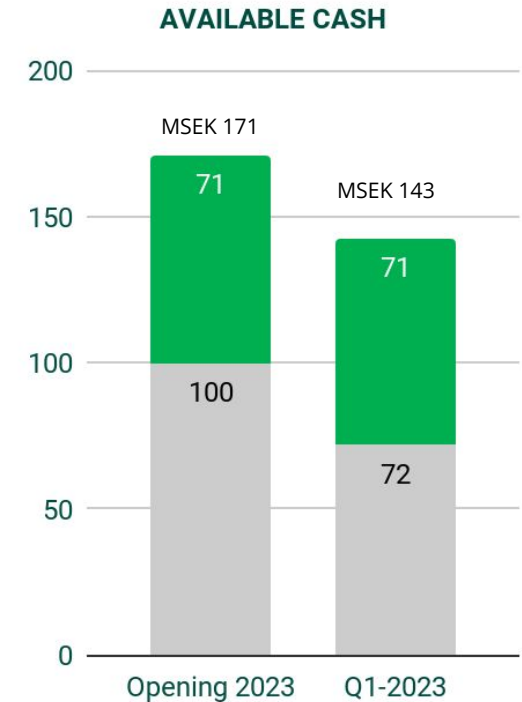
Outlook



Executing against highest order intake in history



TRaaS momentum continues



Strong financial position

Q&A



Ivo Mönnink, CEO

Simon Mulder, CFO

Contact: investor@sensysgatso.com



Investment proposition

- 1 Leading global player in Traffic Enforcement Solutions**
A global brand with the strongest heritage in the industry.
- 2 Relevant, growing and dynamic market**
We operate in a market with high potential growth rates and increasing relevance and interest across the world.
- 3 Focused strategies to grow Service Business (TRaaS)**
We aim for ambitious growth focused on the USA, entering new markets with our TRaaS recurring business model, flexible hardware & scalable software platforms and expand our service model in existing markets.
- 4 Sustained Financial and Operating Performance**
We are driven by a flexible operating model, scalable software solutions and rigorous cost control.
- 5 Products and solutions for a safer and more sustainable planet**
Our solutions contributes to reducing greenhouse gas emissions, reduced speed and ultimately improved road safety, in accordance with 2030 UN's sustainable development goals.