



Sensys Gatso Group AB

Q2 2019 Market Presentation

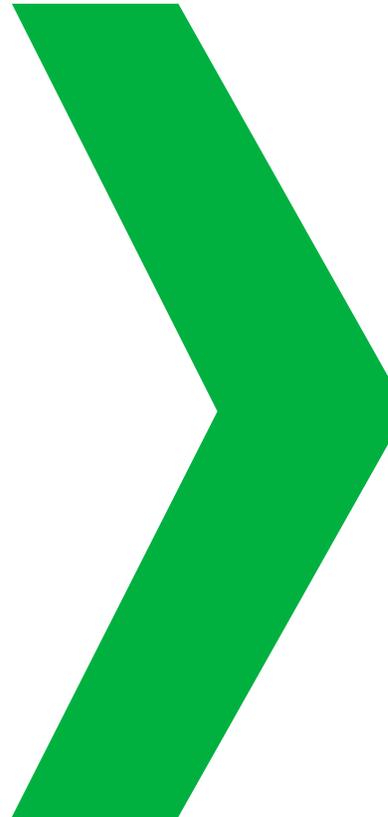
Webcast

August 29, 2019



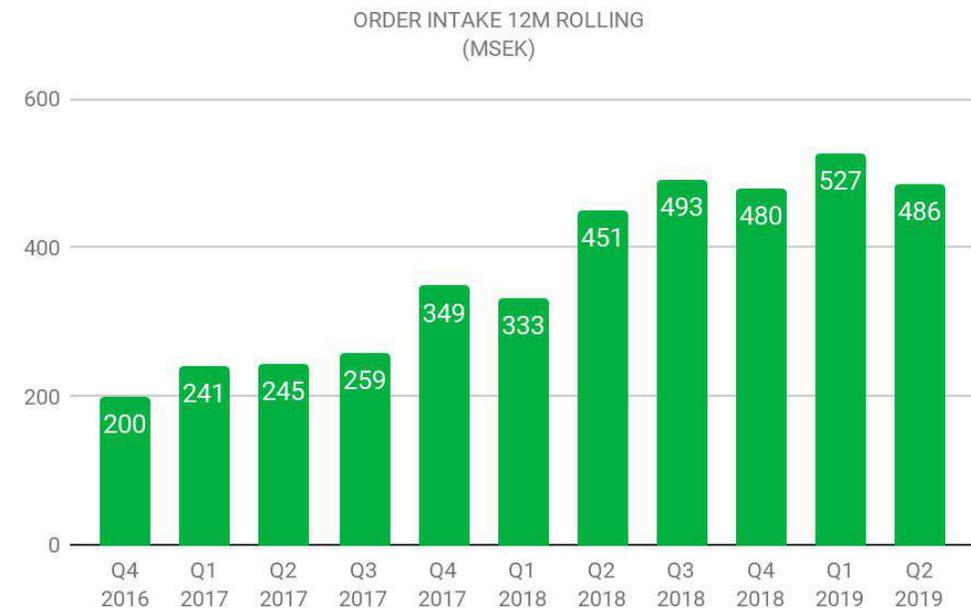
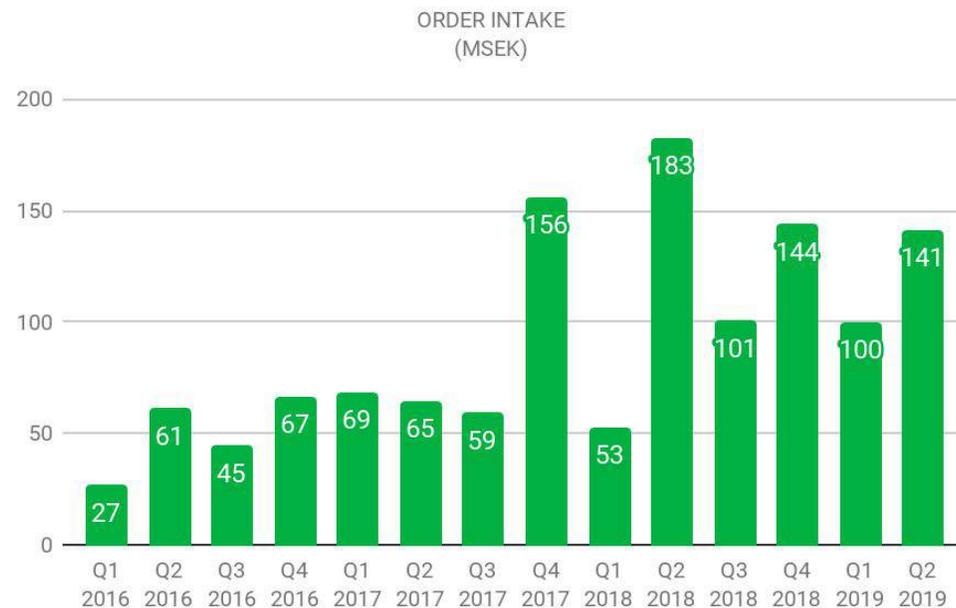
Business update

- » Order intake
- » TraaS sales development
- » Oklahoma picking up
- » Supply from Prodrive
- » Our solution portfolio
- » Latin America



Order intake: 75% recurring revenue

- Order intake Q2 141 million (183), minus 23 percent in the quarter
- Order intake H1 241 (235), comparable to last year
- 12 months order intake amounts to 486 million, compared to 451 in Q2 2018
- Consistently higher quarterly order intakes in 2018 and 2019

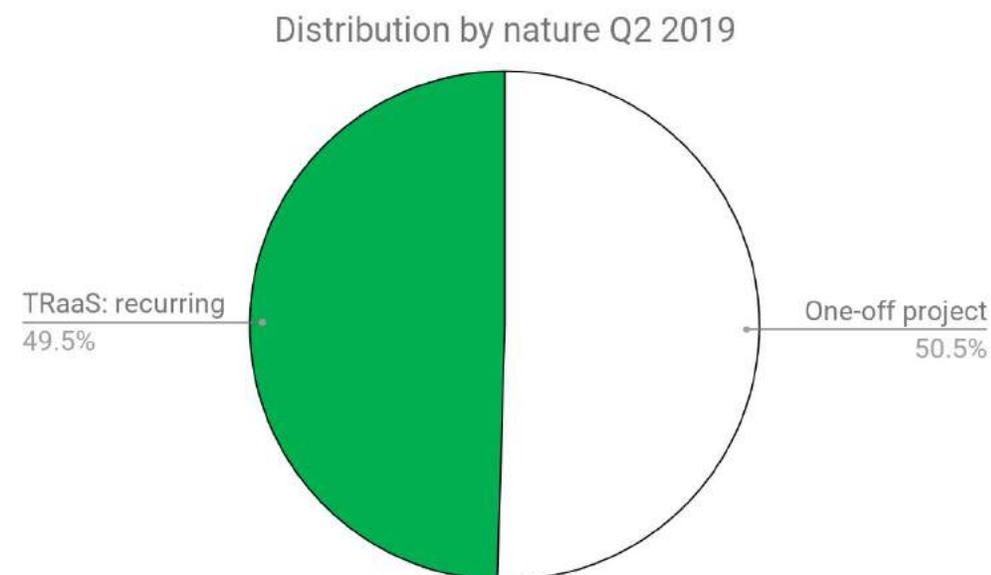


TraaS sales development increased by 24 percent



Business Update

	Apr - June	Apr - June	Jan - June	Jan - June
TSEK	2019	2018	2019	2018
System Sales	48,885	48,926	91,097	92,547
TRaaS: Service & Maintenance	22,267	17,985	34,347	34,404
TRaaS: Licenses	1,165	2,074	2,232	3,073
TRaaS: Managed Services	24,546	19,574	47,627	30,216
Total Sales	96,863	88,559	175,303	160,240
Of which TRaaS:	47,978	39,633	84,206	67,693
TRaaS % of total Sales:	50%	45%	48%	42%

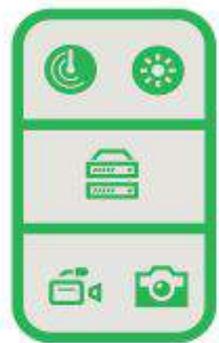


Combining hardware, software and services



Business Update

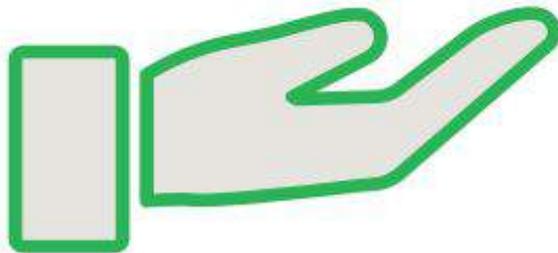
FLUX



Puls.



XILIUM
by GATSO



Case Studies:

- Speed and Red-light enforcement in Cedar Rapids, Iowa (USA). Running from 2009 onwards.
- Redlight Program in Albany, New York (USA). Recently extended for 5 years.
- Speed and Red-light program in Bochum, Germany. Recently delivered
- Speed, Red-light enforcement in the Netherlands. Uptime assurance since 2013

Oklahoma (USA) picking up momentum

NOTICE TO RESPOND
Uninsured Vehicle Enforcement Diversion Program
Generated on: MM/DD/YYYY

OKLAHOMA UNINSURED VEHICLE ENFORCEMENT DIVERSION PROGRAM
Processing Center, OK UVED
P.O. BOX 269079
Oklahoma City, OK 73126-9079

First Last
123 Any Street
City Name, State XXXXX
US

Failure to respond to this Notice may result in the suspension of driving privileges and the assessment of additional fees.

Vehicle Tag: ABC-123
Date of Occurrence: 2/15/2018 @ 1:30PM
Location: Route 37 EB, Moore OK

HOW YOU MAY RESPOND

Notice Number 055.123456789 Pin Number 12345

State records indicate the owner of this vehicle is not in compliance with the provisions of the Oklahoma Compulsory Vehicle Insurance Law. Per the discretion of the District Attorney, and in accordance with Title 47, Section 7-606.1 of the Oklahoma Statutes, this matter has been referred to the Uninsured Vehicle Enforcement Diversion Program.

The owner has 30 days to respond to this Notice via:

1. Payment of the fee amount and agreement to enroll in the Diversion Program.
2. Requesting a re-verification of the finding of non-compliance.
3. Contesting this notice by employing a valid defense.

Information and Payment: www.viewyournotice.com
Questions: 1-855-474-8833 (8am-5pm CST)

UVED PARTICIPATION - NON CRIMINAL REFERRAL

By agreeing to participate in the UVED program, this matter will **NOT** enter the criminal court.

The current penalty for an officer-initiated action under the Oklahoma Compulsory Insurance law is:
An owner or operator who fails to comply with the Oklahoma Compulsory Insurance Law shall be guilty of a misdemeanor, and upon conviction shall be subject to a fine of not more than Two Hundred Fifty Dollars (\$250.00), or imprisonment for not more than thirty (30) days, or by both such fine and imprisonment, and in addition thereto, shall be subject to suspension.

Sworn to or Affirmed by: [Signature]

Name & Address of Registered Owner
Jane Doe
123 Any Street
Tuttle, OK 12345

Notice Number	Vehicle Tag
XXX.XXXXXXX	XXX XXXX
AMOUNT DUE	\$174.00
DATE DUE	MM/DD/YYYY

To Pay This Notice: (Do not send cash)

Make check or money order payable to:
State of Oklahoma District Attorneys Council

Pay by Web: Visit www.viewyournotice.com. Enter Notice and PIN number provided above.

Pay by Phone: Call 1-855-474-UVED (8833)

Pay by Mail: Check or money order
Detach and send remittance slip with payment.

PROCESSING CENTER, OK UVED
P.O. BOX 269079
OKLAHOMA CITY, OK 73126-9079

- Going through learning curve, but starting to contribute to Managed Services revenue
- Managed Services H1 2019 is 40% higher than H1 2018
- More systems being deployed
- Functionality of the software enhanced
- Improvement of time to operation and revenue going forward
- Best revenue expectation remains 17 million annually

Supply from Prodrive back to normal



- Normal delivery timelines as of April 2019
- Mitigations implemented by supplier
- Some impact on Q2 delivery timelines
- No impact on full year revenue
- Customer relationships not negatively affected

Extending our Solution Portfolio



- History of innovation
- Standard Sensys Gatso solutions, with custom specific development requirements
- Three new solutions in various stages of implementation;
 - Uninsured Vehicle Enforcement in USA
 - Point-to-point rural roads speed enforcement in NL
 - mobile in-vehicle dual speed measuring system in AUS
- High upfront development investments
- Revenue generated in near future and years to come
- Gross margin kept at 38 percent (40)

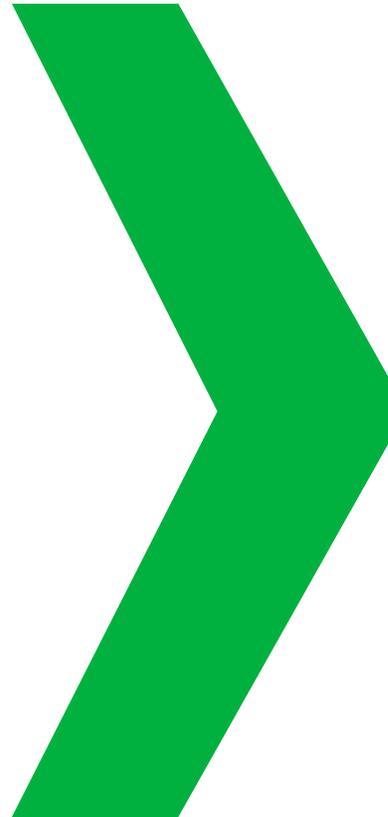
Inroads in Latin America



- Death toll in traffic approximately 80 000 per year and growing
- Vision Zero being embraced
- Two significant orders in Colombia after the quarter
- Result of our recent sales efforts in the Region

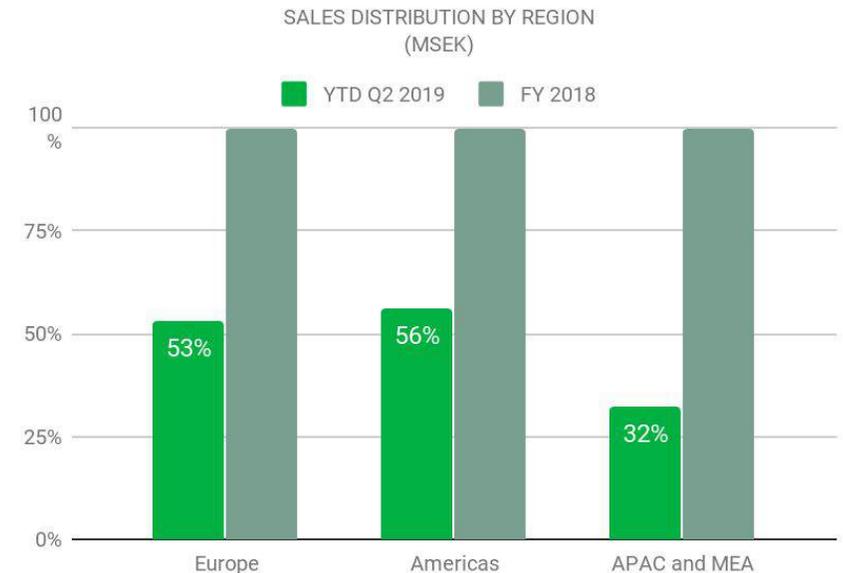
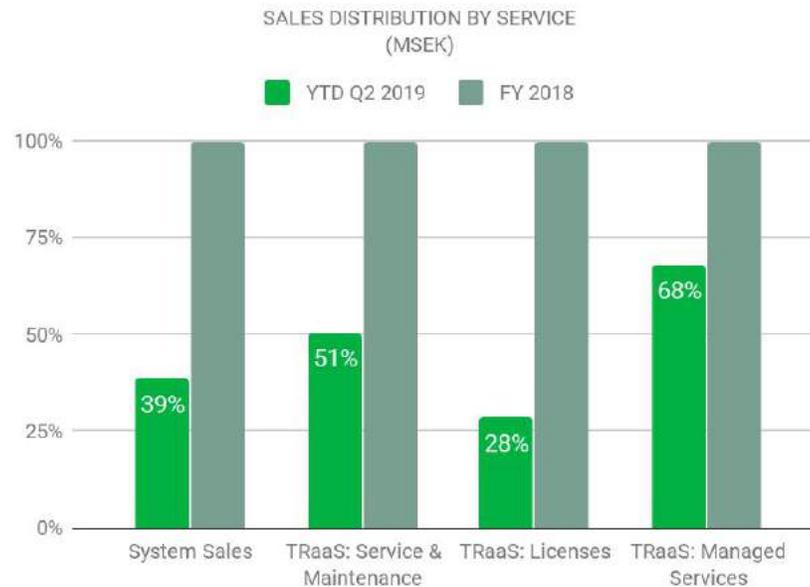
Financial Update

- » Sales analysis
- » Analysis of the segments performance
- » Consolidated income statement
- » Available cash and financial position



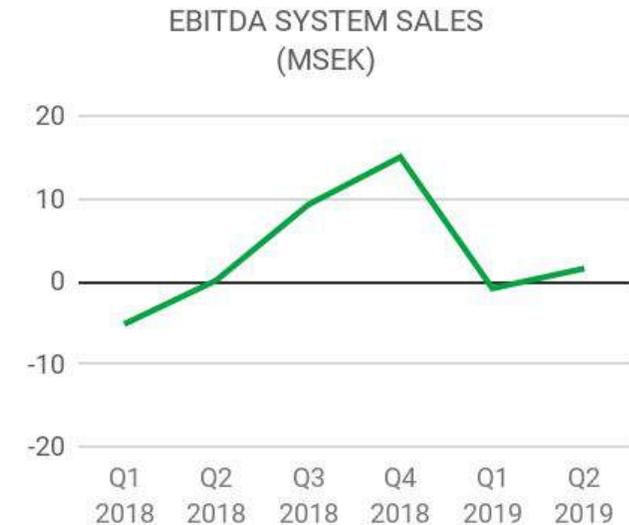
Sales analysis

- TRaaS: Recurring Sales level H1 2019 at 48% of total Sales
- YTD System Sales at 39% of FY 2018 sales, recovering from delivery challenges
- YTD Managed Services Sales at 68% of FY 2018 sales
- YTD APAC & MEA improved from 10% to 32%



Segment reporting - System Sales

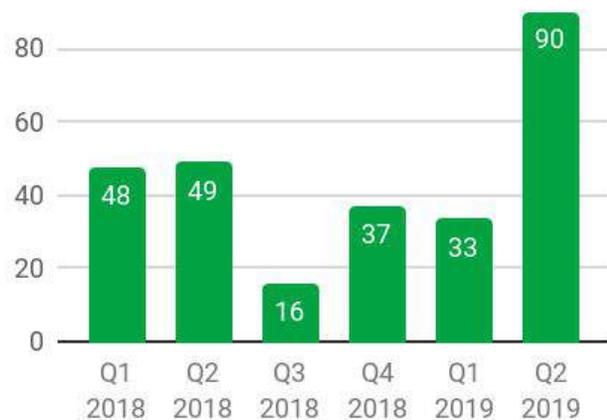
- Order intake in Q2-2018 record high due to Dutch rural roads tender of 66 MSEK
- Sales picking-up from last quarter
- EBITDA 1.6 million positive in the quarter



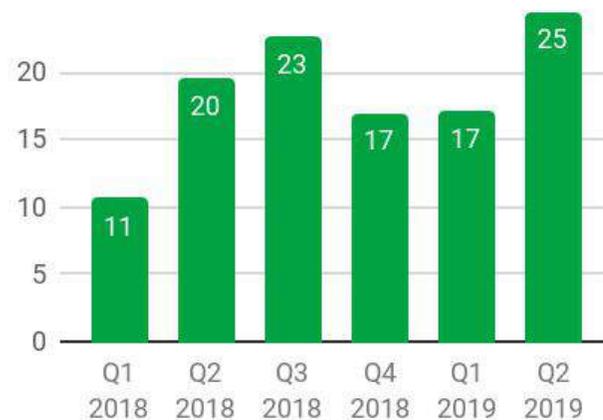
Segment reporting - Managed Services

- Order intake at 90 MSEK driven by contract extensions (40) and new programs (50)
- Sales in the quarter approximately 25% higher than Q2 2018
- EBITDA positive at 3.5 million for H1 2019

ORDER INTAKE MANAGED SERVICES EXCL
PROCUREMENT AWARDS (MSEK)



SALES MANAGED SERVICES
(MSEK)



EBITDA MANAGED SERVICES
(MSEK)



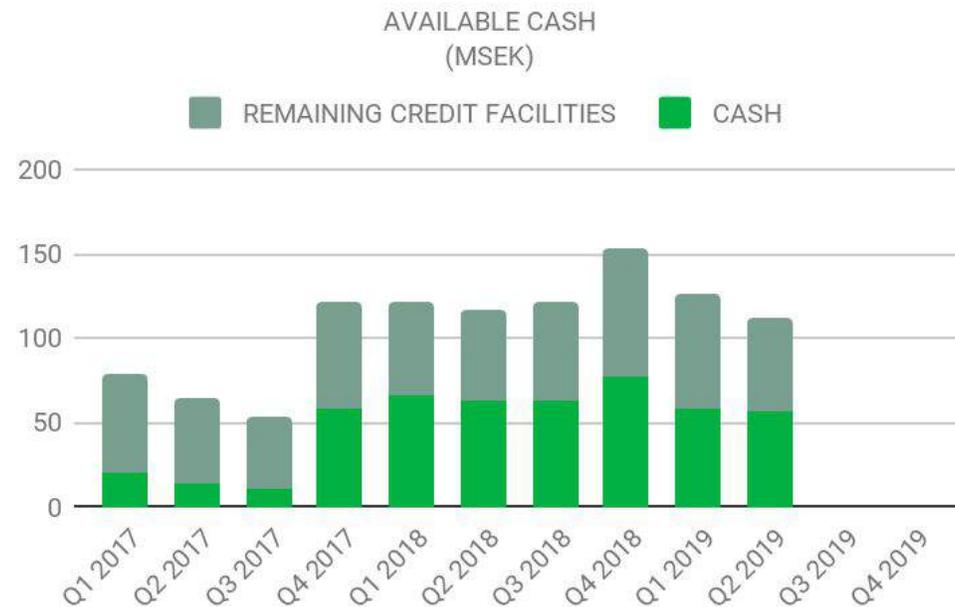
Consolidated income statement

	Apr - June	Apr - June	Jan - June	Jan - June
TSEK	2019	2018	2019	2018
Net sales	96,863	88,557	175,303	160,238
Cost of goods sold	-60,360	-49,587	-109,632	-96,282
Gross profit	36,503	38,970	65,671	63,956
Selling expenses	-20,885	-19,160	-39,818	-37,627
Administrative expenses	-11,716	-8,092	-21,047	-17,774
Development expenses	-11,562	-11,845	-25,492	-23,291
Other operating expenses/income	-588	-487	260	-752
Operating profit	-8,248	-614	-20,426	-15,488
Net financial items	-1,594	2,691	-2,059	-491
Profit before tax	-9,842	2,077	-22,485	-15,979
Tax	1,594	-3,375	4,647	1,607
Profit for the period	-8,248	-1,298	-17,838	-14,372

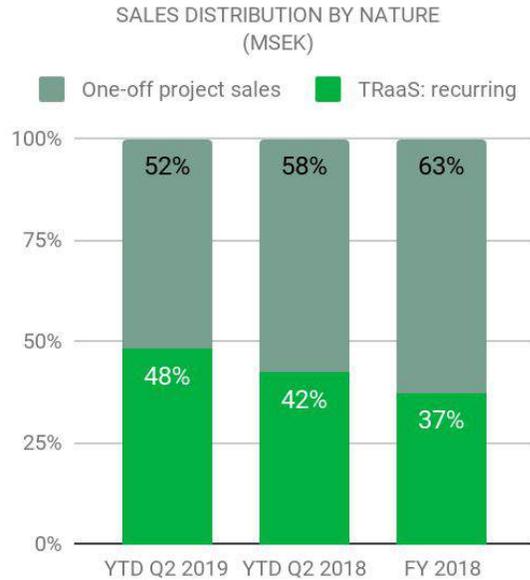
- YTD Net sales increased 9% (15%)
- Increase in YTD sales mainly due to growth Managed Services 42 MSEK (30)
- YTD Gross Margin at 37% (40%)
- YTD Expenses increase to 86 MSEK (97)
- YTD Operating profit (EBIT) -20 MSEK (-16)

Our financial position remains solid

- Lower available cash at 111 MSEK
- Build-up work in progress (23) and investments in Fixed Assets in Operations (11)
- Equity/Assets ratio remains good
- Repayment on Vendor Loan Installment 10.5 MSEK after the period



Summary and Outlook



Increased TRaaS Revenue



Normalized deliveries



Good quality order intake

Q&A



Simon Mulder, CFO

Ivo Mönnink, CEO

Send us questions at investor@sensysgatso.com

