

Sensys Gatso Group AB

Interim Report

January - March 2020



MSEK	Jan - Mar 2020	Jan - Mar 2019	Jan - Dec 2019	Jan - Dec 2018
Net Sales	95.6	78.4	406.3	380.3
Order intake	33.6	100.0	527.5	480.3
Operating profit (EBIT)	-13.7	-12.2	-24.4	0.6
Operating profit (EBITDA)	1.0	-0.1	28.6	37.6
Total Comprehensive income	4.7	-2.1	-6.0	16.1
Earnings per share, before and after dilution (SEK)	-0.02	-0.01	-0.02	0.00
Cash flow from operating activities	19.9	-20.6	-3.7	49.3

Comments from the CEO

Continuing our business during Covid-19 crisis

Let's start with the business update on the one topic the world is daily talking about for the last two months; Covid-19. The moment the virus outbreak was declared a pandemic by the WHO, we acted swiftly by protecting our employees and the continuity of our operations. We created Business Continuity Plans for all our entities and asked nearly 80% of our employees to work from home. Our objective is to protect those employees that absolutely need to be in the office or in the field to continue the product and service deliveries to our customers. Because we globally adopted the Agile & Scrum way of working in 2018, our developers can now 100% continue their work remotely.

In the USA we obtained security clearance to have our operators and customer service staff work from home. As a result our ability to send-out citations is not impacted. The achieved continuity of our business is important to our Customers because we are seen as an essential business to many governments across the world. With emptier roads, drivers may be more tempted to exceed speed limits, risking crashes and putting an unnecessary burden on the already stretched healthcare systems. In line with our mission to make traffic safer, we have actively pushed the message to drive safely, especially now, using our social media channels. Of course, with schools closed and less traffic overall in the USA, we will likely start to see an impact on our TRaaS revenue in that market. To what extent, largely depends on the timing of the gradual reopening of the American economy.

Costa Rica contract in finalization phase

In February of this year Sensys Gatso, together with our consortium partners, were given a notice of contract award from the Costa Rican government for the country's Nationwide Intelligent Transportation System. We are now in the process of stipulating the legal details between all parties involved. Due to Covid-19 related communication circumstances this takes more time than initially anticipated. At the moment we do not expect this to have an impact on the overall execution timeline of this SEK 192 million project.

Covid-19 not expected to impact order intake

The order intake for the quarter has been relatively low with SEK 34 million (100). In general, first quarter intakes are lower compared to other quarters, as it is common for our government customers to release their annual budgets for new projects after the first quarter. On top, the delay of the Costa Rica contract signing of nearly SEK 200 million has been delayed into Q2. Because we are seen as an essential business, we do not anticipate that Covid-19 will impact the order intake going forward.

TRaaS sales continues to grow

The total net sales in Q1 amounts to SEK 96 million, 22% higher than last year (78). The recurring part of our Sales arrived at SEK 53 million, 47% higher than last year (36). TRaaS now represents 56% of total Sales, 10 percentage points higher than last year (46%). With this we continue to see good traction on our strategy to grow our TRaaS business.

Gross Margin temporarily suppressed

In the quarter we started our high volume school zone speed program in Buffalo, Rhode Island, with a one month warning period, where we operate the system without revenue. Shortly after, schools

in Rhode Island closed, driven by Covid-19 safety measures. We can only enforce speed during school time and therefore revenue generation for this three year TRaaS program has been delayed. In Australia our business is considered essential and we continue the roll-out of our new in-vehicle solution in the state of Victoria. The margin of this System Sales project in the implementation phase is lower due to contracted development expenses. The project is the enabler for a 6 year SEK 130 million TRaaS contract. Both programs temporarily suppress the total gross margin in Q1 which arrived at 30% (37%).

Solid financial position and additional funding

Our available cash has remained stable during the quarter arriving at SEK 92 million compared to SEK 85 million in the fourth quarter of last year. To facilitate our growth ambition, Sensys Gatso and Rabobank have agreed, during the quarter, on a term sheet for additional funding to a maximum amount of SEK 50 million. The first SEK 12,5 million additional funding will become available upon signing the final contract with Rabobank during the second quarter. Overall our financial position remains strong with an Equity/Assets ratio of 65 percent at the end of the quarter compared to 64 percent at the end of 2019.

Outlook

For now, we expect the impact of Covid-19 for Sensys Gatso to be limited. With a healthy and motivated workforce, mostly working from home, we can continue the execution of our projects. No projects have been cancelled or delayed as we deal with government customers that value our essential traffic safety solutions. If anything, our long project timelines and multi-year government contracts play in our favour during this crisis. For these reasons we retain our long-term plan to grow our net sales from SEK 400 million in 2019 to more than SEK 1 billion, of which TRaaS revenues is more than SEK 600 million, in 2025. We also retain our ambition to increase the profitability from 7 percent EBITDA margin in 2019 to more than 15 percent in 2025.

Ivo Mönnink

CEO, Sensys Gatso Group

Financial summary

Key indicators

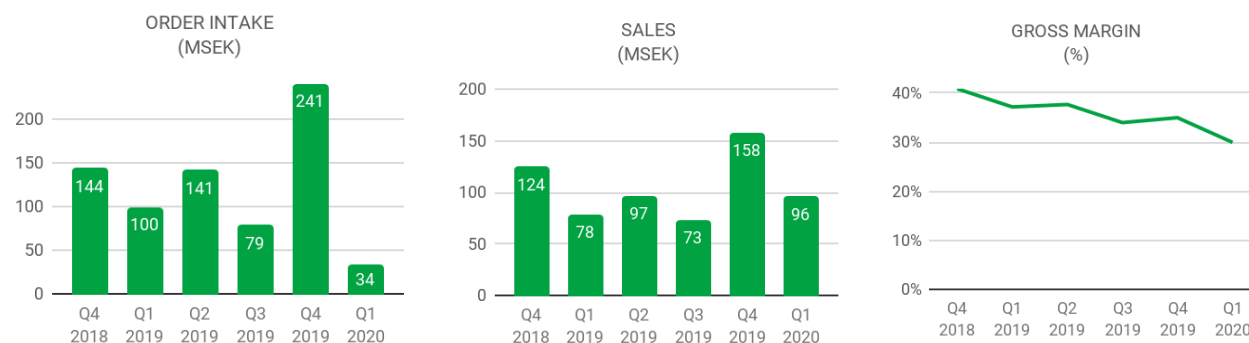
	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK					
Net sales	95,630	78,440	95,630	406,325	380,349
Order intake	33,626	99,975	33,626	527,461	480,284
Gross margin (%)	30.0	37.2	30.0	35.7	42.5
Operating profit (EBIT)	-13,721	-12,178	-13,721	-24,392	589
Operating margin (EBIT %)	Neg	Neg	0.00	Neg	0
Operating profit (EBITDA)	1,017	-116	1,017	28,567	37,563
Profit for the period	-15,813	-9,590	-15,813	-15,111	-2,472
Earnings per share (SEK)	-0.02	-0.01	-0.02	-0.02	0.00
Cash flow from operations	19,914	-20,567	19,914	-3,740	49,307

IFRS 16 was not applied on the 2018 numbers.

EBITDA

	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK					
Operating profit (EBIT)	-13,721	-12,178	-13,721	-24,392	589
Depreciation tangible and intangible fixed assets	9,692	6,239	9,692	30,767	14,562
Amortization of acquired intangible assets	5,046	5,823	5,046	22,192	22,412
Operating profit (EBITDA)	1,017	-116	1,017	28,567	37,563

Financial results Group



January – March 2020

Order intake during the first quarter totalled SEK 33.6 million compared to SEK 100.0 million in the same quarter last year. The order intake for the quarter mainly relates to orders received from existing customers. During the quarter we have announced the notice of award of the Costa Rica project for a total contract value of SEK 192 million. We expect to sign the final contract during the second quarter 2020.

Net sales in the first quarter amounted to SEK 95.6 million (78.4). The segment System Sales contributed SEK 63.6 million (61.5) and Managed Services contributed SEK 33.0 million (17.6).

TRaaS is recurring revenue from service and maintenance within System Sales and Managed Services. TRaaS revenues amounted to SEK 53.1 million (36.2), an increase of 47 percent.

	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK					
System Sales	42,546	42,212	42,546	229,153	234,902
TRaaS: Service & Maintenance	20,144	17,870	20,144	79,021	67,738
TRaaS: Licenses	165	1,067	165	3,468	7,841
TRaaS: Managed Services	32,775	17,291	32,775	94,686	69,873
Total Sales	95,630	78,440	95,630	406,328	380,354
Of which TRaaS:	53,084	36,228	53,084	177,175	145,452
TRaaS % of total Sales:	56%	46%	56%	44%	38%

Of the total sales in the first quarter, 56 percent relates to recurring revenues based on Service & Maintenance, License and Managed Services revenue, compared to 46 percent in Q1 2019 and 44 percent for the full year 2019.

	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Dec	Jan - Dec
TSEK	2020	2019	2020	2019	2018
Europe	19,086	47,928	19,086	188,089	172,219
Americas	31,788	17,034	31,788	103,453	70,362
APAC and MEA	44,756	13,478	44,756	114,786	137,774
Total Sales	95,630	78,440	95,630	406,328	380,354

During the first quarter we have continued to deliver on our in-vehicle project in Australia. The increase of sales in the region Americas is due to new TRaaS programs received in 2019 contributing to sales.

The operating expenses totalled SEK 42.4 million (41.3) including amortisation of intangible fixed assets recognized as part of the acquisition to the amount of SEK 4.4 million (5.8).

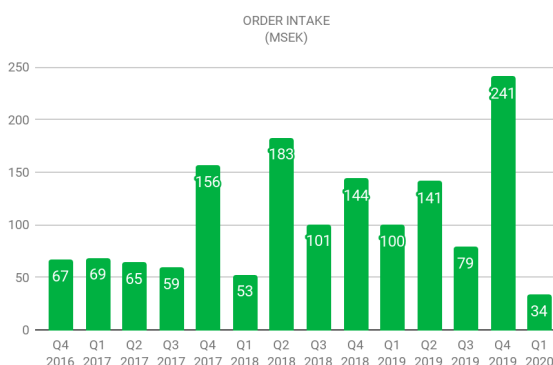
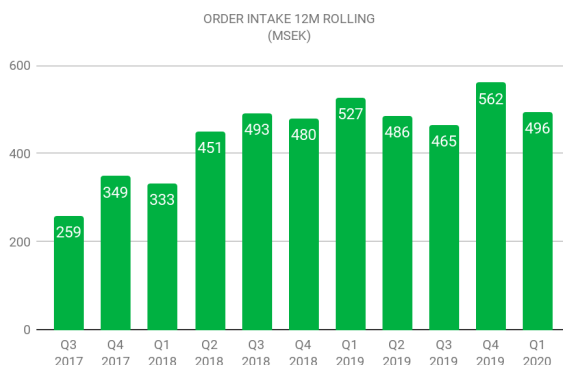
The gross margin for the quarter was 30.0 percent (37.2). The margin for the systems sales in the quarter have been lower due to the roll-out of a first of a kind in-vehicle solution in Australia, which has a lower margin during the roll-out phase due to the non-recurring development expenses (contractors) taken into this project.

The margin on Managed Services sales in the first quarter have been lower due to investments in the organisation to be able to service high volume customers like Pawtuckets and Buffalo.

During the first quarter we have absorbed the costs relating to the warning periods for new programs like Buffalo. These costs are high because of the high volumes in these programs.

Because of Covid-19 driven school closings in March, no citations have been issued for our school zone speed programs. Based on the current available information we anticipate that these programs will restart after the summer holiday, in the second half of the year.

The operating profit for the quarter totalled SEK -13.7 million (-12.1) and the profit after taxation totalled SEK -15.8 million (-9.5).



Investments

During the first quarter the investments in fixed assets amounted to SEK 4.0 million (4.8) of which SEK 0.3 million (3.3) related to tangible fixed assets and SEK 3.7 million (1.5) relates to intangible fixed assets. The investments in intangible fixed assets mainly relates to the continued development of our FLUX platform.

Personnel

The average number of full-time employees was 227 people (178). The number of employees at the end of the period was 270 to be compared with 252 at the end of the financial year 2019. The increase in employees is mainly due to processing staff in the USA, relating to on-boarding of new programs.

Financial position

The Group's equity at the end of the period totalled SEK 453.6 million (451.6), producing an equity/assets ratio of 64.5 percent (66.2).

Net interest-bearing debt amounted to SEK 66.7 million (49.6).

	31 Mar 2020	31 Mar 2019	31 Dec 2019
TSEK			
Short-term liabilities	56,589	29,897	66,878
Long-term liabilities	64,351	78,769	62,497
Cash and bank	-54,209	-59,067	-52,373
Net Interest-bearing debt	66,731	49,599	77,002

The Sensys Gatso share

The number of shares at the end of the period was 860,024,407 (860,024,407). The average number of shares during the year was 860,024,407 (848,691,354).

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

#	Shareholder	Number of shares	Proportion of share capital/ Votes%
1	BNP PARIBAS SEC SERVICES PARIS	164,247,615	19.1
2	FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	35,599,206	4.1
3	WALL, PER	23,000,000	2.7
4	BERGSTRAND, INGER	20,659,837	2.4
5	NORDNET PENSIONS FÖRSÄKRING AB	15,011,063	1.8

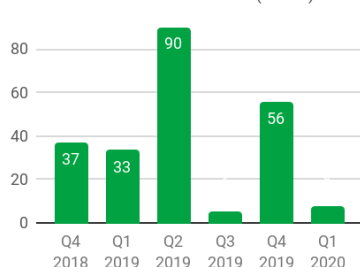
#	Concentration	Proportion of share capital/ Votes%
10	Largest holders	34.4
20	Largest holders	39.0
50	Largest holders	46.0
100	Largest holders	52.0

#	Country	Proportion of share capital/ Votes%
1	Sweden	75.0
2	Netherlands	19.1
3	United States	1.9
4	Denmark	1.1
5	Switzerland	0.9
6	Other	2.0
		100.0

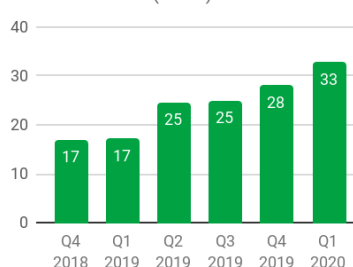
Business Segments

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

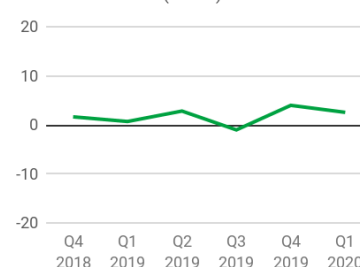
ORDER INTAKE MANAGED SERVICES EXCL
PROCUREMENT AWARDS (MSEK)



SALES MANAGED SERVICES
(MSEK)



EBITDA MANAGED SERVICES
(MSEK)



Managed Services

During the quarter we have been awarded three TRaaS contract renewals with an estimated total contract value of SEK 5.1 million over contract periods between 1-3 years. We have also received a new software contract for Xilium in the Carribean for 1 year with a total contract value of SEK 2.5 million.

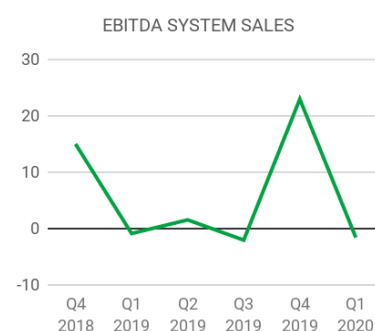
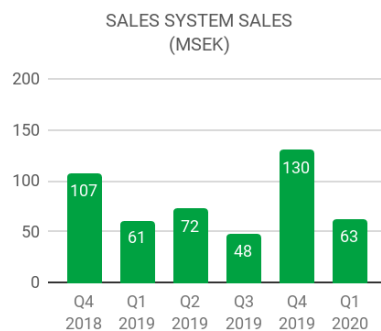
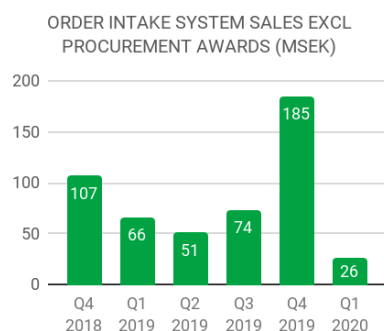
Managed Services sales amounted to SEK 32.8 million (17.1) in the quarter. The increase in sales is due to the startup of new programs announced during 2019 in the USA and Germany. The segment has incurred an EBITDA of SEK 2.6 million (0.7).

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

The EBITDA increased in the first quarter to SEK 2.6 million compared to SEK 0.7 million in the first quarter of 2019.

The depreciation of this segment, mainly relating to fixed assets in operations, amounted to SEK 5.8 million excluding the depreciation of intangible fixed assets of SEK 3.7 million relating to the acquisition of Gatso Beheer B.V.

The operating profit in the first quarter, adjusted for the depreciation of intangible fixed assets of SEK 3.7 million amounted to SEK -3.3 million (-0.7).



System Sales

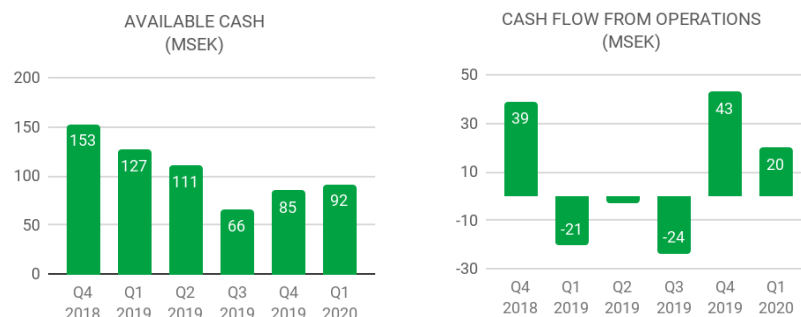
The order intake for the segment System Sales amounted to SEK 26 million in the quarter. The order intake mainly relates to repeat orders from existing customers.

Sales in the segment System Sales relates to one-off system sales and recurring revenue from service and maintenance. In this segment the service and maintenance sales provide a solid income evenly spread throughout the year. The one-off System Sales in this quarter relates mainly to Systems Sales in Europe and Australia. Systems Sales amounted to SEK 62.9 million (61.3) in the quarter, of which SEK 20.3 million (18.9) relates to TRaaS recurring revenue, i.e. 32 percent (31).

The segment has incurred an EBITDA of -1.5 million in the first quarter compared to -0.8 million in the first quarter of 2019.

TSEK	Jan - Mar 2020			Jan - Mar 2019		
	System Sales	Managed Service	Total	System Sales	Managed Service	Total
Total Net sales per business segment	63,634	33,000	96,634	61,498	17,584	79,082
Inter-segment transactions	-779	-225	-1,004	-180	-462	-642
Total Net Sales	62,855	32,775	95,630	61,318	17,122	78,440
EBITDA	-1,553	2,570	1,017	-828	712	-116
Depreciation and amortization	-5,186	-9,552	-14,738	-4,885	-7,177	-12,062
Operating Profit	-6,739	-6,982	-13,721	-5,713	-6,465	-12,178
Net financial items			-5,138			-465
Profit before tax			-18,859			-12,643
Tax			3,046			3,053
Profit for the period			-15,813			-9,590

Cash flow and financial position



Cash and available cash

Cash and cash equivalents at the end of the period totalled SEK 54.2 million (59.1). At the end of the period free available cash amounted to SEK 91.7 million (127.1) taking into account the total amount of available credit facilities.

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

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

To facilitate further growth, Sensys Gatso and Rabobank have agreed to extend the current total facilities granted by the Rabobank with additional SEK 50 million. The facility increase will be provided to Sensys Gatso upon request, and is conditional upon meeting agreed covenants, with steps of SEK 12.5 million each 6 months. The first SEK 12,5 million additional funding will become available upon signing the final contract with Rabobank during the second quarter.

Cash flow from operating activities

During the quarter Sensys Gatso had a positive cash flow from operating activities of SEK 19.9 million (-20.6).

Cash flow from investing activities

The investments in fixed assets for the quarter amounted to SEK 4.0 million (4.8).

Other information

Significant events during the quarter

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

Significant events after the quarter

No significant events after the period.

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

Related party transactions

For the period under review no other material business transactions were performed with related parties.

Sustainability

Sensys Gatso Group develops, manufactures, markets and sells system solutions and products that increase road safety. Our largest product category includes automated red light, speed and traffic monitoring systems that prevent traffic accidents; saving lives and saving social resources.

Several global trends continued to favor Sensys Gatso, not the least the world's drive for sustainable cities and the UN's 2030 sustainable development goals. Making the roads safer by changing human behaviour in traffic is our business strategy. Our TRaaS business model supports our customers in the transformation towards sustainable and safe environments. See more information and our Sustainability Report in the 2019 Annual Report, available at www.sensysgatso.com.

Audit

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

For further information please contact:

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This information is information that Sensys Gatso Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 on 30 April 2020.

Group figures

Consolidated statement of comprehensive income

	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK					
Net sales	95,630	78,440	95,630	406,325	380,349
Cost of goods sold	-66,964	-49,272	-66,964	-261,278	-218,834
Gross profit	28,666	29,168	28,666	145,047	161,515
Selling expenses	-20,899	-18,933	-20,899	-81,157	-75,098
Administrative expenses	-11,927	-9,331	-11,927	-41,067	-38,579
Development expenses	-9,902	-13,930	-9,902	-47,849	-46,176
Other operating expenses/income	341	848	341	634	-1,073
Operating profit	-13,721	-12,178	-13,721	-24,392	589
Net financial items	-5,138	-465	-5,138	-3,137	-1,685
Profit before tax	-18,859	-12,643	-18,859	-27,529	-1,096
Tax	3,046	3,053	3,046	12,418	-1,376
Profit for the period	-15,813	-9,590	-15,813	-15,111	-2,472
Profit is attributable to owners of Sensys Gatso Group AB	-15,002	-8,837	-15,002	-13,386	-1,897
Profit is attributable to non- controlling interest	-811	-753	-811	-1,725	-575
	-15,813	-9,590	-15,813	-15,111	-2,472
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	20,523	7,537	20,523	9,154	18,587
Total other comprehensive income for the period, net after tax	20,523	7,537	20,523	9,154	18,587
Total comprehensive income for the period	4,710	-2,053	4,710	-5,957	16,115
Number of shares (thousands)	860,024	860,024	860,024	860,024	860,024
Earnings per share (SEK)	-0.02	-0.01	-0.02	-0.02	0.00

Consolidated balance sheet

	31 Mar 2020	31 Mar 2019	31 Dec 2019
TSEK			
Assets			
Goodwill	272,549	256,165	257,164
Customer contracts and relations	6,889	21,265	10,338
Brand	12,735	14,414	12,738
Product and software development	32,613	33,752	29,582
Property, plant and equipment	42,078	47,393	45,253
Fixed assets in operations	56,042	36,059	56,110
Deferred tax assets	46,297	39,411	45,315
Other non-current assets	342	349	330
Trade and other receivables	50,022	61,755	76,137
Inventories and work in progress	102,544	56,637	96,939
Other current assets	26,941	55,546	26,074
Cash and bank balances	54,209	59,067	52,373
Total assets	703,261	681,813	708,353
Shareholders' equity and liabilities			
Shareholders' equity	453,564	451,636	448,854
Long-term liabilities	22,344	29,275	23,110
Long-term liabilities towards shareholders	42,007	49,494	39,387
Provision	10,550	7,408	10,032
Deferred tax liabilities	8,374	15,305	9,753
Short-term liabilities	45,506	19,514	56,429
Short-term liabilities towards shareholders	11,083	10,383	10,449
Trade and other payables	33,687	22,029	47,955
Other current interest-free liabilities	76,146	76,769	62,384
Total shareholders' equity and liabilities	703,261	681,813	708,353

Consolidated statement of changes in equity

	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK	2020	2019	2020	2019	2018
Beginning of period	448,854	453,689	448,854	453,689	420,072
New share issue, net	0	0	0	0	17,502
Other movements	0	0	0	1,107	0
Net profit for the period	-15,002	-8,837	-15,002	-13,371	-1,897
Minority interest in subsidiaries	-811	-753	-811	-1,725	-575
Other comprehensive income	20,523	7,537	20,523	9,154	18,587
Total comprehensive income for the period	4,710	-2,053	4,710	-4,835	16,115
End of period	453,564	451,636	453,564	448,854	453,689

Cash flow statement

	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK					
Operating profit	-13,721	-12,178	-13,721	-24,392	589
Items with no effect on cash flow	15,370	12,827	15,370	57,561	34,457
Financial items	-6,463	-1,155	-6,463	-1,817	-486
Tax paid	586	-213	586	425	-310
Funds contributing from operating activities	-4,228	-719	-4,228	31,777	34,249
Change in working capital	24,142	-19,848	24,142	-35,517	15,058
Cash flow from operating activities	19,914	-20,567	19,914	-3,740	49,307
Cash flow from investing activities	-3,985	-4,757	-3,985	-45,005	-21,314
	15,929	-25,324	15,929	-48,745	27,993
Financing activities					
New share issue	0	0	0	0	17,502
New loan	0	0	0	0	0
Repayment of loan	-2,745	-2,260	-2,745	-11,689	-266
Repayment/usage of credit facilities	-10,862	10,195	-10,862	46,090	-10,200
Repayment of loan to shareholders		0	0	-10,199	-17,502
Change in cash and bank balances	2,322	-17,389	2,322	-24,543	17,527
Liquid funds at the beginning of the period	52,372	76,607	52,372	76,607	58,931
Translation differences in liquid funds	-485	-151	-485	309	149
Closing cash and cash equivalents	54,209	59,067	54,209	52,373	76,607

Parent company

Statement of comprehensive income

	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK					
Other sales	3,029	1,167	3,029	7,981	6,040
Cost of goods sold	0	0	0	0	0
Gross profit	3,029	2,768	3,029	7,981	6,040
Selling expenses	0	0	0	0	0
Administrative expenses	-4,326	-2,548	-4,326	-13,665	-13,881
Development expenses	0	0	0	0	0
Other operating expenses/income	0	0	0	-24	0
Operating profit	-1,297	-1,381	-1,297	-5,708	-7,841
Net financial items	-1,548	-244	-1,548	10,883	7,068
Profit before tax	-2,845	-1,625	-2,845	5,175	-773
Tax	0	0	0	-1,121	-1,343
Profit for the period/Comprehensive income for the period	-2,845	-1,625	-2,845	4,054	-2,116

Balance sheet

	31 Mar	31 Mar	31 Dec
TSEK	2020	2019	2019
Product and software development	10,542	5,301	6,896
Shares in subsidiaries	413,952	413,952	413,952
Deferred tax assets	18,640	19,761	18,640
Receivables from Group	46,381	39,824	43,787
Other current assets	2,416	1,098	1,027
Cash and bank balances	8,890	21,903	12,866
Total assets	500,821	501,839	497,168
Shareholders' equity and liabilities			
Shareholders' equity	462,301	459,165	465,146
Long-term liabilities	0	0	0
Long-term liabilities towards shareholders	19,841	28,650	18,489
Short-term liabilities	0	0	0
Short-term liabilities towards shareholder	11,083	10,383	10,449
Trade and other payables	2,879	384	1,412
Trade and other payables from Group	2,112	454	0
Other current interest-free liabilities	2,605	2,803	1,672
Total shareholders' equity and liabilities	500,821	501,839	497,168

Statement of changes in shareholders equity

	Jan - Mar 2020	Jan - Mar 2019	Jan - Mar 2020	Jan - Dec 2019	Jan - Dec 2018
TSEK					
Beginning of period	465,146	460,790	465,146	460,790	445,043
New share issue, net	0	0	0	0	17,502
Profit for the period/Comprehensive income for the period	-2,845	-1,625	-2,845	4,054	-2,116
Stock related remuneration	0	0	0	302	361
End of period	462,301	459,165	462,301	465,146	460,790

Quarterly data

Consolidated statement of income, quarterly data

	2020		2019				2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Net sales	95,630	157,997	73,028	96,863	78,440	124,423	95,688	88,557	
Cost of goods sold	-66,964	-103,374	-48,272	-60,360	-49,272	-73,546	-49,006	-49,587	
Gross profit	28,666	54,623	24,756	36,503	29,168	50,877	46,682	38,970	
Costs	-42,387	-40,726	-42,601	-44,751	-41,346	-43,586	-37,896	-39,584	
Operating profit	-13,721	13,897	-17,845	-8,248	-12,178	7,291	8,786	-614	
Net financial items	-5,138	-1,017	-63	-1,594	-465	649	-1,843	2,691	
Res Profit before tax	-18,859	12,880	-17,908	-9,842	-12,643	7,940	6,943	2,077	
Tax	3,046	5,532	2,238	1,594	3,053	-129	-2,854	-3,375	
Profit for the period	-15,813	18,412	-15,670	-8,248	-9,590	7,811	4,089	-1,298	

Key indicators and other information, quarterly basis

TSEK	2020	2019				2018		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating margin (%) 1)	Neg	0.09	Neg	Neg	Neg	5.86	9.18	Neg
Gross margin (%) 2)	29.98	34.57	33.90	37.69	37.19	40.89	48.79	44.01
Profit margin (%) 3)	Neg	0.12	Neg	Neg	Neg	6.28	4.27	Neg
Equity per share (SEK) 4)5)	0.53	0.52	0.51	0.52	0.53	0.53	0.52	0.50
Cash flow per share (SEK) 6)	0.02	0.05	-0.03	0.00	-0.02	0.05	0.01	-0.01
Number of employees 7)	270	252	255	231	210	195	188	178
No. of outstanding shares (thousands)	860,024	860,024	860,024	860,024	860,024	860,024	860,024	844,914
Equity/assets ratio (%)	64.49	63.37	61.41	66.14	66.24	71.82	72.90	70.25
Order intake (SEK thousands)	33,626	241,194	79,314	141,457	99,975	143,941	100,689	182,856

IFRS 16 was not applied on the 2018 numbers.

- 1) Operating income relative to sales
- 2) Gross margin relative sales
- 3) Profit after taxation relative sales
- 4) Refers to profit and shareholder's equity before and after dilution
- 5) Sensys Gatso has a long-term incentive program for the CEO, that involves a dilution effect
- 6) Operating cash flow relative number of shares
- 7) Total number of employees at the end of the period

Notes

General

Nature of operations

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

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

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

Comparability of figures

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

Volatility

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

Risks and uncertainty

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

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

Accounting policies

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

The Parent Company's interim report was prepared in accordance with the Swedish Annual

Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 – Accounting for Legal Entities.

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

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

Financial information

Invitation to a presentation for press and analysts

On 30 April at 10 am CET Sensys Gatso Group invites to a presentation/audiocast. The company's CEO Ivo Mönnink and CFO Simon Mulder will present the financial results in English.

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

Link to the presentation/audiocast:

<https://tv.streamfabriken.com/sensys-gatso-group-q1-2020>

Call-in details:

Sweden +46 8 505 583 66

UK: +44 333 300 92 62

US: +1 8 335 268 382

The presentation in connection with this report will be published on the website.

Financial calendar

AGM	12 May 2020
Interim Report April - June 2020	20 August 2020
Interim Report July - September 2020	26 November 2020
Year-End Report January - December 2020	25 February 2021

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