

Press release October 25, 2021



Sensys Gatso establishes Sensys Gatso Colombia through a Joint Venture agreement with Capatest

Sensys Gatso Group, a global leader in traffic safety solutions, today signed a joint venture agreement with Capatest, a Colombian leader in Automated Traffic Enforcement, to jointly operate a full TRaaS Managed Service Model in the growing Colombian market. Sensys Gatso Group, through its subsidiary Sensys Gatso LATAM, holds 51% of the shares in the newly established company, Sensys Gatso Colombia S.A.S based in Barranquilla. Sensys Gatso Colombia, once fully operational, will start its operations with two enforcement contracts currently operated by Capatest. The estimated value of these full TRaaS Managed Service programs is USD 17 million, corresponding to SEK 145 million, over the remaining 17 year contract period.

With this Joint Venture Sensys Gatso and Capatest combine Sensys Gatso's TRaaS Managed Services Model with local knowledge and experience in Traffic Enforcement. As part of the agreement Sensys Gatso will provide back office processing software Xilium, PULS analytics software, enforcement hardware and the Sensys Gatso Brand name. Two existing enforcement contracts currently operated by Capatest, supported with Sensys Gatso solutions, will be added to the Joint Venture once Sensys Gatso Colombia is fully operational, expected by the second half of 2022.

Sensys Gatso's joint venture partner Capatest Colombia SAS has more than 15 years of experience in Traffic Enforcement and is currently in charge of the automated traffic enforcement programs in the city Aracataca (Magdalena) and in the Department of Cesar.

With 50 million inhabitants and a growing number of 14 million vehicles, traffic is increasing and hence fatalities and incidents. To curb this, Automated Traffic Enforcement has been allowed since 2011 in the oldest democracy in Latin America. Fatalities in traffic are still way above 6'500 per year and increasing. Traffic incidents are now the largest cause of mortality in young people, and have killed more Colombians than 52 years of internal conflict.

Colombia is a country that has a proven model where public and private parties join hands in curbing traffic fatalities by outsourcing traffic enforcement to private parties. Sensys Gatso has been active in the Colombian market through partners for almost 10 years, mainly as an equipment supplier. Creating this Joint Venture with local knowledge and experience in traffic enforcement is a logical next step and fully in line with our strategy to implement the TRaaS Managed Service Model in more regions. Sensys Gatso's shareholding in the joint venture gives the right to a 51% profit share. The first task at hand is creating an organisation that can operate multiple programs at the same time and signing new TRaaS Managed Services contracts going forward. Profitability in

this startup period could be lower, but will be more profitable over time due to a lower cost base and the long contract terms in Colombia. The joint venture agreement is effective immediately.

Alfredo Piñeres Olave, Managing Director of Sensys Gatso Colombia: *"We are very proud and happy with this great union with Sensys Gatso Group and we are sure that Sensys Gatso Colombia will be one of the first companies that will contribute a lot to road safety and the reduction in traffic crashes. I am convinced that Sensys Gatso Colombia will be of great help to strengthening road safety in Colombia".*

Alexis Collazo, Caribbean & Latin American Business Development Manager: *"I am very excited that we have created Sensys Gatso Colombia which will be a base to serve a large number of clients in Colombia who are interested in our solutions. We will be able to save many lives and contribute to improving road safety in Colombia".*

Since 2007 Sensys Gatso has been offering full TRaaS Managed Services programs to clients in the USA, today spanning 11 states. This long standing expertise in the demanding and well developed US market is now made available to new markets. Sensys Gatso Colombia will deliver a full TRaaS offering in Colombia, from design, financing, installing and managing the necessary technology to operating the essential business processes that form a road safety enforcement program.

With the establishment of Sensys Gatso Colombia, Sensys Gatso is delivering on the promise to generate recurring revenue growth with our TRaaS business model in new markets.

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Sensys Gatso Group AB is a global leader in traffic management solutions for nations, cities and fleet owners. Sensys Gatso Group has subsidiaries in Australia, Costa Rica, Germany, the Netherlands, Sweden and the USA, and a branch office in the United Arab Emirates and has 252 employees. The Sensys Gatso Group's shares are listed on Nasdaq Stockholm.

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