



Investor Presentation

NASDAQ: ITI

January 2022

Safe Harbor Statement

This presentation may contain “forward-looking statements” within the meaning of the federal securities laws, including the Private Securities Litigation Reform Act of 1995. Words such as “anticipates,” “expects,” “intends,” “goals,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “may,” “will,” “would,” “should,” “could,” and variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements may include the potential or anticipated growth relating to the total addressable market (TAM) or market opportunity, the development status and planned availability of new products and features, and guidance provided on future revenue, gross margins, and certain operating expenses. All statements that we make or incorporate by reference in the presentation, other than statements or characterizations of historical fact, are forward-looking statements and involved many risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements. It should be clearly understood that these forward-looking statements, and our assumptions about the factors that influence them, are based on the limited information available to management at the date of this presentation (unless an earlier date is indicated). Such information is subject to change, and we may not inform you when changes occur. We undertake no obligation to revise or update publicly any forward-looking statement to reflect future events or circumstances.

Forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those described in the statements you hear today as a result of various factors. For further information on Iteris, Inc., including additional risk factors that may affect our forward-looking statements that could contribute to such differences or otherwise affect our business, results of operations and financial condition is contained in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K, and our other SEC filings that are available through the SEC’s website (www.sec.gov).

For additional financial and statistical information, including the information disclosed in accordance with SEC Regulation G, please see the Investors section of our website (www.iteris.com).

Non-GAAP Financial Measures: This presentation includes certain non-GAAP financial measures, such as adjusted EBITDA. To supplement our assessment of results prepared in accordance with GAAP, we use non-GAAP measures as defined by the Securities and Exchange Commission. For a reconciliation of such non-GAAP financial measures to the closest GAAP measure as well as why management believes these measures are useful, see “Non-GAAP Financial Measures” in the Appendix of this presentation.

Smart mobility demands smart infrastructure.

Iteris combines leading software, hardware, and services on a platform that's built to enable the future of connected transportation.

10k+

public agency &
commercial customers

200k+

sensors installed

32

patents

440

industry, technical
& domain experts

Born on the ground, launched in the cloud, and made for this moment.

\$127M

TTM revenue

10%

Year-over-year
TTM revenue growth

26%

Current ARR as
% of total revenue

1.5 petabytes

data processed
annually



**We believe the world's
oldest infrastructure is also
its newest opportunity.**

But to unlock this opportunity, we must evolve.
From physical network,



A highly fragmented landscape

>\$60B legacy market with dozens of categories,
each comprised of multiple point solutions.

An outdated patchwork of technology

Local agencies often struggle to operate in complex, heterogeneous environments, with limited resources and expertise.

An impediment to shared goals

Despite increasing interdependencies, the existing infrastructure makes it difficult for agencies to collaborate with one another, let alone with industry stakeholders (e.g. auto OEMs, fleet operators, and insurers).

To data-driven, dynamic ecosystem.



Connected by the cloud

The adoption of new cloud architectures and process virtualization will enable greater interoperability.

Empowered by always-on insights

Virtualizing common challenges will enable agencies and businesses to rapidly shape solutions.

Transformed through partnership

Ecosystem collaboration will create a virtuous cycle that benefits all participants.

Only Iteris has what it takes to deliver on the promise of **smarter infrastructure** for a cloud-connected world.

Today

Disparate applications
Built on outmoded practices
Closed systems
Brittle legacy architecture
Fragmented resources & support

Tomorrow

Integrated platform
Multi-disciplinary best practices
Open, configurable & extensible software
Dynamic, intelligent ecosystem
Partnership at every step

How we collaborate is at the center of true connectivity—and lasting transformation.

Bridging public and private sectors.

Empowering local and global leaders.

Developing easily configurable, shared solutions.

Working with—not against—our current reality.

Designing for a world of constant change.

We are ushering in the next era of transportation: a virtuous cycle where everyone wins.

Smart sensors

Detect incoming pedestrian or bicyclist (i.e., vulnerable road users) and alert drivers at the intersection.



We are ushering in the next era of transportation: a virtuous cycle where everyone wins.

Smart vehicles

Connect to a cloud-based platform that can dynamically harmonize road infrastructure with real-time traffic.



We are ushering in the next era of transportation: a virtuous cycle where everyone wins.

Smart Apps

Push alerts and other critical information about incoming traffic and danger to vulnerable road users.



Smart Systems

[illegible]

**Where all stakeholders
within the infrastructure can
collaborate, so smart mobility
can thrive.**

**Multi-directional
data flow**

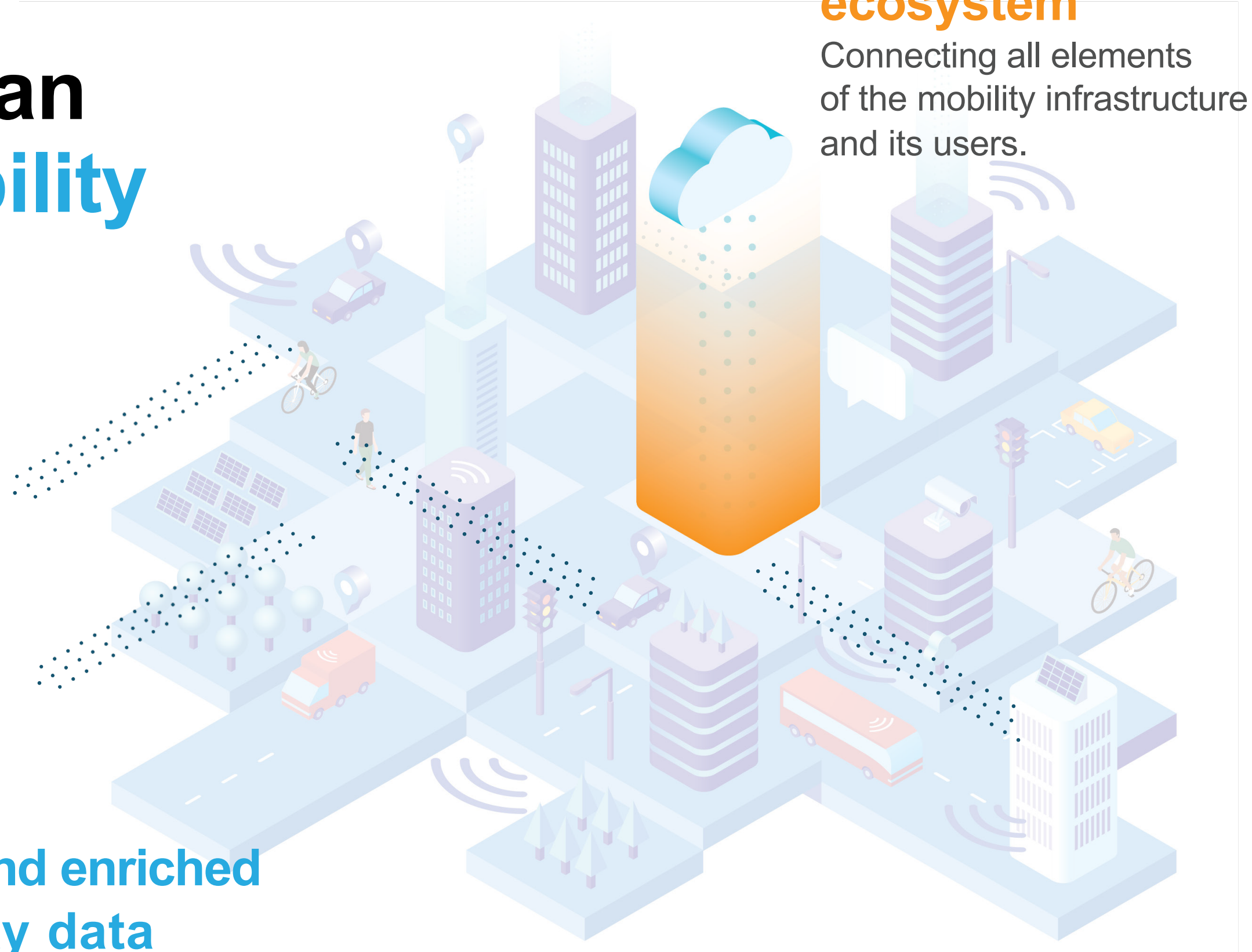
Among public agencies,
commercial entities, and
the travelling public.

**Curated and enriched
third-party data**

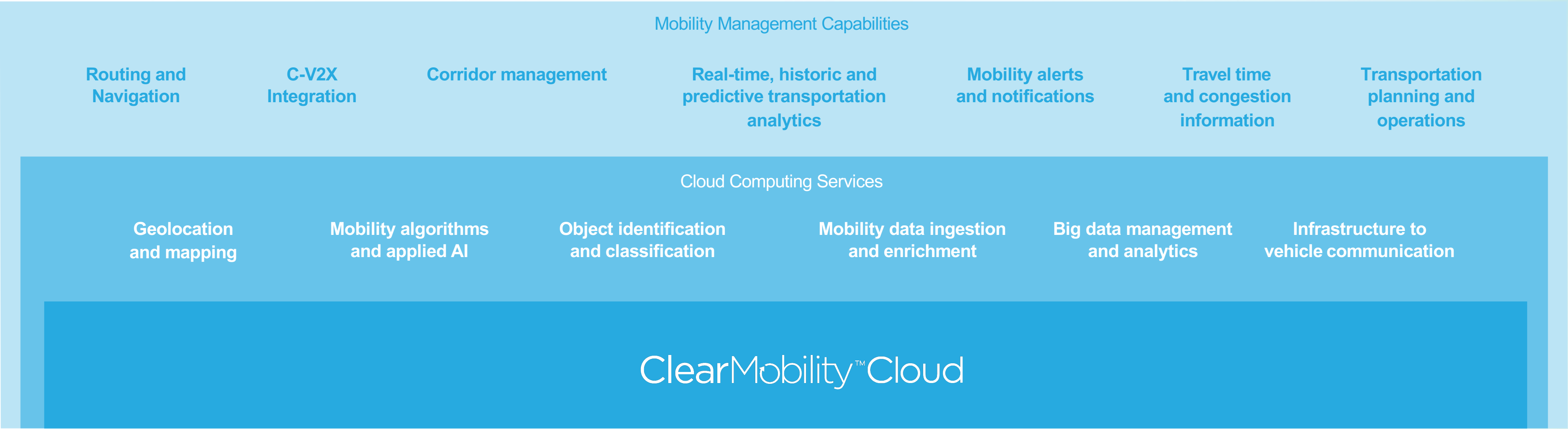
Contributes to continuous
enhancement in the ecosystem.

**Cloud-powered
ecosystem**

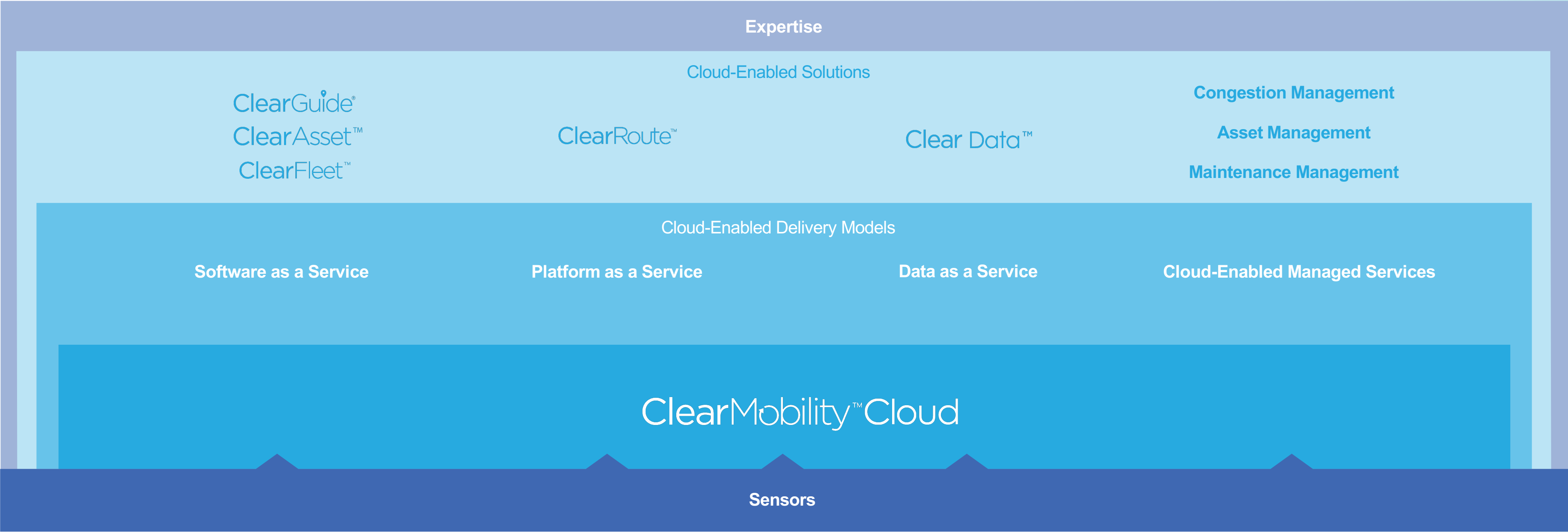
Connecting all elements
of the mobility infrastructure
and its users.



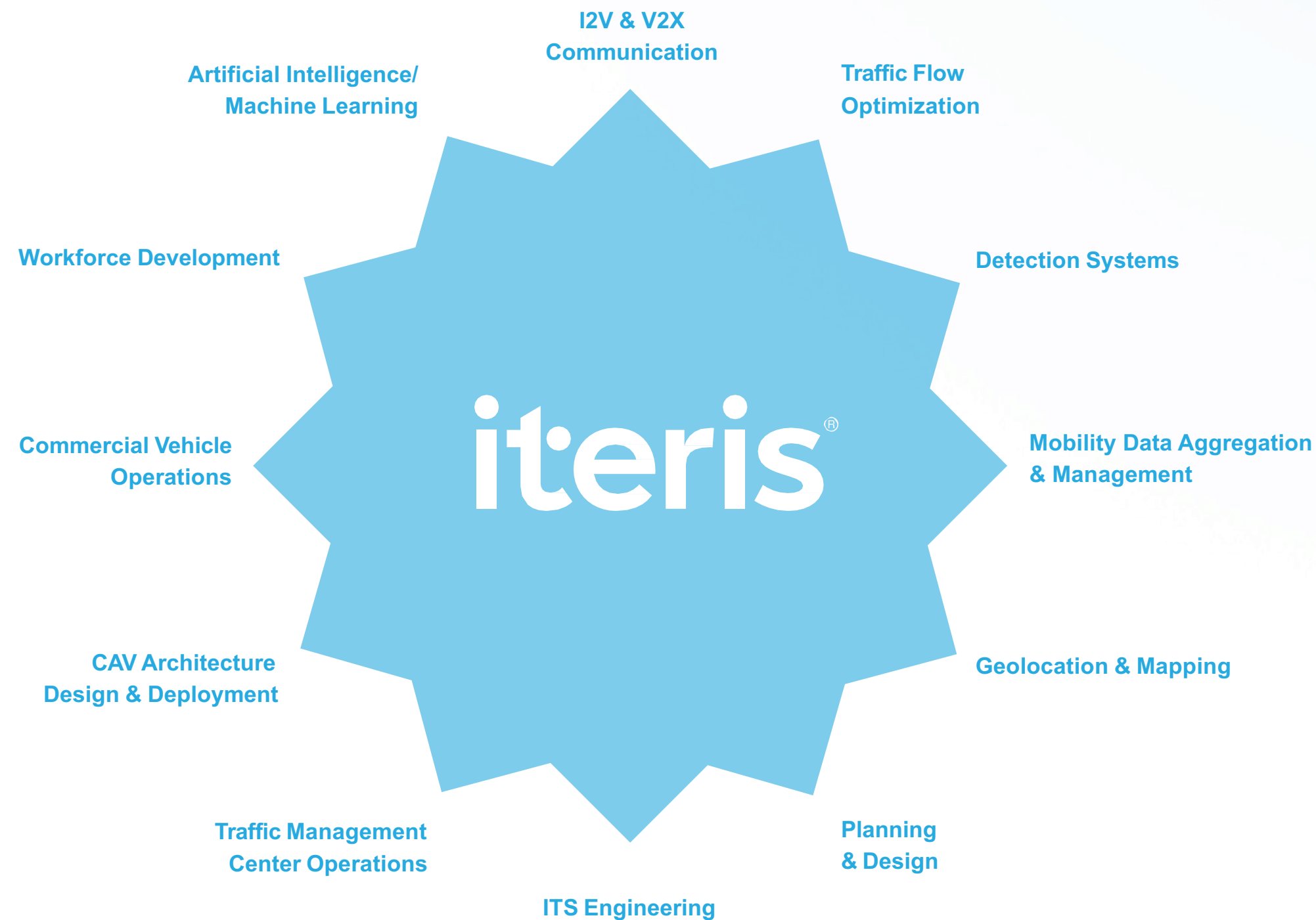
We do this by delivering the industry's first **end-to-end platform...**



that enables the flexible delivery
of industry-leading solutions.



And the **human expertise and connections** to make it real.



Iteris' large, diverse customer base benefits from holistic, immediate data to inform their processes and drive long-lasting solutions.

“Iteris ensures that San Francisco Bay Area travelers, riders, and emergency respondents have accurate, real-time travel information around the clock.”

Andrew Fremier, Deputy Executive Director,
Metropolitan Transportation Commission

Smarter infrastructure means better outcomes.



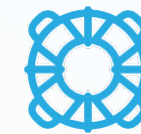
Collaboration

Seamless exchange of critical data enables stronger public and private partnerships, resulting in accelerated mobility innovation.



Efficiency

Cloud-based platform improves traffic throughput, enables cost sharing, and produces scale benefits.



Safety

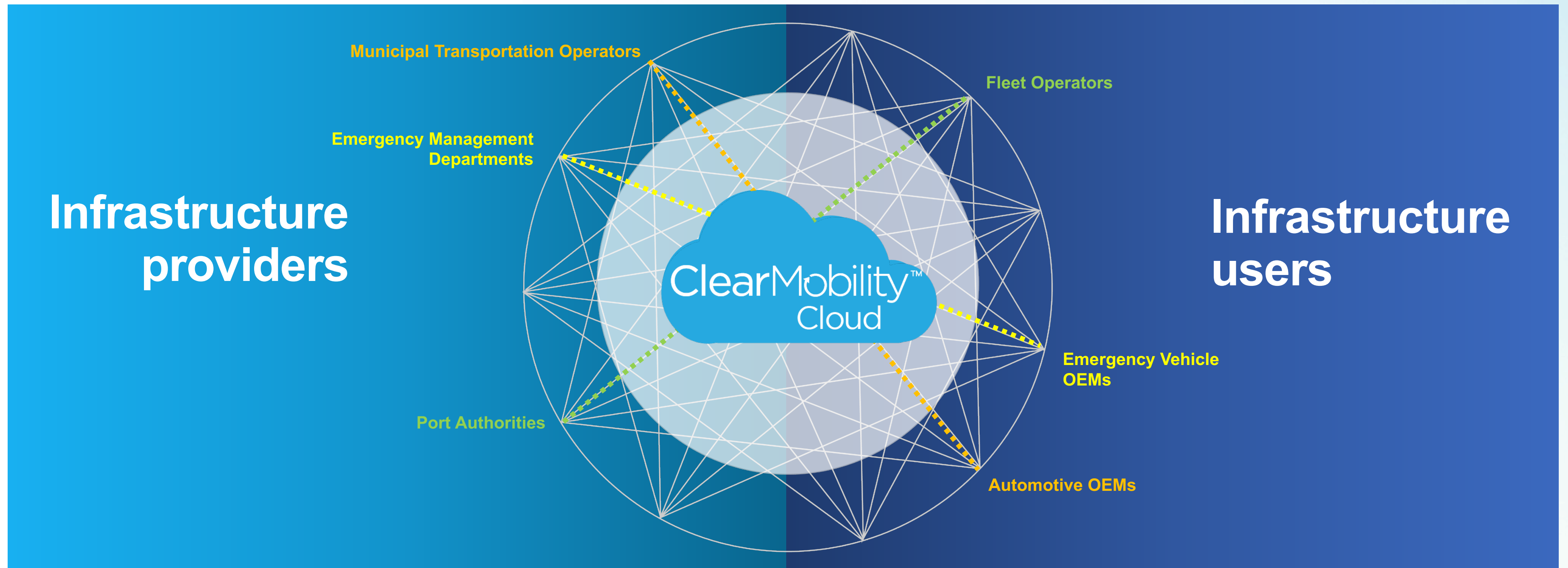
Fewer crashes and collisions, fewer injuries, and better data for further improvement.



Sustainability

Less congestion lowers carbon footprint; data-driven planning enables smarter, greener cities.

Smarter infrastructure means more possibilities for all stakeholders.

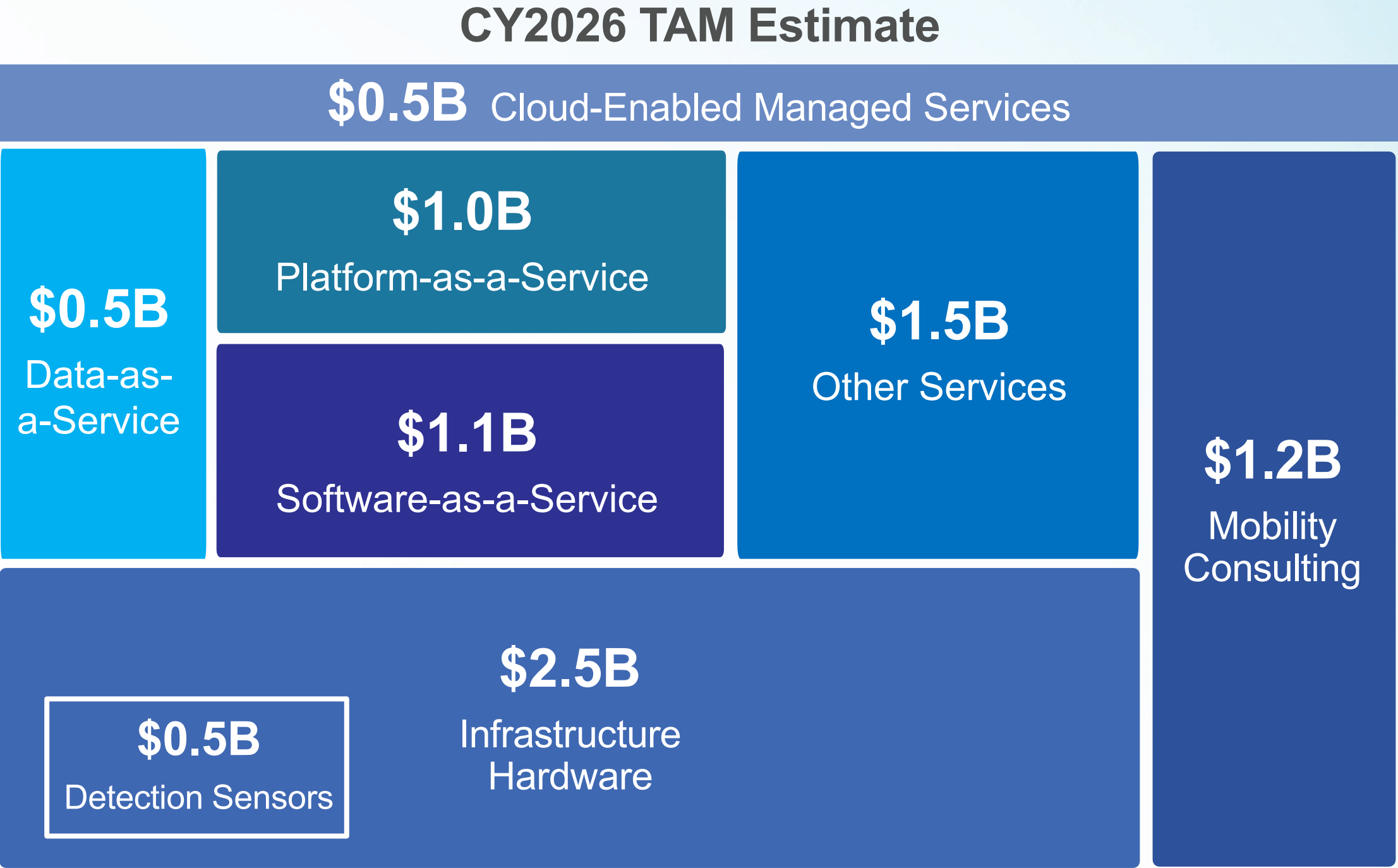


Smarter infrastructure means continuous value.

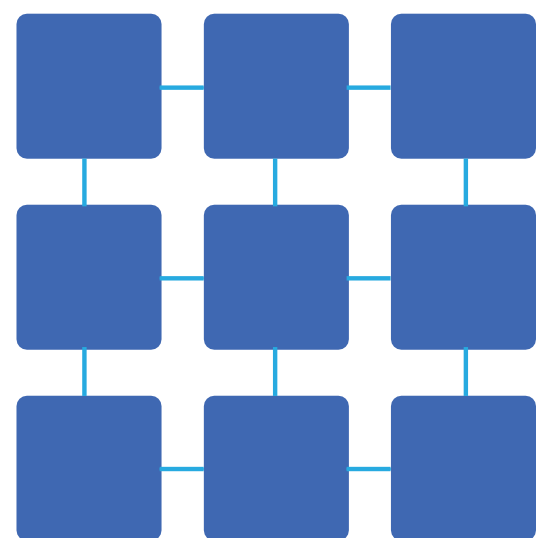
\$8.3B TAM (NA only) by CY26

8% CY21-26 CAGR

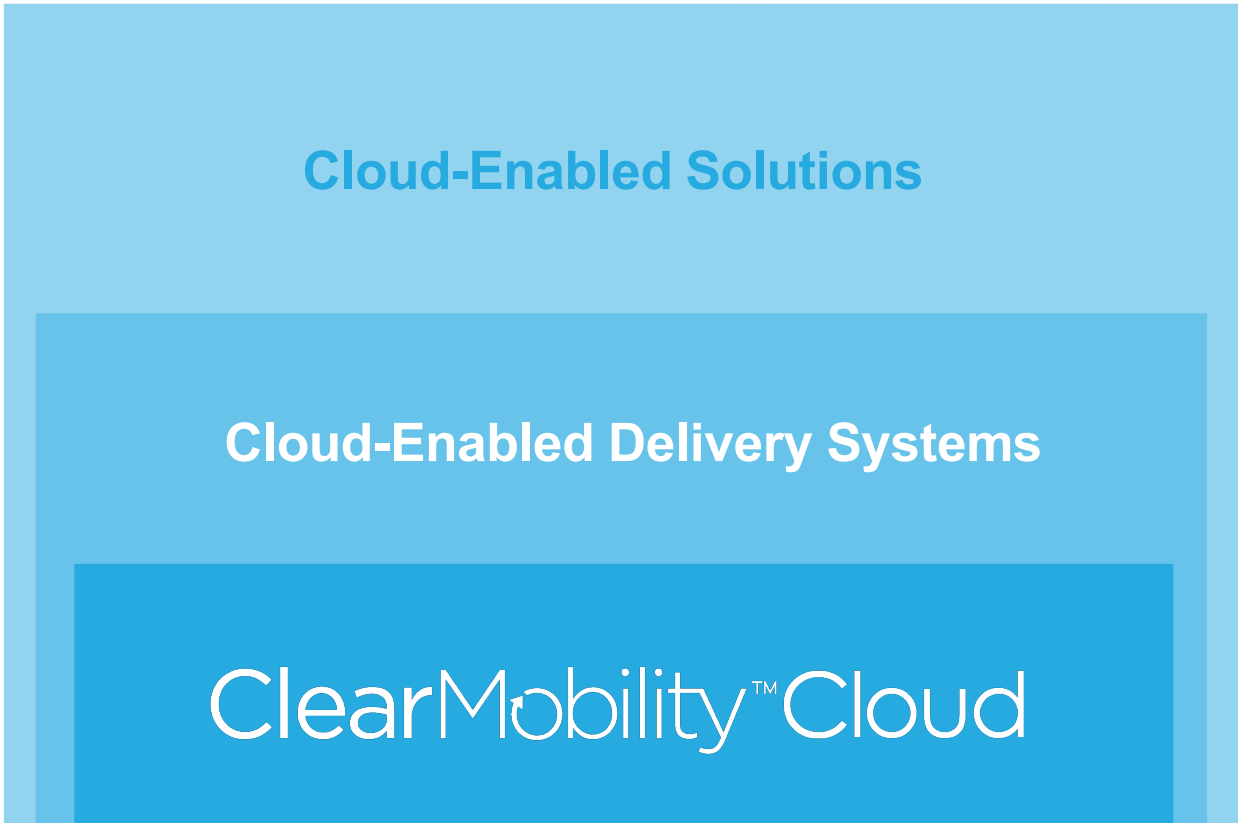
>35% or \$3.2B of TAM convertible to SaaS or other recurring revenue



And we've only just begun.



From suite of solutions,



to integrated platform,



to global ecosystem.

The road ahead

Where virtual meets physical.

Iteris ClearMobility Cloud service models and core technologies.

Software as a Service (SaaS)

Software that customers can subscribe to and deploy in their environment to address their needs.

Data as a Service (DaaS)

Data that is curated and enriched for consumption by commercial and agency customers via API or direct feed.

Smart Sensors

Connected sensors that use advanced video and radar technology combined with AI and machine learning to provide new layers of infrastructure-level mobility data.

Platform as a Service (PaaS)

Software components that customers can white-label.

Cloud-Enabled Managed Services (CEMS)

Managed service that leverages cloud software and operational expertise to manage mobility infrastructure on a customer's behalf.

Cellular V2X Devices

Cloud-connected devices that enable communication of critical mobility data between vehicles and the infrastructure.

**Augmented with Specialized Consulting services provided by
a team of multidisciplinary experts**

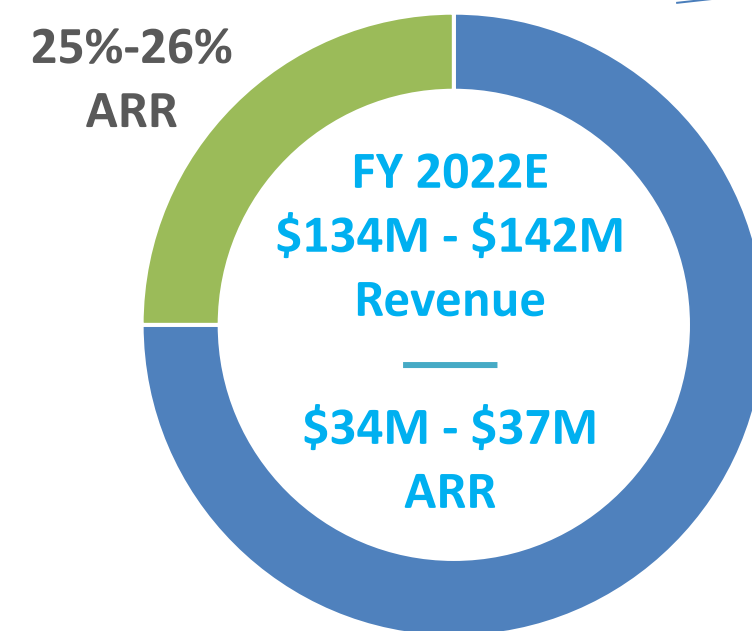
Each new delivery model brings growth to our business.

100,000+ monitored intersections through SaaS mobility applications
900,000 NA road miles monitored as part of SaaS mobility applications
>1 million road-user interactions per week
2.9 billion GPS trace points processed daily
1.5 terabytes of mobility data processed daily

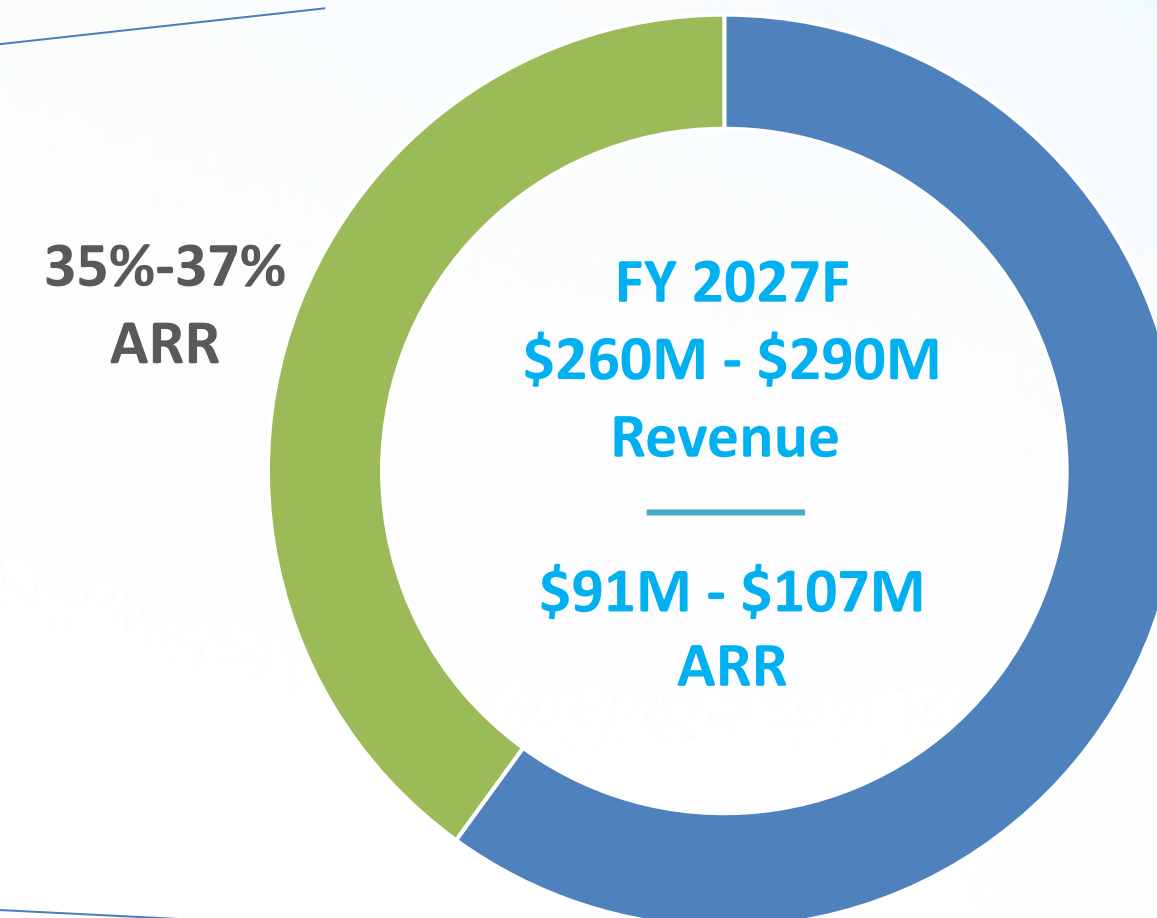
Financial Overview

Vision 2027

~\$260M - \$290M of Revenues by 2027 (14-16% CAGR*)
(includes \$35M-\$45M in acquisitions)



**~100%+ increase in
Net Revenues from
2022 to 2027**

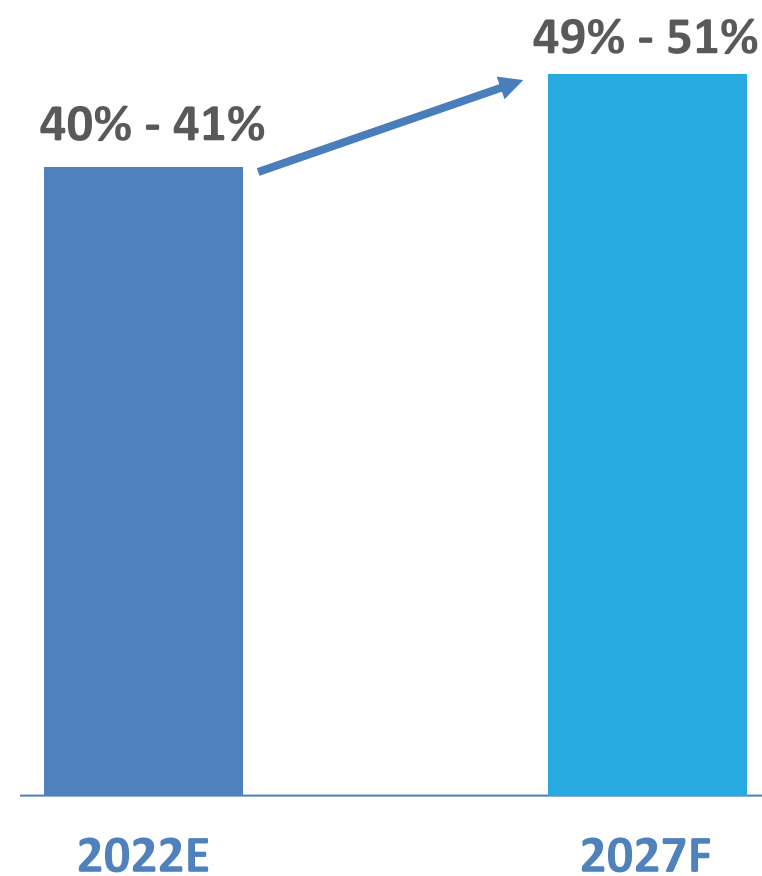


* Excludes any potential upside from recently signed Infrastructure Investment and Jobs Act (IIJA) or from future new product introductions

Vision 2027

Focus on operational excellence results in significant improvement in both gross margins and adjusted EBITDA margins

Gross Margins (%)



Scale from Revenue Growth



Strategic Acquisitions

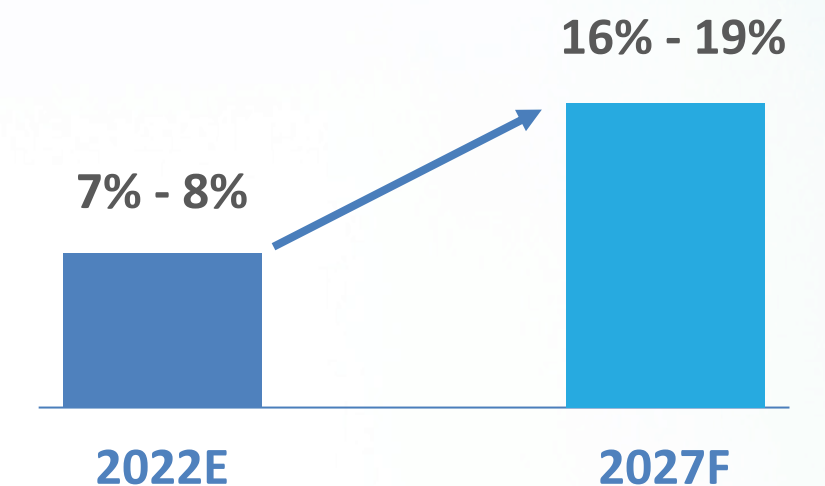


Increasing ARR



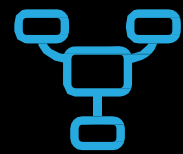
Prudent Cost Management and Improved Investment Decisions

Adj. EBITDA Margin (%)



* Adjusted for one-time non-recurring items

A Smarter Future



Attractive business model

A scalable, platform-based model that addresses critical market requirements, by enabling essential insight and collaboration.



Ripe, dynamic market

The landscape is primed for Iteris adoption. Public- and private-sector stakeholders are highly vested in the evolution of smarter infrastructure.



Strategic optionality

ClearMobility Platform is designed to scale horizontally to address a wide spectrum of agency and enterprise customers.

Thank you

NASDAQ: ITI

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Key Statistics

Trading Data <i>(at 12-31-21)</i>	
Stock Price	\$4.00
52 Week Low/High	\$3.59/\$7.81
Avg. Daily Vol. <i>(3 mos.)</i>	216,660
Shares Outstanding	42.33M
Public Float, est.	98.7%
Institutional Holdings	54.91%
Market Cap	\$183M

Source: Yahoo Finance. ITI fiscal year ends Mar 31.

Financial Highlights <i>(at 9-30-21) (*)</i>	
Total Revenue <i>(ttm)</i>	\$127.2M
Adjusted EBITDA <i>(ttm)</i>	\$8.6M
Cash & Short-term Investments	\$28.2M
Total Assets	\$125.4M
Total Debt	\$0.0M
Total Liabilities	\$44.9M
Total Backlog	\$83.4M

(*): These figures **exclude** the Ag and Weather Analytics segment, which was sold in May 2020.

Key Statistics (Cont.)

Adjusted EBITDA for Q2 FY 2022 TTM (in 000's) (*)	
Net income from continuing operations	\$ (2,106)
Income tax provision expense	(121)
Depreciation expense	793
Amortization expense	2,930
Stock based compensation	3,199
Acquisition costs	553
Opening inventory fair value adjustment	3,394
Total adjustments	10,748
Adjusted EBITDA from continuing operations	\$ 8,642

(*): These figures **exclude** the Ag and Weather Analytics segment, which was sold in May 2020.

Non-GAAP Financial Measures Note

Regarding Non-GAAP Financial Information

This presentation contains non-GAAP financial measures, including Adjusted EBITDA (which excludes interest expense, income tax expense (benefit), depreciation, amortization, stock-based compensation expense, net gain on divestitures, project loss reserves and restructuring charges). The Company believes the presentation of these non-GAAP financial measures provide important supplemental information to management and investors regarding financial and business trends relating to its financial condition and results of operations. The Company's management uses these non-GAAP financial measures along with the most directly comparable GAAP financial measures in evaluating the Company's actual and forecasted operating performance, capital resources and cash flow. The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. The Company discloses different non-GAAP financial measures in order to provide greater transparency and to help the Company's investors to more meaningfully evaluate and compare the Company's results to its previously reported results. The non-GAAP financial measures that the Company uses may not be comparable to similarly titled financial measures used by other companies. For more information on our non-GAAP financial measures and a reconciliation of such measures to the nearest GAAP measure, please see our latest 10-Q filing.