

Sensys
Gatso
Group

» 2025

Annual Report



Table of Contents

Comments from the CEO	3
Business overview	6
Our purpose	7
2025 in brief	8
Strategy and business	9
Outlook	11
Five year summary	12
Key figures	13
Significant events	14
The Market	15
Corporate Governance	22
Corporate Governance Report	23
Board of Directors	30
Senior executives	31
Sustainability	32
Sustainability Report	33
Auditor's report on the statutory sustainability report	37
Financial Reports	38
Administration Report	39
Group: Statement of Income and other comprehensive income	41
Group: Balance Sheet	42
Group: Statement of changes in shareholders' equity	43
Group: Cash Flow	43
Accounting and valuation principles	44
Notes on the accounts, Group	46
Risk management	61
Parent company: Income statement	64
Parent company: Balance Sheet	65
Parent company: Statement of changes in shareholders' equity	66
Notes on the accounts, Parent company	67
Auditor's report	71
Other	76
The share	77
Information to the shareholders	78
Addresses	79



Annual Report – 2025

Sensys Gatso Group AB is a Swedish company that is subject to Swedish legislation. All amounts are expressed in Swedish kronor. Millions of kronor are abbreviated to MSEK and thousands to TSEK. Numerical data within parentheses refer to the 2024 financial year, unless otherwise stated. Data on market and competition conditions are Sensys Gatso Group's own estimates. These estimates are based on most up-to-date available information from published sources.

Financial information, both in Swedish and English, is available at www.sensysgatso.com under Investera/Investors, where a printed copy of the Annual Report may also be ordered. A copy of the Annual Report can also be obtained by calling +46 (0)36-34 29 80, or by e-mailing a request to info@sensysgatso.com.

Comments from the CEO



Comments from the CEO: "A year of meaningful progress"

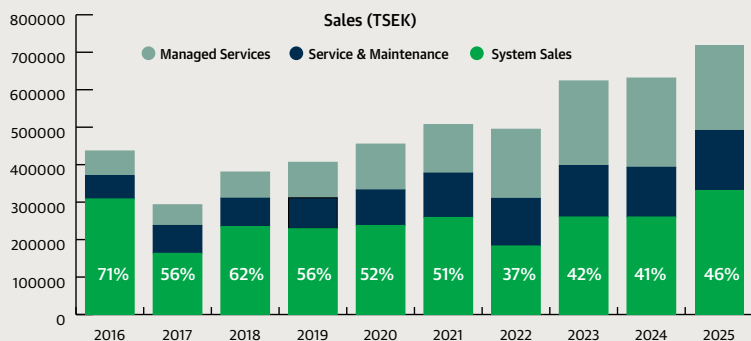
2025 saw Sensys Gatso deliver profitable growth. Despite foreign exchange headwinds, year over year revenue increased 14% from SEK 631 million to SEK 719 million. Measured in constant currency, revenue reached SEK 757 million, an underlying growth rate of 20% and above the mid-point of our original 2025 revenue guidance.

Full year EBITDA grew to SEK 109.2 million, a 66% increase over SEK 65.9 million in 2024. Importantly, EBITDA margin reached 15.2%, up significantly from 10.4% in 2024. Primary drivers of profitable growth included conversion at scale of order backlog in our core Swedish and Dutch markets, progress in Australia, a new maintenance contract in Saudi Arabia, and operational efficiencies in the United States.

Positive cash flow from operating activities of SEK 125 million allowed us to end 2025 in a stronger available cash position than the start of the year. Our order backlog of approximately SEK 1,000 million, along with strong global demand for automated enforcement solutions, creates momentum moving forward. In summary, 2025 was a year of meaningful progress towards reaching our operational and financial goals.

Growing Recurring Revenue Through TRaaS

A key focus for the company remains growing recurring revenue through Traffic Enforcement as a Service (TRaaS). For the year, TRaaS revenue grew 5% (8% in constant currency), as we continue to build on our stable recurring revenue base of approximately SEK 100 million per quarter. This included key contributions from new and expanded managed service programs in the United States, as well as the aforementioned new maintenance contract for in-vehicle systems in Saudi Arabia. The Saudi maintenance contract is a good example of how system sales often lead to follow-on recurring revenue, often at higher margins than the original sale.



"In summary, 2025 was a year of meaningful progress towards reaching our operational and financial goals."

Lewis Miller, CEO, Sensys Gatso Group AB

Sales orders that include recurring revenue are key to replenishing backlog and to continuing this progress. In 2025, we saw success across our core geographies, with SEK 535 million of our total SEK 729 million in total order intake constituting recurring revenue. Importantly, SEK 249 million of this recurring revenue was incremental to our base. Additional highlights included an expansion in the State of Victoria, Australia with speed enforcement trailers as a service, a new relationship with the South Australia Police including maintenance, and new customer signings in Colorado and Pennsylvania in the United States. As outlined in our Q3 market report, we will continue to increase our commercial focus through increased sales and marketing activity.

Strong Backlog Conversion Improves Cash Position

Effectively converting our order backlog is key to continued profitable growth and improved cash flow from operating activities. As a prime example, following prototype and golden sample completion in the prior year, 2025 saw us commence rollout of systems under our nationwide automated traffic enforcement contract with the Swedish Transport Administration (Trafikverket), with an estimated value of up to SEK 850 million over twelve years. Large scale projects, such as the Swedish program, often involve a build up of inventory prior to delivery. The conversion of this inventory to operations and maintenance at scale contributed significantly to top-line growth, higher margins, and ending 2025 with an improved cash position. Ongoing implementation of 2000 plus replacement and new traffic safety cameras is expected to continue for the next several years, providing a stable and predictable foundation from which to further expand.

Successful Delivery of Average Speed in the Netherlands

Customer acceptance of our FLUX Intrak average speed system in the Netherlands marked a significant technology milestone for 2025, reinforcing our reputation for delivering innovative solutions and complex projects reliably and on schedule. In June 2024, Sensys Gatso announced its selection as one of four vendors to supply, operate and maintain average speed enforcement systems on highways in the Netherlands. After successful completion of over 300 test cases and receiving independent type approval of FLUX Intrak accuracy, integrity and tamper-resistance, we became the first of the four vendors to receive customer acceptance in December 2025.

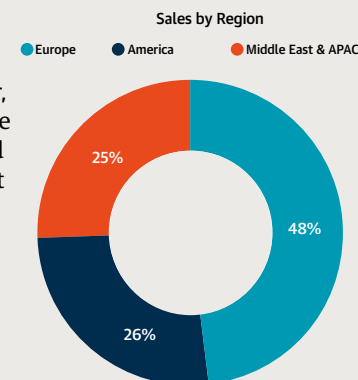
We achieved this acceptance in line with our original project schedule committed at contract signing and ahead of the formal customer deadline. Reaching this milestone also provided a tangible commercial advantage, rewarding us with the opportunity to select additional locations for the deployment of systems moving forward. Overall, the project stands as a clear example of our ongoing technology innovation and how reliability, disciplined execution and technical excellence create lasting value for customers and the company.



Continuing Profitable Growth in 2026

For 2026, we expect additional currency headwinds as the Swedish Krona strengthens against the Euro, Australian Dollar, and US Dollar. Nonetheless, we anticipate continued profitable growth, with revenue in the range of SEK 750-800 million and an EBITDA margin of 14-16%. This outlook reflects our current order backlog, ongoing procurement activity, and a continued focus on operational efficiency and cost discipline.

Lewis Miller,
CEO, Sensys Gatso Group AB



Business overview

An aerial photograph of a paved road with white dashed lines, curving along a green grassy bank next to a calm lake. The scene is filled with lush green trees and vegetation, suggesting a natural or park-like setting.

Our Purpose

People make mistakes.
And those mistakes have consequences.
Dramatic consequences.
Each day, over 3,500 people die.
Not through sickness or old age.
But through traffic crashes.

We battle this each day.
A battle against overconfidence and acceptance.
We are all excellent drivers. In our minds.
Until we actually get behind the wheel and drive.
A traffic accident?
It happens.
It's part of driving in traffic.

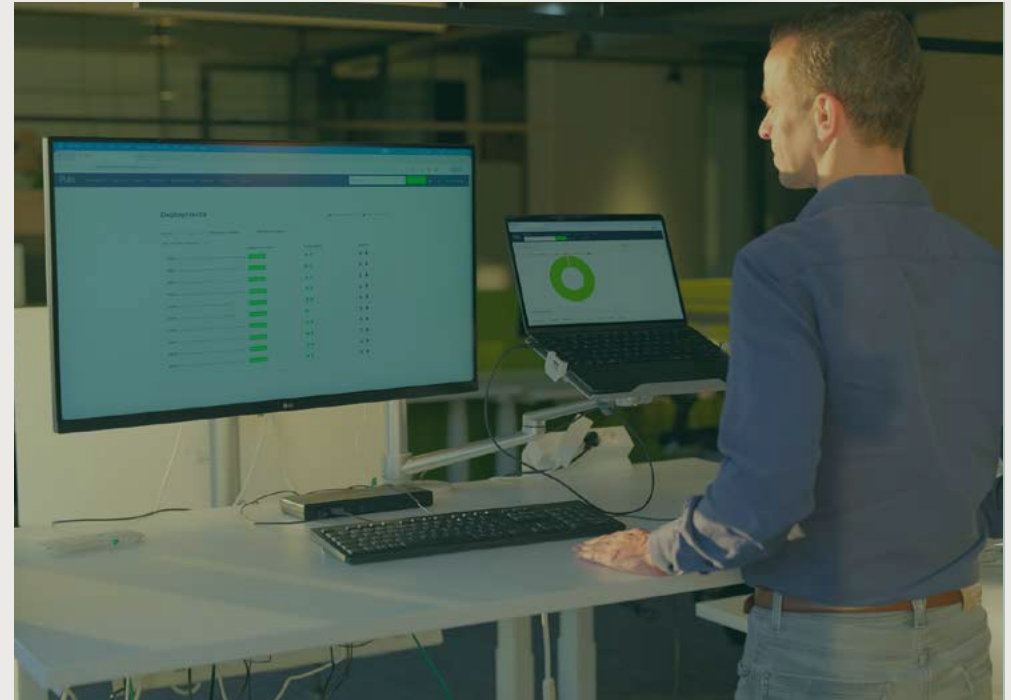
No.
We refuse to accept this.
It's our calling to come up with solutions.
This is why Gatso refused to accept human measurement errors.
And why Sensys fought against the idea
that traffic victims are just the reality of sharing the road.

A combination of these strengths was clearly meant to be.
And so Sensys Gatso was born.
With a joint mission to improve traffic behavior.
Through intelligent, effective, and reliable enforcement.
All around the world.

From clear violation recording
to sending out the fine.
And from tailor-made products
to five star maintenance.
With our unique software at the heart of it all.

This is how we've made traffic enforcement a service.
And how we always create the best solutions for our customers.

Sensys Gatso. Making traffic safer.



Our Mission

Sensys Gatso - Making traffic safer®

Our Vision

“Our vision is to be an innovator in traffic management by providing software and services for a safer and more sustainable environment.”

2025 in brief

Environmental impact

- » Contributed to a healthier environment for citizens by helping to ban polluting vehicles in cities
- » Reduced CO2 pollution by enforcing speed limits

Development of the business

- » 5% growth in recurring sales (8% in constant currency)
- » Delivery of long-term large contracts in our home markets Sweden and Netherlands continued

Transforming the business

- » Continued the transformation to a service provider
- » Approx 54% recurring revenue

Innovation

- » Market introduction of new Enforcement built for platform FLUX; enabling customers to easily change configuration and type of enforcement based on the changing behaviours of road users
- » MSEK 42 invested in software platforms

Social impact

- » 1.25 million people die in traffic every year, it is our purpose to make traffic safer by changing driver behaviour
- » Protected vulnerable road users by supporting governments in reducing traffic violations through enforcement

Financial

- » MSEK 719 sales
- » 15.2% EBITDA margin
- » Order backlog on two largest projects SEK 1,0bn



Sensys Gatso - Making traffic safer®

Strategy and Business

Sensys Gatso is a leading global provider of traffic safety solutions. Our mission is saving lives by changing driving behaviour. We stand committed to improving road safety by providing technology solutions that reduce speeding and red light negation, optimise traffic flows and contribute to sustainable urban environments. We accomplish this in close partnership with governments and other authorities around the world.

Our Strategic Focus - Driving Growth, Efficiency and Service

Sensys Gatso continues to transform its business model from a pure hardware solution to providing Traffic Enforcement as a Service (TRaaS), a recurring revenue model offering a suite of hardware, software and associated support services, often with defined service levels. While hardware solutions will continue to play an important role in our business, TRaaS provides predictable and consistent revenue streams while also increasing flexibility for governments seeking to implement traffic safety programs.



In 2025, we further refined our strategy to focus on three key pillars that foster growth, increase efficiency and ensure world class service to our customers:

1. *Strategic Market and Customer Engagement:*

We are prioritizing expansion in our four core markets: Asia Pacific, Europe, the Middle East, and North America. While we will remain opportunistic in other geographies, the addressable market in each of our core geographies continues to expand with a significant sales pipeline. These core markets allow for faster conversion of sales to revenue and reward the proven quality of Sensys Gatso solutions, a key differentiator for our company. Trends in these core markets also offer opportunities to build upon our robust and stable recurring revenue base of approximately MSEK 100 per quarter.

2. *Advancing Technology and Go-to-Market Strategies:*

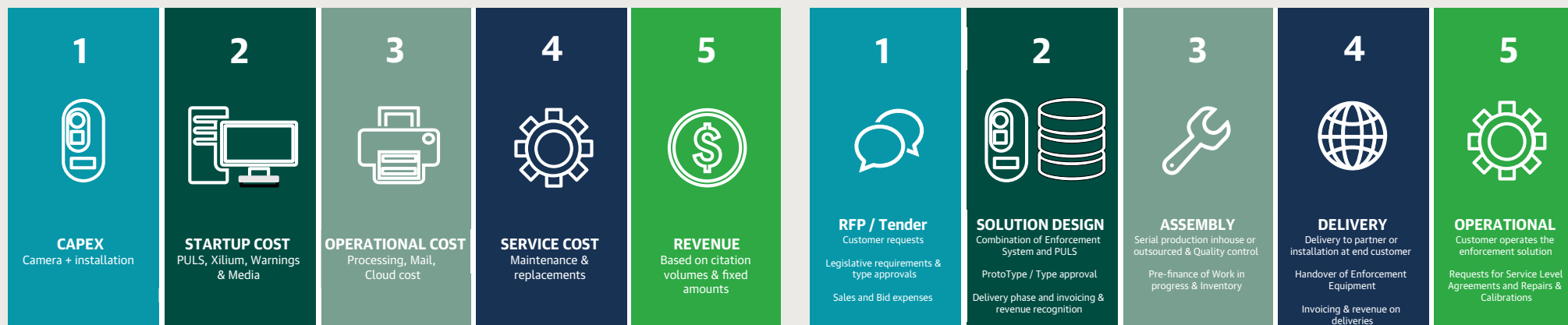
Proactively addressing the market while improving the return on our development investments are key to our success. We are refining our product roadmaps to inform investment decisions and better leverage our global solutions to allow for greater agility, improved time to market, and increased performance. This includes a significant emphasis on promoting and deploying our market-leading technologies such as our FLUX platform, multi-functional enforcement trailers and turnkey back office platform Xilium.

3. *Optimizing Our Organization and Talent:*

We are fostering a performance-based culture across the company that rewards and retains top talent and seeks efficiency improvements through automation, staff and facilities optimization, and consolidation of our technology stack. This includes increased investment in our sales and marketing capabilities to better articulate the compelling Sensys Gatso story.

Our business

In 2025, the reportable segments of Sensys Gatso were Managed Services and System Sales. Within these segments the company operates three main business models; TRaaS Managed Services, System Sales and TRaaS Service and Maintenance. For a more elaborate description of these business models and revenue streams we refer to note 2 of the consolidated financial statements.



Managed Services

The Managed Services business model is a Business Process Outsource business model, where Sensys Gatso designs, builds, owns and operates the enforcement equipment. This business model requires upfront Capex investments for designing and building the enforcement equipment. Programs have startup costs relating to a one time configuration of the back office software suits PULS and Xilium and can include warning periods and media support to our customers, to create community awareness and support. During the operational phase the program incurs operating costs such as labour costs for processing, IT costs and costs for mailing out citations. During the lifetime of the program Sensys Gatso maintains the enforcement systems. Revenue is generated through a services fee which can be based on citation volumes or fixed fees.

System Sales

The system sales business model predominantly has revenue streams of project and repeat orders as well as service and maintenance (including licence fees).

This business model is often tender driven, with multiple repeat orders after the initial project is completed. During the tender phase extensive due diligence is performed on legislation and type approval requirements. In the solution design phase our developers design and configure the solution, using our existing product lines, to meet these customer requirements. Assembly of the designed solution is done in house in Sweden or Netherlands or outsourced for high volumes. This business model requires upfront working capital finance throughout the design and assembly phase. Revenue is recorded based on contract specifics, but predominantly at delivery. Once delivered and accepted by our customer Sensys Gatso often enters into a Service Level Agreement for maintenance and uptime assurance or in ad hoc repair and maintenance.

Outlook

As outlined above, Sensys Gatso made meaningful progress in 2025 towards our operational and financial goals. Looking ahead, sustaining this momentum requires continued discipline in execution with commitment to our strategic pillars of growth, efficiency and service. This includes delivering against sales targets, managing projects rigorously, improving operational efficiency, and maintaining high service levels for our customers. While our business will continue to experience some quarter-to-quarter variability driven by contract timing, political processes and foreign exchange movements, we are intent on delivering consistent and reliable performance over time. With the strategy we have set, the technology we have in place, and a committed global team, we are well positioned to continue making progress in 2026.

Financial Outlook 2026

For 2026, we expect continued currency headwinds as the Swedish Krona strengthens against the Euro, Australian Dollar, and US Dollar. Despite this, we anticipate continued profitable growth, with revenue in the range of SEK 750-800 million and an EBITDA margin of 14-16%. This outlook reflects our current order backlog, ongoing procurement activity, and focus on operational efficiency and cost discipline. Additionally, we will continue to closely monitor global political developments, including but not limited to the conflict in the Middle East, for potential inputs to the business.

Dividend policy

The Board of Directors of Sensys Gatso has not established a dividend policy and does not believe that a dividend will be paid in the near future. Generated net profit will be re-invested in the company to finance the growth plan. When the growth plan is fully financed, dividend will materialize after assessment of the company's financial position, organic growth opportunities, investments, acquisition opportunities and cash-flow.



Financial performance: - A five-year summary

INCOME STATEMENT	2025	2024	2023	2022	2021
Sales	719,094	631,183	623,543	494,575	506,789
Operating expenses	-661,341	-607,974	-584,256	-463,752	-460,881
Operating profit/loss	57,753	23,209	39,287	30,823	45,908
Financial items	-54,094	-11,636	-14,730	2,255	1,400
Result joint ventures	-2,355	-2,501	-1,601	-	-
Profit/loss before tax	1,303	9,072	22,956	33,078	47,308
Income tax	-6,144	-3,389	-10,081	-13,023	-12,318
Profit/loss for the year/Total profit/loss	-4,841	5,683	12,875	20,055	34,990
BALANCE SHEET	2025	2024	2023	2022	2021
Noncurrent assets	616,638	608,054	533,429	490,922	436,379
Current assets	500,925	535,179	428,165	337,329	361,115
Total assets	1,117,563	1,143,233	961,594	828,251	797,494
Shareholders' equity	582,503	617,879	635,688	626,068	561,801
Noncurrent liabilities	372,362	363,505	99,367	69,636	65,421
Current liabilities	162,698	161,848	226,541	132,547	170,270
Total shareholders' equity and liabilities	1,117,562	1,143,232	961,595	828,251	797,492
DATA PER SHARE	2025	2024	2023	2022	2021
Earnings per share 31 Dec, SEK ¹⁾	-0.42	0.51	1.06	1.61	2.83
Shareholders' equity per share, SEK ¹⁾	50.52	53.59	55.17	54.34	48.76
Dividend per share, SEK	0	0	0	0	0
Share price 31 Dec, SEK ¹⁾	40.0	65.5	72.6	79.2	76.8
P/E ratio	-95	127	69	49	27
Number of shares at end of period before dilution, thousands	11,530	11,530	11,522	11,522	11,522
Number of shares at end of period after dilution, thousands	11,530	11,530	11,530	11,522	11,522
Average number of shares during the period before and after dilution, thousands	11,530	11,530	11,526	11,522	11,522

¹⁾ Share data of 2022 and before are recalculated based on the 80:1 reversed share split.



“Strong revenue growth and significant margin expansion are our key takeaways from 2025”

Simon Mulder, CFO, Sensys Gatso Group AB

KPI	2025	2024	2023	2022	2021	KPI	Definition
Order intake & Procurement awards	728,802	991,944	753,732	1,456,104	368,248	Gross margin	Gross profit as a percentage of net sales
Sales	719,094	631,183	623,543	494,575	506,789	Operating profit (EBIT)	Profit for the period before net financial items and tax
Gross margin %	41.6%	38.0%	40.5%	45.5%	40.6%	Operating margin	Operating profit (EBIT) as a percentage of net sales
Operating profit (EBITDA)*	109,181	68,807	85,307	73,344	83,502	Operating profit (EBITDA)	Operating profit (EBIT) before depreciation and amortisation
Operating margin (EBITDA)	15.2%	10.9%	13.7%	14.8%	16.5%	Net margin	Profit for the period as a percentage of net sales
Operating profit (EBIT)	57,753	23,209	39,287	30,823	45,908	Return on equity	Profit for the period as a percentage of (average) shareholders' equity
Operating margin (EBIT)	8.0%	3.7%	6.3%	6.2%	9.1%	Equity/Assets ratio	Total Shareholders' equity as a percentage of total assets
Profit for the period	-4,841	5,683	12,875	20,055	34,991	Earnings per share	Profit for the period divided by the (average) number of outstanding shares
Net margin	-0.7%	0.9%	2.1%	4.1%	6.9%	Interest-bearing liabilities	All interest-bearing debts (the sum of on balance lease liabilities, bank loans & credit facilities and shareholder loans)
Return on equity	-0.8%	0.9%	2.0%	3.2%	6.2%	Adjusted interest-bearing liabilities	Interest-bearing liabilities adjusted for on balance lease liabilities
Equity/Assets ratio	52.12%	53.90%	65.84%	75.40%	70.40%	Net interest-bearing debt	Interest-bearing liabilities less cash and bank balances
Interest-bearing liabilities*	368,543	381,845	157,356	75,675	116,326	Adjusted Net interest-bearing debt	Interest-bearing liabilities adjusted for on balance lease liabilities less cash and bank balances
Adjusted interest-bearing liabilities*	326,733	357,763	135,543	53,082	93,383	(Net) Working capital	The balance of current assets (inventory & work in progress, trade receivables, other current assets and cash) less current liabilities (trade payables and other current interest-free liabilities)
Net interest-bearing debt*	208,824	216,523	108,603	-24,043	43,863	Free available cash	Cash banks and balances plus remainder of the credit facilities available to the group, but excluding long-term loan facility not taken up.
Adjusted Net interest-bearing debt*	167,014	192,441	86,790	-46,636	20,920	Cash flow from operations	Cash flow from operations is the amount of cash generated by the normal business operations based on the indirect method.
(Net) Working capital	338,227	373,749	201,625	204,782	190,845	Order intake	The sum of purchase orders received in the period
Free available cash	213,809	202,955	84,209	170,540	101,826	Purchase order	Received order to deliver goods or services
Cash flow from operations	124,701	44,207	-18,324	125,549	9,147	Procurement award	Contract with estimated sales volume against fixed conditions over a period of time without purchase order obligations
Number of employees	294	308	302	284	263	Number of employees	The number of employees (fixed and variable) at the end of the period
Average number of employees (FTE)	270	276	273	258	240	Average number of employees (FTE)	The number of average full time equivalent employees during a period

*Calculation samples		Interest bearing liabilities	
TSEK	2025	TSEK	2025
Lease liabilities	41,810	Lease liabilities	41,810
Unsecured Bond	319,631	Unsecured Bond	319,631
Bank Loans and Credit facilities	7,102	Bank Loans and Credit facilities	7,102
Shareholder loans	0	Shareholder loans	0
Cash and bank	-159,719		
Net Interest-bearing debt	208,824	Interest-bearing liabilities	368,543
-/- Lease liabilities	-41,810	-/- Lease liabilities	-41,810
Adjusted Net Interest-bearing debt	167,014	Adjusted interest-bearing liabilities	326,733

Operating profit (EBITDA)	
	2025
Operating profit	57,753
Depreciation	51,428
	109,181

Significant events

Q1

- » 2 January - Sensys Gatso receives red light TRaaS contract with Bristol Township, PA, worth SEK 18 million
- » 7 January - Sensys Gatso Australia receives contract extension of maintenance services for mobile camera systems in the state of Victoria, worth SEK 12 million
- » 14 January - Sensys Gatso Australia receives purchase order for the upgrade of traffic safety systems from the state of Victoria, worth SEK 12 million
- » 24 January - Sensys Gatso receives order for maintenance of in-vehicle systems in Saudi Arabia, worth SEK 27 million
- » 28 January - Sensys Gatso announces that the development phase of the Swedish order of SEK 850 million is completed
- » 31 January - Sensys Gatso receives TRaaS contract for traffic safety in Hawthorn Woods, IL, worth SEK 12 million
- » 14 February - Sensys Gatso receives its first Colorado TRaaS contract for traffic safety in Longmont, worth SEK 24 million
- » 28 February - Sensys Gatso Group CEO to step down; international search process underway
- » 13 March - Sensys Gatso extends the East Providence, Rhode Island TRaaS contract by five years, increasing the contract value by SEK 65 million

Q2

- » 21 May - Sensys Gatso names Lewis H. Miller CEO to drive profitable growth

Q3

- » 5 August - Sensys Gatso Australia signs contract for the provision of mobile traffic safety systems as a service in the state of Victoria, initially worth SEK 14 million
- » 5 August - Sensys Gatso Australia signs contract for the supply, installation and support of traffic safety systems from the South Australia Police, worth SEK 15 million
- » 22 August - Sensys Gatso Australia receives TRaaS enforcement as a Service (TRaaS) order for extension of services in Tasmania to the value of SEK 73 million
- » 18 September - Sensys Gatso Australia receives contract extension for the provision of maintenance services for mobile camera systems from Serco Traffic Camera Services in Victoria, worth SEK 74 million

Q4

- » 16 December - Sensys Gatso Australia Signs SEK 29 Million Contract Expansion with South Australia Police for the Supply, Installation and Support of Additional Traffic Safety Systems

A list of Sensys Gatso's press releases can be found on:

www.sensysgatso.com

The Market



Connecting with Customers Worldwide: The Sensys Gatso Structure

Sensys Gatso operates within the dynamic global road safety market, a sector valued at approximately USD 4.4 billion annually and exhibiting a Compound Annual Growth Rate (CAGR) of 9%*. Our strategic organizational structure enables us to leverage our worldwide presence while effectively addressing the unique requirements of customers in diverse local markets.

Sensys Gatso's structure

Sensys Gatso's organizational structure has been designed to place the customer contact point as close to the customer as possible. Sensys Gatso has multiple entities worldwide, including Sensys Gatso USA, Sensys Gatso Sweden, Sensys Gatso Netherlands, Sensys Gatso Middle East, and Sensys Gatso Australia.

Each of those organizations has been assigned to serve one or more particular markets. Sensys Gatso has the option to service each of those markets directly through its own organization or indirectly through a partnership with another company. An indirect market approach is chosen when Sensys Gatso's part in a project is limited, or when there's a particular need for local resources or personnel.

Local market dynamics

Every market has unique needs when it comes to technology. These needs are typically a consequence of the laws pertaining to automated traffic enforcement. A good example would be whether the owner of the car or the driver is legally responsible for any possible infraction. This distinction defines how the photo of the violating vehicle needs to be taken. Sensys Gatso is organizing its global development to maximize its fit in the various markets.

The degree to which a market is decentralized or centralized is another crucial consideration. An appointed, centralized authority is in charge of procurement in a centralized market, and they are typically also in charge of running the traffic enforcement systems. Local governments, such as cities or provinces, are in charge of selecting the technologies and suppliers in a decentralized market.

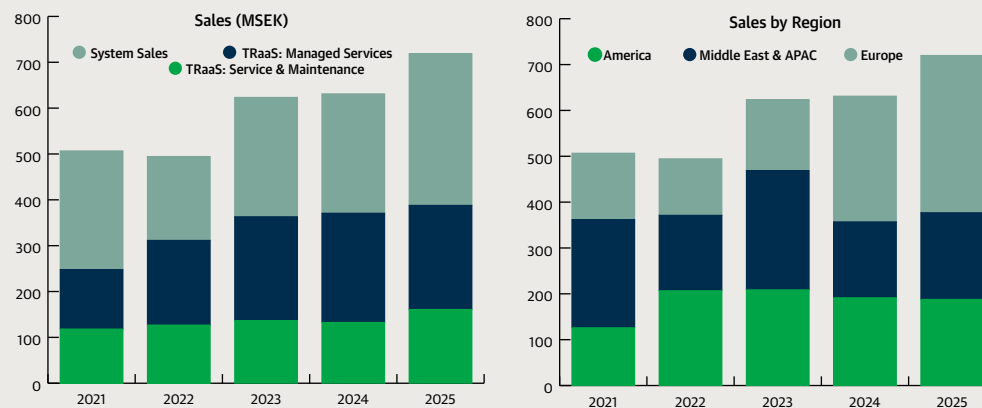
In most markets, automated traffic enforcement equipment must adhere to legal requirements. Independent certification bodies will issue type approval certifications after determining that the equipment complies with the applicable legislation. This process is typically very intensive and may take a long time to complete.

Depending on the client's procurement strategy, a multi-vendor or single vendor strategy can be implemented. For example, a multi-vendor strategy is chosen when the customer wants to spread risks related to project execution or risk of vendor continuation, whereas a single vendor strategy is typically chosen when economies of scale have been demonstrated to be significant.

Focus on growth

Sensys Gatso has been concentrating on recurring revenue streams as part of its strategy, referred to as TRaaS (Traffic enforcement as a Service). This is being done in order to have a more consistent and increasing revenue stream in addition to System Sales, which are heavily project-dependent and subject to volatility surges. The graph below shows how much this segment has expanded over the past few years. For the year 2026 Sensys Gatso has provided guidance that the total revenue of the group will be between 750 and 800 MSEK.

The graphs below show Total revenue over the last 5 years per segments and regions.



In the following pages, a few key customers with whom Sensys Gatso has longstanding relations, will be described. The following section aims to provide a deeper understanding of Sensys Gatso's customer base by showcasing a selection of key clients and illustrating the enduring nature of our partnerships with them.

Source:

*1 MarketandMarkets, Road Safety Market, Global Forecast to 2026

America

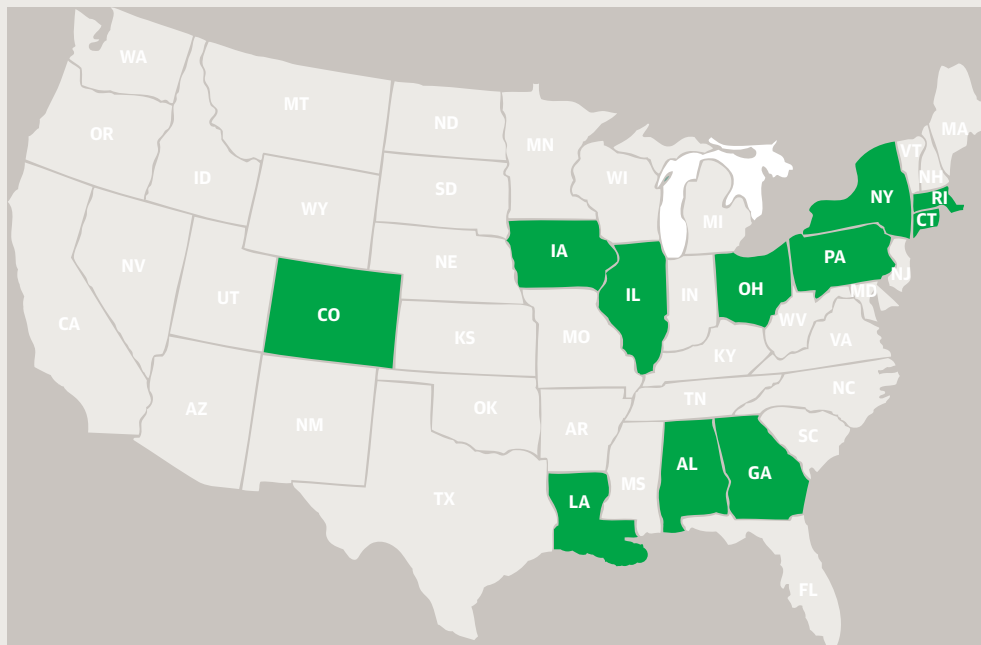
United States of America

The US market is exclusively operated under the TRaaS Managed Services business model. Sensys Gatso owns and operates the equipment and manages the program on behalf of the customer. The pricing structure is either a monthly fixed fee, per issued citation, per paid citation, or a hybrid of fixed fee and per citation fee.

All of Sensys Gatso's contracts are with local municipalities, and the contract's base term is typically between 5 and 7 years. Sensys Gatso currently has over 45 contracts in 11 states.

The establishment of a traffic enforcement program demands considerable political and public endorsement, requiring substantial time and effort from involved parties. Consequently, such programs are generally implemented for a period of five to seven years and often incorporate provisions for renewal.

Sensys Gatso has currently contracts in 11 states



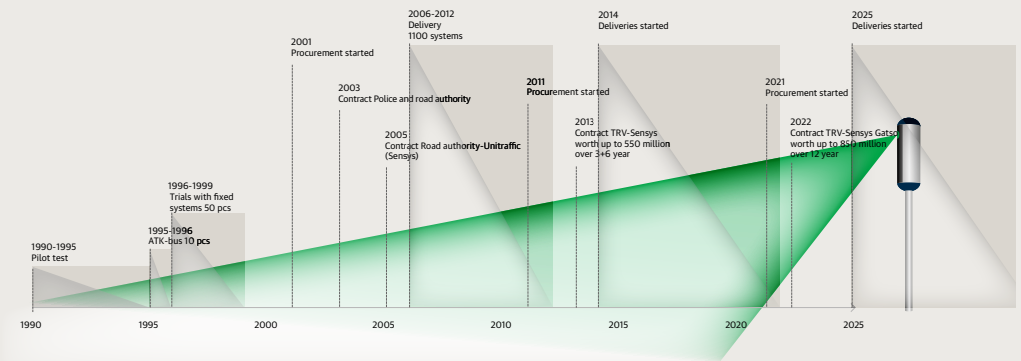
Europe

Sweden

In 2022, Sensys Gatso Sweden secured a significant 12-year contract, valued up to SEK 850 million, to provide traffic safety equipment and TRaaS services across Sweden. The contract was awarded through a nationwide procurement process, and Sensys Gatso anticipates delivering approximately SEK 400 million worth of products and services during the initial 6 years.

The partnership between Sensys Gatso Sweden and the Swedish Transport Administration dates back to the early 1990s, marked by the initial trials and implementation of Sensys Gatso's speed safety solutions.

The reliability and superior image resolution of these systems, demonstrated through rigorous competitive assessments, have been instrumental in the Swedish Transport Administration's continued reliance on them.

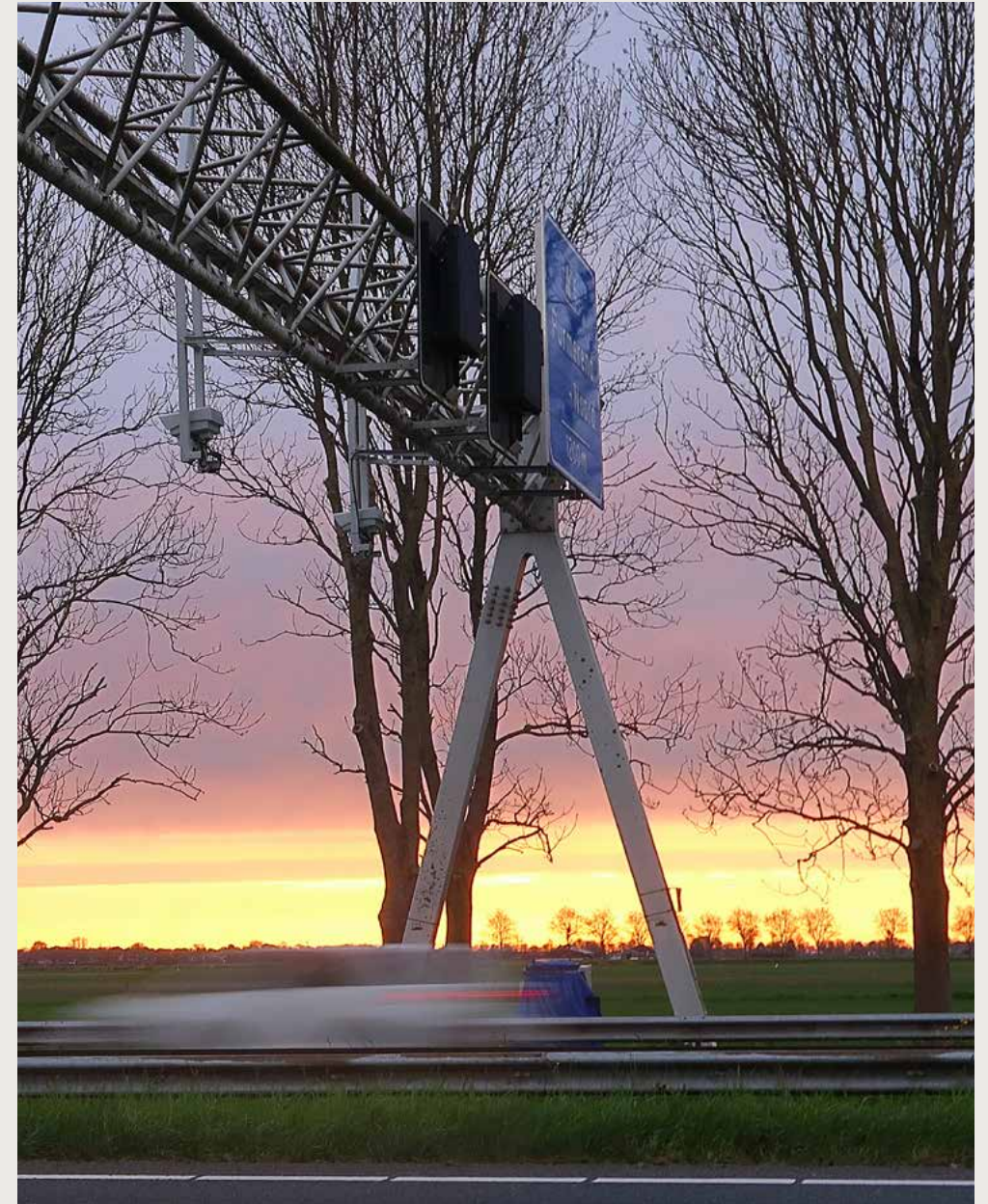


Europe

The Netherlands

The speed enforcement system as we know it these days was invented by Maurice Gatsonides in the Netherlands, a former racing driver; sports enthusiast, rally champion and entrepreneur and also the founder of Gatso. The Dutch authorities have, ever since the introduction of the speed enforcement system, made use of it. Over the years, procurement, operations and maintenance have been dealt with by both the police and the Ministry of Justice. In the 80's and 90's, it was a decentralized function, managed by local police forces. In the late 1990s, the automated traffic enforcement function became the responsibility of the centralized Dutch Prosecution Office.

Sensys Gatso has been a provider of technology, maintenance, and operations of enforcement systems since the beginning of speed enforcement. Currently, Sensys Gatso is responsible for Fixed Speed, Red Light, and Average Speed Systems in the Netherlands.



Australia

With a land mass approximately the size of mainland USA, the eight (8) States and Territories act as an independently governed jurisdiction. Each territory has its own technical, legal, and operational approval requirements.

Tasmania

In conjunction with Tasmania Police, the collaboratively managed service-based enforcement program has helped reduce lives lost on the road by approximately 40% year to year. Sensys Gatso has established the TRaaS delivery model in late 2022 on a framework agreement that provides options for various types of enforcement. Since inception, the model has increased the number of hours of speed enforcement, and added Distracted Driver, unregistered vehicle and mobile average speed enforcement services.

Victoria

In the state of Victoria, Sensys Gatso has a longstanding relationship with Department of Justice and Community Safety (DJCS) that is amongst others, responsible for traffic safety and enforcement in the state.

Victoria's road safety camera program comprises both in-vehicle and fixed cameras working in tandem to ensure that speed enforcement coverage is maximized across Victorian roads. The program is currently adding trailer based enforcement to supplement in-vehicle systems. Mobile road safety cameras aim to generate general deterrence across the entire road network via an 'anywhere, anytime' operational mode deployed in over 2000 locations. Sensys Gatso is one of the main technology partners for DJCS.



Middle East

Dubai

Dubai Police, a pioneer in leveraging technology and innovation in law enforcement, has been a valued customer of Sensys Gatso since the early 2000s. Their commitment to innovation has yielded remarkable results, notably a significant reduction in traffic-related fatalities since 2006.

Dubai Police is currently using more than 800 roadside systems for speed and red-light enforcement which have (among other measures) heavily contributed to improved driving behavior and hence improved traffic safety.

Dubai Police recently signed a 5-year plan with Sensys Gatso through its partner KTC for over 500 enforcement systems from 2023-2027. These will both add to and replace some of the existing installed base in Dubai.



2001
The first digital speed and red-light systems installed in Dubai.

2006
Sensys Gatso installs second generation of speed enforcement systems throughout Dubai.

2015
Sensys Gatso together with KTC International installs red-light enforcement systems in JBR as part of the Tram Project.

2016-2022
After successful trials, Sensys Gatso, together with KTC International, installs high volumes of the Alutower Bi-directional Speed Enforcement systems all over Dubai.

2023-2027
Sensys Gatso and KTC International sign a 5-year agreement to add hundreds of Alucool and Alutower systems with the next generation radar and top of the line technology to tackle today's changing driving behavior.



Saudi Arabia

Sensys Gatso's customer in the Kingdom of Saudi Arabia (KSA), the Saudi Technology and Security Comprehensive Control Company (Tahakom), was established in 2015 with inspiring ambition and a clear vision for achieving public safety and smart mobility. Since then, Tahakom has become one of the leading national companies contributing to developing local content through solutions in a bid to preserve human life and create economic value for the kingdom. Tahakom provides strategic solutions to improve the quality of life and guarantee public safety, based on Saudi Vision 2030, which includes specific goals on traffic safety.

Since 2018, Sensys Gatso and Tahakom have collaborated to provide in-vehicle moving speed enforcement. Tahakom typically issues tenders based on three-year plans, and numerous systems in each category are typically requested in each tender. These categories may include Fixed Speed, Red Light, and Mobile Speed systems, among others.



Corporate Governance

A nighttime photograph of a city street. The scene is illuminated by several bright streetlights, creating a starburst effect. In the foreground, a tall, grey traffic light pole stands on a grassy area. The street is paved and has a white arrow painted on it. In the background, there are modern buildings with lit windows and balconies. The sky is dark, and the overall atmosphere is urban and modern.

Corporate Governance Report 2025

Sensys Gatso Group AB is a Swedish public limited liability company with its headquarters in Jönköping, listed on Nasdaq Stockholm, Small Cap. Sensys Gatso applies and follows the Swedish Code of Corporate Governance and hereby submits the 2025 Corporate Governance Report. The company's auditors have carried out statutory audits of the report.

Starting point

Good corporate governance, risk management, internal control and management are key components in a successful business. They are essential for Sensys Gatso's ability to continue to grow with profitability and a hygiene factor in building trust-based relationships with our investors and other stakeholders.

Corporate governance structure

Sensys Gatso's decision-making bodies are the Annual General Meeting, the Board, the chief executive officer (CEO) and the company's auditor. At the ordinary General Meeting, which is to be held within six months of the end of the financial year (the Annual General Meeting), the shareholders appoint a Board and an auditor. The Board appoints the CEO. The auditor reviews the Annual accounts as well as the administration by the Board and the CEO. The Nomination Committee is tasked with proposing Board members, the Chairman of the Board and the auditor for election by the Annual General Meeting.



Shares and shareholders

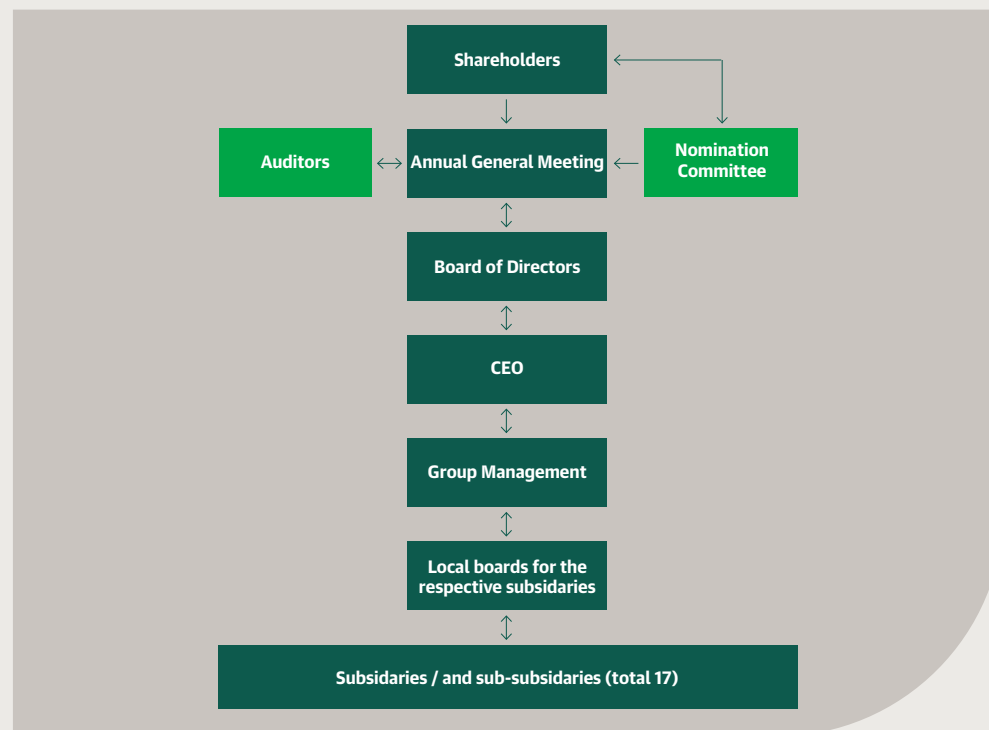
Information on Sensys Gatso's shares and shareholders can be found on page 77. The number of shareholders at year-end was 12,886 (14,100). The largest individual shareholder is Gatso Special Products BV (via BNP PARIBAS SA PARIS, W8IMY) with a total of 17.7 percent (17.7) of the shares. Gatso Special Products BV is owned by the Gatso founding family. The next largest shareholder is Nordnet Pensionsförsäkringar with 4.60 percent and the third largest shareholder is Försäkringsaktiebolaget Avanza Pension with 4.56 percent.

Gatso was founded in 1958 by former racing driver Maurice Gatsonides. He invented a speed measurement device to measure his speed on the racetrack and quickly realized he also could use this technology to improve road safety.

General Meeting

The Annual General Meeting (AGM) is Sensys Gatso's highest decision-making body. Shareholders included in the share register on the record date and who have given notice of their participation in time, are entitled to attend the AGM and to vote in person or via a proxy. At the AGM, shareholders exercise their voting rights to resolve on proposals from the Nomination Committee, the Board and the shareholders, as well as on key matters including the adoption of income statements and

balance sheets, approval of the appropriation of the company's profit and discharge of the Board and CEO from their liabilities for the Nomination committee and election of the Board of Directors. The AGM also resolves on the composition of the Nomination Committee and its work, and makes decisions on principles for remuneration and other terms of employment for the CEO and other senior executives. In addition, auditors are elected, fees are determined and other statutory matters are addressed. Resolutions are normally approved by a simple majority at the AGM. In certain matters, however, the Companies Act stipulates that a proposal must be approved by a greater proportion of the votes represented at the AGM. In addition to the AGM, which is held within six months of the end of the financial year, an Extraordinary General Meeting may be announced if the Board considers this to be necessary or if this is requested by a shareholder holding at least 10 percent of the shares.



Annual General Meeting

The 2025 AGM was held on 15 May in Jönköping and also via postal voting in accordance with the Act (2020:198) on temporary exemptions to facilitate the conduct of general and association meetings. A total of 4.35 percent (4.04) of the total number of shares and votes was represented.

The CEO informed the AGM about the position of the company and commented on the results for 2024, and the first quarter of 2025. During the AGM, shareholders were given the opportunity to ask questions.

Minutes from the AGM can be found on the Sensys Gatso website. All resolutions were passed with the required majority. Below is a selection of the resolutions passed at the meeting:

Board of Directors

- » The annual general meeting discharged the members of the Board of Directors and the CEO from liability for the fiscal year 2024.
- » The annual general meeting resolved to re-elect Claes Ödman, Jochem Garritsen, Kerstin Sjöstrand, Pia Hofstedt, Francis Schmeer and Mark Talbot as members of the Board of Directors for the period until the end of the next annual general meeting. The annual general meeting elected Claes Ödman as Chairman of the Board of Directors.

Auditor

- » The annual general meeting resolved to elect BDO Mälardalen AB as auditor for the period until the end of the next annual general meeting. BDO Mälardalen AB has appointed the authorised public accountant Carl-Johan Kjellman auditor in charge.

Remuneration to the members of the Board of Directors and the auditor

- » The annual general meeting resolved that the remuneration to the members of the Board of Directors shall be SEK 1,750,000, to be allocated as follows: SEK 500,000 to the Chairman of the Board of Directors and SEK 250,000 each to the other members of the Board of Directors. The annual general meeting further resolved that remuneration to the auditor shall be paid in accordance with approved invoice within framework of the submitted quotation.

Issuance authorisation

- » In accordance with the Board of Directors' proposal, the annual general meeting resolved to authorise the Board of Directors, for the period until the next annual general meeting, to resolve

on new issues of shares corresponding to not more than ten per cent of the total number of outstanding shares in the company.

Acquisition and transfer of own shares

- » In accordance with the Board of Directors' proposal, the annual general meeting resolved to authorise the Board of Directors, for the period until the next annual general meeting, to resolve on acquisition and transfer of own shares on Nasdaq Stockholm. The company's holding of own shares at any given time must not exceed five per cent of the total number of shares in the company.

Incentive Program

- » It was decided to introduce a long-term incentive program for senior executives, in accordance with the board's proposal. It was decided to authorize the board to enter into share swap agreements with third parties with the intention of hedging the company's obligations in accordance with LTIP 2025, in accordance with the board's proposal.

Nomination Committee

A Nomination Committee is formed each year at the initiative of the Chairman of the Board. According to the AGM, the Nomination Committee shall represent the four largest shareholders of the company. If a Nomination Committee comprising five members (including the chairman) is not obtained after having contacted the eight largest shareholders, the chairman shall continue to contact the shareholders that are next in turn until a Nomination Committee comprising four members (including the chairman) has been obtained. The work of the Nomination Committee takes place at the end of the financial year and the beginning of the new year. The Nomination Committee is to observe the guidelines that apply to independent Board members under the Swedish Corporate Governance Code when making nominations to the AGM. The Nomination Committee's proposals, with regard to the election and remuneration of Board members, are presented in the notice of the AGM as well as on the company's website. The members of the 2025 Nomination Committee were appointed based on the ownership structure as per 30 September 2024 and known changes thereafter.

The Nomination Committee has consisted of:

- » Jan Johansson (appointed by Inger Bergstrand),
- » Per Wall (for his own holdings),
- » Timo Gatsonides (for his own and others' holdings) and
- » Claes Ödman (in his capacity of Chairman of the Board for the company).

The Nomination Committee ahead of 2025 AGM comprises:

Member of the Nomination Committee	Representing	Participation/votes	Member of the Nomination Committees since
Per Wall	for own holdings	287,500	2017
Jan Johansson	Inger Bergstrand	258,248	2014
Timo Gatsonides	Gatso Special Products BV	2,039,757	2015
Claes Ödman	Chairman of the Board	28,398	2016

Timo Gatsonides was appointed Chairman of the Nomination Committee. No remuneration has been paid for the work of the Nomination Committee. Sensys Gatso Group deviates from the Code's rule 2.3, second paragraph, which states that neither the CEO nor other members of executive management are to be members of the Nomination Committee. The shareholder controlling the largest number of the votes has appointed Timo Gatsonides, who was the CTO of Sensys Gatso Group and former member of executive management until January 19, 2021. In light of Timo Gatsonides' knowledge of Sensys Gatso and his large direct shareholding through a family company, it was deemed beneficial to the company to deviate from the Code on this point.

The nomination committee applies and complies with the diversity policy in the corporate governance code in its development of the proposal of directors to the board of directors. The goal of the policy is that the board shall take into account the business operations, development phase and other circumstances to prepare an appropriate composition characterized by diversity of and breadth of competence, experience and background and to aim for a balanced gender distribution.

At the 2025 AGM, six members were elected, of whom two are women and four are men. As a basis for its proposal for the 2025 AGM, the Nomination Committee makes an assessment of whether the Board is appropriate based on an annual assessment of the Board's work and applying the Company Code. All shareholders are entitled to approach the Nomination Committee with proposals for the AGM. No such proposals were received before the AGM in 2025.

Role and composition of the Board

The company's business is to develop and market traffic enforcement and traffic informatics products. The Board plays a central role in Sensys Gatso's long-term strategy. In 2025, we further refined our strategy to focus on three key pillars that foster growth, increase efficiency and ensure world class service to our customers:

- » Strategic Market and Customer Engagement
- » Advancing Technology and Go-to-Market Strategies
- » Optimizing Our Organization and Talent

After the Annual General Meeting, the Board is the Company's highest decision-making body. The work of the Board is governed, among other things, by the Companies Act, the Articles of Association and the Board's Rules of Procedure. The Board establishes goals and strategic guidelines, is responsible for ensuring that the CEO executes Board decisions and has ultimate responsibility for

the Company's internal control and risk management. According to the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of seven members. At the AGM, six ordinary Board members were elected. More information on the Board members can be found in the table below. The Board of Sensys Gatso consists of:

- » Claes Ödman, Chairman of the Board (re-election)
- » Jochem Garritsen (re-election)
- » Kerstin Sjöstrand (re-election)
- » Pia Hofstedt (re-election)
- » Francis Schmeer (re-election)
- » Mark Talbot (re-election)

All members of Sensys Gatso's Board of Directors are independent in relation to both the company and the company's major shareholders. No member of the Board is employed by the Group. The Nomination Committee's assessment regarding whether each proposed member meets the independence requirements is announced in connection with the Committee's proposal. For further information see below and page 30.

The work of the Board of Directors

The work is based on the Board's Rules of Procedure and follows an annual plan. Each meeting is based on an agenda and relevant background documentation distributed to the members of the Board in advance of the meeting. In addition to the statutory Board meeting in conjunction with the Annual General Meeting, the Board normally meets nine times a year (ordinary meetings, including meetings in connection with the publication of interim and annual reports). Additional Board meetings are convened when necessary. In 2025 the Board held a total of 14 (14) meetings. Matters addressed by the statutory Board meeting included the Board's Rules of Procedure, decisions regarding authorisation of company signatories, instructions for the CEO and the Board's annual planning.

The Audit Committee and the Remuneration Committee comprise the Board in its entirety, as the Board considers this most appropriate, taking the size of the Company into account. The Board evaluates on a yearly basis the need for an internal audit function. Based on the size of the Company the Board resolved to have no internal audit function. The work of the Audit and Remuneration Committees is handled in accordance with the Board's annual plan for its ordinary Board meetings. Ordinary Board meetings include several fixed agenda items such as strategic focus areas and risk

Board of Directors, as per year end 2025

Board of Directors elected by the AGM	Attendance	Born	Elected	Fee	Number of shares/ votes	Nationality	Function	Independent*
Claes Ödman	14/14	1965	2011	500,000	28,398	Swedish	Chairman of the Board	independent
Kerstin Sjöstrand	14/14	1958	2016	250,000	4,178	Swedish	Board member	independent
Pia Hofstedt	14/14	1961	2016	250,000	8,000	Swedish	Board member	independent
Jochem Garritsen	14/14	1972	2015	250,000	1,376	Dutch	Board member	independent
Francis Schmeer	14/14	1972	2022	250,000	2,875	American	Board member	independent
Mark Talbot	13/14	1970	2023	250,000	500	American	Board member	independent

*Independent in relation to the company and/or the owners.

management. Extra time is allocated to four Board meetings annually during which special emphasis is placed on strategic issues and future sustainable business. Reporting includes developments within the operation, the organisation, analyses of risks, sustainability work, financial position and an annual update and review of the company's policies and procedures. The Board takes decisions on matters concerning the Group's strategic focus, finances, investments, acquisitions, sales and organisational issues, as well as rules and instructions. All Board decisions are based on decision-making documentation and are made following discussions mediated by the Chairman of the Board. The Board monitors operations, partly through monthly reports provided by the CEO, and partly through their own work. Informal contact is also maintained among the members of the Board.

The Chairman of the Board leads the work of the Board and follows the activities in dialogue with the CEO. The Chairman of the Board represents the Company in matters concerning shareholder structure and matters of specific importance. The Chairman is responsible for ensuring that the work of the Board is well-organised and efficient, that the Board fulfils its commitments and that it receives satisfactory information and decision-making documentation.

Remuneration Committee

The Remuneration Committee consists of the Board of Directors in its entirety. The Remuneration Committee is a preparatory body for the Board of Directors and does not limit the Board's responsibility for the administration of the Company and for the decisions made. The Committee's tasks include preparing the Board's proposals regarding guidelines for the remuneration of senior executives, to monitor and evaluate completed and ongoing variable remuneration programmes and Sensys Gatso's compliance with the remuneration guidelines resolved by the general meeting.

Audit Committee

Sensys Gatso's Audit Committee consists of the Board of Directors in its entirety. The Audit Committee is a preparatory body for the Board and does not limit the Board's responsibility for the administration of the Company and for the decisions made. The Committee's work includes reviewing the Company's financial reporting and the efficiency of the Company's internal control and risk management. The Audit Committee's work also focuses on the quality and accuracy of the Group's financial reporting and related reporting. The Committee monitors how accounting principles and accounting requirements develop and discusses other significant issues related to the Company's financial accounting and sustainability reporting. The Committee also evaluates the auditors' work, qualifications and independence and follows up in particular on whether the auditor provides the Company with services other than auditing services.

Evaluation of the work of the board

The work of the Board is evaluated annually through a structured process led by the Chairman of the Board. The 2025 evaluation was conducted by means of a questionnaire with the aim of obtaining an understanding of Board members' views on the formats of the work of the Board, the composition of the Board, of Directors, the performance of the Board and areas for improvement. The results of the evaluation have been presented and discussed by the Board. The conclusions from these evaluations and discussions have been reported orally to the Nomination Committee.

Remuneration to the Board

The AGM resolved that Board fees should be paid in the amount of SEK 1,750,000 per year (1,750,000), of which SEK 500,000 (500,000) will be paid to the Chairman of the Board and SEK 250,000 (250,000) per year to the other Board members. Fees payable to Board members are determined annually by the AGM. No separate fees are payable for work on committees. In 2025, remuneration was paid in accordance with note 5.

Board work 2025



Ensuring the quality of financial reporting

The Rules of Procedure, as well as the company's policies, which are adopted annually by the Board, include detailed instructions on matters such as what financial reports and information should be provided to the Board. In addition to year-end reports, interim reports and annual reports, the Board reviews and evaluates extensive financial data regarding Sensys Gatso. The Board also processes information on risk assessments, disputes and any irregularities that may have an impact on the financial position of Sensys Gatso. The Board also reviews the most significant accounting principles applied in the Group regarding financial reporting and material changes in accounting principles, as well as reports on internal control and the processes for financial reporting. The Company's auditors report to the Board when necessary and at least twice annually; on at least one of these occasions the company's management is not present. In connection with the Board

meeting that deals with the annual financial statements, the Administration Report, the proposed appropriation of profit and the year-end report, the Company's auditor submits a report on observations and remarks from the audit.

The company's auditor, elected at the AGM, examines Sensys Gatso's annual report and consolidated accounts, the administration of the company by CEO and the Board of Directors, as well as the annual accounts of subsidiaries. The auditor also submits an audit report. The audit is conducted in accordance with the Swedish Companies Act, International Standards on Auditing (ISA) and generally accepted accounting principles in Sweden. In February 2026, Johan Pharmansson from BDO Mälardalen AB personally presented his report to the Board regarding the auditing assignment and the Company's internal controls for 2025. The 2025 AGM appointed BDO Mälardalen AB as auditor with Carl-Johan Kjellman as the auditor in charge. BDO Mälardalen AB coordinated the audit of the Group's subsidiaries and all activities with a significant scope of operations at the subsidiaries were audited by BDO in the respective countries. The 2025 AGM resolved that remuneration be paid to the auditor in accordance with approved invoicing. The audit fee for 2025 amounted to a total of MSEK 13.9 (5.8) for the entire Group in accordance with Note 25.

CEO and Group Management

The CEO leads the operations in accordance with the instructions to the CEO as adopted by the Board. In consultation with the Chairman, the CEO compiles the necessary information and documentation which provides the basis for the Board's work. The CEO is responsible for ensuring that the Board receives relevant information and the decision-making documentation required for the Board to be able to make well-founded decisions. The CEO presents and justifies proposals for decisions. The CEO leads the work of the Group Management and renders decisions in consultation with other members of the management team. In 2025, Group Management consisted of the CEO, CFO, CCO and CTO. Group Management holds regular meetings to follow up operations, discuss relevant matters and draft proposals for strategic plans and budgets, which the CEO presents to the Board for decisions. Group Management has strategy days with the Board twice a year.

The Sensys Gatso Group's operations comprise five active subsidiaries. The operations of the subsidiaries are controlled by their Boards of Directors. Sensys Gatso has a decentralized structure, with a strong focus on responsibility and performance.

Guidelines for remuneration and other employment terms and conditions for senior executives

The Group Management falls within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting. Remuneration for employment subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or local practice, taking into account the overall purpose of these guidelines.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In short, the Company's business strategy is the following.

- » Strategic Market and Customer Engagement
- » Advancing Technology and Go-to-Market Strategies
- » Optimizing Our Organization and Talent

For more information regarding the Company's business strategy, please see www.sensysgatso.com. The Company shall offer total remuneration at the prevailing market rate to enable the recruitment and retention of senior executives.

Types of remuneration, etc.

Remuneration of the Group Management shall consist of a base salary, variable remuneration, pension and other benefits and remuneration. Together, these various parts shall comprise each individual's total remuneration. Additionally, long-term share-related incentive plans can be implemented in the Company. Such plans are resolved by the General Meeting and are therefore excluded from these guidelines. Variable remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability. The base salary and variable compensation together constitute the senior executive's annual salary. The base salary shall take into consideration each individual's area of responsibility and experience. The variable compensation shall be linked to predetermined and measurable criteria. The variable compensation is based on the Company's net sales and EBITDA for the financial year, and may be paid to the Group Management. For the CEO and other members of the Group Management the variable compensation can amount to a maximum 50 per cent of their annual base salary. No variable compensation is to be paid out in the event of negative EBITDA. The Board of Directors is responsible for evaluating to what extent the criteria have been satisfied. The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The CEO shall benefit from a supplementary pension scheme with a premium that represents approximately 30 percent of the current annual salary. Other members of the Group Management shall have the right to retirement pensions as per the Swedish ITP plan or equivalent. The retirement age is 65 years. Other remuneration and benefits shall be paid at market rate and contribute to enabling each senior executive to fulfill their duties. Such benefits may be of a limited amount. For employment governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or local practice, taking into account the overall purpose of these guidelines.

The CEO's employment contract includes termination conditions. The notice period is six months. If notice is made from the Company's side a severance pay in the form of another three months' salary is paid. The customary notice period of three to six months applies to all other members of the Group Management. The fixed salary shall remain unchanged during the notice period. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 9 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Company does not have a Remuneration Committee, instead the Board of Directors handle all matters. The matters that would have been handled by a Remuneration Committee are instead handled by the Board of Directors, inter alia, preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors also monitors and evaluates questions regarding the CEO's terms of employment, pension benefits and variable remuneration, and resolves on corresponding terms regarding other senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Board of Directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Board of Directors' tasks include preparing the resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines. Remuneration to senior executives can be found in note 5.

Governing documents and internal control

The purpose of internal control is to create an effective decision-making process in which requirements, goals and frameworks are clearly defined. Ultimately, internal control is aimed at protecting the company's assets and thus the shareholders' investment. The Board has overarching responsibility for ensuring that Sensys Gatso maintains satisfactory internal control. The CEO is responsible for ensuring that there is a satisfactory system of internal control covering all material risks in ongoing operations. Each year, the Board adopts governing documents in the form of instructions to the CEO, policies and guidelines including the Code of Conduct, Anti-Corruption Policy, Privacy and Data Protection Policy, Risk Policy, Finance Policy, Information Policy, Insider Policy Information Security Policy, Equality Policy, Corporate Social Responsibility Policy, and Whistle Blower Policy. The company has procedures for training and compliance, assessment and evaluation of internal efficiency. The company's business plan with follow-up is an important means of ensuring internal control. The Board's Rules of Procedure along with the instructions for the CEO provide guidance and clarify what decisions are made by the Board and what decisions are made by the CEO. Given the operations and organisational structure of the Sensys Gatso Group, as well as how financial reporting is organised in other respects, the Board did not find a need for a dedicated audit function in the form of internal audit.

The CEO is responsible for ensuring that the Board of Directors receives the reports required to continually assess the financial position of the company. The Board continually assesses the financial reporting, which includes financial developments, financial position, cash flow and liquidity, as well as other important conditions. The CEO and CFO, who report to the Board, are responsible

for maintaining an effective control environment and the ongoing processes of internal control and risk management. The Board maintains an ongoing dialogue with the Company's auditor regarding the scope and quality of the Company's financial reporting, as well as the effectiveness of the internal control and governance.

The Sensys Gatso Group's operations comprise active subsidiaries. The operations of the subsidiaries are controlled by their Boards of Directors with representatives from Group Management. Sensys Gatso has a decentralized structure and culture, with a strong focus on responsibility and performance.

Our global presence requires that our employees and business partners take responsibility for themselves and for each other. To this end we have created a regulatory framework, our Code of Conduct.

The Code of Conduct is to be followed by everyone in our Group, including our employees, the Board and management. We also inform our business partners about the Code of Conduct, and we expect them to comply with it.

Our Code of Conduct states that we are to act as a reliable and honest partner, living up to our commitments. We believe in long-term business relationships in which we, together with our business partners, create a basis for strong financial results, concern for the environment and social commitment. The Code clarifies our position on issues related to human rights, labour conditions, the environment, business ethics and communication. The Code applies to all Sensys Gatso employees, regardless of their position.

In addition to the code of conduct, the board adopts a large number of policies and guidelines, e.g. anti-corruption policy, whistleblower policy, data and information security policy, risk policy, information policy and insider policy.

Equality policy

Differences between people include not only gender, ethnic origin, age, disability, religion and sexual orientation, but also experience, education, living situation and values. Taken together, such differences create a dynamic diversity that adds new perspectives and ideas. This collective diversity represents the competence within Sensys Gatso, which is a strategic asset in the Group's commercial and operational development. Sensys Gatso views equality and diversity as both self-evident and a strength, and therefore strive to achieve diversity in the composition of the workforce and in recruitment. The purpose of the equality policy is to prevent individuals from being chosen for certain groups purely/primarily due to their gender, or so that a group does not become single gendered. Candidates are appointed to positions based on the defined requirements profile. If candidates are equally qualified, Sensys Gatso shall ensure that the company's work groups are well balanced and that Sensys Gatso uses the time and skills of its employees in a manner that benefits both operations and individual personal development. When filling vacant positions, the company shall also strive to achieve the best possible age and ethnicity distribution.

In practice, this means that management takes responsibility and strives to ensure that the company's groups have a good balance of employees whose time and skills are used in a manner that benefits both operations and individual personal development. The aim is to strive for as even a distribution as possible of all work tasks in the workplace and to act to prevent gender division in different tasks and roles.

During 2025 no incidents have been reported via the whistleblower reporting channel.

Risk assessment

The company continuously monitors risk and updates its analysis and assessment of risks that could lead to errors in the financial reporting. This is achieved mainly through documented procedures and contacts between the CEO and CFO. The financial risk assessment is mainly related to the potential for material misstatement in the reporting of the company's financial position and performance. To minimise these risks, governing documents have been established for accounting and there are procedures for annual reporting and follow-up of reported annual accounts. The financial reporting is managed through the Group's control structure. Management also works continuously to identify and manage significant risks that affect the financial reporting. More information about the company's risk management and financial risks can be found in note 27.

Management identifies those areas that are at increased risk of strategic, financial, or operational errors. In accordance with the risk policy, at least once a year the Board analyses the outcome of the company's risk assessment and risk management to ensure that it covers all significant risk areas.

Control activities

Sensys Gatso has established and documented a number of internal procedures that are both preventive in nature and aimed at avoiding losses or errors in the financial reporting. Control activities involve all levels in the organisation. To ensure completeness and accuracy in the financial reporting, instructions and guidelines are being put into place and communicated to the relevant personnel. Control activities also include follow-up and comparisons of earnings and order intake, account reconciliations and balances, as well as accounting and valuation principles.

Financial reports are prepared for the Group each quarter. The process includes detailed reviews and analyses, as well as specific analyses of revenue recognition, cost follow-up, investments, cash flow, financing and liquidity. The control environment, which is summarised in Sensys Gatso's policies and guidelines, is established based on how the operations are organised, the corporate culture, communication, documentation and follow-up. The main task for management and its employees is, in part, to apply, assess and maintain Sensys Gatso's control procedures and, in part, to perform internal control focused on business-critical issues. The company's auditor reviews a selection of controls and procedures and reports any areas for improvement to the management team and the Board. Nothing has emerged to indicate that the control system would not work as intended.

The Sensys Gatso share is listed on a regulated market, Nasdaq Stockholm, and the company applies and follows the Nasdaq Rulebook for Issuers of Shares, as well as laws, rules, and good practices in the stock market. The share is traded under the ticker symbol SGG.

Code of Conduct, policies and guidelines

The Board yearly review and approve the following corporate policies that supports Sensys Gatso's corporate culture:

- » Code of Conduct
- » Anti Corruption Policy
- » CSR policy
- » Equality policy
- » Whistle Blower Policy
- » Information Security Policy
- » Privacy Policy
- » IR & Communication Policy
- » Insider Policy
- » Social Media Policy
- » Risk Policy
- » Finance Policy

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Sensys Gatso Group AB (publ), corporate identity number 556215-4459.

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2025 on pages 22-29 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

BDO Mälardalen AB

Date and signature on the Swedish original

Carl-Johan Kjellman

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Board of Directors

CLAES ÖDMAN, CHAIRMAN OF THE BOARD



Born: 1965
Board member since: 2011.
Education: Masters Degree in Engineering Physics and an MBA, both from Chalmers in Gothenburg.
Background: President of AddSecure Smart Transport. Previously COO and member of Group management of Swiss listed company Ascom as well as various executive positions at Ericsson AB, including in Singapore and Taiwan.
Other directorship: No.
Shareholding: 28,398 shares of which 10,000 shares in a pension fund.

JOCHEM GARRITSEN



Born: 1972
Board member since: 2015.
Education: Master of Science degree in Systems Engineering, Policy Analysis and Management, University of Delft. Jochem is from the Netherlands.
Background: Senior Business Manager at Nokia. Has worked in the telecommunication industry in The Netherlands and abroad since 1999. Is a strong international leader and has held senior sales and business line head positions for professional services.
Other directorship: No.
Shareholding: 1,376 shares.

PIA HOFSTEDT



Born: 1961
Board member since: 2016.
Education: Degree in Business Administration from Stockholm University and management training, Dale Carnegie.
Background: Extensive background as CIO within different industries. Currently CEO of Hofstedt Consulting & Management, Former CIO Quant AB, Aleris, Scandic Hotels, Salus Ansvar, Neo Net AB, CEO Neo Net Technology.
Other directorship: No.
Shareholding: 8,000 shares.

FRANCIS SCHMEER



Born: 1972
Board member since: 2022.
Education: MBA from the London Business School. Bachelor's degree in Marketing from Georgetown University, Washington DC, USA.
Background: Group CEO at Connect44. Previously Chief Sales & Marketing Officer and member of Group management of Swiss listed company Ascom. Has previously held various executive positions at Sony Ericsson, T-Mobile, Samsung and Goldman Sachs.
Other directorship: No.
Shareholding: 2,875 shares.

KERSTIN SJÖSTRAND



Born: 1958
Board member since: 2016.
Education: B.Sc. Business Administration from Stockholm University.
Background: Has worked 30 years at SEB within different roles such as CFO and chief of staff at division level and business manager for the Swedish card business.
Other directorship: No.
Shareholding: 4,178 shares.

MARK TALBOT



Born: 1970
Board member since: 2023
Education: MBA Smith School of Business, University of Maryland, College Park, MD USA; BA Accounting and Finance, The Catholic University of America, Washington, DC, USA
Background: Current position Executive Chairman and CEO, Q Free Holdings, Inc.
Previous assignment: Founder and Principal, EFCT Advisory Services, Co Founder CYBRBASE, Inc, CEO, Redflex Holdings Inc. Managing Director, Conduent, State and Local Government Group President, Xerox Transportation Solutions - Americas Managing Director, Affiliated Computer Services, State and Local Government
Other directorship: No.
Shareholding: 1250 shares

Up-to-date information on the members of the Board of Directors and Senior executives and their securities holdings is available on our website:

www.sensysgatso.com

All board members are independent in relation to the company and its management, independent in relation to the company's major shareholders.

Senior executives

LEWIS MILLER, CEO



Born: 1971

Employed since: 2025

Education: Law degree (JD) and a Master's Degree in Public Policy from the University of Michigan, as well as a Bachelor of Arts (cum laude) in Economics and Political Science from Kalamazoo College.

Other directorship: No

Shareholding: 10,000 shares.
125,000 LTIP 2025 call options valid from October 2028.

Background: Mr. Miller has extensive global leadership experience in the automated traffic enforcement and public safety industry. Over his career, Miller has led large operational teams, managed substantial revenue streams, and successfully executed significant growth initiatives and strategic integrations internationally.

He brings over 20 years of experience in the automated traffic enforcement industry, having served in senior leadership roles at Xerox, Conduent, Redflex and most recently Verra Mobility. His expertise and proven track record make him ideally positioned to guide our company into the next chapter of growth and innovation

SIMON MULDER, CFO



Born: 1978

Employed since: 2016

Education: Post Master Accountancy.

Background: Has previously worked as Finance Director of Sensys Gatso Group The Netherlands and Senior Audit Manager at BDO.

Other directorship: No

Shareholding: 4,801 shares.
34,375 LTIP 2021 call options valid from June, 2024.
60,000 LTIP 2025 call options valid from October 2028.

JORIS LAMPE, CCO



Born: 1972

Employed since: 2017

Education: MSc in Science and Business Administration, Twente University.

Background: Has previously worked as Account Manager at Lucent Technologies, as Sales Manager at Nedap and as Managing Director of Itron Nederland.

Other directorship: No

Shareholding: 2,188 shares.
34,375 LTIP 2021 call options valid from June, 2024.
30,000 LTIP 2025 call options valid from October 2028.

PÅR DEGERMAN, CTO



Born: 1976

Employed since: 2021

Education: Master of Science and a Licentiate degree from Linköping University.

Background: International technical background from Scania and CTO of Einride.

Other directorship: No

Shareholding: 1,978 shares.
34,375 LTIP 2021 call options valid from June, 2024.
30,000 LTIP 2025 call options valid from October 2028.

Sustainability



Sustainability Report - *The bigger picture*

Several global trends continued to favor Sensys Gatso, not the least the world's drive for sustainable cities, reduced environmental impacts from vehicles and the fulfillment of the UN's 2030 sustainable development goals. Making roads safer by changing human behaviour in traffic is fundamental to our business strategy. Our TRaaS business model supports our customers in the transformation towards sustainable and safe environments.

Sensys Gatso develops, produces, markets and sells software driven 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 save lives. However, our solutions not only help save lives by preventing road crashes – our products and services also contribute to the reduction of carbon emissions and lower pollution levels.

Our customers include police and road authorities globally, as well as, to some extent, private operators contracted by government agencies. We have a close relationship with our customers and together we find customized solutions for local needs and objectives. Our long term relationship with customers often results in add-on sales over time. For more information about Sensys Gatso and our customers we kindly refer to note 1.

Our supply chain is European and the development and production of our systems is in part provided by third party suppliers in Sweden, and partly at our own production facility in Haarlem, the Netherlands. All together we engage approximately 10 employees in Haarlem and another 80 different suppliers in Sweden and the Netherlands. Given our European centric development model, we, as a company, are required to follow EU environmental legislations and regulations, such as WEEE and RoHS.

Sensys Gatso applies and follows the UN Global Compact ten principles; here we report on our progress. Sensys Gatso is all about contributing to safe traffic, the global drive for sustainable cities and the UN 2030 Sustainable Development Goals (SDG). Sensys Gatso's business is focused on SDG goal number 3, good health and well-being, and SDG goal number 11, building sustainable cities and communities, which is how we can make the biggest impact.



THE GLOBAL GOALS



Environmental - Sustainable cities

Sensys Gatso is active in an industry that is at the beginning of undergoing major changes. Even in the wake of the global pandemic, we witness an increase in urbanization and more people digitally connected. Digitalization and an increased awareness of societal issues, such as sustainability, have changed the way people think, live and work. Today's young urbanized groups, living in metropolitan areas, would prefer to rent a car when necessary through services such as Car-to-go and Uber, rather than own a vehicle.

As a company, we need to meet these changes and challenges in advance - and assist our customers in meeting these new needs trends. Traditionally, Sensys Gatso's customers have been law enforcement authorities with the need to fulfill legal requirements, but today our customers are traffic safety authorities where safety is at the top of their agenda. We also see a trend where future customers will be cities and municipalities focused on providing high living standards where aspects such as user-friendly environments, accessibility and safety will score very high.

Environmental - A safer and healthier planet

As a company we are committed to reducing our own environment impact. Environmental issues are central to the process of developing new products and improving existing ones. Moreover, it is an essential part of how our employees think and act.

An important regulation that Sensys Gatso complies with is the WEEE directive (Waste of Electric and Electronic Equipment) given our European centric product and services delivery model. The directive determines how we must handle electronics product waste. Sensys Gatso also complies with the RoHS directive (Restrictions of Hazardous Substances), which refers to restricting and removing hazardous substances from electrical and electronic equipment. Our subsidiaries are following the ISO 14001:2015 standard and have determined the KPI's that most impact our environmental footprint. These include KPI's for usage of water, energy and gas and CO2 emission. The trend from 2012 onwards, is a steady decrease on the Key Performance Indicators, except for the gas use since that is more difficult to achieve as it is more dependent on weather conditions (e.g. cold winters). The entity in the Netherlands where we have production is also certified under the ISO 14001:2015 standard.

Governance

- » Corporate Culture
- » Internal process and training
- » Recruitment process and talent management
- » Code of Conduct (public on sensysgatso.com)
- » Anti Corruption Policy
- » CSR policy (public on sensysgatso.com)
- » Equality policy
- » Whistle Blower Policy (public on sensysgatso.com)
- » Information Security Policy
- » Privacy Policy (public on sensysgatso.com)
- » IR & Communication Policy
- » Insider Policy
- » Social Media Policy
- » Risk Policy
- » Finance Policy
- » ISO 9001 certifications in operational subsidiaries
- » ISO 14001 certification in operational subsidiary
- » ISO 27001 certification in operational subsidiary

Report on progress:

Examples of our sustainability approach in development;

- » Sensys Gatso cooperates with Dutch authorities to monitor traffic in environmental zones, both in cities and rural zones. In urban areas, our technology determines if trucks and other heavy vehicles drive through city centers within a certain timeline.
- » Outside the cities, in suburbs and in the countryside, we keep track of cars driving through family neighborhoods. The benefits are calmer, more pleasant, and cleaner residential areas and roads in general.
- » Sensys Gatso has an ongoing test project for schools to improve the overall safety for kids and teenagers. The purpose is to warn unprotected pedestrians when speeding cars approach.
- » Sensys Gatso has several School Zone Speed enforcement programs in the USA, with the objective to protect the youngest participants on the road.

In the yearly risk assessment two main areas of risk to the environment have been identified;

Within transportation;

All deliveries to customers are done through ex-works or FCA, giving limited possibilities for Sensys Gatso to choose forwarder and thereby limiting the risk. However, for internal transportations we aim to optimize a combination of price and quality when choosing a freight forwarder. Deliveries are either done by air or by lorries. We actively work to reduce unnecessary transportations by weekly planning of logistics. Sensys Gatso does not have any Key Performance Indicators in place to measure transportation environmental risks yet.

Within production;

Sensys Gatso follows a number of legislative requirements around the world, which are maintained and updated through our global Environmental Management System - which allows us to ensure our compliance with applicable legislation and local laws.

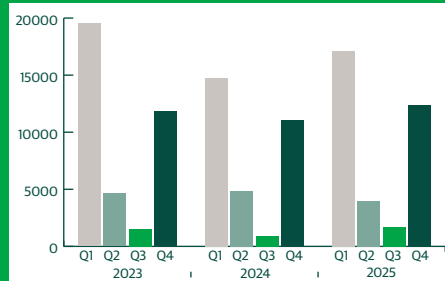
For example, Sensys Gatso is obligated to participate in a country wide program of collecting and recycling electronic waste, which is a mandatory EU legislative requirement and should lead to 65% circular e-waste by 2030. Another example is our ISO 14001:2015 certification, which on a global basis ensures that we as a supplier are guided by strict environmental standards, which includes adherence to applicable laws and our own environmental footprint.

Sensys Gatso measures environmental risks in production through the Key Performance Indicators listed above. Our goal is to reduce these impacts by 3% yearly.

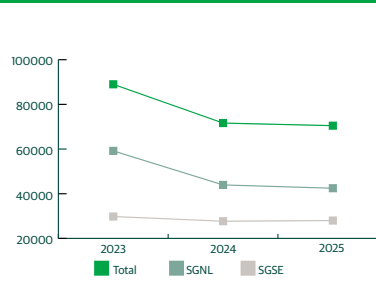
We promote returning and recycling of products, and dismantle products when returned by a customer after use. The residual and product waste is collected, separated, reused and/or disposed of accordingly - contributing to the circular economy. It is critical that people are aware of their impact on the environment. At Sensys Gatso people's sustainability awareness is continuously increased through our company wide information. This includes our efforts taken within the production facility to minimize our environmental impact - highlighted by using our "Green SGG" campaign sign throughout the facility.



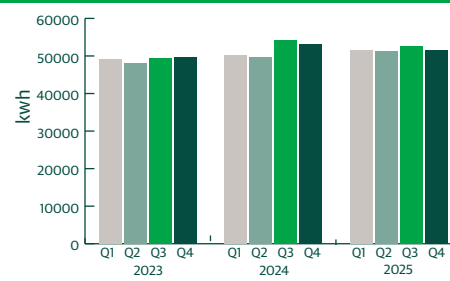
Gas use per quarter
Sensys Gatso Netherlands



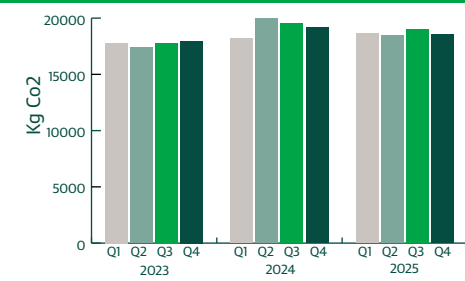
Consolidate paper use (Prints)
Sensys Gatso Netherlands and Sensys Gatso Sweden



Consolidated used electricity
Sensys Gatso Netherlands and Sensys Gatso Sweden



Consolidated kg CO2 emission for used electricity
Sensys Gatso Netherlands and Sensys Gatso Sweden



UN Global Compact - Report on progress

UN Global Compact Human Rights principle 1-2: Be yourself, whoever and wherever you are

Sensys Gatso's compliance with human rights is based on our Code of Conduct and above all on the United Nations Universal Declaration of Human Rights (UDHR). Our Code of Conduct clarifies Sensys Gatso's position regarding issues such as human rights, employee conditions, environment, business ethics and communication. Sensys Gatso encourages every business partner around the world to do the same.

Sensys Gatso does not foresee any larger risks to human rights within the projects we are involved in. However, some of our customers are active in countries where the risk of human rights violations is higher than in northern Europe. In order to be a responsible ambassador for human rights, for some projects we have internal workshops to highlight and discuss human rights in the countries at hand.

Sensys Gatso honors all human rights and follows all legal and export regulations. Our position is that every individual has a basic and strong right to feel safe, regardless of the political and religious views of the specific government. If an employee feels uncomfortable traveling to another country, due to the country's human rights policies, we won't force our co-worker to go. We respect our employees' values and their personal integrity.

Due to the high-tech environment within the company, there is a great risk of limited diversity within the Sensys Gatso team, despite the fact that the company strives for diversity in the composition of the workforce and in recruitment.

The purpose of the equality policy is to prevent individuals from being chosen for certain teams purely/primarily due to their gender, or so that a group does not become single gendered. When appointing vacant positions, the company strives to achieve the best possible age, sex and ethnicity distribution.

The company has no other KPIs in human rights other than that we carry out an annual mandatory training of the company's code of conduct. However, the feeling of being accepted and respected for who you are, is discussed in the yearly employee interviews. Through our whistle blower policy, there is also the possibility to address a specific occasion or incident anonymously to the Chairman of the Board of Directors.

UN Global Compact Labour principle 3-6

In 2025 all subsidiaries maintained the same average percentage of sick days as previous years, 2 - 4 %. In general, we have a very healthy global working environment.

In 2019, we introduced a platform that allows for flexible working environments. The platform allowed us to seamlessly continue our deliveries during 2020 and 2021 when the pandemic limited employee contacts, and contributed to maintaining the health and well-being of our staff.

Sensys Gatso performs employee satisfaction and performance interviews twice yearly. In addition to following up on the interviews, we conduct workshops where specific focus areas

and issues are highlighted. In 2023 Sensys Gatso implemented an Employee Engagement Platform, Winningtemp, for all of our employees globally. With pulse surveys sent every second week we gain accurate, detailed and up-to-date insight into how our organisation is feeling. The online platform enables us to gain insight into the well-being of our employees, helping us to proactively manage issues that affect employee satisfaction and engagement.

UN Global Compact principle 7-9: Social - Presence and engagement

Sensys Gatso maintains discussions with authorities around the world regarding a variety of traffic issues. For example, in Sweden we have consulted primarily with the Swedish Transport Administration (Trafikverket) that is responsible for the long-term planning of state road network and their Vision Zero initiative.

The Vision Zero initiative is aimed at reducing road casualties to zero. We have embraced the ideas of the Swedish Vision Zero policy in how we develop our products and services. Our promise is that no one should die in traffic, ever. The principles of Vision Zero have gained greater acceptance worldwide, including several cities in the USA. As the concept evolves, we are committed to supporting the Vision Zero initiatives through our leadership role in providing solutions for safer traffic environments and more sustainable societies.

It was the Swedish Government that started in 1997 the program by the name of Vision Zero. The main objective (vision) of the program is to have zero fatalities amongst the road users. Any other figure would be considered inappropriate in the sense that the government and the people accept that people die on roads. Vision Zero is based on an underlying ethical principle that "it can never be ethically acceptable that people are killed or seriously injured when moving within the road transportation system". As an ethics-based approach, Vision Zero functions to guide strategy selection and not to set particular goals or targets. In most road transport systems, road users bear complete responsibility for safety. Vision Zero changes this relationship by emphasizing that responsibility is shared by transportation system designers and road users. A core principle of the vision is that 'Life and health can never be exchanged for other benefits within the society' rather than the more conventional comparison between costs and benefits. Typically, a monetary value is placed on life and health, and then that value is used to decide how much money to spend on a road network towards the benefit of decreasing how much risk.

Sensys Gatso has worked together with the Swedish Transport Administration (Trafikverket) on the topic of Enforcement since Vision Zero was first introduced. By making the general public aware and conscious of the fact that speed limits are being enforced - especially on known dangerous sections of roads - the speed of vehicles will decrease, thus reducing the number of fatalities and those seriously injured. Since the beginning of the implementation of Vision Zero in Sweden, Sensys Gatso has delivered and maintained more than 4,200 speed cameras. The cameras save about 20 lives a year and save more than 70 people each year from being seriously injured in traffic.

Sensys Gatso is honoured to share our automated enforcement expertise with other road safety

stakeholders. We regularly present at major conferences, including the UNRSF, UNECE, UNECA, AfDB, IRF, ITS Europe and World Congresses, and RS5C (VTI).

While we provide extensive expertise and practical knowledge to our customers, we also share this knowledge for the benefit of governments, multilateral organisations, NGOs, and related stakeholders. We do this through presentations, panel discussions, and white papers to further advance road safety and contribute to the UN SDGs, the UN's Decade of Action for Road Safety 2021-2030, and Vision Zero programmes globally.

The International Road Federation (IRF) is a global not-for-profit organisation established in 1948 with a focus on improving infrastructure and road safety. IRF members—ranging from governments and NGOs to research institutions and companies in more than 70 countries—support the development of safe infrastructure worldwide.

Sensys Gatso's Director Government Affairs currently chairs the IRF Road Safety Committee. This committee oversees various task forces, including those focused on distracted driving, roadside safety, work zone safety, AI applications in road safety, NetZero for Africa, and powered two-wheeler safety.

Sweden's Vision Zero ambition is an important principle and has become a new global standard for traffic safety. Together with the Swedish Transport Administration, the Swedish Institute for Standards (SIS) has initiated an international effort and has developed a management system standard for road traffic safety - ISO 39001 - which was published in the autumn of 2012. The international interest is great and interest groups such as, WHO and World Bank have participated in the work. Road traffic safety not only concerns road builders, transporters and vehicle manufacturers, but all organizations that can influence or are affected by road safety. Sensys Gatso Sweden is a member of the committee.



Sensys Gatso's Director Government Affairs, Philip Wijers, presenting on Embedding Road Safety at the IRF Europe and Central Asia Regional Congress held in Sofia, Bulgaria, October 2025.

More recent examples are the implementation of Low Emission Zones (LEZ) in several European cities. The European Commission has issued a directive to its member states in order to decrease pollution in cities which has led to the implementation of these systems which are designed to ban certain vehicles from entering the cities.

Social - employees
The heart and soul of our business

As a global company Sensys Gatso can make a difference in the world. In order to make the world a better place, our employees and business partners must take responsibility - for themselves and for each

other. Sensys Gatso's Code of Conduct is a regulatory framework that helps us remember who we are. The code is a set of professional rules, covering things like laws, regulations, values, and behaviors that define how we do business. Our Code of Conduct applies to all employees, and the Board of Directors. Its main purpose is to ensure that Sensys Gatso acts reliably and with integrity. Sensys Gatso is committed to making sure everyone in our business is treated equally. We want everybody to have the same opportunities, regardless of gender, ethnic origin, age, and religion. We embrace people's differences. When we mix, things get dynamic and interesting, bringing new perspectives and ideas to the table. Therefore, Sensys Gatso has an equality and diversity policy. The purpose of Sensys Gatso's equality and diversity policy is to prevent individuals from being excluded due to gender, ethnic origin, age, and religion. The policy is also important to enable our ambition to build diverse groups. Our overall goal is that all tasks are evenly assigned throughout the entire workforce. To us, it's of utmost importance to avoid stereotypes and gender labels regarding certain positions and tasks.

At Sensys Gatso, our working environment is a central theme. A good working environment is good for the health and wellbeing of every employee. It also makes it easier to recruit and retain employees. Our working environment consists of offices, workshops, R&D laboratories, cars, test sites, and much more. We constantly analyze how we can get better in order to eliminate all types of risks at work. Sensys Gatso has documented routines and instructions designed to ensure a safe lab environment and safe working conditions on road sites. In countries where road safety is poor, we are particularly vulnerable. To avoid danger and injuries on road sites, training programs are made available to all employees. Visitors, customers, partners, suppliers, authorities and of course our employees, everyone should always feel safe working with Sensys Gatso. It's part of our brand, and our integrity.

UN Global Compact Anti Corruption principle 10:
A hygiene factor

Since 2008, Sensys Gatso has been following a policy that addresses issues of bribery, corruption and public affairs in our line of work. In the tendering phase, the policy is discussed with employees as well as partners. When we handle larger projects in countries where there is a high risk of corruption, we always make a risk analysis beforehand.

With some larger customers the company has a written understanding of the basis for the collaboration to ensure there is no risk of misunderstanding the code of conduct between the company and the customer.

In some cases, due to high risk of corruption, based on decisions from the Board of Directors, participation in certain projects may be declined.

All employees who have contact with customers and suppliers undergo annual training in code of conduct and anti-corruption policy, confirmed that they have read the policy and that they understand it and that they will follow it.

In addition has Sensys Gatso further implemented the Know Your Customer (KYC) process documenting the KYC forms on all material customers and partners.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Sensys Gatso Group AB (publ), corporate identity number 556215-4459.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2025 on pages 32-36 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

BDO Mälardalen AB

Date and signature on the Swedish original

Carl-Johan Kjellman
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Financial Reports



Administration Report

The Board of Directors and Chief Executive Officer of Sensys Gatso Group AB (publ.), corporate registration number 556215-4459, hereby present the Annual Report & Accounts for the financial year ended 31 December 2025.

Sensys Gatso Group's operations

Sensys Gatso provides services and maintenance in combination with sales of systems with the objective to improve safety in traffic through enforcement. The company develops, produces, markets and sells sensors, systems and software that are mainly used for speed enforcement, red-light enforcement, Automatic License Plate Recognition, environmental zones and safety zones enforcement. In the USA the company mainly provides Managed Services, where we service the whole chain from providing and maintaining equipment, owned by the company, to processing events, sending out citations and collecting funds. The Group's end customers primarily comprise of police and road authorities throughout the world, as well as private operators. Sales are conducted either directly or via partners, agents and distributors positioning the Group as a leading global traffic safety provider.

Legal structure

Sensys Gatso Group consists of Sensys Gatso Group AB (publ) and the wholly-owned subsidiaries Sensys Gatso Sweden AB, Sensys Gatso Group BV, and Sensys Gatso Middle East Safety & Security Company. For additional information see note H.

Sales and earnings

Net sales for the full year was SEK 719,1 million (631.2). The gross margin was 41.6 percent (38.2). Profit/loss before tax amounted to SEK 1.3 million (9.1). Profit/loss after tax was SEK -4.8 million (5.7). For further details regarding financial performance please see page 12.

Financial position

The Group's equity at the end of the period totalled SEK 582.5 million (617.9), producing an equity/assets ratio of 50.5 percent (54.0). Cash and cash equivalents amounted to SEK 159.7 million (165.3) at the end of the year. Cash flow from operating activities during the year totalled SEK 124.7 million (44.2).

Share data and key ratios

Earnings per share were SEK -0.42 (0.51) and equity per share was SEK 50.52 (53.59).

Employees

The average number of employees was 269 persons (276). The number of employees at the end of the period was 294 (308), whereof a part being part-time employees. For additional information see note 5.

Environmental issues

The environment is an important consideration in Sensys Gatso's development of new products, its improvement of existing products and with regard to deliveries and business trips involving employees. Sensys Gatso supplies systems for traffic informatics. The functionality of these systems contributes to lower carbon dioxide emissions as a result of reduced speeds and more even flows of traffic.

Sensys Gatso complies with the applicable WEEE Directive (Waste of Electric and Electronic Equipment), which stipulates how future used electrical equipment will be processed, and the RoHS Directive (Restriction on Hazardous Substances), which aims to remove hazardous substances from products.

We have successfully transferred our quality and environmental management systems to comply with new ISO standards and we are now certified according;

- » ISO 9001:2015 for Quality management system in Sweden, the Netherlands and Australia
- » ISO 14001:2015 for Environmental Management system in the Netherlands
- » ISO 27001:2019 for Information Security for the Netherlands

Furthermore the Sensys Gatso Sweden AB holds an accreditation for compliance to the requirements of the ISO 17020:2012 standard, to perform type C inspections.

For further information see the Sustainability report on page 32.

Research and Development

The Group prioritises Research and Development in order to maintain and strengthen the company's market position. Remaining at the forefront by offering innovative solutions is fundamental to what we do. Since its inception, Sensys Gatso Group has worked with universities and institutes of higher education, offering students the opportunity to write papers with the assistance of the company. During 2025 SEK 42 million (28) has been capitalized for the development of the new platform FLUX and other solutions.

Policies concerning remuneration and other conditions of employment for Sensys Gatso's senior executives

The Annual General Meeting in 2018 established policies for the remuneration of the company's senior executives. The Group's senior executives currently include the CEO and three members. The Group shall offer remuneration that is consistent with market terms and this shall be established by the Board in consultation with the Chief Executive Officer. The criteria shall be based on the importance of the duties performed, competence and experience, and remuneration shall consist of the following components:

- » Basic salary
- » Variable remuneration
- » Pension benefits
- » Other benefits and severance terms

The variable remuneration shall be based on set targets for sales and EBITDA and cannot amount to more than 6 months salary for group management and the CEO.

As previously, the CEO shall benefit from a supplementary pension scheme with a premium that represents approximately 30 percent of the current annual salary. The retirement age is 65 years.

Members of the company's management team shall have the right to retirement pensions as per local pension plans.

Salaries and remuneration of the CEO and other senior executives for 2025 are listed under note 5. These guidelines are also proposed for the coming year.

Risks

A description of potential risks and how these are managed is provided under note 27.

Sensys Gatso share information

There are no limitations on the right to assign shares of Sensys Gatso Group (first refusal), nor are there any limitations on how many votes each shareholder may cast at general shareholders' meetings. The company is not aware of any agreements between shareholders which could entail a limitation on the right to assign shares. The single largest shareholder is BNP PARIBAS SA PARIS, W8IMY (GC) with 2,055,351 shares. 2,039,757 of these shares are held by Gatso Special Products BV, with 17.70% of total shares (17.70). For more information, see page 77, Sensys Gatso Group share information and ownership structure.

The annual general meeting in May 2025 authorized the Board, with or without deviation from the shareholders preferential, to do a new share issue of maximum ten (10) percent of the total number of shares in the company. Also, the annual general meeting authorized the board to repurchase a maximum of five per cent of the total number of issued shares.

Appointment and dismissal of Board members

The Articles of Association contain no specific provisions on the appointment or dismissal of Board members.

Parent company

The business of the Parent company consists of owning and managing participations in subsidiaries, as well as managing some key tasks for the Group. Net sales for the period amounted to SEK 26.6 million (20.2) and profit before taxation amounted to SEK 19.0 million (11.4).

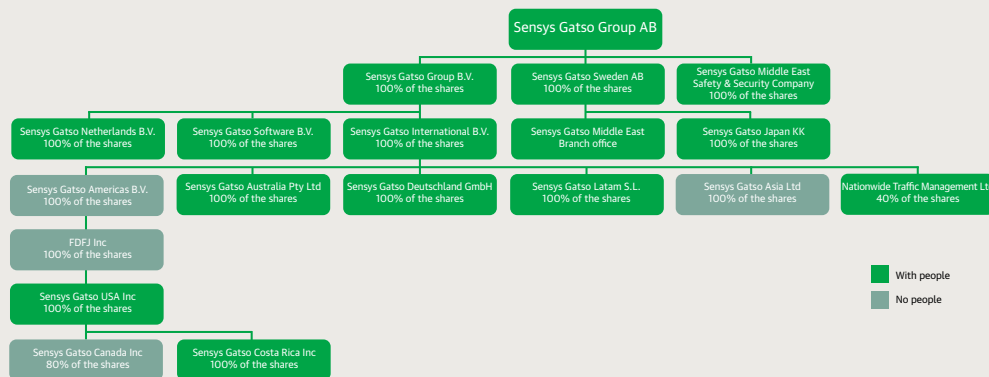
Proposed appropriation of profit or loss

The following profits are at the disposal of the Annual General Meeting (amount in SEK):

Share premium reserve	475,511,996
Retained earnings	-51,477,508
Total SEK	424,034,488

For detailed movements in shareholders equity we refer to page 66.

The Board of Directors proposes that no dividend will be paid for 2025 and the retained earnings be carried forward.



Group Statement of Income and other comprehensive income

TSEK	Note	2025	2024
Net sales	2	719,094	631,183
Cost of sales	3, 5	-419,861	-389,970
Gross margin		299,233	241,213
Selling costs		-96,837	-94,911
Administrative costs		-87,603	-76,495
Development costs		-55,224	-50,430
Other operating income		-1,816	967
Income from operations	3, 4, 5, 25	57,753	20,344
Financial income	6	483	11,638
Financial expenses	6	-54,577	-20,409
Result joint ventures, net of income taxes	13	-2,355	-2,501
Income before tax		1,303	9,072
Income tax for the year	7	-6,144	-3,389
Net income		-4,841	5,683
Income attributable to owners of Sensys Gatso Group AB		-4,841	5,926
Income attributable to non-controlling interest		0	-243
		-4,841	5,683
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Translation differences		-30,948	18,895
Total comprehensive income for the year		-35,789	24,578
Total comprehensive income attributable to owners of Sensys Gatso Group AB		-35,789	24,821
Total comprehensive income attributable to non-controlling interest		0	-243
		-35,789	24,578
Earnings per share before dilution		-0.42	0.51
Earnings per share after dilution		-0.42	0.51
Proposed dividend per share		-	-
Average number of outstanding shares before dilution, thousands		11,530	11,530
Average number of outstanding shares after dilution, thousands ¹⁾		11,530	11,530
Number of outstanding shares, thousands		11,530	11,530

¹⁾ In calculation of the average number of shares after dilution is not included the granted share options under the LTIP of 899,627 (429,688) shares because the options have not been "in the money."

Group Balance Sheet

TSEK	Note	31 Dec 2025	31 Dec 2024	TSEK	Note	31 Dec 2025	31 Dec 2024
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
INTANGIBLE FIXED ASSETS				CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY			
Goodwill	8	262,399	286,341				
Other Intangible assets	9	137,514	110,840				
		399,912	397,180	Share capital	17, 23	46,122	46,122
TANGIBLE FIXED ASSETS				Other contributed capital		500,727	500,727
Property, plant and equipment	10	144,171	142,327	Other reserves		8,308	39,256
Right of use assets	11	40,328	22,982	Retained earnings incl net profit for the year		27,347	31,775
		184,499	165,309	TOTAL SHAREHOLDERS' EQUITY		582,503	617,880
FINANCIAL FIXED ASSETS				LIABILITIES			
Deferred tax assets	12	24,461	34,874	NON CURRENT LIABILITIES			
Joint ventures	13	7,570	10,501	Borrowings	18, 21, 23	326,330	337,547
Other noncurrent assets		194	189	Deferred tax liabilities	12	5,653	7,806
		32,225	45,564	Provisions	19	9,019	5,202
TOTAL NON CURRENT ASSETS		616,637	608,054	Lease liability	11, 21, 23	31,360	13,368
CURRENT ASSETS				TOTAL NON CURRENT LIABILITIES			
Inventories	14	177,189	167,270			372,362	363,923
Trade receivables	15, 21	94,536	109,139	CURRENT LIABILITIES			
Current tax assets	7	12,931	8,177	Borrowings	18, 21, 23	403	20,216
Other receivables		7,907	5,084	Provisions	19	8,623	8,289
Prepaid expenses and accrued income	16, 2	48,643	83,332	Lease liability	11, 21, 23	10,450	10,714
		341,207	373,001	Trade payables	21	36,308	45,876
CASH AND CASH EQUIVALENTS				Current tax liabilities	7	13,859	6,562
Cash and bank balances	21, 23	159,719	165,322	Accrued expenses and deferred income	20	93,057	72,918
		159,719	165,322	TOTAL CURRENT LIABILITIES		162,698	164,574
TOTAL CURRENT ASSETS		500,926	538,323	TOTAL LIABILITIES		535,061	528,497
TOTAL ASSETS				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
		1,117,564	1,146,377			1,117,564	1,146,377

Group Statement of Changes in Shareholders' equity

	Share capital	Other contributed capital	Other reserves	Retained earnings	Non-controlling interest	Total shareholders' equity
Shareholders' equity 1 Jan 2024	46,122	500,727	61,977	24,275	2,587	635,688
Net profit of the year	0	0	0	5,926	-243	5,683
Other comprehensive income	0	0	18,895	0	0	18,895
Acquisition Minority Shareholding in Subsidiary	0	0	-41,616	0	-2,344	-43,960
Stock related remunerations	0	0	0	1,574	0	1,574
Shareholders' equity 1 Jan 2025	46,122	500,727	39,256	31,775	0	617,880
Net profit of the year	0	0	0	-4,841	0	-4,841
Other comprehensive income	0	0	-30,948	0	0	-30,948
Stock related remunerations	0	0	0	413	0	413
Shareholders' equity 31 Dec 2025	46,122	500,727	8,308	27,347	0	582,504

	Before dilution	After dilution
Number of shares at the beginning of the year	11,530	11,530
Share issue or other movements	-	0
Number of shares at the end of the year	11,530	11,530
Weighted average number of shares	11,530	11,530
Profit attributable to owners of Sensys Gatso Group AB	-4,841	-4,841
Earning per share	-0.42	-0.42

Group Consolidated statements of cash flow

TSEK	2025	2024
Operating profit/loss	57,753	20,344
Adjustments for non-cash items		
Depreciation and amortisation	51,427	45,597
Movement in warranty provision	4,150	1,486
Exchange rate effects	-14,064	7,074
Adjustments for non-cash items	41,513	54,157
Interest paid	-26,339	-10,322
Income taxes paid	-3,941	-13,698
Cash flow from operating activities before changes in working capital	68,986	50,481
Cash flow from changes in working capital		
Trade receivables	14,598	72,948
Inventories	-9,919	-67,006
Trade payables	-9,568	-8,807
Other changes in working capital	60,604	-3,408
Cash flow from operating activities	124,701	44,208
Investing activities		
Investments in intangible assets	-42,029	-27,686
Investments in tangible assets	-54,237	-61,503
Investments in joint ventures	0	-4,206
Cash flow from investing activities	-96,266	-93,395
Financing activities		
Bond Issue	0	331,525
Acquisition Minority Shareholding	0	-43,960
Loans received	6,640	0
Repayment of loans	0	-58,037
Movements on credit facilities	-19,813	-35,043
Repayments liabilities to shareholders	0	-22,189
Lease payments (IFRS 16)	-11,776	-12,178
Cash flow from financing activities	-24,948	160,119
Cash flow for the year	3,486	110,931
Cash and cash equivalents at beginning of the year	165,322	48,753
Translation on liquid funds	-9,089	5,638
Cash and cash equivalents at end of the year	159,719	165,322

Accounting and valuation principles

Sensys Gatso Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1. The Parent Company's annual report is prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR2 - Accounting for Legal Entities and the accounting policies adopted are consistent with those of the previous financial year as presented in the 2024 annual report. All amounts are reported in thousands of Swedish kronor (TSEK), unless stated otherwise. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are valued at fair value. Assets and liabilities are valued at cost, unless stated otherwise below.

GENERAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reporting entity and its operations

Sensys Gatso Group AB, incorporated and domiciled in Sweden, is a public limited liability company organized under Swedish Law. Sensys Gatso is headquartered in Jönköping, Sweden and has its registered address at Vasavägen 3c, SE-554 54 Jönköping, Sweden. The consolidated financial statements of Sensys Gatso as of December 31, 2025 comprises Sensys Gatso Group AB and its subsidiaries (together referred to as the 'company' or 'Sensys Gatso' or the 'Group'). Sensys Gatso is a global leader in traffic management solutions for nations, cities and fleet owners.

Basis of preparation

The Consolidated financial statements are:

- » prepared in accordance with International Financial Reporting standards (IFRS) as adopted by the European Union (EU) and comply with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1.
- » authorized for issue by the Board of Sensys Gatso Group AB on April 9, 2026;
- » prepared under the historical cost convention, unless otherwise indicated;
- » prepared on a going concern basis;
- » presented in Swedish Kronor, which is the presentation currency;
- » rounded to the nearest thousand SEK (TSEK) unless stated otherwise;
- » subject to rounding, whereby amounts may not add up precisely to the totals provided.

Accounting estimates and judgements

The preparation of financial statements requires management to make a number of estimates and judgments that affect the application of accounting policies and the reporting amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Amounts recognized are based on factors that are by default associated with uncertainty. Actual results may therefore differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Where applicable, the estimates and judgments of specific financial statement items are described in the respective note to the consolidated financial statements. The company regularly updates its significant assumptions and estimates to support the reported amounts of assets, liabilities, income and expenses.

Material accounting policies

The material accounting policies as generally applied throughout the financial statements are described below. Material accounting policies relating to specific financial statement items are included in the respective notes to the financial statements.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of Sensys Gatso Group AB and all subsidiaries that the company controls on a consolidated basis. Control exists when the company is exposed or has rights to variable returns from its involvement with the investee and the company has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and in cases where Sensys Gatso has less than a majority of the voting or similar rights of an investee, Sensys Gatso considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement(s) with the other vote holders of the investee, rights arising from other contractual arrangements and the company's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. All intercompany balances and transactions have been eliminated in the Consolidated financial statements.

Non-controlling interest in the financial results and equity of subsidiaries are shown separately in the Consolidated financial statements, Consolidated statement of changes in shareholders' equity and the Consolidated balance sheet respectively.

Sensys Gatso recognizes joint ventures on an equity method basis.

Translation of foreign currencies

Functional currency and presentation currency

Items included in the financial statements of each of the subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Consolidated financial statements are presented in SEK, which is the Parent Company's functional and presentation currency.

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange-rate differences attributable to operating activities are recognized in operating profit, while exchange-rate differences attributable to Sensys Gatso's financing and Intercompany loans are recognized under financial income and expenses.

Subsidiaries

The results and financial position of all subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- » assets and liabilities for each balance sheet are translated at the rate of exchange at the close of the financial period

- » income and expenses for each income statement are translated at the respective monthly average exchange rate, and
 - » all resulting exchange-rate differences are recognized as a separate component of equity.
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

New Accounting policies effective in 2025

No new IFRS accounting standards or amendments to existing standards, effective in 2025, had a significant impact on the consolidated financial statements. The company has not early adopted any standards or amendments to existing standards.

New or amended IFRS Accounting Standards to be applied after 2025

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. Companies will be required to restate comparative periods. The Group has not yet assessed its impact on the Group's financial reporting. IFRS 18 will not affect the recognition and measurement of the Group's transactions but will impact the structure and presentation of the financial statements, including the financial statements and notes. IFRS 18 may also affect the key performance indicators presented and how they are calculated. IFRS 18 introduces new requirements for the presentation of financial statements, with a particular focus on:

- » Statement of profit or loss: Mandatory subtotals, such as operating profit, are introduced. Revenue and expenses in the statement of profit or loss will be classified into five categories: operating, financing, investing, income tax, and discontinued operations.
- » Aggregation and disaggregation of information, including the introduction of overarching principles for how information should be aggregated and disaggregated in the financial statements.
- » Disclosures on key performance measures ("Management Defined Performance Measures - MPMs"), which must be provided in a single note, with reconciliations to the closest IFRS-compliant subtotal.

Changes in presentation from the prior year

In previous years Sensys Gatso recorded translation impact on external and internal transactions within the Operating profit (EBIT). Given their financing character and with recent heavy currency fluctuations on USD, AUD and EUR compared to the Swedish Krona, currency translation impact on internal outstanding receivables are now recorded under Net financial items. The impact on 2025 EBITDA and EBIT amounts to MSEK +6.5 (MSEK -2.9). Prior year numbers are adjusted for this.

INFORMATION BY SEGMENT

Accounting policies

Segment accounting policies are the same as the accounting policies applied by the company. Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by the Chief Operating Decision-Maker (the Chief Executive Officer of the company). The Chief Executive Officer decides how to allocate resources and assesses performance.

Reportable segments comprise the operating segments System Sales and Managed Services.

Accounting estimates and judgements

Determining reportable segments requires significant judgment and involves evaluating the information which is reviewed by the Chief Operating Decision-Maker to assess performance and

allocate resources, in accordance with IFRS 8 'Operating Segments'.

The Sensys Gatso operating segments are System Sales and Managed Services, each being responsible for the management of its business worldwide.

The current operating segments are based on a segmentation of Products and Services.

The recurring part of the segment System Sales and the Segment Managed Services is also referred to as TRaffic Enforcement as a Service (TRaaS).

SIGNIFICANT ACCOUNTING JUDGMENTS

Impairment testing for goodwill

Impairment testing of the Group's goodwill and requires estimates and assumptions regarding margins, growth, discount rate, etc. For a more detailed description of the impairment tests, see Note 8. The carrying amounts for goodwill as of December 31, 2025 amounted to SEK 262.4 million (286.3).

Depreciation of property, plant and equipment

The contract periods for which these assets are installed vary significantly between contracts, however most contract periods are at least five years and have extension options of either one year or two years. The Group depreciates these assets over a maximum of seven years on a straight line basis regardless of the length of the contract. The major components of the installation relate to the construction and civil engineering works associated with the installation, in addition to the camera and detection equipment. The Group expects the infrastructure to last for decades once installed, whilst the camera and detection equipment is expected to last for a period approximating seven years. Despite the longevity of the installation it is impaired upon termination or non-renewal of a contract to process traffic violations (and, in some instances, the outcome of many of these events is outside the control of the Group). Accordingly, it is difficult to assess the appropriate length of time over which to depreciate these assets.

Amortisation of capitalised development costs

Capitalised development costs are mainly attributed to capitalised labour associated with the development of new technology within the traffic enforcement industry. The contract periods for which the technology is used varies significantly and similar technology can be utilised for multiple contracts. The Group amortises these assets over a maximum of five years on a straight line basis regardless of the length of individual contracts for which the technology is used. The Group expects the technology to last for a period of five years from inception, due to varying requirements of its customers. Management assesses development costs at each reporting date and if the technology is no longer in use it is considered impaired.

Deferred taxes

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and their value for tax purposes. There are mainly two types of assumptions and estimates that affect the reported deferred tax. These are assumptions and assessments to determine the carrying amount of various assets and liabilities and for future taxable profits, in cases where a future utilization of deferred tax assets is dependent on this. As of December 31, 2025, reported deferred tax assets amounted to SEK 24.5 million (34.9). The part of the tax receivable that relates to loss carryforwards in the balance sheet is the value dependent on future profits in the companies and markets where the historical losses exist. The valuation of this asset is based on management's assessment of these units' ability to show profit and thus be able to use the deductions.

Notes on the accounts, Group

1 Segment reporting

► Accounting policies

The Group reports in two business segments, Systems Sales and Managed Services. These two main segments are used for internal reporting and managing the different operations.

System Sales

The segment System Sales consists of project related and repeat sales of solutions including service and maintenance and license sales. The segment system sales has a good global spread with sales in Europe, Middle East and APAC. The business is generally highly volatile with a few large contracts and many smaller deals. Margins differentiate between size of a deal and the service delivered, with typically higher margins on repeat sales and service and maintenance and licences. Volatility in sales and the sales mix can have a significant impact on the segments profitability from one quarter to another.

In 2025 and 2024, the group had one customer whose share of the company's segment System Sales net sales exceeded 10 percent.

Managed Service

The segment Managed Services focuses on Managed Services contracts where the company is responsible for the entire value chain; providing enforcement equipment (owned by the company), maintenance of the equipment, operating the enforcement program, evaluating and sending out citations and collecting payments on the behalf of our customers.

The enforcement systems including the construction costs are recorded on the balance sheet under fixed assets in operations. This business segment has high capital expenditure upfront, with on average 3-5 year customer contracts, with considerable possibilities of extension after the initial contract period. Sales in this segments are predominantly from the Americas region.

The Managed Services sales are dependent on the volume of citations, which can have some seasonality related to weather and holiday periods. Typically in the first year of operation of the contract the company incurs startup costs that are accounted for in the expenses as they occur. The segment Managed Services also include the costs related to software development and maintenance activities related to the segments sales.

In 2025 and 2024, the group had 2 customers whose share of the segment Managed Services net sales exceeded 10 percent.

	2025			2024		
	System Sales	Managed service	Total	System Sales	Managed service	Total
Total Net sales per business segment	548,765	193,406	742,171	495,381	204,819	700,200
Inter-segment transactions	-13,039	-10,039	-23,078	-58,486	-10,533	-69,019
Total Net Sales	535,726	183,367	719,094	436,895	194,286	631,181
EBITDA	81,152	28,029	109,181	45,308	23,499	68,807
Depreciation and amortization	-19,301	-32,123	-51,427	-18,111	-27,487	-45,598
Income from operations	61,851	-4,094	57,754	27,201	-3,988	23,209
Net financial items			-54,095			-11,636
Result Joint Ventures			-2,355			-2,501
Income before tax			1,304			9,072
Tax			-6,144			-3,389
Net income			-4,841			5,683

Non-current assets (excluding financial instrument and deferred tax)	2025	2024
Sweden	110,896	77,019
USA	162,700	173,766
The Netherlands	236,045	243,139
Australia	74,242	67,969
Saudi Arabia	261	0
Germany	267	597
Total	584,411	562,490

2 Net sales

▶ Accounting policies

System Sales

The group earns the majority of its revenues from system sales. It predominantly manufactures and assembles those systems to specific orders, but also retains some finished systems for speculative sale. System sales comprises the manufacturing and assembly of enforcement systems consisting of hardware and embedded software. It mainly manufactures and assembles those enforcement systems to specific orders. System sales contracts can be combined with a service and maintenance contract, which is seen as a separate performance obligation. The Group has both individual contracts and procurement contracts with its customers. For procurement contracts, a contract with a customer is not deemed to arise until the customer places an order based on the terms of the agreement as this is when enforceable rights and obligations for the Group and the customer arise.

Revenue is recognised based on the characteristics of a contract. System Sales is typically delivered at a point in time, when control passes to the customer. The group recognises revenue at a point in time, typically on delivery of the systems to customers' premises or at the point of shipping. However, in a minority of contracts, typically for more bespoke orders, the group also recognises revenue as an order progresses through the manufacturing process, depending on milestones in a contract and performance obligations identified.

The sale of systems are also referred to as One-off project sales. Revenues for embedded software development are recognised at a point in time when software has been delivered to the customer. Pricing is dependent on the sales regions and the complexity of the enforcement solution that is required by our customers. Systems are typically sold with a 12 month warranty.

Invoicing is done based on contract specifics and can vary between pre invoicing and post invoicing or invoicing on certain milestones. The payment of invoices is typically between 30 and 60 days after invoice is issued. A contract asset arises when the Group has satisfied the performance obligation, but still needs to invoice the customer (accrued income). A contract liability arises when a customer makes prepayments (customer liability) or when the group has preinvoiced (deferred income) before the performance obligation is satisfied.

Services (TRaaS)

Recurring service revenues are collectively referred to as Traffic Enforcement as a Service revenues (TRaaS). Management tracks on the performance of TRaaS related revenues and reports on the development of TRaaS sales in the quarterly reports to the stock market. Sensys Gatso identifies the following TRaaS revenue streams:

- » TRaaS: Service & Maintenance
- » TRaaS: Managed Services
- » TRaaS: Licences

TRaaS: Service & Maintenance

The Group's service organisation installs, commissions and maintains traffic enforcement systems and conducts services and provides support to our customers. The services and maintenance revenues are sold in conjunction with delivery of systems in contract over a longer period of time or ad hoc as service needs arise at our customers. Revenues for service and maintenance contracts are recognised over a period of time depending on the length of the contracts on a straight line basis using the output model. Ad hoc services are recognized on an ongoing basis as the services are carried out.

TRaaS: Managed Services

The Managed Services department delivers technology, processes violations, issues citations, collects fines and delivers helpdesk support. Revenues are recognised over a period of time based on the contract duration. Typically the group has a performance obligation to deliver enforcement services. Revenues are recognised based on delivering the enforcement services and are mainly dependent on traffic volumes.

TRaaS: Licences

Licence revenues relate to software licence fees. The performance obligation is to provide the software and maintain it over a period of time. The revenues are recorded over the contract period. Licences are on a right to access basis. Revenues of licences are based on a fixed amount per period or on a variable basis such as number of sensors or citation volumes.

Contract Assets

The company recognizes contract assets for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables. Contract assets are accounted for under "Prepaid expenses and accrued income" on the balance sheet (note 16).

Contract Liabilities

The company recognizes contract liabilities if a payment is received from a customer before the company transfers the related goods or services. Contract liabilities are recognized as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer). Contract liabilities are accounted for under "Accrued expenses and deferred income" on the balance sheet (note 20).

Net sales by region	2025	2024
Europe	343,004	274,146
America	187,566	191,562
Middle East and APAC	188,524	165,475
Total	719,094	631,183

Net sales by country	2025	2024
Sweden	137,303	46,217
Netherlands	111,516	154,922
Rest of Europe	94,185	73,007
Total Europe	343,004	274,146

USA	183,369	190,956
Rest of Americas	4,197	606
Total Americas	187,566	191,562

Saudi Arabia	10,142	13,705
United Arab Emirates	22,908	27,956
Australia	127,437	112,396
Rest of Middle East and APAC	28,037	11,418
Total Middle East and APAC	188,524	165,475

Nature of sales	2025	2024
One-off	331,012	260,311
TRaaS Recurring	388,082	370,872
Total	719,094	631,183

Nature of services	Nature of sales	Segment	2025	2024
System sales	One-off	System sales	331,012	260,311
Service & maintenance	TRaaS Recurring	System sales	157,294	126,642
Licences	TRaaS Recurring	System sales	3,972	6,024
Managed services	TRaaS Recurring	Managed services	226,816	238,206
Total			719,094	631,183

Revenue recognition	Nature of services	2025	2024
At a point in time	System sales	331,012	260,311
Overtime	Service and maintenance	157,294	126,642
	Licences	3,972	6,024
	Managed services	226,816	238,206
Total		719,094	631,183

	Contract Assets		Contract liabilities	
	2025	2024	2025	2024
At 1 January	63,205	66,792	-5,179	-18,431
Transfers in the period from contract assets to trade receivables	-63,205	-66,792	-	-
Amounts included in contract liabilities that was recognised as revenue during the period			5,179	8,930
Accrued income	28,682	63,205	-	-
Deferred income	-	-	-14,662	4,323
Cash received in advance of performance and not recognised as revenue during the period	-	-	0	0
At 31 December	28,682	63,205	-14,662	-5,179

Contract assets consist of accrued income and contract liabilities out of prepayments from customers and deferred income. Contract assets are written off where there is no reasonable expectation of recovery. No write offs have been taken in 2025 (0). We expect that the majority of the contract liabilities will be recognized as revenue in less than one year after balance sheet date.

3 Cost of sales and expenses

► Accounting policies

Cost of sales and expenses are recognized in the income statement when they are incurred. Committed expenses for which the company has not yet received an invoice are accrued under the "Accrued expenses and deferred income" (note 20). Expenses that have been prepaid are accrued under the "Prepaid expenses and accrued income" (note 16).

Sensys Gatso has the policy to capitalise development expenses as intangible assets that are expected to generate probable future economic benefits and are controlled by the company. All other research and development expenditure is recognized in the income statement as incurred.

Development costs capitalised as intangible assets are valued as the total of direct costs plus reasonable amounts for indirect costs. Development expenses for customising the companies solutions for customers are accounted for in the cost of systems sold, matched to sales.

Employee expenses related to the development of our software platform amounted to SEK 37.0 million (26.1) which have been capitalised as Intangible assets under Product and Software development on the balance sheet.

	2025	2024
Cost for products and systems	216,871	179,198
Depreciation and amortisation	51,427	45,597
Employee benefits and expenses	299,713	295,977
Other employee expenses	22,664	19,057
Housing expenses	7,172	7,404
Office expenses	21,750	17,526
Sales expenses	23,120	13,662
Car expenses	5,678	5,993
Development expenses	5,883	5,438
General expenses	41,188	48,061
Financial items	2,826	-3,855
Total	698,292	634,059
Capitalized Employee expenses	-36,953	-26,086
Total expenses	661,339	607,973

Capitalised employee expenses are mainly related to the development of our software platforms. The capitalisation is reflected on the balance sheet under "Intangible fixed assets" (note 9).

4 Depreciation and amortisation

▶ Accounting policies

Intangible assets and property, plant and equipment are amortised or depreciated on a straight-line basis over the length of their useful life as of the moment they are ready to be taken into use as follows:

- » Leasehold improvement 10 years
- » Furnitures & fixtures 2-5 years
- » Fixed assets in operations 3-7 years
- » Customer contracts 2-7 years
- » Brand 10 years
- » Product and software development 3-10 years

Depreciation, amortisation and impairments are specified per function in the income statement as follows:

	Cost of sales		Selling costs		Administrative costs		Development costs		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Brand	0	0	1,401	2,502	0	0	0	0	1,401	2,502
Other intangible assets	0	0	0	0	0	0	8,907	3,249	8,907	3,249
Improvement expenses leasehold	165	439	55	115	22	48	30	98	272	699
Furniture, Fixtures, Fittings and vehicles	2,279	2,306	544	599	236	231	405	437	3,464	3,573
Fixed Assets in operation	25,772	24,036	0	0	0	0	0	0	25,772	24,036
Right of use assets	6,801	6,767	2,108	2,065	1,308	1,307	1,392	1,397	11,610	11,536
Total Depreciation and Amortisation	35,018	33,549	4,108	5,280	1,566	1,586	10,734	5,181	51,426	45,596

Amortisation of intangible assets was SEK 10.3 (5.8) million and depreciation of property, plant and equipment totalled SEK 29.5 (28.3) million. The depreciation of the right of use assets amounted to SEK 11.6 (11.5) million. During 2025 no impairment was taken (0).

5 Employee benefits and expenses

▶ Accounting policies

Pension commitments

Within the Group, there are only defined-contribution plans. A defined-contribution plan is a pension plan according to which the Group pays a fixed amount to a separate legal entity and, therewith, has no obligation to pay additional premiums. Costs for employees' service during current or previous periods impact the Group's earnings.

Retirement contribution obligations

Defined-contribution pension plans exist for all full time employees, for which the company pays ongoing established charges to a separate legal entity (such as an insurance company) and consequently does not have any legal or informal obligation to pay further charges. The company's costs for these are reported as a cost during the period when the employees concerned have performed the services related to such cost.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options are charged to the consolidated statement of comprehensive income over the vesting period with a corresponding increase in equity as of the date of grant. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Employee options

The Company has established a long term incentive plan in 2021 for a maximum of 50 key executives and employees (LTIP 2021). The fair value of the option granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- » Including any market performance conditions (the entity's share price)
- » Excluding the impact of any service and non-market performance vesting conditions (remaining an employee over a specified period of time)
- » Including the impact of non-vesting conditions (requirement to hold shares for a specific period of time)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Severance pay

Severance pay is paid when an employee's employment has been terminated before the normal retirement age or when an employee accepts voluntary redundancy in exchange for such payment. The company recognises severance pay when it is demonstrably obliged to either terminate the employment of employees under a detailed formal plan with no possibility of withdrawal or to pay compensation upon termination as a result of an offer to encourage voluntary.

Number of employees at year-end	2025			2024		
	Women	Men	Total	Women	Men	Total
Holland	14	92	106	13	91	104
Sweden and branch offices	3	38	41	3	36	39
Australia	12	57	69	12	56	68
Germany	1	3	4	1	4	5
USA	46	26	72	57	32	89
Parent Company	0	2	2	0	3	3
Total	76	218	294	86	222	308

Board members and group management, Group	2025			2024		
	Women	Men	Total	Women	Men	Total
Board Members	2	4	6	2	4	6
Group Management	0	4	4	0	4	4
Total	2	8	10	2	8	10

Employees Full-time equivalent	2025		2024	
Holland		99		103
Sweden and branch offices		38		37
Australia		67		64
Germany		4		4
USA		61		68
Parent Company		2		2
Total		269		276

	Salaries and other remunerations		Social securities		Pension contributions		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Parent Company	9,509	6,771	870	956	470	462	10,849	8,189
Subsidiaries	244,862	244,570	33,134	32,273	20,892	20,460	298,888	297,303
Group	254,371	251,341	34,004	33,229	21,362	20,922	309,737	305,492

Remuneration of the Board of Directors, the CEO and other senior executives	Board Fee	
	2025	2024
Parent Company		
Chairman of the Board, Claes Ödman	500	500
Board member, Kerstin Sjöstrand	250	250
Board member, Pia Hofstedt	250	250
Board member, Jochem Garritsen	250	250
Board member, Francis Schmeer	250	250
Board member, Mark Talbot	250	250
Total Remuneration Board of directors	1,750	1,750

Remuneration and other benefits for Group Management	Base Salary		Variable Remuneration		Social charges and other benefits		Pension Expenses		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
CEO, Ivo Mönnik (excl leaving package)	2,591	3,569	930	1,211	192	612	472	1,066	4,184	6,456
CEO, Lewis Miller	2,128	0	997	0	2	0	77		3,203	0
Other senior management (3 individuals)	6,111	6,254	1,830	1,565	1,278	1,609	848	857	10,067	10,284

Share Options LTIP	2025		2024	
Balance as of January 1		429,688		453,750
Leavers		-24,062		-24,062
LTIP 2025		494,000		0
Total outstanding Share Options		899,627		429,688

Of the outstanding Share Options 405,627 have vested.

Variable remuneration group management

Group management consists of the CEO and other Senior Management (CFO, CCO and CTO).

Variable remuneration

The variable remuneration of the CEO is based on net sales and EBITDA, and is subject to an upper limit of 50% annual salary.

Based on the performance measurement of 2025 an amount of TSEK 1,925 (1,211) has been accrued and will be paid out in 2026 to the CEO's active during 2025.

The variable remuneration for other Senior Management is based on net sales and EBITDA, and is subject to an upper limit of 50% annual base salary. Based on the performance measurement of 2025 an amount of TSEK 1,830 (1,565) has been accrued and will be paid out in 2026.

Share based payment

Fair value calculations of Long Term Incentive Plans are based on the Black and Scholes method.

In 2021, the Company granted 470,938 share options of which 171,875 to key executives under an IFRS 2 share-based payment arrangement. The remainder of the granted share options have been allotted to management and employees in the operating entities. The options vest over 3 years, and have an exercise price of SEK 102.40 per share. The share option has a two year execution period after vesting, ending on June 8, 2026. The expenses related to the LTIP 2021 have been recognized as expenses during 2021 to 2024. Of the initial granted share options none have been executed and 405,625 are still outstanding. The grant represents an equity-settled share-based payment. The options are exercisable until July 2026.

During Q4 2025, the Company granted 494,000 share options of which 245,000 to key executives under an IFRS 2 share-based payment arrangement. The remainder of the granted share options have been allotted to management and employees in the operating entities.

The options vest over 3 years, and have an exercise price of SEK 43.31 per share. The share option has a two year execution period after vesting. The vesting period commenced on 7th of October 2025. The expenses related to the vesting during the year have been recorded in Q4 2025, to the amount of SEK 456,000. The grant represents an equity-settled share-based payment. The options are exercisable until October 2030.

Variable remuneration in subsidiaries

Other group executives

The other group executives are employed or contracted in the subsidiaries.

Variable remuneration for other group executives and management

The variable remuneration is based on regional performance and group performance. The remuneration is subject to an upper limit of 50% annual salary.

There are separate agreements for variable remuneration of other employees in the different subsidiaries.

6 Financial income and expenses

Accounting policies

Financial income and expenses are recognized on the accrual basis in the consolidated statements of income. Interest income and expense are measured using the effective interest method.

Financial income	2025	2024
Exchange rate gains on bank deposits or other loans	0	11,160
Other financial income	483	479
Total financial income	483	11,638

Financial expenses	2025	2024
Interest expense on loans	27,430	19,712
Exchange rate losses on bank deposits or other loans	26,144	0
Interest lease liability	1,003	697
Total financial costs	54,577	20,409

Exchange rate gains and losses are both realised and unrealized exchange rate effects. Sensys Gatso uses swaps to temporarily mitigate currency fluctuations. The exchange rate losses in 2025 and the gains in 2024 mainly relate to the translation of foreign currency to the reporting currency.

Interest expenses on loans mostly relate to the interest paid on the bond. As the bond was secured in September of 2024, this year only has 4 months of bond interest. Exchange rate losses during 2025 have been significant due to high fluctuation on mainly USD and EUR denominated internal loans. Part of this exchange rate loss is an unrealized exchange rate effect as described above.

7 Income tax

Accounting policies

Reported income tax includes tax which is to be paid or received for the current year and adjustments pertaining to previous years' current taxes and changes in deferred tax. The measurement of all income tax liabilities and assets is performed at nominal amounts, applying the tax rates and provisions that have been enacted, or substantially enacted, and which are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. In the case of items recognized in profit or loss, related tax effects are also recognized in profit or loss. The tax effects of items that are recognized directly in shareholders' equity are also recognized directly in shareholders' equity. Deferred income tax is calculated using the balance-sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. These temporary differences have primarily arisen through consolidation adjustments.

Deferred tax assets pertaining to future tax deductions are recognized to the extent that it is probable that such deductions can be netted against surpluses in future taxation. Deferred tax liabilities pertaining to temporary differences attributable to investments in subsidiaries are not recognized in the consolidated accounts as the Parent Company can, in all cases, control the date for a reversal of the temporary differences and it is not assessed as probable that a reversal will take place within the foreseeable future. The reporting of deferred tax is based on effective tax rates.

Tax on profit for the year	2025	2024
Current tax on profit for the year	6,646	-3,263
Current tax attributable to previous years	-4,531	0
Deferred tax expense	-8,260	-126
Total reported tax expense	-6,144	-3,389

Tax rate reconciliation	2025	2024
Reported profit before tax	3,658	11,573
Tax at applicable rate 20.6% in Sweden	-753	-2,384
<i>Tax effect of:</i>		
Non-deductible expense	603	205
Effect of tax rates other countries	-161	-509
Not taken into account deferred tax on loss carry forwards	-1,303	-701
Current tax attributable to previous years	-4,531	0
Reported tax expense	-6,145	-3,389

Sensys Gatso Group is a global company with local companies established in various tax jurisdictions. The applicable tax rates vary between 19% and 30% depending on the jurisdiction. The company has tax losses in various jurisdictions which have (to some extent) been accounted for as a deferred tax assets. We refer to note 12 Deferred Taxes for further disclosure on taxes. Reported income tax includes tax which is to be paid or received for the current year and adjustments pertaining to previous years' current taxes and changes in deferred tax.

8 Goodwill

► Accounting policy

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of any previously held equity interest, over the net fair value of the identifiable assets acquired and liabilities assumed. Following initial recognition, goodwill is carried at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to the cash-generating units (CGUs), or groups of CGUs, that are expected to benefit from the synergies of the combination. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate a potential impairment. On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Accounting estimates and judgments

The cash flow projections used in the value in use calculations for goodwill impairment testing contain various judgments and estimations as described in the 'key assumptions' section.

Goodwill	2025	2024
Balance as of January 1		
Cost	286,341	273,420
Accumulated impairment / amortisation	0	0
Book value	286,341	273,420
Changes:		
Translation effects	-23,942	12,921
Total changes	-23,942	12,921
Balance as of December 31		
Cost	262,399	286,341
Accumulated impairment	0	0
Book value	262,399	286,341

Key assumptions

Overview of Methodology

Goodwill is allocated to two primary Cash-Generating Units (CGUs): Managed Services and System Sales. The recoverable amount for each CGU is determined using a Discounted Cash Flow (DCF) model based on a five-year projection period (2025-2029/2030).

Goodwill is distributed among the Group's cash-generating units (CGUs) and identified as follows (TSEK):

Group	2025	2024
System Sales	176,148	187,458
Managed Services	86,251	98,882
Total	262,399	286,341

The movement in goodwill valuation in both segments relates to currency effects. No impairments were taken in 2025 (0).

Discount Rate Assumptions (WACC)

The Group applies a segment-specific Weighted Average Cost of Capital (WACC) to reflect the distinct risk profiles of its two business models.

Cost of Equity (Ke)

The cost of equity is derived using the Capital Asset Pricing Model (CAPM):

- » **Risk-Free Rate (Rf):** For System Sales, the Group aligns with the 10-year Swedish Treasury bond. For Managed Services, a rate of 4.1% is applied, reflecting the 10-year U.S. Treasury bond to match the CGU's primary USD cash flows.
- » **Market Risk Premium (Rm):** Set at 5.7% for the Swedish market (per PwC 2025 study) and 4.5% for the U.S. market (per StreetStats).
- » **Beta:** Due to the niche nature of the market, the Group utilizes a proxy peer group. A median unlevered beta of 0.85 was identified and subsequently re-levered to reflect the Group's target capital structure, resulting in a geared beta of 1.23 (System Sales) and 1.21 (Managed Services).
- » **Small Cap Premium:** Reflecting the Group's market capitalization and stock liquidity, a premium of 3.1% is applied to System Sales. For Managed Services, a slightly lower premium of 2.6% is applied, reflecting the higher depth and functionality of the U.S. capital markets compared to the OMX Stockholm.
- » **Specific Risk Premium:** A flat 2.0% premium is added to account for segment-specific execution risks.

Cost of Debt (Kd) and Capital Structure

- » **Pre-tax Cost of Debt:** Based on the Group's €30 million Bond Loan, utilizing a base rate of 4.75% plus 3-month Euribor, totaling approximately 7.5%.
- » **Tax Rates:** Segment-specific rates of 27.5% (US/Managed Services) and 25.0% (System Sales) are applied to arrive at the after-tax cost of debt.
- » **Target Capital Structure:** Based on industry benchmarks (median 0.62), the Group assumes a target debt-to-equity ratio of 60/40 (37.5% debt to 62.5% equity).

Assumptions	2025		2024	
	System Sales	Managed Services	System Sales	Managed Services
Forecast period	5	5	5	5
WACC after tax (%)	11.44%	10.91%	10.80%	10.60%
Growth rate beyond period	2.00%	2.00%	2.00%	2.00%

Sensitivity Analysis

Sensys Gatso performs a sensitivity analysis on three areas:

Revenue Growth & EBITDA Margin:

- » Revenue growth: +5% / -5%
- » EBITDA margin: +2% / -2%

Working Capital & Investments:

- » Working capital movements: +5% / -5%
- » Investments: +2% / -2%

WACC, Long-term Growth, & EBITDA Margin:

- » WACC and Long-term growth: +2% / -2%
- » EBITDA margin: +1% / -1% CGU Analysis: System Sales

CGU Analysis: System Sales

Scope and Integration

The System Sales CGU encompasses the Group's holding functions, production, and global sales organizations (Netherlands, Australia, Germany, Saudi Arabic, Latin America). Following the 10th anniversary of the Gatso acquisition, the CGU is now fully integrated, with 60% of the Software entity's results allocated here to reflect project-based synergies.

Financial Assumptions (2025–2030)

- » **Base Year:** Projections utilize the 2025 figures and the Board-approved 2026 budget.
- » **Revenue Growth:** A conservative annual growth rate of between 3-5% is projected. This accounts for the inherent quarterly and annual volatility within the hardware and solution sales cycles.
- » **Profitability & Working Capital:** EBITDA margins are forecasted to remain consistent with 2025 levels. Notably, working capital growth is expected to decouple from revenue growth, as current levels are artificially high due to strategic "last-time-buy" inventory investments.

Impairment test conclusions

- » **Headroom:** Approximately 130 MSEK.
- » **Sensitivity:** The segment is sensitive to a 2% increase in WACC or a reduction in revenue growth.
- » **Conclusion:** No impairment is believed to be necessary.

CGU Analysis: Managed Services

Strategic Outlook

Managed Services, consisting out of Sensys Gatso USA and a part of Sensys Gatso Software, is the Group's primary growth engine. Unlike System Sales, this CGU benefits from a recurring revenue model and high customer retention, resulting in lower volatility.

Financial Assumptions (2025–2030)

- » **Revenue Growth:** Based on historical performance, the expanding addressable market and future outlook, over the long-term management anticipates an average growth rate with some volatility year to year of approximately 16%.
- » **Operational Leverage:** EBITDA margins are projected to improve over time towards reaching 20%. The business model utilizes a flexible organizational structure (part-time operators), allowing fixed costs to remain stable while variable costs scale with revenue.

Impairment test conclusions

- » **Headroom:** Approximately 71 MSEK.
- » **Sensitivity:** The segment is sensitive to a 2% increase in WACC or a reduction in revenue growth.
- » **Conclusion:** No impairment is believed to be necessary.

9 Other intangible assets

► Accounting policies

The intangible asset "Brand" was obtained through the acquisition of Gatso Beheer BV in 2015. The intangible assets are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Brands

This item mainly includes assets in the form of brands, which have arisen in conjunction with the acquisition of subsidiaries. These are valued at the fair value on the acquisition date and, thereafter, less amortisation and impairment. Brands are amortised over a period of 10 years.

Product and software development

Development costs that are expected to generate probable future economic benefits and controlled by the Parent company are capitalised as intangible assets. All other research and development expenditure is recognized in the income statement as incurred. Development costs capitalised as intangible assets are valued as the total of direct costs plus reasonable amounts for indirect costs. Development costs incurred in connection with product adaptations are recognized in the income statement. Product and software development is amortised over 3-10 years.

Amortisation

Intangible assets are amortised on a straight-line basis over the length of their useful life as of the moment they are ready to be taken into use as follows:

- » Brand 10 years
- » Product and software development 3-10 years

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the assets concerned may not be recoverable.

Consolidated intangible fixed assets	Brand		Product & software development		Total	
	2025	2024	2025	2024	2025	2024
Balance as of January 1						
Cost	23,398	23,254	187,278	159,047	210,676	182,301
Accumulated impairment /amortisation	-21,925	-19,421	-77,911	-74,662	-99,837	-94,084
Book value	1,473	3,833	109,367	84,385	110,840	88,218
Changes:						
Additions	0	0	42,029	27,686	42,029	27,686
Impairments	0	0	0	0	0	0
Amortisation	-1,402	-2,504	-8,907	-3,249	-10,309	-5,753
Translation effects	-71	144	-4,975	545	-5,046	689
Total changes	-1,473	-2,360	-13,882	-2,704	-15,355	-5,064
Balance as of December 31						
Cost	23,327	23,398	224,332	187,278	247,659	210,676
Accumulated impairment /amortisation	-23,327	-21,925	-86,818	-77,911	-110,146	-99,837
Book value	0	1,473	137,514	109,367	137,514	110,840

Product and software development

FLUX

Sensys Gatso has continued to develop its products and software platforms. The enforcement platform called "FLUX" will replace (over time) the existing platforms (S and T-Series). FLUX has been valued on the balance sheet as the total of direct costs plus reasonable amounts for indirect costs, consisting of materials used and capitalised employee expenses.

PULS & Xilium

The software products PULS and Xilium have been further developed throughout 2025 by adding features. PULS is used to connect any sensor and to analyse the data generated by the sensors. Xilium is a back office software suite that enables customers to process events into violations. The software products are valued on the balance sheet as the total of direct costs plus reasonable amounts for indirect costs, consisting of capitalised employee expenses. Amortisation of these platforms is done on a 5 year basis commencing the year following the investment in the platform.

The remaining bookvalue of Product & Software development is as follows:

Development item (in MSEK)	2025	2024
FLUX platform	87,4	75,7
Software Xilium/Puls	23,3	15,6
T-Series platform	2,0	2,0
Other	24,8	16,1
Total	137,5	109,4

10 Property, plant and equipment

▶ Accounting policies

All fixed assets (Leasehold improvement, Furniture's & fixtures and Fixed assets in operations) are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent expenses are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is likely that future economic benefits associated with the asset will occur to the Group, and when the asset's cost can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they arise.

Depreciation

Property, plant and equipment are amortised/depreciated on a straight-line basis over the length of their useful life as of the moment they are ready to be taken into use as follows:

- » Leasehold improvement 10 years
- » Furniture's & fixtures 2-5 years
- » Fixed assets in operations 3-7 years

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the assets concerned may not be recoverable.

Tangible fixed assets	Leasehold improvement		Furnitures, fixtures, etc		Fixed Assets in operation		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Balance as of January 1								
Cost	21,136	20,435	53,794	50,317	339,050	279,777	413,980	350,529
Accumulated depreciation	-20,164	-19,465	-40,530	-36,957	-210,959	-186,922	-271,653	-243,344
Book value	972	970	13,264	13,360	128,091	92,855	142,327	107,185
Changes:								
Additions	0	690	5,484	4,313	48,753	56,500	54,237	61,503
Disposals	-126	0	0	0	0	0	-126	0
Depreciation	-272	-699	-3,464	-3,573	-25,772	-24,037	-29,508	-28,309
Translation effects	-67	11	-976	-836	-21,716	2,773	-22,759	1,948
Total changes	-465	2	1,044	-96	1,265	35,236	1,844	35,142
Balance as of December 31								
Cost	20,943	21,136	58,302	53,794	366,087	339,050	445,332	413,980
Accumulated depreciation	-20,436	-20,164	-43,994	-40,530	-236,731	-210,959	-301,161	-271,653
Book value	507	972	14,308	13,264	129,356	128,091	144,171	142,327

11 Right of use assets and liabilities

▶ Accounting policies

Right-of-use assets

The company leases various items of real estate, vehicles and other equipment. The company determines whether an arrangement constitutes or contains a lease based on the substance of the arrangement at the lease inception. The arrangement constitutes or contains a lease if fulfillment is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that asset is not explicitly specified in the arrangement.

The company recognizes right-of-use assets and lease liabilities for leases with a term of more than twelve months if the underlying asset is not of low value. Payments for shortterm and low-value leases are expensed over the lease term. In 2025 and 2024 these were immaterial. Extension options are included in the lease term if their exercise is reasonably certain. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurements. Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the useful life of the underlying assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments due over the lease term, generally discounted using the incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest method. Lease liabilities are remeasured in case of modifications or reassessments of the lease.

Impairment of owned and right-of-use assets

Judgments are required, not only to determine whether there is an indication that an asset may be impaired, but also whether indications exist that impairment losses previously recognized may no longer exist or may have decreased (impairment reversal). After indications of impairment have been identified, estimates and assumptions are used in the determination of the recoverable amount of a fixed asset. These involve estimates of expected future cash flows (based on future growth rates and remaining useful life) and residual value assumptions, as well as discount rates to calculate the present value of the future cash flows.

Right-of-use assets Judgment is required to determine the lease term. The assessment of whether the company is reasonably certain to exercise extension options impacts the lease term, which could affect the amount of lease liabilities and right-of-use assets recognized.

The group leases premises, vehicles and copiers. The latter two are defined as "others". Lease agreements included in the lease liability have a remaining term greater than 12 months.

Right of use assets	Premises		Others		Total	
	2025	2024	2025	2024	2025	2024
Opening value	18,342	18,202	4,640	2,304	22,982	20,505
Additions & modifications of lease terms	27,307	10,662	2,979	2,125	30,286	12,787
Depreciation	-9,699	-9,991	-1,911	-1,545	-11,610	-11,536
Translation effects	-115	-530	-1,214	1,757	-1,329	1,226
Closing value	35,835	18,342	4,495	4,640	40,328	22,982

Lease liability	Premises		Others		Total	
	2025	2024	2025	2024	2025	2024
Opening value	20,514	19,508	3,568	2,304	24,082	21,811
Additions & modifications of lease terms	27,307	10,662	2,979	2,125	30,286	12,787
Interest expense	862	592	140	105	1,003	697
Lease payments	-9,718	-10,894	-2,058	-1,284	-11,776	-12,178
Translation effects	-1,379	647	-405	318	-1,784	965
Closing value	37,586	20,514	4,225	3,568	41,810	24,082

12 Deferred tax assets and liabilities

Accounting principles

Deferred tax assets and liabilities are recognized, using the consolidated balance sheet method, for the expected tax consequences of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised. In cases where the company has reported losses in recent years, deferred tax recoverable relating to previous losses is only recognised to the extent that there are compelling circumstances indicating that it will be used to offset future taxable profits.

Within the Group there is an extensive budget and forecast process in order to verify the value of the deferred tax assets. Budgets and forecasts are built-up from the entities in collaboration between entity General Managers and Group Management. Furthermore, there are also verifiable circumstances in the form of the current order backlog and agreements with customers as underlying information to the budget and forecast process. These budgeted and forecasted numbers of future sales and profit are matched towards the tax assets in order to measure the number of profitable years needed for utilisation of the total value of the tax assets.

The measurement of all income tax liabilities and assets is performed at nominal amounts, applying the tax rates and provisions that have been enacted, or substantially enacted, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. In the case of items recognized in profit or loss, related tax effects are also recognized in profit or loss. The tax effects of items that are recognized directly in shareholders' equity are also recognized directly in shareholders' equity. Deferred income tax is calculated using the balance-sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. These temporary differences have primarily arisen through consolidation adjustments. Deferred tax assets pertaining to future tax deductions are recognized to the extent that it is probable that such deductions can be netted against surpluses in future taxation. The reporting of deferred tax is based on effective tax rates.

Deferred tax recoverable	2025	2024
Opening deferred tax recoverable	34,874	35,265
Utilization of deferred tax	-8,130	-2,692
Additions	0	1,928
Translation effects	-2,283	373
Closing deferred tax assets	24,461	34,874

The deferred tax assets can be specified as follows:	2025	2024
Inventory	168	279
Loss carried forward and tax credits	24,293	34,595
Total deferred tax assets	24,461	34,874

Deferred tax liabilities	2025	2024
Opening deferred tax liability	7,806	8,071
Release relating to depreciation on intangible fixed assets	-417	-707
Temporary difference accelerated depreciation fixed assets	-996	370
Translation effects	-741	71
Closing deferred tax liabilities	5,653	7,806

As per December 2025, the Parent company Sensys Gatso Group AB had a total estimated unutilised tax losses of SEK 124.2 (142.8) million. Approximately SEK 49.5 (68.1) million has been accounted for in the deferred tax asset to the amount of SEK 10.2 (14.0) million.

The deferred tax asset relating to losses carried forward in Sweden have been calculated at a tax rate of 20.6 percent. Based on continued future expected profits in Sensys Gatso Group AB arising from group recharges, intercompany financing activities, royalties

for products and brands the company is expected to be profitable in future. Furthermore, management expects Sensys Gatso Sweden AB to continue contributing to the future profits by entries into new markets and a broader product range that can be offered to existing customer relations. Management has made the assessment that the tax losses accounted for in the deferred tax asset will be utilised in the future.

In Sensys Gatso Sweden AB there is a deferred tax asset recorded in relation to inventory that has not been taken as a tax loss. The total amount of utilizable deferred tax amounts to SEK 0.8 million (1.4).

In Sensys Gatso Australia Pty Ltd a deferred tax asset of SEK 11.1 (17.1) million is recognised relating to temporary differences and losses carried forward to the amount of SEK 37.2 (56.9) million. For determining the taxable income the company made use of the tax beneficial accelerated depreciation possibilities. This has led to the recognition of a deferred tax liability of SEK 5.7 (7.4) million. Based on Management’s assessment we see future profits to offset the losses carried forward.

13 Joint ventures

► Accounting policies

Sensys Gatso recognizes joint ventures on an equity method basis.

Joint venture	2025	2024
Balance as of 1 January	10,501	8,615
Acquisition costs	0	4,206
Result of joint venture	-2,355	-2,501
Translation effects	-576	181
Total	7,570	10,501

After acquiring 40% of share capital in Nationwide Traffic Management Ltd (NTMEL) relating to the Ghana traffic safety project, the company has started funding the operations together with its Joint Venture partner. Investments during the year mostly relating to contributions to share capital according to the Shareholders Agreement of NTMEL.

The joint venture is a limited liability company incorporated in Accra, Ghana. Sensys Gatso has a 40% shareholding, the other 60% is held by a local partner. Sensys Gatso is the technology and knowledge provider to the joint venture and holds 2 of the 4 board seats in the company. The entity is responsible for the execution of a traffic safety program in Ghana. The joint venture has entered into a consortium with local governmental authorities for the operation of the program.

The traffic safety program in Ghana is a new program for Sensys Gatso and the government of Ghana. Risks associated with this joint venture is that the program does not succeed, which could lead to a loss of invested funds. The program is currently in a startup phase and progress is within expectations. Results for the year are accounted for under result of joint ventures, net of income taxes in the consolidated income statement.

The financials of the joint venture are as follows:

As at 31 December	2025	2024
Non-current assets	2,102	6,220
Current assets	18,855	25,975
Non-current liabilities	11,026	4,275
Current liabilities	2,861	1,668
<i>Included in the above amounts are:</i>		
Cash and cash equivalents	2,931	3,310
Non-current financial liabilities	0	0
Net assets (100%)	7,070	26,252
Group share of net assets (40%)	2,828	10,501
Period ended 31 December	2025	2024
Revenues	0	0
Loss from continuing operations	-5,888	-6,253
Total comprehensive income (100%)	-5,888	-6,313
Group share of total comprehensive income (40%)	-2,355	-2,501

Contingent liabilities

The joint venture has an contractual agreement to rent premises:

- term: commencing date January 1st 2023 until December 31st 2034

- price: 83000 USD per year

Ghana has experienced high inflation rates in recent years with more than 20% in 2024. The inflation rate in 2025 averaged 17%, closing at approximately 5% by December 2025.

14 Inventories

Inventories consist of raw materials and supplies, work in progress and finished goods.

► Accounting policies

Inventories are stated at the lower of cost or net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include direct labor and fixed and variable production overheads, considering the stage of completion and the normal capacity of production facilities. Costs of idle facility and abnormal waste are expensed. The cost of inventories is determined using the first-in, firstout (FIFO) method. The write-down of inventories to net realizable value is included in cost of sales.

Accounting estimates and judgments

Inventory is reduced for the estimated losses due to obsolescence. This reduction is determined for groups of products based on sales in the recent past and/or expected future demand.

	2025	2024
Raw materials and supplies	140,677	108,622
Work in process	19,929	24,396
Finished goods	16,583	34,252
Inventories	177,189	167,270

The immaterial estimated losses due to obsolescence are all related to "Raw materials and supplies".

15 Trade receivables

► Accounting policies

Trade receivables are held by the company to collect the related cash flows. These receivables are measured at fair value and subsequently measured at amortized cost minus any impairment losses. Expected credit losses are accounted for under the allowance for doubtful trade receivables. Additions to the allowance are charged to the Consolidated income statement.

Accounting estimates and judgments

Receivables are subject to impairment assessment, which involves estimating expected credit losses. The ageing analysis of trade accounts receivable, net (after deduction provision for doubtful trade receivables), representing current and overdue is as follows:

Aging analysis	2025	2024
Current	63,316	54,701
Overdue 1-30 days	7,251	9,195
Overdue 31-180 days	4,605	25,924
Overdue more than 180 days	19,365	19,318
Trade receivable- net	94,536	109,139
Change in provision for doubtful trade receivables	2025	2024
Balance as of January 1	12,897	16,367
Changes in expected credit losses	11,830	-3,470
Write-offs	0	0
Balance as of December 31	24,727	12,897
Provision for doubtful trade receivables	2025	2024
Current	0	0
Overdue 1-30 days	0	0
Overdue 31-180 days	2,319	2,772
Overdue more than 180 days	22,408	10,125
Total	24,727	12,897

Sensys Gatso's payment terms vary from 30 to 180 days on average. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on ageing and historical credit losses. As Sensys Gatso's customers are governments or partners dealing with governments, we assess the risk of non-payment on receivables until 12 months to be low and not significant.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income. The increase in provision for doubtful trade receivables, being overdue more than 180 days, is related to LATAM receivables.

16 Prepaid expenses and accrued income

► Accounting policies

Contract assets (accrued income)

A contract asset arises when the Group has satisfied the performance obligation, but still needs to invoice the customer (accrued income).

Contract costs

Costs relating to projects are capitalised under contract costs and are amortised over the contract period.

Prepaid expenses and accrued income	2025	2024
Deposits (property and other)	2,626	3,729
Contract assets (accrued income)	28,682	63,205
Contract costs	7,412	8,490
Other items	9,924	7,907
Total	48,643	83,332

17 Shareholders' Equity

Share capital

The share capital of Sensys Gatso Group AB amounts to SEK 46,121,428.30 (46,121,428.30), divided into 11,530,358 (11,530,358) shares. The quota value is SEK 4 per share. All shares have an equal right to a portion of the company's assets and profits. Each share entitles the holder to one vote. At shareholders' meetings, each person entitled to vote may vote for the full number of shares owned and represented by him/her without any restriction in the number of votes.

For an overview of the development of share capital since 1 January 1995, we refer to our website (www.sensysgatso.com).

18 Borrowings

▶ Accounting policies

Borrowings is initially measured at fair value net of directly attributable transaction costs. Subsequently, borrowings is measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

All bank overdraft facilities and the Unsecured Bond are denominated in EUR. The company has an overdraft facility, which is reported under short-term borrowings, at its disposal from Rabobank amounting to EUR 5.0 million (5), corresponding to approximately SEK 54 million (58) over which nothing has been drawn down (2024 SEK 20 million). The overdraft facility is mainly utilised to finance working capital and investments in Intangible Fixed Assets. The overdraft facility has a variable interest rate.

During the third quarter of 2024 Sensys Gatso issued an Unsecured Bond of EUR 30 million. The term of the bond is 4 years and has an interest rate of 3 months EURIBOR plus 4,75 percent. There are no repayment obligations during the initial term of the bond. The bond was secured in a framework of EUR 60 million, creating the possibility for future financing of additional EUR 30 million. The bond has the obligation of performing an incurrence test if new financial indebtedness requires an incurrence test to be performed. The minimum Net Interest Bearing Debt to adjusted EBITDA ratio is 3.0. No new financial indebtedness requiring an incurrence test was made. The Interest Bearing Debt to EBITDA ratio is 1.9.

Under the long-term borrowings the company has an agreement for financing Fixed Assets in Operations in Australia with DLL (De Lage Landen). Total outstanding borrowing amounts to AUD 1 million. The loan has an interest rate of 7.25% per annum and 60 monthly installments, starting from commencement date November 28th, 2025.

The Group's interest-bearing borrowings

Long-term	2025	2024
Unsecured Bond	319,631	337,547
Borrowings from banks	6,699	0
Total	326,330	337,547

Short-term	2025	2024
Borrowings from banks	403	0
Overdraft facility bank	0	20,216
Total	403	20,216

19 Provisions

▶ Accounting policies

A provision is a liability of uncertain timing or amount. Provisions are recognized if, as a result of a past event, the company has a present legal or constructive obligation, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.

Sensys Gatso adds to its warranty provision for products delivered during the year. Utilisation of the warranty provision happens when a warranty claim is granted. Releases of the warranty provision relates to products where the warranty period has expired.

Accounting estimates and judgments

By their nature, the recognition of provisions requires estimates and assumptions regarding the timing and the amount of outflow of resources. Provisions for product warranties are based on current volumes of products sold still under warranty and on historical rates of warranty claims for mature products as well as estimates and assumptions regarding quality and future warranty claims for new estimates and estimated cost to remedy the various warranty claims that may occur.

Other provisions	Product warranty		Other		Total	
	2025	2024	2025	2024	2025	2024
Non-current	4,347	7,217	855	791	5,202	8,008
Current	8,289	3,997	0	1,753	8,289	5,750
Balance as of January 1	12,636	11,214	855	2,544	13,491	13,757
Changes						
Additions	13,505	10,260	407	62	13,912	10,322
Utilizations	-276	-654	0	0	-276	-654
Releases	-9,007	-8,420	0	-1,753	-9,007	-10,173
Translation effects	-392	236	-85	2	-478	238
Total change	3,829	1,422	321	-1,689	4,628	-505
Non-current	7,843	4,347	1,176	855	9,019	5,202
Current	8,623	8,289	0	0	8,623	8,289
Balance as of December 31	16,465	12,636	1,176	855	17,642	13,491

20 Accrued expenses and deferred income

▶ Accounting policies

Contract Liabilities

The company recognizes contract liabilities if a payment is received from a customer before the company transfers the related goods or services. Contract liabilities are recognized as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other

Other liabilities are initially measured at fair value and subsequently at amortised cost and are derecognized when the obligation under the liability is discharged, cancelled or has expired.

Accrued expenses and deferred income	2025	2024
Accrued salaries	13,115	15,507
Holiday pay liability	17,162	17,177
Social charges	5,088	3,955
Contract liabilities (deferred income)	14,662	5,178
Accrued project cost	7,457	7,077
Interest bond	5,673	7,187
Other	29,900	16,836
Total	93,057	72,918

21 Financial instruments

► Accounting policies

Financial assets at amortised cost

The Group's financial assets measured at amortised cost comprise trade, contract assets (accrued income) and cash and cash equivalents in the consolidated statement balance sheet. For accounting policies of the trade receivables and contract assets we refer to respectively note 14 and 15.

Cash and cash equivalents include cash in hand, deposits held at call with banks. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position. The company currently does not have financial assets at fair value through the profit and loss or through Other Comprehensive Income.

Financial assets at amortised costs	2025	2024
<i>Assets as per balance sheet</i>		
Trade receivables	94,536	109,139
Contract assets (accrued income)	28,682	63,205
Cash and bank balances	159,719	165,322
Total	282,936	337,666

Financial liabilities at amortised cost

The Group's financial liabilities are measured at amortised cost and comprise of borrowings from credit investors (Unsecured Bond), credit institutions, liabilities to shareholders, trade payables and other short-term monetary liabilities in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Borrowings from credit investors (Unsecured Bond), credit institutions and liabilities to shareholders are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The company currently does not have financial liabilities at fair value through the profit and loss or through Other Comprehensive Income.

Other financial liabilities at amortised costs	2025	2024
<i>Liabilities as per balance sheet:</i>		
Unsecured Bond	319,631	337,547
Borrowings from credit institutions	7,102	20,216
Lease liability	41,810	24,082
Trade payables	36,308	45,876
Total	404,851	427,721

22 Bank guarantees and Pledged assets

	2025	2024
<i>Bank guarantees</i>		
Customer authorities	10,729	13,955
<i>Pledged assets</i>		
Tangible fixed assets	144,171	142,327
Inventory	177,189	167,270
Receivables	94,536	109,139
Total pledged contingent liabilities	426,625	432,690

Bank guarantees

Sensys Gatso has bank guarantees in place for customers that require security during the roll-out of a project and during an operational phase. The total outstanding bank guarantees amounts to SEK 10.8 million. Besides these guarantees, the Parent company has provided Parent Company Guarantees that state that the Parent company or any other subsidiary will take over responsibility for projects if the undertaking subsidiary does not deliver. The total amount of Parent Company Guarantees amount to SEK 298 (310) million.

Pledges and securities Rabobank

The company has access to an overdraft facility to the amount of EUR 5 million and a bank guarantee facility to the amount of EUR 1.85 million.

First ranking right of pledge of all present and future rights and/or claims pursuant to existing and future relations arising from business and trade of Sensys Gatso Group BV, Sensys Gatso Americas BV, Sensys Gatso International BV, Sensys Gatso Deutschland GmbH, Sensys Gatso USA Inc., Sensys Gatso Netherlands BV and Sensys Gatso Software BV.

A corporate guarantee by Sensys Gatso Group AB and Sensys Gatso Sweden AB for the credit of EUR 5 million, and the guarantee facility of EUR 1.85 million.

Pledges and securities DLL

The company has access to an asset finance facility with DLL (De Lage Landen) in Australia to the amount of AUD 3 million. The assets under the finance agreement are pledged to DLL.

23 Cash flow statement supplementary information

▶ Accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances as well as short-term financial investments with maturities of less than three months. Cash and cash equivalents solely consist of cash and bank balances.

Cash flow statements

The cash flow statement has been prepared using the indirect method. The recognized cash flow includes only those transactions that have resulted in receipts or payments. Cash flows related to Interest and tax are included in operating activities. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates.

	Non-cash movements:				2025
	2024	Cashflow	IFRS 16 leasing	Currency effects and consolidation changes	
<i>Long term borrowing</i>					
Unsecured Bond	337,547	0		-17,916	319,631
Borrowing	0	6,640		59	6,699
Lease liabilities	13,369	-1,784	20,839	-1,064	31,360
<i>Short-term borrowing</i>					
Borrowing	20,216	-19,813			403
Lease liabilities	10,714	-9,992	10,450	-722	10,450
Total	381,846	-24,949	31,289	-19,643	368,543

For disclosure on the movements in the financial liabilities to banks, we refer to note 18.

24 Related party transactions

Related parties to Sensys Gatso Group are mainly its key management and shareholders that also have a function within the company.

Key management personnel

The total compensation of key management personnel is disclosed in note 5.

Shareholders

The related party transactions with shareholders have two dimensions being the transaction with the shareholder for loans and rental costs on one side and on the other side transactions for management and consultancy functions. The disclosed transactions with shareholders relate to shareholder Gatso Special Products BV and its shareholders that perform managerial functions or consulting activities within our company.

	2025	2024
Liabilities to shareholders		
<i>Non-current liabilities to shareholders</i>		
Opening liabilities	0	22,192
Repayment	0	-22,189
Currency/net present value adjustments	0	-3
Liabilities to shareholders	0	0
Related party transactions	Shareholders	Directors
Rental costs premises	2,311	
Management fee		2,545
Consultancy fee	369	
Related party positions	Shareholders	Directors
Management fee		243
Consultancy fee	33	

25 Audit fees and related costs

The table below shows the related fees for the years 2025 and 2024 rendered by BDO.

	2025	2024
Audit fees	5,572	4,458
Audit activities other than the audit assignment	7,399	375
Tax consultancy services	909	1,005
Other	0	360
Total	13,879	6,197

26 Events after the balance sheet date

Significant events after the end of the reporting period;

- » 20 Jan Sensys Gatso Delivers the Netherlands' First Customer-Accepted Average Speed Enforcement System, Reinforcing Reputation for Reliability

27 Risks

Risk management is part of all business operations, and its purpose is to identify, assess, manage and report significant risks. The board has approved a Risk Policy and a Financial Policy.

Risks

The significant risks include:

- » Currency risks, existing out of:
 - Transaction exposure risks and translation exposure risks
- » Interest risks
- » Liquidity and finance risks
- » Credit risks
- » Capital risks
- » Project risks
- » Price risks
- » Insurance risks
- » Technological risks
- » Environmental risks
- » Risks related to macroeconomic conditions

Currency risks

Currency risk refers to the fluctuations in exchange rates having a negative impact on the Group's income statement, balance sheet and/or cash flow. Currency risk arises when future business transactions, or reported assets or liabilities, are expressed in a currency which is not the Group's functional currency.

Transaction exposure

In the Group's international operations, some customers pay in their own currency which means that the Group is exposed to transactional currency risks. This kind of currency risk also arises in conjunction with the import of raw material and components in a currency that is not the Group's functional currency. Incoming flows or foreign currencies should be used for payment in the same currency. The subsidiaries within the group perform their business mostly in their functional currencies, therefore limiting transaction exposure risk.

Transaction exposure (in TSEK)	SEK	EUR	USD	Other	Total
<i>Assets as per balance sheet:</i>					
Trade receivables (including amounts to be invoiced)	0	263	10,911	0	11,174
Cash and bank balances	163	30,571	14,269	205	45,207
Total	163	30,834	25,180	205	56,381
<i>Liabilities as per balance sheet:</i>					
Borrowings	0	319,631	0	0	319,631
Liabilities to shareholders	0	1,620	37	117	1,774
Total	0	321,251	37	117	321,405

The Group's largest currency exposure is against the EUR and USD.

Estimated currency effects on equity (in TSEK)	%	TSEK
EUR	+/- 10%	+/- 29,042
USD	+/- 10%	+/- 2,514

Translation exposure

Currency risk also arises in conjunction with the translation of foreign net Currency risk also arises in conjunction with the translation of foreign net assets and earnings, so-called translation exposure. This currency risk is not hedged and refers, primarily, to the translation of foreign subsidiaries' income statement and balance sheets. Earnings from foreign subsidiaries are translated into Swedish krona based on the average exchange rate for each month. Net assets are translated into Swedish krona based on the exchange rate per last date of the month.

The Group's risk exposure in foreign currencies at the end of 2025, expressed in thousands of Swedish krona (TSEK) consisted of the following:

Estimated currency effects in equity (in TSEK)	%	TSEK
EUR	+/- 10%	+/- 49,028
USD	+/- 10%	+/- 2,417
AUD	+/- 10%	+/- 6,503

As indicated by the exposure table above, the Group is primarily exposed to changes in the EUR/SEK exchange rate.

The company also recognizes a risk on timing of payment and uses currency swap contracts to temporarily prolong the effect of a forward contract if needed. These currency SWAPs will be bought/sold on the settlement date of the forward contract(s). The Company does not have any outstanding SWAP's to mitigate timing related risks on forward contracts.

The company, from time to time, enters into currency swap contracts to mitigate currency risks on intercompany loans in SEK, which are swapped to a foreign currency. These swap contracts are not accounted for as a cash flow hedge, therefore the fair value of these contracts are accounted for in the profit and loss. At the end of the financial year the outstanding currency swaps had a non material value.

Interest risks

The company holds no interest-bearing assets and, accordingly, the Group's income and cash flow from operating activities are, in all material aspects, independent of changes in market interest rates. The Group's interest-rate risk arises in conjunction with long-term borrowing. The aim is to limit the interest risk in the Group's interest-bearing liabilities. At the closing date, the Group had MSEK 368.5(357.8) in interest-bearing liabilities and cash and cash equivalents amounted to MSEK 159.7 (165.3). Borrowing on the basis of floating interest rates, exposes the Group to interest-rate risks as regards to cash flow. By the end of 2025, the Group's borrowings largely consisted of Bond Financing and a credit facility provided by Rabobank. The financial structure is based on a three month EURIBOR plus a margin. An increase in EURIBOR by 1 percentage point would result in an approximately MSEK 3.2 lower result and equity. For further disclosure on the terms of the bond and the credit facility we refer to note 18. The Group holds no listed financial instruments.

Liquidity and financial risks

Financing risk also refers to risks associated with existing and future financing, refinancing of overdue loans, or difficulties in raising external loans. Liquidity risk refers to the risk of being unable to fulfil payment commitments when they fall due as a consequence of insufficient liquidity. Both of these forms of risk are managed by the company preparing regular cash flow forecasts. The Board closely monitors rolling forecasts for the company's liquidity reserve to ensure that the company has sufficient cash funds to meet the requirements of operating activities. The group has processes in place to monitor the bank covenants and the cash flow and is in control of cash requirements. For the liabilities the company has conventional covenants towards the banks, such as an absolute EBITDA level. At the end of 2025 the company used MSEK 0 (19.8) of its credit facilities. The table below presents an analysis of the Group's financial liabilities to be settled, specified according to the contractual time to maturity, as of the closing date. The amounts stated in the table are the contractual, undiscounted cash flows. Amounts falling due within 12 months correspond with the carrying amounts, as the effect of discounting is negligible.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
As of 31 December 2025				
Bank loans	403	6,699	319,631	0
Trade payables	36,308	0	0	0
Lease liability	10,450	7,831	12,489	11,041
Total	47,161	14,530	332,120	11,041
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
As of 31 December 2024				
Bank loans	20,216	0	337,547	0
Trade payables	45,876	0	0	0
Lease liability	10,714	9,817	3,551	0
Total	76,806	9,817	341,098	0

Credit risks

Credit risks are defined as the risk of loss if the opposite parties with whom the Group has invested cash and cash equivalents, fail to fulfil their obligations. Credit risks are to a large extent avoided through effective creditworthiness analyses/monitoring of existing and potential customers, and in certain cases by obtaining payments in advance or payment against a letter of credit. The Groups' assets are recognised in the balance sheet after deduction for provisions for expected credit losses. The credit risk is limited to the carrying amount of each financial asset. A provision of MSEK 24.7 (15.7) was made for receivables that are not expected to be paid.

Capital risks

The Group's objective with regard to the capital structure is to secure the Group's ability to continue operating, so that it can continue to generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital down. To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt. The debt/ equity ratio at 31 December 2025 was 56.1% (54.0).

Project risks

For Sensys Gatso, a major part of operational risk lies in the management of each individual project. Sensys Gatso works actively to integrate risk management in each customer project, and has developed an in-house tool, Risk Assessment Analysis, for this purpose. The tool enables the company to identify, manage and where necessary, accept and limit the risks involved in each project. The project manager is responsible for implementing Risk Assessment Analysis and subsequently following up and reporting on important matters. In addition to this, for larger projects, a member of the management team will be appointed to act as sponsor for the project and the point of contact for regular reports from the project manager.

Each entity manager is responsible for driving and developing his/her respective area of responsibility, which includes identifying opportunities and threats as well as continuously following up on activities. In the local management team meetings projects are discussed, resulting in operational decisions.

Price risks

Price risk in the Group's operations primarily arise in conjunction with the purchase of material used in manufacturing.

Insurance risks

The Group has adequate insurance policies covering property, product liability, interruptions and transport, as well as an insurance policy covering the Board of Directors and CEO.

Technological risks

As computer-aided technology has assumed an increasingly greater scope within the companies, security requirements net connection is fixed and completely isolated from other networks via hardware firewalls. Access via public networks is secured via security devices. User access to the system is regulated via Group authorisations and entitlements based on actual assignments and roles within the company. As of May 25, 2018, the group is in full compliance with new GDPR regulations.

Environmental risks

As described in our Sustainability report Sensys Gatso aims to reduce its impact on the environment by reducing the use of electricity and gas. For several years we have tracked our consumption which has resulted in more awareness throughout the company. As a result of COVID-19 we introduced remote working reducing both daily commute to our offices as well as international travel. The company was able to operate with limited impact in doing so. Going forward the companies policy will remain in a hybrid model, combining working from the office and from home, where possible. Sensys Gatso has also assessed the financial impact and risks associated with Climate change. The risks related to Climate change are assessed to be non-material with the biggest risk being the risk of rising water levels that could temporarily impact the assembly facility in the Netherlands.

Risks related to macroeconomic conditions

Macroeconomic factors, such as ongoing military conflicts in Ukraine and the Middle East, the continued inflation during 2025 and high interest rates put in place by central banks to combat such inflation, are affecting business globally and are expected to continue to do so for some time to come in the form of reduced production rates, disrupted value and logistics

chain, lower product demand and purchasing power, increased production costs, increased financing costs, volatility on the capital markets etc., all of which could have general negative effect on the economy as a whole and thus negatively impact the operations of the Group. The Group is exposed to the conflict in Gaza due to its operations in the Middle East, concentrated around the United Arab Emirates and Saudi Arabia. An escalating or prolonged conflict could thus have a negative impact on the Group's business in the region. Whereas the Group has no direct exposure to the military conflict in Ukraine, the increased international tension and international sanctions enacted as a result thereof, as well as the potentially increased volatility on the capital markets that such conflicts may cause, may negatively impact the Group's operations and revenue. Additionally, the high inflation environment during the recent year has resulted in higher costs for employees, which the Group has not been able to fully pass on to its customers due to the lack of indexation clauses in certain of the Group's customer agreements as well as pricing being pre-approved in tender processes. The rising interest rates has also increased the Group's interest costs as the interest rate on the majority of the Group's debt is variable. Macroeconomic factors of different magnitudes, such as general economic developments, inflation and interest rates, are likely to continue to affect the financial and political conditions in the markets in which the Group operates and may have a material negative impact on the Group's operations and financial position.

Risks related to tariffs

Although Sensys Gatso equipment is subject to new tariffs when importing into the US, the company does not estimate the impact to be significant.

Parent Company Income Statement

TSEK	Note	2025	2024
Net sales	B	26,589	20,189
Cost of sales		0	0
Gross profit		26,589	20,189
Administrative costs	C	-42,206	-32,343
Income from operations		-15,617	-12,154
Financial income	D	19,868	9,581
Financial expenses	D	-32,261	-12,438
Income after financial income and expenses		-28,011	-15,011
Appropriations, net of income taxes	E	47,039	26,437
Income tax		-3,833	-2,355
Net income		15,194	9,071
Parent company statement of comprehensive income			
Net income		15,194	9,071
Other comprehensive income		0	0
Total comprehensive income for the year		15,194	9,071

Parent Company Balance Sheet

TSEK	Note	31 Dec 2025	31 Dec 2024	TSEK	Note	31 Dec 2025	31 Dec 2024
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
INTANGIBLE FIXED ASSETS				Restricted equity			
Product and software development	F	85,939	72,631	Share capital	J	46,122	46,122
		85,939	72,631	Statutory reserve		25,215	25,215
				Legal reserve		85,939	72,631
FINANCIAL FIXED ASSETS						157,276	143,968
Deferred tax assets	G	10,196	14,029	Non-restricted equity			
Investments in Subsidiaries	H	421,720	421,444	Share premium reserve		475,512	475,512
Loan Subsidiaries	I	193,666	204,803	Retained earnings including net profit for the year		-49,516	-51,815
		625,582	640,276			425,996	423,697
TOTAL NON CURRENT ASSETS		711,522	712,907	TOTAL SHAREHOLDERS' EQUITY			
OTHER CURRENT ASSETS						583,272	567,665
Receivables from subsidiaries	I	152,941	81,120	LIABILITIES			
Current tax assets		111		NON CURRENT LIABILITIES			
Other receivables		185	3,528	Borrowings		319,631	337,488
Prepaid expenses and accrued income		5,343		CURRENT LIABILITIES			
		158,580	84,648	Trade payables		3,169	3,846
CASH AND CASH EQUIVALENTS				Liabilities to subsidiaries		3,845	8,336
Cash and bank balances		53,526	130,509	Other liabilities		2,377	0
		53,526	130,509	Accrued expenses and deferred income		11,332	10,730
TOTAL CURRENT ASSETS		212,106	215,157			20,724	22,912
TOTAL ASSETS		923,628	928,065	TOTAL LIABILITIES			
						340,355	360,400
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
						923,627	928,065

Parent Company Statement of changes in shareholders' equity

	Share capital	Statutory reserve	Share premium reserve	Legal reserve	Retained earnings	Total shareholders' equity
Shareholders' equity 1 Jan 2024	46,122	25,215	475,512	59,218	-49,047	557,020
Net profit of the year	0	0	0	0	9,071	9,071
Addition to legal reserve	0	0	0	13,413	-13,413	0
Stock related remunerations	0	0	0	0	1,574	1,574
Shareholders' equity 1 Jan 2025	46,122	25,215	475,512	72,631	-51,815	567,666
Net profit of the year	0	0	0	0	15,194	15,194
Addition to legal reserve	0	0	0	13,308	-13,308	0
Stock related remunerations	0	0	0	0	413	413
Shareholders' equity 31 Dec 2025	46,122	25,215	475,512	85,939	-49,516	583,272

Parent Company Cash flow statement

TSEK	2025	2024
Operating profit/loss	-15,617	-12,154
Adjustments for non-cash items		
Depreciation and amortisation	1,960	0
Exchange rate effects	1,125	3,677
Other non cash items	137	291
Adjustments for non-cash items	3,222	3,968
Interest paid	-24,594	-1,369
Interest received	5,522	2,363
Income taxes paid	-99	-52
Cash flow from operating activities before changes in working capital	-31,566	-7,244
Cash flow from changes in working capital		
Trade receivables	-677	1,717
Other changes in working capital	-39,992	-27,311
Cash flow from operating activities	-72,235	-32,838
Investing activities		
Investments in intangible assets	-15,268	-13,413
Cash flow from investing activities	-15,268	-13,413
Financing activities		
Receipt of Euro Bond	0	331,525
Loans to subsidiaries	-11,115	-205,034
Receipt on loan subsidiaries	28,758	29,770
Cash flow from financing activities	17,643	156,262
Cash flow for the year	-69,861	110,011
Cash and cash equivalents at beginning of the year	130,516	16,081
Translation on liquid funds	-7,129	4,424
Cash and cash equivalents at end of the year	53,526	130,516

A Notes to the Parent company financial statement

► Accounting policies applied

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. RFR 2 stipulates that, in its annual accounts, the Parent Company is to apply International Financial Reporting Standards (IFRS) as endorsed by the EU, where this is possible within the framework of the Swedish Annual Accounts Act, and with regard to the connection between accounting and taxation. RFR 2 specifies the exceptions and supplements to be applied in relation to IFRS. Identified differences between accounting policies of the Group and the Parent Company mainly refer to IAS 12 Income taxes.

Presentation of Parent company financial statements

The structure of the Parent company balance sheet and Parent company income statement are aligned as much as possible with the Consolidated financial statements in order to achieve optimal transparency between the Group financial statements and the Parent company financial statements.

B Net sales

Sales of the Parent company are related to recharged head office costs from the parent company to direct subsidiaries in Europe. The sales refer to remunerations of services performed.

Net sales by region	2025	2024
Europe	26,589	20,189
America	0	0
Middle East and APAC	0	0
Total	26,589	20,189

C Administrative costs

The table below shows the Administrative costs distributed over the expenses by nature.

	2025	2024
Employee benefits and expenses (including board fee and recharges)	13,393	10,610
Other employee expenses	3,041	249
Housing expenses	0	375
Office expenses	8,399	5,794
Sales expenses	1,501	1,603
Development expenses	50	18
General expenses	13,154	13,718
Financial items	0	-24
Total	39,539	32,343

D Financial income and expenses

The Parent company provides intercompany loans to its group companies for financing operational activities and projects.

Financial income	2025	2024
Interest income on bank deposits	228	107
Exchange rate gains on bank deposits or other loans	1,587	4,426
Interest income group companies	18,052	5,048
Total financial income	19,868	9,581

Financial expenses	2025	2024
Interest expense on loans	25,128	9,060
Exchange rate losses on bank deposits or other loans	7,129	3,369
Other financial expenses	4	9
Total financial expenses	32,261	12,438

E Appropriations, net of income taxes

During the year the Parent company received group contributions from Sensys Gatso Sweden AB to the amount of SEK 47.0 million (SEK 26.4 million).

Appropriations	2025	2024
Group contributions received	47,039	26,437
TSEK	47,039	26,437

F Intangible fixed assets

Intangible Fixed Assets	Product & software development	
	2025	2024
Balance as of January 1		
Cost	72,631	59,218
Accumulated amortization	0	0
Book value	72,631	59,218
Changes:		
Additions	15,268	13,413
Impairments	0	0
Amortisation	-1,960	0
Total changes	13,308	13,413
Balance as of December 31		
Cost	87,899	72,631
Accumulated impairment /amortization	-1,960	0
Book value	85,939	72,631

G Deferred tax assets

As per December 2025, the Parent company Sensys Gatso Group AB had a total estimated unutilised tax losses of SEK 124.2 (142.8) million. Approximately SEK 49.5 (68.1) million has been accounted for in the deferred tax asset to the amount of SEK 10.2 (14.0) million. For further disclosure on deferred tax assets we refer to note 12 in the consolidated financial statements.

Corporate income tax	2025	2024
Income before taxes	19,028	11,426
Permanent differences including non deductible expenses	52.9	5
Tax at applicable rate	3,833	2,355
Tax on profit/loss for the year in accordance with income statement	3,833	2,355
Effective tax in %	20.1%	20.6%

Deferred tax assets	2025	2024
Opening deferred tax assets	14,029	16,384
Utilisation of losses	-3,833	-2,355
	10,196	14,029

H Subsidiaries

Accounting policies

Shares in subsidiaries are recognized at acquisition cost less any impairment. The acquisition cost includes acquisition-related costs and any contingent consideration. When there is an indication that shares in subsidiaries have decreased in value, an estimate of the recoverable amount is made. If this amount is lower than the carrying amount, impairment is made. Impairment losses are recognized in the items "Income from participations in Group companies".

	2025	2024
Opening acquisition value	421,444	420,163
Movements in the year	276	1,281
Closing accumulated acquisition value and Carrying amount	421,720	421,444

Details of wholly owned subsidiaries, their corporate identity numbers and registered offices are as follows:

Subsidiaries	Ownership	Corporate Identity Number	Registered offices	No. of share	Carrying amount	
					2025	2024
Sensys Gatso Sweden AB	100%	556811-3376	Jönköping, Sweden	500	32,958	32,682
Sensys Gatso Group BV	100%	34030301	Haarlem, The Netherlands	3,598	388,762	388,762
Sensys Gatso Middle East Safety & Security Company	100%	1010786077	Riyadh, Saudi Arabia	1,000	0	0
Total					421,720	421,444

Sub-subsidiaries	Ownership	Corporate Identity Number	Registered offices	No. of share
Sensys Gatso Netherlands	100%	34065996	Haarlem, The Netherlands	500
Sensys Gatso Software B.V.	100%	34077170	Haarlem, The Netherlands	400
Sensys Gatso International B.V.	100%	34064750	Haarlem, The Netherlands	400
Sensys Gatso Australia Ltd.	100%	ABN20086 166494	Sydney, Australia	1,000
Sensys Gatso Deutschland GmbH	100%	HRB 67669	Hilden, Germany	25,000
Sensys Gatso Americas B.V.	100%	34279593	Aerdenhout, The Netherlands	50,000
FDFJ Inc.	100%	4375982	Dover Delaware, USA	100
Sensys Gatso USA Inc.	100%	4375979	Dover Delaware, USA	80
Gatso Asia Ltd.	100%	1196483	Hong Kong, Hong Kong	1
Gatso Canada	80%	BC1009998	Alberta, Canada	10,000
Sensys Gatso Japan KK	100%	0110-01-101894	Tokyo, Japan	100
Sensys Gatso Costa Rica Sociedad Anónima	100%	3-101-786819	San José, Costa Rica	600
Sensys Gatso LaTaM S.L.	100%	B05296892	Madrid	5,000

Joint ventures	Ownership	Corporate Identity Number	Registered Offices	No. of shares
Nationwide Traffic Management Ltd	40%	CS756382015	Accra, Ghana	1,200,000

1 Loan Subsidiaries

The parent company has provided subsidiaries with loans up to SEK 193.6 million (SEK 204.8 million) with maturity date of November 30, 2025 and December 2028. The loan bears an interest between 6-8.25% per annum on average. The company also has a short-term receivable on subsidiaries to the amount of SEK 104.6 million (SEK 68.5 million). The company assesses the credit risk on loans to subsidiaries on an annual basis. Based on the forecast, used in the impairment testing of the goodwill, the company assesses that the receivables will be settled in the future.

Receivables on subsidiaries	2025	2024
Non-current loan to subsidiaries	193,666	204,803
Current loan to subsidiaries	152,941	81,120
	346,607	285,924

Loan subsidiaries	2025	2024
Opening loan	204,804	0
Addition: funding provided	5,737	202,688
Receipts: repayment of loans	0	0
Translation effects	-16,874	2,116
Closing loan subsidiaries	193,667	204,804

Receivables from subsidiaries	2025	2024
Opening	81,120	49,500
Addition: funding provided	5,378	2,346
Addition: accrued interest and parent contribution	97,307	58,875
Receipts: repayments	-28,758	-29,770
Translation effects	-2,107	170
Closing receivables from subsidiaries	152,941	81,120

1 Shareholders' Equity

Share capital

The share capital of Sensys Gatso Group AB amounts to SEK 46,121,428.30 (46,121,428.30), divided into 11,530,358 (11,530,358) shares.

The quota value is SEK 4 per share. All shares have an equal right to a portion of the company's assets and profits. Each share entitles the holder to one vote. At shareholders' meetings, each person entitled to vote may vote for the full number of shares owned and represented by him/her without any restriction in the number of votes.

For an overview of the development of share capital since 1 January 1995, we refer to our website (www.sensysgatso.com).

Signatures

The Board of Directors and the CEO certify that the consolidated accounts have been prepared in accordance with international financial reporting standards, IFRS, as adopted by the EU, and that they provide a true and fair view of the Group's financial position and the results of its operations.

The annual report has been prepared in accordance with generally accepted accounting principles in Sweden and provides a true and fair view of the Parent Company's financial position and results.

The administration report for the Group and Parent Company provides a true and fair overview of the development of the Group's and the Parent Company's operations, financial position and results, and describes significant risks and uncertainty factors facing the Parent Company and other companies within the Group.

The income statements and balance sheets will be submitted for adoption at the AGM on 7 May 2026.

Jönköping, April 9, 2026

Claes Ödman
Chairman of the Board

Jochem Garritsen
Board Member

Pia Hofstedt
Board Member

Kerstin Sjöstrand
Board Member

Francis Schmeer
Board Member

Mark Talbot
Board Member

Lewis Miller
Chief Executive Officer

Our audit report was submitted on April 9, 2026
BDO Mälardalen AB

Carl-Johan Kjellman
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Sensys Gatso Group AB (publ), corporate identity number 556215-4459

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sensys Gatso Group AB (publ) for the financial year 2025. The annual accounts and consolidated accounts of the company are included on pages 38-70 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Impairment test of goodwill

Of the group's total balance sheet, goodwill comprises a significant amount. In Note 8 Intangible Fixed Assets, Sensys Gatso Group describes its valuation of reported goodwill. As these assets are not amortized on an ongoing basis, an annual impairment test is, instead, to be executed. Sensys Gatso Group has undertaken this test during the final quarter of 2025. An impairment test contains several assumptions, amongst others, regarding future market developments, the possibility of achieving growth, profit development and the discount rate. In other words, the judgements and estimations made by group management and the Board are complex. As goodwill comprises a significant amount and the assumptions required include judgements and estimations each of which can have decisive importance for the valuation, this area has been of special significance in the audit.

How our audit addressed the Key audit matter

Our audit procedures included but were not limited to:

We initially obtained an understanding of the company's process related to impairment testing. Furthermore, together with BDO's valuation specialists, we assessed whether the impairment tests prepared per segment had been performed in accordance with generally accepted principles and methodologies. As part of our audit, we evaluated the key assumptions applied by management and the Board of Directors in the impairment testing, including assumptions related to growth rates, profitability, and discount rates.

We assessed the assumptions regarding growth and profitability by comparing them to Sensys Gatso Group's segment-level budgets as well as to historical performance. The discount rates applied for each segment were evaluated against observable market data. We reviewed the simulations and sensitivity analyses performed by management and the Board of Directors. These procedures also formed the basis for our audit of the disclosures provided in note 8 to the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-21, 30-36 and 76-80. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sensys Gatso Group AB (publ) for the financial year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing

administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and

consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Sensys Gatso Group AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sensys Gatso Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 require us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standards on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including documented

policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

BDO Mälardalen AB was appointed auditor of Sensys Gatso Group AB (publ) by the general meeting of the shareholders on 15 May 2025 and has been the company's auditor since 2018.

Stockholm, April 9, 2026

BDO Mälardalen AB

Carl-Johan Kjellman

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.



Other



The share

Sensys Gatso's share is listed on Nasdaq Stockholm's Small Cap list. As at 31 December 2025, the share capital amounted to TSEK 46.121 (46.121) divided into 11,530,358 (11,530,358) shares.

The number of shareholders totaled 12,886 (14,100). All shares carry the same voting rights and entitle the holder to the same share of the company's earnings and capital. The company has one shareholder (Gatso Special Products BV) with number of shares that exceeds 10 percent of the company's total number of shares. The Articles of Association do not contain any conditions concerning voting right restrictions. There is no authorisation for repurchase of treasury shares.

The highest price paid for Sensys Gatso shares during the year was SEK 72.80 (9 January, 2025) and the lowest price paid was SEK 34.85 (10 November, 2025). The closing price paid on 31 December, 2025 was SEK 40.00 (65.50).

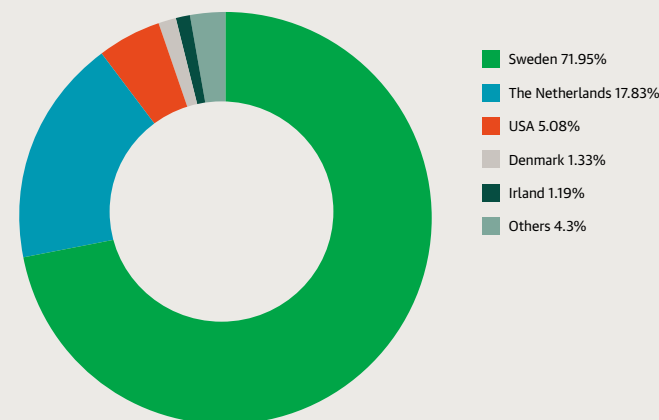
In 2025 a total of 2,683,601 (3,765,439) Sensys Gatso shares were traded on the Stockholm Stock Exchange. At the end of the year, the market capitalisation amounted to SEK 461 million (755).

The 20 largest shareholders

The shares in Sensys Gatso Group AB were held as of 31 December 2025 as follows:	Number of shares	Proportion of share capital/votes %
BNP PARIBAS SA PARIS, W8IMY (GC)	2,055,351	17.83
Nordnet Pensionsförsäkring AB	529,856	4.60
Försäkringsaktiebolaget Avanza Pension	526,187	4.56
STATE STREET BANK AND TRUST CO, W9	490,238	4.25
Futur Pension Försäkringsaktiebolag	329,851	2.86
Wall Per	287,500	2.49
BERGSTRAND INGER	258,248	2.24
Hamberg Karl Peter Gudmund	130,299	1.13
MELLGREN CLAES	117,442	1.02
Skandia Fonder AB	112,973	0.98
SEB Life International	104,584	0.91
DAHLIN LARS	102,000	0.88
Dimensional Fund Advisors	72,209	0.63
BOYER PERNILLA	70,157	0.61
Handelsbanken Fonder AB	68,871	0.60
ARDING LANGUAGE SERVICES AKTIEBOLAG	62,500	0.54
SEB Investment Management AB	59,116	0.51
Stridh Håkan	56,100	0.49
Exipos Holding AB	53,247	0.46
Nordström Daniel	51,951	0.45
Total, 20 largest shareholders	5,538,680	48.04
Total, other shareholders (12,886)	5,991,678	51.96
TOTAL	11,530,358	100.00

* 2,039,757 of these shares are held (via BNP PARIBAS SEC SERVICES PARIS, W8IMY (GC)) by Gatso Special Products BV.

Geographical shareholder distribution



Information to the shareholders

Financial Calendar

Sensys Gatso Group AB (publ) will publish the following financial information:

- » Q1 2026, 7 May
- » Q2 2026, 20 August
- » Q3 2026, 19 November
- » Q4 2026, 25 February 2027

Annual reports and other reports are available at our website at www.sensysgatso.com and can also be ordered directly from Sensys Gatso.

Annual General Meeting of Shareholders

Sensys Gatso will hold its Annual General Meeting of Shareholders on 7 May 2026 at the Company at Vasavägen 3c in Jönköping.

The Board of Directors has, in accordance with Chapter 7, Section 4a of the Swedish Companies Act and the articles of association of the Company, resolved that the shareholders shall also have the right to exercise their voting rights through postal voting ahead of the Meeting. Thus, shareholders may choose to exercise their vote at the Meeting through being present in person, through proxy or through postal voting.



Sensys Gatso's website - www.sensysgatso.com - contains detailed and up-to-date financial information. The website also has a subscriber service for those wishing to subscribe to press releases and reports via e-mail.

Voting at the Annual General Meeting

Those who wish to exercise their voting rights at the Meeting must:

- » be entered as a shareholder in the share register kept by Euroclear Sweden AB on Tuesday 28 April 2026 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in their own name for voting purposes in such time that the registration is completed by Thursday 30 April 2026; and
- » give notice of attendance to the Company in accordance with the instructions set out in the section "Notice of attendance for participating in person or through a proxy" or submit a postal vote in accordance with the instructions set out in the section "Postal voting" no later than on Thursday 30 April 2026.

Notice of attendance for participating in person or through a proxy

Those who wish to participate in the Annual General Meeting in person or through a proxy shall give notice of attendance to the Company by mail to Sensys Gatso Group AB, Box 2174, 550 02 Jönköping or by e-mail to info@sensysgatso.com. The notice of attendance shall state name, date of birth or corporate identification number, address, telephone number and, where relevant, the number of accompanying advisors (not more than two).

Shareholders represented through a proxy must issue a written power of attorney for the representative. A template proxy form is available at the Company's website, www.sensysgatso.com. The proxy form template is also available at the Company or may be order via e-mail info@sensysgatso.com. The power of attorney shall be sent to the Company, to the address above, well in advance of the Meeting. Documents of authority in original shall be presented at the Meeting. A proxy representing a legal person shall append a copy of a certificate of registration showing the authorized company signatories.

Postal voting

Shareholders who wish to exercise their voting rights by postal voting shall use the voting form and follow the instructions available on the Company's website, www.sensysgatso.com. The postal vote must be received by the Company no later than on Thursday 30 April 2026. The postal voting form shall be sent to the Company by mail to Sensys Gatso Group AB, Box 2174, 550 02 Jönköping or by e-mail to info@sensysgatso.com. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and terms are set out in the postal voting form.

Contact for financial information

Chief Financial Officer Simon Mulder
 T +31 (0)23 525 50 50
 E-mail: s.mulder@sensysgatso.com

Addresses

1 Sensys Gatso Group AB
 Vasavägen 3c, SE-554 54 Jönköping
 Box 2174, SE-550 02 Jönköping, Sweden
 T +46 36 34 29 80
 E-mail info@sensysgatso.com
 Registered No 556215-4459
 VAT NO SE556215445901

2 Sensys Gatso Sweden AB
 Vasavägen 3c, SE-554 54 Jönköping
 Box 2174, SE-550 02 Jönköping, Sweden
 T +46 36 34 29 80
 E-mail info@sensysgatso.com
 Registered No 556811-3376
 VAT NO SE556811337601

3 Sensys Gatso Group AB Middle East
 P.O. Box 371127, Dubai
 Dubai Airport Freezone, Building 5EA,
 Office 104, United Arab Emirates
 E-mail dubai@sensysgatso.com

4 Sensys Gatso Netherlands BV
 Claes Tillyweg 2
 2031 CW Haarlem
 PO BOX 4959
 2003 EZ Haarlem, The Netherlands
 T +31 23 5255050
 E-mail info@sensysgatso.com

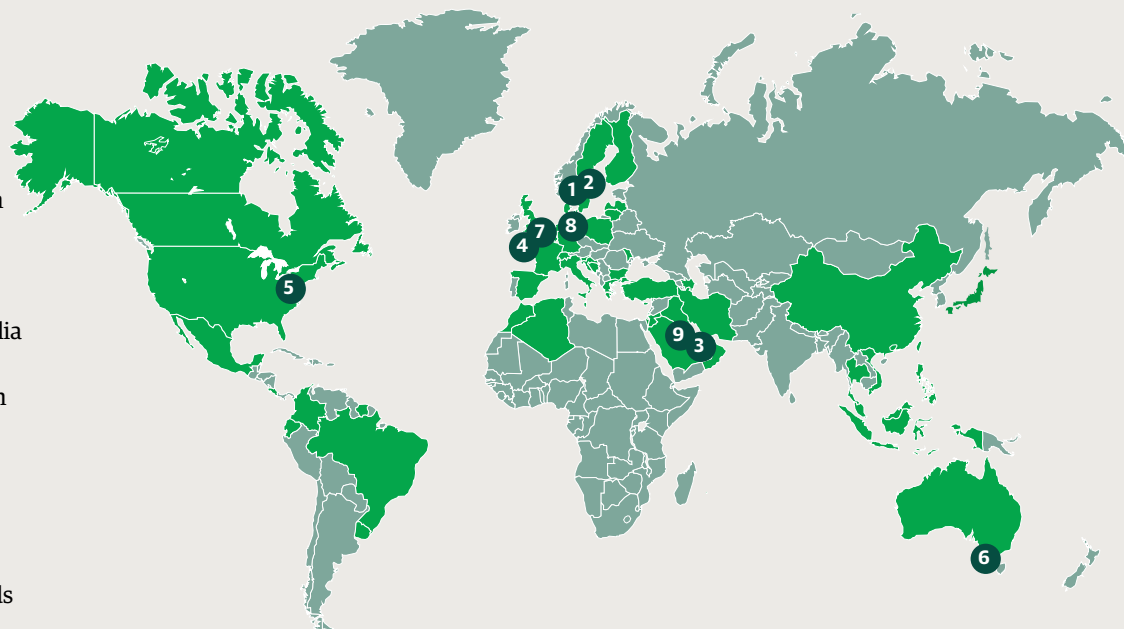
5 Sensys Gatso USA, Inc.
 900 Cummings Center
 Suite 316U
 Beverly, MA 01915, USA
 T +1 978 922 7294
 E-mail us_sales@sensysgatso.com

6 Sensys Gatso Australia Pty Ltd
 Unit 8 11-12 Phillip Court
 Port Melbourne, VIC 3207, Australia
 T +61 3 9647 6470
 E-mail au_sales@sensysgatso.com

7 Sensys Gatso Software BV
 Joan Muyskenweg 22
 1096 CJ Amsterdam
 PO BOX 4959
 2003 EZ Haarlem, The Netherlands
 T +31 23 5255050
 E-mail info@sensysgatso.com

8 Sensys Gatso Deutschland GmbH
 Hofstr. 64
 40723 Hilden, Germany
 T +49 2103 9689 760
 E-mail info@sensysgatso.com

9 Sensys Gatso Middle East Safety & Security Company
 Alazeqeha
 Building no: 40, Apartment: no 3
 Al Mourouj North
 Riyadh North 12282, Saudi Arabia
 E-mail saudi-arabia@sensysgatso.com





Sensys Gatso is a global leader in traffic management solutions for nations, cities and fleet owners. Sensys Gatso has subsidiaries in Australia, Costa Rica, Germany, the Netherlands, Saudi Arabia, Sweden, the USA, and a branch office in the United Arab Emirates and has a total of 294 employees. The Sensys Gatso Group's shares are listed at NASDAQ Stockholm.