

Interim Report for SENSYS® Traffic AB (publ)

JANUARY–MARCH 2013

- Order intake SEK 17.1m (2.5)
- Net sales for the period SEK 7.8m (6.1)
- Operating loss SEK -6.9m (-22.1)
- Loss after tax SEK -7.0m (-16.3)
- Earnings per share SEK -0.01 (-0.06)
- Cash flow per share SEK -0.01 (-0.04)
- The Company has been provided with SEK 9.3m through subscription for warrants (TO3), divided into approximately 31 million shares, representing a ratio of 97 percent.

SIGNIFICANT EVENTS DURING THE QUARTER

- Considerably higher order intake than last year.
- Call-off orders totalling SEK 15m for deliveries to Washington DC.
- Offer submitted to the Swedish Transport Administration regarding procurement of vehicle-speed monitoring systems (ATK).
- Red-light system are installed in Oman with planned start-up in second quarter.

CEO COMMENTARY

Together with our partner Sensys America, we have got off to a good start in Washington DC. I believe that we have the prerequisites for continued good business developments. The city procures systems for traffic monitoring instead of procuring a service that provides traffic monitoring, which is the usual procedure in the United States.

A large part of our work in the first quarter concerned the Swedish Transport Administration's procurement of vehicle-speed monitoring systems, known as ATK. We submitted an offer in February.

Sensys continued processing traffic safety systems for selected markets across the world, with particular focus on north-eastern Europe and the Middle East region. During the quarter, the Company's products underwent approval tests in several markets. The Company also submitted during the quarter an offer to the Swedish Transport Administration regarding vehicle-speed monitoring systems, known as ATK.

The marketing of systems for monitoring train pantographs (APMS) continues both within existing and new markets. Sensys has delivered pilot systems for the monitoring of train pantographs to China and the United Kingdom. The latter is a commercial pilot in collaboration with Lloyds Register Rail B.V.

OPERATIONS DURING THE QUARTER

Sensys Traffic develops, markets and sells systems for traffic informatics that are primarily used to measure and record speed and red-light offences. Individual orders are often of such a size that they perceptibly affect sales and operating results. As a rule, Sensys publishes such orders as soon as they are received.

The order intake of SEK 17.1m (2.5) was significantly higher in the first quarter 2013 than the same quarter 2012. Since October 2012, Sensys' partner in the United States, Sensys America, has an exclusive framework agreement concerning red-light and speed systems for the city. In the first quarter, Sensys received orders totalling SEK 15.0m from Washington DC.

PERIOD JANUARY-MARCH

Sales in the first quarter amounted to SEK 7.8m (6.1) and were primarily composed of deliveries within Sweden and to the United States. The gross margin for the quarter was 33.5 percent (8). The very low

gross margin last year was due to aggressive pricing of inventory products.

The operating loss for the period amounted to SEK -6.9m (-22.1). The comparative figure for 2012 includes non-recurring costs of SEK 11.4m related to the agreement with Telvent.

The loss after tax amounted to SEK -7.0m (-16.3).

All costs for non-order-specific development are charged to operations.

FINANCIAL POSITION AND EQUITY

Shareholders' equity amounted at the end of the period to SEK 90.4m (97.5), representing an equity/assets ratio of 87.4 percent (89).

TAXES

The Company's total deferred tax recoverable at the end of the quarter amounted to SEK 39.1m (39.1). The deferred tax recoverable has been reported as an asset since 2005. Future utilisation of this tax recoverable is dependent on taxable profits. The board of directors has resolved that further deficit deductions should not be capitalised as of the second quarter.

INVESTMENTS

Investments during the period were SEK 0m (0.0).

WORKFORCE

The average number of employees was 32 persons (32), and the number of employees at the end of the period was 32 (32).

LIQUIDITY

Liquid resources amounted at the end of the period to SEK 9.6m (12.5), plus a short-term deposit of SEK 0.6m (0.6).

Cash flow from current operations amounted to SEK -2.8m (-32.5) for the quarter.

Share warrants (TO3) became due for payment on 31 March 2013 with a subscription price of SEK 0.30. The share warrants were subscribed to 97 percent, and have provided the Company with SEK 9 272 836 before issue costs since the end of the period.

Outstanding share warrants (TO4) will become due for payment on 31 October 2013, and upon full subscription will provide the Company with SEK 19.2m before issue costs.

NUMBER OF SHARES

The number of shares at the end of the quarter was 479,837,886 (479,837,886). The average number of shares during the period was 479,837,886 (400,434,577). Further to the end of period, the Company has issued 30,909,453 new shares in conjunction with the payment of share warrants (TO3).

RISKS AND UNCERTAINTY FACTORS

The Company's significant risk and uncertainty factors include business risks related to customers, suppliers and general global conditions. There are also financial risks associated with fluctuations in exchange rates and interest levels.

A summary of the Company's significant financial and business risks is set out on pages 12, 25 and 33 of the Annual Report for 2012. No additional material risks are deemed to have since arisen.

ACCOUNTING PRINCIPLES

This interim report has been prepared in compliance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act. The accounting principles and definitions applied in this report are unchanged from the most recent annual report. The Company follows the Swedish Annual Accounts Act and Recommendation RFR 2 Reporting for Legal Entities of the Swedish Financial Reporting Board. The application of RFR 2 implies that the Company applies in this interim report all IFRS items and statements made as far as possible within the framework of the Swedish Annual Accounts Act approved by the EU, with consideration being taken for any relationship between accounting and taxation.

In July 2010, Sensys Traffic acquired all shares in a Swedish limited company [aktiebolag] that now has the name Sensys International AB. This company is totally dormant, and has been since it was formed. The objective of the acquisition is only to fulfil conditions in an international procurement process. Sensys does not intend to carry out any business activity through Sensys International AB within the forthcoming year.

In view of that Sensys International AB is dormant, and has never carried out any business, no consolidated accounts have been prepared.

None of the new standards that entered into force in 2013 have affected the Company.

AUDIOCAST

CEO Johan Frilund will present the report and answer questions in an audiocast on 17 April at 9am. The telephone conference will also start at 9am, and may be followed with the presentation via Sensys' website at www.sensys.se.

In order to take part in the telephone conference, please call as follows:

+1 212 999 6659 - New York New York, +1 646 843 4608 - New York New York

+44 (0) 20 3003 2666 - Standard International Access, +0850520424 - Stockholm Stockholm

+020 089 6377 - Sweden Toll Free, +0808 109 0700 - UK Toll Free

+1 866 966 5335 - USA Toll Free, +1 202 204 1514 - Washington DC Local number

Password: Sensys Traffic AB. Please call 10 minutes before the stated time.

FORTHCOMING FINANCIAL REPORTS

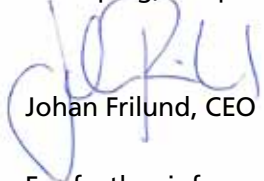
Interim report April-June 22 August 2013

Interim report July-Sept 24 October 2013

Year-end report 23 January 2014

This interim report has not been examined by the Company's auditor.

Jönköping, 16 april 2013



Johan Frilund, CEO

For further information, please contact:

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Sensys Traffic is obliged to publish the information contained in this interim report pursuant to the Swedish Securities Market Act. The information was submitted for publication at 2.35pm on 16 April 2013.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME, SEK K	JAN - MAR 2013	JAN - MAR 2012	JAN - DEC 2012
Net sales	7 815	6 104	41 000
Cost of goods sold	-5 195	-5 615	-25 270
Value adjustment of inventories	0	0	-4 558
Gross profit	2 620	489	11 172
Selling costs	-4 310	-16 800	-31 908
Administrative costs	-1 317	-1 623	-5 359
Development costs	-3 651	-4 592	-15 398
Other operating costs/income	-265	405	0
Operating profit/loss	-6 923	-22 121	-41 493
Net financial items	-117	-16	122
Profit/loss before tax	-7 040	-22 137	-41 371
Tax	0	5 844	-1 776
Profit/loss for the period - Total comprehensive income/loss for the period	-7 040	-16 293	-43 147
Earnings per share	-0,01	-0,06	-0,09

CONDENSED STATEMENT OF FINANCIAL POSITION, SEK K	2013-03-31	2012-03-31	2012-12-31
Assets			
Intangible non-current assets	161	254	185
Property, plant and equipment	81	117	81
Financial non-current assets ¹	39 128	53 599	39 128
Accounts receivable - trade	13 050	4 483	14 207
Inventories	28 075	44 146	29 651
Other current assets	13 354	3 293	13 409
Cash and bank balances	9 646	5 969	12 456
Total assets	103 495	111 861	109 117
<small>1) Tax recoverable SEK 39.1m 31 /12 2012 (46.7m 31/3 2012). Amount due from Telvent SEK 0m 31 /12 2012 (6.9m 31/3 2012)</small>			
Equity and liabilities			
Shareholders' equity	90 412	97 209	97 452
Accounts payable - trade	1 977	3 099	668
Other current interest-free liabilities	11 106	11 553	10 997
Total equity and liabilities	103 495	111 861	109 117

CASH FLOW FROM OPERATIONS, SEK K	JAN - MAR 2013	JAN - MAR 2012	JAN - DEC 2012
Profit/loss after financial items	-6 923	-22 121	-41 493
Non-cash items	40	9 880	4 756
Changes in working capital	4 090	363	4 249
Cash flow from operating activities	-2 793	-11 878	-32 488
Investments in intangible non-current assets	-17	0	0
New share issue, net after issue costs	0	0	27 097
Changes in cash and bank balances	-2 810	-11 878	-5 391
Cash and cash equivalents at beginning of the period	12 456	12 456	17 847
Cash and cash equivalents at end of the period	9 646	9 464	12 456

CHANGES IN EQUITY, SEK K	JAN - MAR 2013	JAN - MAR 2012	JAN - DEC 2012
At beginning of the period	97 452	113 502	113 502
New share issue	0	0	27 097
Profit/loss for the period - Total comprehensive income/loss for the period	-7 040	-16 293	-43 147
At end of the period	90 412	97 209	97 452

STATEMENT OF COMPREHENSIVE INCOME, QUARTERLY DATA	JAN - MAR 2013	OCT - DEC 2012	JULY - SEPT 2012	APR - JUNE 2012	JAN - MAR 2012	OCT - DEC 2011	JULY - SEPT 2011	APR - JUNE 2011
Net sales	7 815	25 310	1 522	7 506	6 104	8 863	20 485	8 783
Cost of goods sold	-5 195	-12 669	-1 975	-5 010	-5 615	-3 616	-6 041	-5 297
Value adjustment of inventories	0	0	0	-4 558	0	-7 500	-7 500	-6 300
Gross profit	2 620	12 641	-453	-2 062	489	-2 253	6 944	-2 814
Overhead costs	-9 543	-10 842	-8 163	-10 493	-22 610	-14 865	-11 081	-13 085
Operating profit/loss	-6 923	1 799	-8 616	-12 555	-22 121	-17 118	-4 137	-15 899
Net financial items	-117	386	-318	70	-16	203	126	37
Profit/loss before tax	-7 040	2 185	-8 934	-12 485	-22 137	-16 915	-4 011	-15 862
Tax	0	-7 620	0	0	5 844	4 352	1 055	4 173
Profit/loss for the period/ Total comprehensive income/ loss for the period	-7 040	-5 435	-8 934	-12 485	-16 293	-12 563	-2 956	-11 689

KEY FIGURES AND OTHER INFORMATION	JAN - MAR 2013	OCT - DEC 2012	JULY - SEPT 2012	APR - JUNE 2012	JAN - MAR 2012	OCT - DEC 2011	JULY - SEPT 2011	APR - JUNE 2011
Earnings per share, SEK ¹	-0,01	-0,01	-0,02	-0,03	-0,06	-0,04	-0,01	-0,04
Equity per share, SEK ¹	0,19	0,20	0,21	0,23	0,34	0,39	0,44	0,45
Cash flow per share, SEK	-0,01	-0,02	-0,01	-0,01	-0,04	0,01	-0,02	-0,03
Gross margin, %	33,5	49,9	Neg	Neg	8,0	Neg	33,9	Neg
Gross margin excluding write-down of inventories, %	33,5	49,9	Neg	33,3	8,0	59,2	70,5	39,7
Operating margin, %	Neg	7,0	Neg	Neg	Neg	Neg	Neg	Neg
Equity/assets ratio, %	87,4	89,3	88,3	89,2	86,9	88,1	87,0	90,2
Order intake, SEK k	17 100	6 400	2 000	29 900	2 500	7 000	2 000	24 000

¹⁾ Refers to profit/loss and equity before and after dilution.
Sensys does not have any outstanding incentive programs that entail a dilution effect.