



Sensys Gatso Group AB
Vasavägen 3c
SE-554 54 Jönköping, Sweden
P0 Box 2174
SE-550 02 Jönköping, Sweden
T +46 36 34 29 80
investors@sensys.se
www.sensysgatso.com
Company Reg. No 556215-4459
VAT Reg. No SE 556215445901

Notice to the Annual General Meeting of Sensys Gatso Group AB

The shareholders of Sensys Gatso Group AB (publ) reg no 556215-4459, (the **"Company"**) are hereby invited to the Annual General Meeting on Thursday 15 May 2025 at 15.00 (CEST) 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.

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 Wednesday 7 May 2025 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 Friday 9 May 2025; 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 Friday 9 May 2025.

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 ordered 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 Friday 9 May 2025. 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.

Proposed Agenda

1. Opening of the Meeting.
2. Election of the chairman for the Meeting.
3. Establishment and approval of register of voters.
4. Approval of the agenda.
5. Election of a member to review and approve the minutes.
6. Confirmation that the Meeting has been properly called.
7. Presentation of the annual accounts and the auditor's report together with the annual consolidated accounts and the auditor's report for the Group.
8. The CEO's statement.
9. Resolution on the adoption of the Company's income statement and the balance sheet and the consolidated income statement and the balance sheet for the Group.
10. Resolution on dispositions in respect of the Company's profits/loss according to the adopted balance sheet.
11. Resolution concerning the discharge from liability for the Members of the Board of Directors and the CEO.
12. Resolution on approval of the remuneration report.
13. Establishment of the number of Members of the Board and Alternate Members, as well as the number of Auditors and deputy auditors.
14. Establishment of remuneration to the Members of the Board and the fees for the auditors.
15. Election of the members of the Board of Directors and the Chairman of the Board.
16. Election of auditors.
17. Resolution on long-term incentive program for key executives and employees.
18. Resolution to authorise the Board of Directors to make decisions concerning the issuance of shares.
19. Conclusion of the Meeting.

The Board of Directors, etc. (items 2, 13-16)

The nomination committee, which consisted of Timo Gatsonides (individual holdings), Per Wall (individual holdings), Jan Johansson (appointed by Inger Bergstrand), and Claes Ödman (Chairman of the Board), has submitted the following proposals regarding items 2, 13 - 16:

Chairman of the Meeting: Claes Ödman.

Number of Board Members: Six Board Members, with no alternate members.

Number of Auditors: One audit firm, with no deputy auditor.

Board Members: Re-election of Claes Ödman, Jochem Garritsen, Kerstin Sjöstrand, Pia Hofstedt, Francis Schmeer and Mark Talbot for the period until the end of the next Annual General Meeting.

Chairman of the Board: Re-election of Claes Ödman.

Remuneration to Board Members: The remuneration to the Chairman of the Board will be paid in the amount of SEK 500,000. The remuneration to each of the other Board Members elected by the Annual General Meeting shall amount to SEK 250,000. Total Board remuneration thus amounts to SEK 1,750,000.

Auditor: Re-election of the auditing firm BDO with authorised auditor Carl-Johan Kjellman appointed as principal auditor for the period until the end of the next Annual General Meeting.

Auditor's fee: Fees to the auditor be paid according to the invoices approved by the CEO, within the framework of the applicable price estimation submitted.

Details concerning the proposed Board Members can be found on the Company's website www.sensysgatso.com.

Resolution on dispositions in respect of the Company's profits/loss according to the adopted balance sheet (item 10)

The Board proposes that no dividend be distributed to the shareholders.

Resolution on approval of the remuneration report (item 12)

The Board of Directors proposes that the Meeting resolves to approve the Board of Directors' report on remuneration pursuant to Chapter 8, Section 53a of the Swedish Companies Act.

Resolution on long-term incentive program for key executives and employees (item 17)

The Board of Directors proposes the introduction of a long-term incentive program for the Company's executives and key employees in accordance with the following.

The Board of Directors proposes that the Annual General Meeting resolves to implement a long-term incentive program in the form of a stock option plan for up to 50 key executives and employees ("**LTIP 2025**") in accordance with item 17a below.

LTIP 2025 is a program that spans over three award years and under which the participants will be granted, free of charge, options ("**Options**") that entitle the acquisition of up to 600,000 shares in the Company subject to three-year vesting periods, in accordance with the terms stipulated below.

As part of the implementation of LTIP 2025, a total of up to 750,000 shares (including shares acquired through warrants for the hedging of social security costs) may be issued in accordance with item 17b below. The Board wishes to promote share ownership but also to minimise dilution and therefore intends to "net settle" exercised options, i.e. the participant receives the value of the option gain in shares. The expected share usage is hence significantly less.

If the Meeting does not approve the proposal to issue and transfer warrants in accordance with item 17b below, the Board of Directors proposes that the Company shall enter into one or more equity swap agreements, in accordance with item 17c below, in order to ensure delivery of the shares under LTIP 2025.

Proposal regarding adoption of a long-term incentive program for executives and key employees (item 17a)

The rationale for the proposal

LTIP 2025 is intended for the Company's key executives and employees. At least 50 percent of the Options will be granted to employees outside of the group management team. The Board of Directors of the Company believes that an equity-based incentive program is a central part of an attractive and competitive remuneration package, facilitating the recruitment, retention and share ownership of key executives and employees, whilst aligning the interests of participants with shareholders and thus promoting sustainable, long-term value creation for the Company. LTIP 2025 is adapted to the Company's current position and needs.

Allocation

The participants can be granted Options up to a maximum of 600,000 shares in total. The Board of Directors shall resolve upon the allocation of Options to individual participants.

Conditions for Options

The following conditions shall apply for the Options.

- The Options shall be granted free of charge to the participants. The Board of Directors shall resolve upon the allocation of Options (the date of an Option grant being the "**Grant Date**").
- Each Option entitles the holder to acquire one share in the Company for a pre-determined exercise price. The exercise price will be 110 percent of the Volume Weighted Average Price ("VWAP") of the Company's shares traded on Nasdaq Stockholm during the ten trading days before the Grant Date. The calculated exercise price shall be converted to the nearest whole öre.
- The Options shall vest over a three-year period, whereby all Options shall vest on the third anniversary of the Grant Date, provided that the participant, with some customary exceptions (including good-leaver provisions, retirement and permanent incapacity to work due to illness or accident), is still employed by Company at the time.
- The Options shall not constitute securities and shall not be able to be transferred or pledged. However, in the event of a participant's death, the rights constituted by vested Options shall accrue to the beneficiaries of the holder of the Options.
- At the Board of Directors' sole discretion, the number of Options can be re-calculated in the event that changes occur in the Company's equity capital structure, such as a bonus issue, merger, rights issue, share split or reverse share split, reduction of the share capital or similar measures, to achieve an outcome as neutral as possible for the participants.

- In the event that the control over the Company changes so that one party, or several parties acting in concert, gains control over shares representing more than 50 percent of the total number of votes in the Company, all Options shall vest immediately.
- The Options shall be governed by separate agreements with each participant. The Board of Directors shall be responsible for the preparation and management of LTIP 2025 within the above-mentioned guidelines. The Board of Directors has the right, within the framework of the agreement with each participant, to make the reasonable changes and adjustments of the terms and conditions of the Options that are deemed suitable or appropriate as a result of local employment law or tax law or administrative conditions. The Board of Directors has the right to, in extraordinary cases, limit the scope of, or prematurely terminate, LTIP 2025 in whole or in part.

Preparation and administration

The Board of Directors is responsible for preparing the detailed terms and conditions of LTIP 2025, in accordance with the above mentioned terms and guidelines.

Preparation of the proposal

LTIP 2025 has been initiated by the Board of Directors based on the LTIP program from 2021.

Proposal regarding issue and transfer of warrants (item 17b)

Issue and transfer of warrants

In order to ensure the delivery of shares granted in 2025 under LTIP 2025 and for the hedging of social security costs, the Board of Directors proposes that the Annual General Meeting resolves to issue a maximum of 750,000 warrants, whereby the Company's share capital may be increased by not more than SEK 3,000,000 in accordance with the following:

1. The right to subscribe for the warrants shall, with deviation from the shareholders' pre-emptive rights, only vest with Sensys Gatso Sweden AB, a wholly-owned subsidiary of the Company. The reason for the deviation from the shareholders' pre-emptive rights is the implementation of LTIP 2025. Sensys Gatso Sweden AB shall be entitled to transfer the warrants free of charge to the participants or to a financial intermediary in connection with exercise, or in another way dispose of the warrants in order to be able to secure the Company's commitments and costs in relation to LTIP 2025.
2. The warrants shall be issued free of charge and shall be subscribed for no later than 30 June 2025.
3. The warrants may be exercised during the time period from the registration of the warrants with the Swedish Companies Registration Office (Sw. *Bolagsverket*) up to and including 31 December 2030.
4. The exercise price for subscription for shares based on the warrants shall correspond to the share's quota value.
5. Shares issued upon exercise of warrants shall confer right to dividend in accordance with the terms and conditions of the warrants.
6. The Chairman of the Board of Directors shall be authorized to make such minor adjustments that may be required to register the issuance.

Dilution

The maximum number of shares that may be issued pursuant to an exercise of Options under LTIP 2025 is 750,000 shares (including hedging of social security costs), technically corresponding to a maximum dilution of approximately 6.5 percent. However, to promote continued share ownership and to minimise dilution, the Company will seek to meet its obligations through "net settled" arrangements, where the participant receives the net value in shares. To illustrate this, if the Company grants 90 percent of all options when the volume weighted average share price is SEK 40, the exercise price will be 10 percent higher at SEK 44 and the total number of options will be 675,000, including a 25 percent hedge for social security. If the options are settled with a corresponding number of shares the dilution will be 5.9 percent. But if the option is "net settled", only the value increase will need to be met. For example, at a 100 percent share price increase this would require 303,750 shares, or 2.6 percent dilution over a three year period, equaling an average of 0.88 percent dilution per year.

The Company currently has one outstanding share-based incentive plan. For more information, please see the 2024 Annual Report.

Scope and costs of the program

LTIP 2025 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Options shall be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow.

Assuming a share price at the time of allocation of SEK 40, a volatility of 38.06 percent, a 2.339 percent risk-free rate of return, 0 percent dividend yield, five years to exercise, a 10 percent premium for the exercise price and that all Options are vested and exercised, the annual cost for LTIP 2025 is estimated with a Black-Scholes model to approximately SEK 2.7 million per year before tax and approximately SEK 8 million over the lifespan of the program. Within these amounts, the annual and total costs for Options granted in 2025 are estimated to be approximately SEK 2.4 million and SEK 7.2 million respectively. The social security costs associated with LTIP 2025 are covered by hedging measures through the issue of warrants, which will be exercised by a financial intermediary in connection with the exercise of the Options, the social security costs associated with LTIP 2025 and are estimated at 25 percent. The hedging measures will result in an additional dilution of the Company's current shareholders (which is included in the dilution calculations presented under the heading "Dilution" above). Under a scenario where the share price grows by 10 percent per annum and options are exercised on the vesting date, the social security cost will be approximately SEK 1.5 million including costs associated with the establishment and administration of LTIP 2025. In addition, minor brokerage costs will arise in connection with the exercise of hedging warrants by a financial intermediary.

The costs associated with LTIP 2025 are expected to have a marginal effect on the Company's key performance indicators.

Majority requirement

A valid resolution in respect of item 17b above requires that the proposal is supported by shareholders holding at least nine-tenths of both the votes cast and the shares represented at the Annual General Meeting.

Proposal regarding authorization for the board of directors to enter into equity swap arrangements to cover obligations under LTIP 2025 (item 17c)

Equity swap arrangements

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to pass a resolution, on one or more occasions, for the period up until the next Meeting, to direct the Company to enter into one or more equity swap agreements with a third party (e.g., a bank), on terms and conditions in accordance with market practice, to hedge the obligations of the Company under LTIP 2025. Under such equity swap arrangements, in exchange for certain fees paid by the Company, the third party acquires (in its own name) such number of shares in the Company as are necessary to cover the Company's obligations under the LTIP 2025 and then, transfer (in its own name) such shares to the participants per the terms of the LTIP 2025.

Scope and costs of the program

LTIP 2025 will be accounted for in accordance with "IFRS 2 – Share-based payments". IFRS 2 stipulates that the Options shall be expensed as personnel costs over the vesting period and will be accounted for directly against equity. Personnel costs in accordance with IFRS 2 do not affect the Company's cash flow.

Assuming a share price at the time of allocation of SEK 40 and that all Options are vested and exercised up-front, the annual cost for LTIP 2025 according to IFRS 2 is estimated to approximately SEK 2.7 million per year before tax and approximately SEK 8 million over the lifespan of the program. Within these amounts, the annual and total costs for Options granted in 2025 are estimated to be approximately SEK 2.4 million and SEK 7.2 million respectively. The social security costs depend on value at exercise. Under a scenario where the share price grows by 10 percent per annum and options are exercised on the vesting date, the social security cost will be approximately SEK 1.5 million including costs associated with the establishment and administration of LTIP 2025. The costs associated with LTIP 2025 are expected to have a marginal effect on the Company's key performance indicators.

The costs above do not include the costs for entering into equity swap arrangements with a third party.

Resolution to authorise the Board of Directors to make decisions concerning the issuance of shares (item 18)

The Board of Directors proposes that the Meeting authorises the Board of Directors, on one or more occasions during the period until the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, to make decisions concerning an issuance of new shares corresponding to no more than ten (10) percent of the total number of the Company's outstanding shares as of the date when the authorisation first is used. This authorisation is to include the right to make a decision concerning the issuance of new shares with a provision on an issue in-kind, offset or otherwise with conditions in accordance with the Swedish Companies Act.

The reason for the proposal and the deviation from the shareholders' preferential rights is to allow flexibility in connection with possible further acquisitions or the raising of capital. The basis for the subscription price shall be the market price of the share.

For a valid resolution and approval, a vote in agreement of at least two-thirds of the votes cast as well as those shares represented at the Meeting, is required.

Documentation

The complete documents in accordance Swedish Companies Act, will be available at the Company at Vasavägen 3c in Jönköping and on its website, www.sensysgatso.com, no later than Thursday 24 April 2025 and will be sent immediately and free of charge for the recipient to those shareholders who so request and provide their postal address.

Shares and votes

There are a total of 11,530,358 shares in Sensys Gatso Group AB, providing an entitlement to the identical number of votes. The Company holds no treasury shares.

Information

The Board and the CEO shall, if any shareholder so requests and the Board believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation and the Company's relation to other companies within the Group and the consolidated accounts.

Processing of personal data

For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Jönköping, April 2025

The Board of Directors for Sensys Gatso Group AB (publ)

For further information:

Ivo Mönnink, CEO

E investors@sensysgatso.com

The information was submitted for publication, through the agency of the contact person set out above, at 16.40 on 15 April 2025.

Sensys Gatso Group AB is a global leader in traffic management solutions for nations, cities and fleet owners. Sensys Gatso Group has subsidiaries in Australia, Costa Rica, Germany, the Netherlands, Saudi Arabia, Sweden and the USA, and a branch office in the United Arab Emirates and has 302 employees. The Sensys Gatso Group's shares are listed on Nasdaq Stockholm.

For further information, visit www.sensysgatso.com