

# Sensys Gatso Group AB

## Interim Report

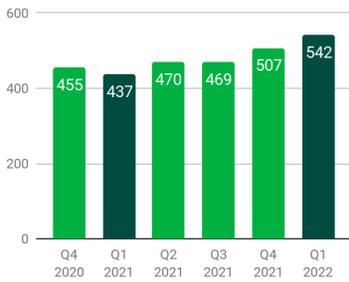
### January - March 2022



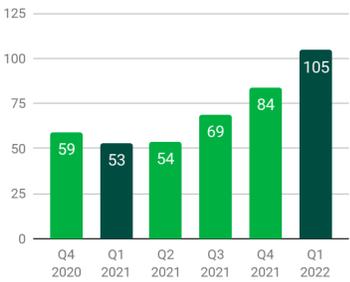
**KEY FINANCIALS (MSEK)**



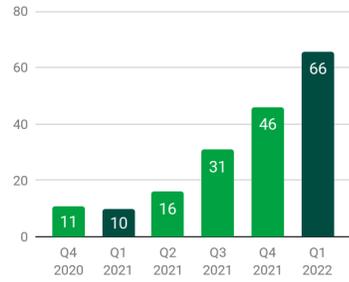
**SALES 12M ROLLING (MSEK)**



**EBITDA 12M ROLLING (MSEK)**



**EBIT 12M ROLLING (MSEK)**



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## Comments from the CEO

### Order Intake up 204%

The order intake in Q1 arrived at SEK 328 million, up more than 200% compared to last year. We were chosen as one of three vendors to supply, operate and support fixed systems for speed and red light enforcement in The Netherlands, and we received a procurement award of SEK 250 million in the quarter. The investment by the Dutch Public Prosecution Services authority is aiming to replace the existing automated traffic enforcement infrastructure. I am also pleased to see we added significantly to our TRaaS order backlog. Of the Q1 order intake, SEK 166 million relates to TRaaS recurring revenue, including SEK 26 million from three new cities we added in our strategic USA market. This is an increase of SEK 151 million compared to last year.

### Total Sales up 44% with US TRaaS Sales up 82%

We had a strong first quarter with total sales of SEK 113 million, up by 44%. Our strategic recurring TRaaS Sales arrived at SEK 69 million, up by 44%. In Q1 last year we had temporary, COVID related school closings that suppressed our sales. Our school zone related TRaaS business in the USA has returned to normal operations this quarter. This is reflected in our TRaaS Managed Services business which grew by 82%, from SEK 22 million to SEK 40 million. Our TRaaS sales arrived at 61% of total sales in the quarter, right on target with our 2025 ambition.

### Successful Intertraffic show

End of March the largest global show in our industry, the Intertraffic, was conducted in Amsterdam. It was the first time after 2018 many suppliers and customers physically came together again. The show was a great success for Sensys Gatso, renewing many existing customer relationships and developing promising new ones in various regions.

### EBITDA up by SEK 21 million

EBITDA arrived at 16 million for the quarter, up SEK 21 million compared to last year. The EBITDA growth can mainly be attributed to the rebound of our TRaaS Managed Services business, with higher margins, in the USA.

On a 12-months rolling basis, our EBITDA arrived at SEK 105 million, nearly 100% higher than in the same period last year. Main contributor is our gross margin, which arrived at 45% for the quarter, compared to 31% last year. On a twelve months rolling base, our gross margin arrived at 41%, 5 percentage points higher than last year. This demonstrates a structural margin improvement as we grow our TRaaS business year-on-year.

### 65% of Saudi Arabia contract delivered

To date in Q1 we have delivered 65% of this SEK 275 million contract for our unique Vehicle-in-Motion solution. We keep a steady pace in our deliveries to meet the requirements of our customer. Meanwhile we engage in discussions and testing to develop and possibly provide additional solutions for this key customer in the Middle East region.

### Free available cash up 46%

Taking into account the total amount of available credit facilities, the free available cash at the end of Q1 amounted to SEK 149 million. This is 46% higher than last year. The increase is mainly driven by the cash conversion from earlier investments in inventory and work in progress related to customer contracts. With our strong available cash position and low level of debt, the company has a healthy financial position.

### Supply chain costs stable throughout 2022

At Sensys Gatso we have long lead times for our sales, delivery and operations processes. Critical components are therefore sourced way in advance and have already been secured for 2022. Assembly of our systems takes place in our European factories, where most of the added value for our System Sales is realized. Our System Sales and Managed Services business models are hardly affected by increases in energy cost. Today we expect no delivery issues in our supply chain and our supply chain costs to remain relatively stable throughout 2022.

### No business in Russia or Ukraine

Sensys Gatso is deeply concerned and saddened by the war in Ukraine and the devastating impact on the people of the country. We have no business to date in Russia or Ukraine, no employees working from these countries and no supplies coming from the region. Sensys Gatso is not significantly impacted by increases in gas prices and has price agreements in place with suppliers to secure 2022 sales.

### Outlook

Our order book is strong, our costs are in control, our profitable TRaaS business continues to grow and our financial position is strong. On top, we see in the short term limited impact from supply chain cost increases and the war in Ukraine. We therefore retain our long-term plan to, by 2025, grow our net sales to more than SEK 1 billion, of which TRaaS revenues is more than SEK 600 million. We also retain our ambition to increase our EBITDA margin to more than 15% in 2025.

**Ivo Mönnink**  
**CEO, Sensys Gatso Group**

### Financial summary

	Q1	Q1	YTD	FY
MSEK	2022	2021	2022	2021
Net Sales	113.4	78.1	113.4	506.8
Order intake	83.5	61.8	83.5	368.2
Operating profit (EBITDA)	15.7	-5.5	15.7	83.5
Operating profit (EBIT)	5.6	-14.1	5.6	45.9
Total Comprehensive income	12.3	-0.9	12.3	45.5
Earnings per share, before and after dilution (SEK)	0.01	-0.01	0.01	0.04
Cash flow from operating activities	59.0	-40.1	59.0	9.1



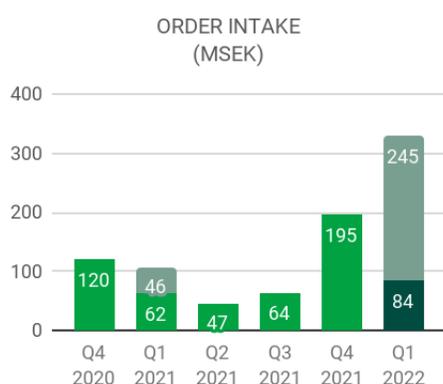
## Financial results Group

### January – March 2022

#### Order intake

Order intake during the first quarter totalled SEK 83.5 million compared to SEK 61.8 million in the same quarter last year. Including procurement awards the order intake amounts to SEK 328.5 million compared to SEK 108.0 million.

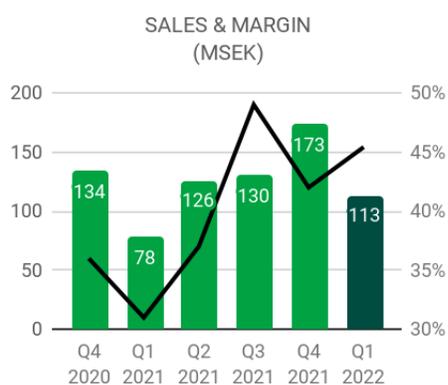
The order intake for the quarter mainly relates to the Procurement Award in the Netherlands amounting to SEK 250 million and the three TRaaS Managed Services contracts in the USA with a total contract value of SEK 26.4 million.



#### Net Sales and gross margin

Net sales in the quarter amounted to SEK 113.4 million (78.1).

The gross margin for the quarter was 45.4% (31.4). The increase in profitability in the quarter is caused by higher absolute TRaaS Sales with a higher margin.



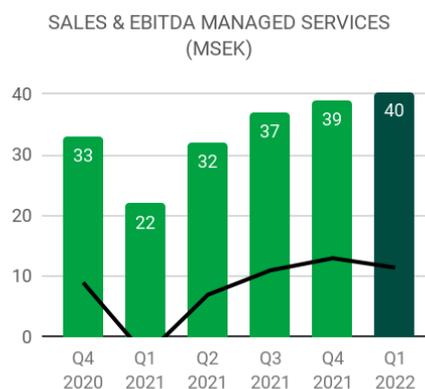
#### TRaaS Sales

The TRaaS sales for the quarter of SEK 69.0 million (47.8) equates to 61% of total sales. The absolute TRaaS sales have grown compared to the same quarter last year by SEK 21.1 million, corresponding to 44% growth.

	Q1 2022	Q1 2021	YTD 2022	FY 2021
<b>MSEK</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
System Sales	44.4	30.3	44.4	225.5
TRaaS: Service & Maintenance	27.4	24.6	27.4	95.6
TRaaS: Licenses	1.3	1.4	1.3	4.8
TRaaS: Managed Services	40.4	21.8	40.4	111.4
<b>Total Sales</b>	<b>113.4</b>	<b>78.1</b>	<b>113.4</b>	<b>437.4</b>
Of which TRaaS:	69.0	47.8	69.0	211.9
TRaaS % of total Sales:	61%	61%	61%	48%

#### Business segment Managed Services

The sales development for the business segment Managed Services has significantly grown compared to Q1 of 2021. The sales have increased from 22 million to 40 million in 2022, equalling an increase of approximately 82%. The increase in sales is mainly attributable to schoolzone speed programs that have resumed enforcement after the COVID-19 school closings and new programs coming online.



### Business segment System Sales

The sales for the business segment system sales has increased in the quarter from 56.3 to 73.0 million in 2022, equalling an increase of approximately 30%. The increase in sales is driven by project deliveries for the Saudi project. The EBITDA for the segment arrived at 4.2 million compared to - 2.9 million for the same quarter last year.



### Sales regions

Sales in the regions Americas and APAC/MEA have increased during the quarter compared to the same quarter last year, whilst the Europe region has remained stable. Increased sales in the Americas region is due to increased Managed Services Sales. The increase in sales in the APAC/MEA region is mainly driven by Saudi project deliveries.

MSEK	Q1 2022	Q1 2021	YTD 2022	FY 2021
Europe	21.4	23.5	21.4	157.4
Americas	39.7	21.2	39.7	108.5
APAC and MEA	52.3	33.4	52.3	171.5
<b>Total Sales</b>	<b>113.4</b>	<b>78.1</b>	<b>113.4</b>	<b>437.4</b>

### Operating expenses

The operating expenses for the quarter totalled SEK 45.9 million (38.7). The increase in expenses is mainly due to increased sales expenses related to increased travel activities, temporary business consultants as well as cost relating to upgrading our ERP system.

### Profitability

The EBITDA in the first quarter amounted to SEK 15.7 million (-5.5), an increase of approximately SEK 21 million. The operating profit (EBIT) for the quarter amounted to SEK 5.6 million (-14.1), an increase of approximately SEK 20 million. The profit after taxation totalled SEK 6.4 million (-9.8).

MSEK	Q1 2022	Q1 2021	YTD 2022	FY 2021
Operating profit (EBIT)	5.6	-14.1	5.6	45.9
Depreciation & Amortization	10.1	8.6	10.1	37.6
<b>Operating profit (EBITDA)</b>	<b>15.7</b>	<b>-5.5</b>	<b>15.7</b>	<b>83.5</b>
Operating margin (EBITDA %)	13.8	-7.0	13.8	19.1

### Foreign currency effects

During the first quarter the foreign currencies US Dollar, Euro and Australian Dollar fluctuated significantly against the Swedish Krona. Due to this, the sales has been positively impacted by SEK 6.1 million, mainly relating to a stronger US Dollar. The segment Managed Services, predominantly in USD, has incurred the largest impact of approximately SEK 4 million. The impact on Profit for the period with SEK 0.9 million was not significant.

MSEK	2022 numbers		
	2022 FX Q1	2021 FX* Q1	Diff
Net sales	113.4	107.4	6.1
Cost of goods sold	-61.9	-58.7	-3.3
Gross profit	51.5	48.7	2.8
Costs	-45.9	-44.0	-1.9
Operating profit	5.6	4.7	0.9
Net financial items	3.8	3.8	0.0
Profit before tax	9.4	8.4	1.0
Tax	-3.0	-2.9	-0.1
Profit for the period	6.4	5.5	0.9

\*) 2021 FX: these are the 2022 numbers calculated at Q1 2021 currencies

### Personnel

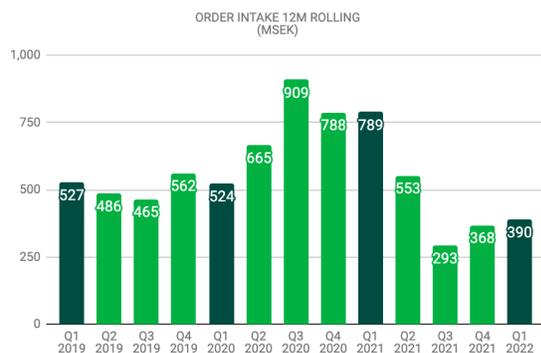
The average number of full-time employees was 233 (235). The number of employees at the end of the period was 253 compared to 263 at the end of 2021.

### Rolling 12 months

#### Order intake

The order intake rolling 12 months amounted to SEK 390 million, compared to SEK 789 million. The decrease in order intake is caused by large System Sales order intake received in Q3 and Q4 of 2020, which are a large part of the Q1 2021 12 months rolling number.

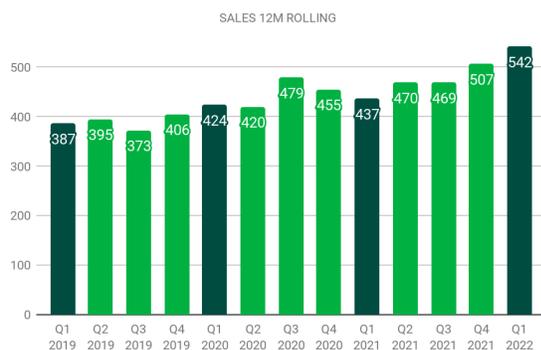
**-51%**



#### Net sales

The 12 months rolling sales are 24% higher than the comparative 12 months rolling numbers. The sales arrived at SEK 542 million compared to SEK 437 million.

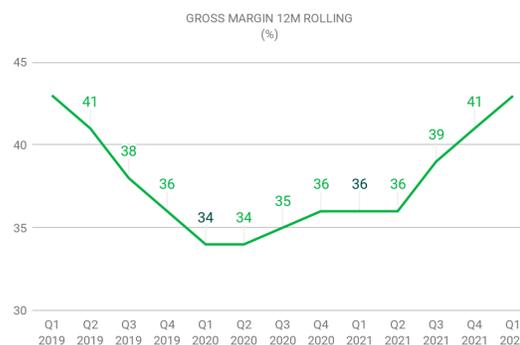
**+24%**



### Gross margin

The gross margin improved by 5 percentage points from 35.6% to 40.6%. The increase in margins is caused by more TRaaS revenue with a typically higher margin.

**41%**



### Operating Expenses

The expenses have increased due to increased sales activity and related expenses for setting up for instance Sensys Gatso Colombia. The rolling 12 months expenses totalled SEK 167 million compared to 147 million.

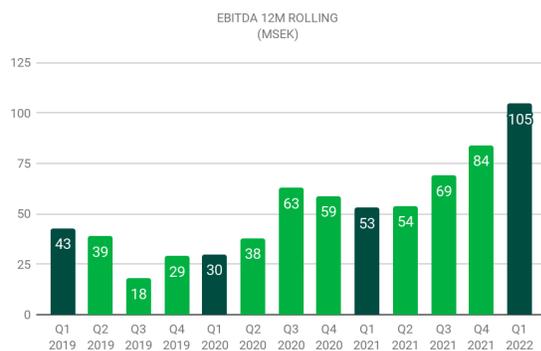
**+14%**



**EBITDA**

The EBITDA for the 12 months rolling amounted to SEK 105 million compared to SEK 53 million, an increase of 98%.

**+98%**



## Cash flow and financial position

### Cash and available cash

Cash and cash equivalents at the end of the period totalled SEK 99.2 million (69.3). At the end of the period free available cash amounted to SEK 149 million (102) taking into account the total amount of remaining credit facilities amounting to SEK 50 million (33).



### Cash flow from operating activities

During the quarter Sensys Gatso had a positive cash flow from operating activities of SEK 59.0 million (-40.1). Net Operating Working Capital (Net working Capital less cash and borrowings) amounted to 142.4 compared to SEK 183.4 million at the end of 2021. The main movement relates to receipt of trade receivables to the amount of SEK 58 million.



### Cash flow from investing activities

The investments in fixed assets for the quarter amounted to SEK 9.2 million (5.1). The investments mainly relate to software development efforts for our software platforms FLUX, Xilium and PULS to the amount of SEK 4.5 million (4.0). Further, we have made SEK 3.3 million of investments in Fixed Assets in Operations.

MSEK	Q1 2022	Q1 2021	YTD 2022	FY 2021
Software platforms FLUX, Xilium and Puls	4.5	4.0	4.5	17.9
Fixed assets in operations	3.3	0.3	3.3	20.6
Other intangible and tangible fixed assets	1.4	0.8	1.4	3.5
<b>Total investments</b>	<b>9.2</b>	<b>5.1</b>	<b>9.2</b>	<b>42.0</b>

### Financial position

The Group's equity at the end of the period totaled SEK 575.2 million (513.6), producing an equity/assets ratio of 73.8% (68.1).

Net interest-bearing debt amounted to SEK -5.6 million (56.0). Excluding lease liabilities, the adjusted Net interest-bearing debt amounts to SEK -26.4 compared to SEK 28.8 million.

MSEK	Q1 2022	Q1 2021	FY 2021
Lease liabilities	20.8	27.1	22.9
Bank Loans and Credit facilities	43.5	59.1	64.4
Shareholder loans	29.3	39.1	29.0
Cash and bank	-99.2	-69.3	-72.5
<b>Net Interest-bearing debt</b>	<b>-5.6</b>	<b>56.0</b>	<b>43.9</b>
-/- Lease liabilities	-20.8	-27.1	-22.9
<b>Adjusted Net Interest-bearing debt</b>	<b>-26.4</b>	<b>28.8</b>	<b>20.9</b>

## Significant events and other information

### Significant events during the quarter

- 18 Jan Sensys Gatso USA has won a five-year TRaaS contract from Pelham Manor, New York worth SEK 7.9 million
- 19 Jan Sensys Gatso USA has won a five-year TRaaS contract from Gates Mills, Ohio worth SEK 9.2 million
- 2 Feb Sensys Gatso USA has won a five-year TRaaS contract from Oelwein, Iowa worth SEK 9.3 million
- 4 Mar Sensys Gatso has received a purchase order for red-light and speed enforcement in Belgium worth SEK 6 million
- 18 Mar Sensys Gatso has been selected as vendor to a procurement contract in the Netherlands, with an estimated revenue of SEK 250 million

### Significant events after the quarter

- 12 Apr Sensys Gatso receives three-year TRaaS contract extension, valued at SEK 44 million for speed photo enforcement in Des Moines, Iowa
- 13 Apr Sensys Gatso signs procurement contract in the Netherlands

A list of Sensys Gatso's press releases can be found on [www.sensysgatso.com](http://www.sensysgatso.com)

## Related party transactions

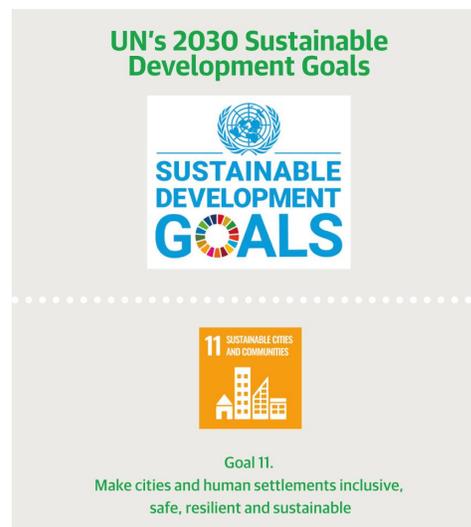
For the period under review no material business transactions were performed with related parties. We refer to the annual report for a list of common related party transactions during the year.

## Sustainability

Sensys Gatso solutions promote reduced negative environmental impacts from vehicles. Sensys Gatso 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. Emissions from transportation accounts for about 1/5 of global carbon emissions, where road transportation accounts for 72%. Lower speeds, however, lead to the reduction of both carbon emissions and the release of pollutants, called NOx particles. Reducing speed limits from, for example, 75mph to 60mph result in a 25% reduction in emissions. Read more about how Sensys Gatso solutions promote reduced negative environmental impacts from vehicles in the 2021 Annual Report on page 12-13 available at [www.sensysgatso.com](http://www.sensysgatso.com)

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 behavior 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. 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. 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. This is the bigger picture, read our sustainability report in the 2021 Annual report on page 16-19 available at [www.sensysgatso.com](http://www.sensysgatso.com).

## AGM 2022

The AGM for 2022 will take place on Thursday May 12, 2022, in Jönköping. Please, go to [www.sensysgatso.com/](http://www.sensysgatso.com/) for more information about the nomination committee and how to proceed as a shareholder to get an issue handled by the AGM.

## Audit

This report has not been reviewed by the company's auditor.

## Upcoming financial events

Calendar	
Annual General Meeting 2022	12 May 2022
Q2 Interim Report January - June 2022	18 August 2022
Q3 Interim Report January - September 2022	17 November 2022
Q4 Year-End Report January - December 2022	23 February 2023

### Invitation to a presentation

On 29 April at 10 am CET Sensys Gatso Group invites press, analysts, shareholders, and stakeholders to participate in an audiocast. The company's CEO Ivo Mönnink and CFO Simon Mulder will present the financial results in English. The presentation in connection with this report will be published on the website.

The presentation/audiocast can be joined online or via telephone and will be available on the company's webpage:

<https://www.sensysgatso.com>

Link to the presentation/audiocast:

<https://tv.streamfabriken.com/sensys-gatso-group-q1-2022>

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*This information is information that Sensys Gatso Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 on 29 April, 2022.*

## Financial Statements and key figures

### Key Indicator definitions

KPI	Definition
Gross margin	Gross profit as a percentage of net sales
Operating profit (EBIT)	Profit for the period before net financial items and tax
Operating margin (EBIT)	Operating profit (EBIT) as a percentage of net sales
Operating profit (EBITDA)	Operating profit (EBIT) before depreciation and amortization
Operating margin (EBITA)	Operating profit (EBITDA) as a percentage of net sales
Net margin	Profit for the period as a percentage of net sales
Return on equity	Profit for the period as a percentage of (average) shareholders' equity
Equity/Assets ratio	Total Shareholders' equity as a percentage of total assets
Earnings per share	Profit for the period divided by the (average) number of outstanding shares
Interest-bearing liabilities	All interest-bearing debts (the sum of on balance lease liabilities, bank loans & credit facilities and shareholder loans)
Adjusted interest-bearing liabilities	Interest-bearing liabilities adjusted for on balance lease liabilities
Net interest-bearing debt	Interest-bearing liabilities less cash and bank balances
Adjusted Net interest-bearing debt	Interest-bearing liabilities adjusted for on balance lease liabilities less cash and bank balances
(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 Operating Working Capital	(Net) Working Capital less cash and borrowings
Order intake	The sum of purchase orders received in the period
Purchase order	Received order to deliver goods or services
Procurement award	Contract with estimated sales volume against fixed conditions over a period of time without purchase order obligations
Number of employees	The number of employees (fixed and variable) at the end of the period
Average number of employees (FTE)	The number of average full time equivalent employees during a period
Free available cash	Cash and bank balances plus remainder of the credit facilities made available to the company
12M Rolling	Sum of the last 12 months

## Notes

### Nature of operations

Sensys Gatso Group develops, markets, sells and operates world-leading 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 saving lives and social resources. All products are based on our unique, high precision, target-tracking radars offering high legal certainty. The market for traffic safety systems is a global niche market with healthy underlying growth.

### EBITDA (Earnings before interest, taxes, depreciation and amortization)

The Intangible fixed assets, relating to the Purchase Price Allocation on the acquisition of Gatso Beheer BV, generate considerable amounts of amortization. Due to this, we believe that, in order to assist in understanding the operational business and growth, it is useful to consider EBITDA when assessing the financial performance.

### Volatility

The Group's revenue is affected by the volatility of the System Sales business. Due to the variance in bigger and smaller contracts and the time at which opportunities occur, revenue can be affected significantly during a quarter. To assist in understanding the operational business and to get a better view of the Group's performance, we provide quarterly data over six quarters.

### Risks and uncertainty

Significant risks and uncertainties faced by the group primarily consist of commercial risks associated with customers and suppliers, and financial risks in its international business due to changes in exchange- and interest rates, as well as liquidity, financing and credit risks. Currency risks also arise in the translation of foreign net assets and earnings. Sensys Gatso Group's overall goal is as far as possible to avoid taking financial risks that may arise through changes in foreign currency rates, interest levels and market prices, as well as liquidity, financing and credit risks.

For more information about the group's risks, please refer to note 25 of the 2021 Annual Report. There are not considered to be any significant risks in addition to these.

### Accounting policies

Sensys Gatso Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Accounts Act.

The Parent Company's interim report was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 – Accounting for Legal Entities.

The accounting policies adopted are consistent with those of the previous financial year as presented in the annual report for 2021.

For more information about the accounting policies applied and definitions of key indicators, please refer to the annual report issued for 2021, which is available on the Sensys Gatso [website](http://www.sensysgatso.com) [www.sensysgatso.com](http://www.sensysgatso.com)

### TRaaS Revenue description

TRaaS is recurring revenue from Service and Maintenance within System Sales and Managed Services. Recurring service revenues are collectively referred to as Traffic Enforcement as a Service revenues (TRaaS). The group identifies the following TRaaS revenue streams:

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

#### *TRaaS: Service & Maintenance*

The Group's service organization 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 duration of the contracts. 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: Licenses*

License revenues relate to software license 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.

## Consolidated statement of comprehensive income

	Jan - Mar 2022	Jan - Mar 2021	YTD 2022	FY 2021	FY 2020
<b>TSEK</b>					
<b>Net sales</b>	113,405	78,101	113,405	506,789	454,933
Cost of goods sold	-61,905	-53,584	-61,905	-300,854	-293,066
<b>Gross profit</b>	<b>51,500</b>	<b>24,517</b>	<b>51,500</b>	<b>205,935</b>	<b>161,867</b>
Selling expenses	-19,653	-16,079	-19,653	-66,057	-72,177
Administrative expenses	-18,734	-13,709	-18,734	-63,823	-48,300
Development expenses	-9,870	-9,758	-9,870	-36,268	-34,080
Other operating expenses/income (1)	2,359	891	2,359	6,121	3,511
<b>Operating profit</b>	<b>5,602</b>	<b>-14,138</b>	<b>5,602</b>	<b>45,908</b>	<b>10,821</b>
Net financial items	3,794	4,284	3,794	1,401	-8,345
<b>Profit before tax</b>	<b>9,396</b>	<b>-9,854</b>	<b>9,396</b>	<b>47,309</b>	<b>2,476</b>
Tax	-2,960	68	-2,960	-12,318	1,478
<b>Profit for the period</b>	<b>6,436</b>	<b>-9,786</b>	<b>6,436</b>	<b>34,991</b>	<b>3,954</b>
Profit is attributable to owners of Sensys Gatso Group AB	5,515	-8,948	5,515	32,578	5,051
Profit is attributable to non- controlling interest	921	-838	921	2,413	-1,097
	<b>6,436</b>	<b>-9,786</b>	<b>6,436</b>	<b>34,991</b>	<b>3,954</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	5,857	8,862	5,857	10,468	-19,697
<b>Total other comprehensive income for the period, net after tax</b>	<b>5,857</b>	<b>8,862</b>	<b>5,857</b>	<b>10,468</b>	<b>-19,697</b>
<b>Total comprehensive income for the period</b>	<b>12,293</b>	<b>-924</b>	<b>12,293</b>	<b>45,459</b>	<b>-15,743</b>
Number of shares (thousands)	921,776	921,776	921,776	921,776	921,776
Earnings per share, before and after dilution (SEK)	0.01	-0.01	0.01	0.04	0.01

1) The full year numbers of 2021 includes 4,3MSEK (3.5) Governmental COVID-19 relief

## Consolidated balance sheet

	31 Mar	31 Mar	31 Dec
TSEK	2022	2021	2021
<b>Assets</b>			
Goodwill	254,994	249,528	251,127
Customer contracts and relations	302	1,158	501
Brand	7,607	9,644	8,011
Product and software development	51,132	39,042	48,023
Property, plant and equipment	32,526	37,786	33,191
Fixed assets in operations	58,826	48,531	59,022
Deferred tax assets	35,591	41,231	36,238
Other non-current assets	261	288	266
Trade and other receivables	83,283	72,141	141,282
Inventories and work in progress	97,042	148,199	96,787
Other current assets	58,457	37,900	50,583
Cash and bank balances	99,162	69,349	72,463
<b>Total assets</b>	<b>779,183</b>	<b>754,797</b>	<b>797,494</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	574,898	513,635	561,803
Long-term Lease liabilities	12,098	18,717	14,247
Long-term Bank loans	22,307	8,318	23,292
Long-term Liabilities towards shareholders	20,677	28,916	20,454
Warranty Provision	10,922	10,257	10,823
Deferred tax liabilities	3,064	4,489	3,379
Short-term Lease liabilities	8,696	8,425	8,696
Short-term Bank liabilities	21,170	50,748	41,110
Short-term liabilities towards shareholders	8,652	10,200	8,527
Trade and other payables	27,318	35,800	37,118
Other current interest-free liabilities	69,381	65,292	68,045
<b>Total shareholders' equity and liabilities</b>	<b>779,183</b>	<b>754,797</b>	<b>797,494</b>

## Consolidated statement of changes in equity

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2022	2021	2022	2021	2020
<b>Beginning of period</b>	<b>561,803</b>	<b>514,559</b>	<b>561,803</b>	<b>514,559</b>	<b>448,854</b>
New share issue	0	0	0	0	84,475
Share issue costs (net after tax effect)	0	0	0	0	-3,255
Stock related costs	1,071	0	1,071	1,785	227
<i>Comprehensive income</i>					
Net profit for the period	5,515	-8,948	5,515	32,578	5,051
Minority interest in subsidiaries	921	-838	921	2,413	-1,097
Translation differences	5,857	8,862	5,857	10,468	-19,696
<b>Total comprehensive income for the period</b>	<b>12,293</b>	<b>-924</b>	<b>12,293</b>	<b>45,459</b>	<b>-15,742</b>
<b>End of period</b>	<b>575,167</b>	<b>513,635</b>	<b>575,167</b>	<b>561,803</b>	<b>514,559</b>

## Consolidated cash flow statement

	Jan - Mar 2022	Jan - Mar 2021	YTD 2022	FY 2021	FY 2020
<b>TSEK</b>					
<b>Operating profit</b>	<b>5,602</b>	<b>-14,138</b>	<b>5,602</b>	<b>45,908</b>	<b>10,821</b>
Items with no effect on cash flow	9,837	12,311	9,837	38,556	48,612
Financial items	-3,700	-3,976	-3,700	-14,710	-4,047
Tax paid/received	-370	-50	-370	473	2,296
<b>Funds contributing from operating activities</b>	<b>11,369</b>	<b>-5,853</b>	<b>11,369</b>	<b>70,227</b>	<b>57,682</b>
Change in working capital	47,638	-34,239	47,638	-61,080	-42,216
<b>Cash flow from operating activities</b>	<b>59,007</b>	<b>-40,092</b>	<b>59,007</b>	<b>9,147</b>	<b>15,466</b>
Cash flow from investing activities	-9,232	-5,090	-9,232	-41,956	-33,008
	<b>49,775</b>	<b>-45,182</b>	<b>49,775</b>	<b>-32,809</b>	<b>-17,542</b>
<b>Financing activities</b>					
New share issue minus cost	0	0	0	0	70,965
Loan movements (1)	-1,975	-640	-1,975	19,421	16,796
Lease payments (IFRS16)	-2,668	-2,167	-2,668	-11,032	-11,549
Repayment/usage of credit facilities	-19,940	7,891	-19,940	-1,747	-3,233
Repayment of loan to shareholders	0	0	0	-10,231	0
<b>Change in cash and bank balances</b>	<b>25,192</b>	<b>-40,098</b>	<b>25,192</b>	<b>-36,398</b>	<b>55,437</b>
Liquid funds at the beginning of the period	72,463	108,489	72,463	108,489	52,372
Translation differences in liquid funds	1,507	958	1,507	372	680
<b>Closing cash and cash equivalents</b>	<b>99,162</b>	<b>69,349</b>	<b>99,162</b>	<b>72,463</b>	<b>108,489</b>

1) The full year numbers 2020 includes 4.8MSEK received Governmental COVID-19 relief

## Consolidated Segment report

TSEK	Jan - Mar 2022			Jan - Mar 2021		
	System Sales	Managed Service	Total	System Sales	Managed Service	Total
Total Net sales per business segment	72,087	41,537	113,624	65,493	22,043	87,536
Inter-segment transactions	891	-1,110	-219	-9,211	-224	-9,435
<b>Total Net Sales</b>	<b>72,978</b>	<b>40,427</b>	<b>113,405</b>	<b>56,282</b>	<b>21,819</b>	<b>78,101</b>
<b>EBITDA</b>	<b>4,208</b>	<b>11,453</b>	<b>15,661</b>	<b>-2,919</b>	<b>-2,575</b>	<b>-5,494</b>
Depreciation and amortization	-4,799	-5,260	-10,059	-4,879	-3,765	-8,644
<b>Operating Profit</b>	<b>-591</b>	<b>6,193</b>	<b>5,602</b>	<b>-7,798</b>	<b>-6,340</b>	<b>-14,138</b>
Net financial items			3,794			4,284
<b>Profit before tax</b>			<b>9,396</b>			<b>-9,854</b>
Tax			-2,960			68
<b>Profit for the period</b>			<b>6,436</b>			<b>-9,786</b>

### Managed Services

TSEK	Jan - Mar	Jan - Mar	YTD	FY	FY
	2022	2021	2022	2021	2020
Total Net sales per business segment	41,537	22,043	41,537	130,287	124,158
Inter-segment transactions	-1,110	-224	-1,110	-942	-1,753
<b>Total Net Sales</b>	<b>40,427</b>	<b>21,819</b>	<b>40,427</b>	<b>129,345</b>	<b>122,405</b>
<b>EBITDA</b>	<b>11,453</b>	<b>-2,575</b>	<b>11,453</b>	<b>27,051</b>	<b>20,154</b>
Depreciation and amortization	-5,260	-3,765	-5,260	-17,800	-28,278
<b>Operating Profit</b>	<b>6,193</b>	<b>-6,340</b>	<b>6,193</b>	<b>9,251</b>	<b>-8,124</b>

1) The full year numbers of 2021 includes 4,3 MSEK Paycheck Protection Program

### System Sales

TSEK	Jan - Mar	Jan - Mar	YTD	FY	FY
	2022	2021	2022	2021	2020
Total Net sales per business segment	72,087	65,493	72,087	387,428	340,505
Inter-segment transactions	891	-9,211	891	-9,984	-7,977
<b>Total Net Sales</b>	<b>72,978</b>	<b>56,282</b>	<b>72,978</b>	<b>377,444</b>	<b>332,528</b>
<b>EBITDA</b>	<b>4,208</b>	<b>-2,919</b>	<b>4,208</b>	<b>56,451</b>	<b>39,284</b>
Depreciation and amortization	-4,799	-4,879	-4,799	-19,794	-20,339
<b>Operating Profit</b>	<b>-591</b>	<b>-7,798</b>	<b>-591</b>	<b>36,657</b>	<b>18,945</b>

## Consolidated key indicators

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2022	2021	2022	2021	2020
Net sales	113,405	78,101	113,405	506,789	454,933
Order intake	83,527	61,793	83,527	368,248	788,353
Gross margin (%)	45.4	31.4	45.4	40.6	35.6
Operating profit (EBIT)	5,602	-14,138	5,602	45,908	10,821
Operating margin (EBIT %)	4.9	Neg	4.9	9.1	2.4
Operating profit (EBITDA)	15,661	-5,494	15,661	83,502	59,438
Profit for the period	6,436	-9,786	6,436	34,991	3,954
Earnings per share, before and after dilution (SEK)	0.01	-0.01	0.01	0.04	0.01
Cash flow from operations	59,007	-40,092	59,007	9,147	15,466

## Consolidated EBITDA

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2022	2021	2022	2021	2020
Operating profit (EBIT)	5,602	-14,138	5,602	45,908	10,821
Depreciation tangible and intangible fixed assets	8,609	7,254	8,609	32,022	34,582
Amortization of acquired intangible assets	1,450	1,390	1,450	5,572	14,034
<b>Operating profit (EBITDA)</b>	<b>15,661</b>	<b>-5,494</b>	<b>15,661</b>	<b>83,502</b>	<b>59,437</b>
<b>Operating margin (EBITDA %)</b>	<b>13.8</b>	<b>-7.0</b>	<b>13.8</b>	<b>16.5</b>	<b>13.1</b>

## Parent company statement of comprehensive income

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2022	2021	2022	2021	2020
Other sales	5,648	4,417	5,648	21,966	7,981
Cost of goods sold				0	0
<b>Gross profit</b>	<b>5,648</b>	<b>4,417</b>	<b>5,648</b>	<b>21,966</b>	<b>7,981</b>
				0	
Selling expenses	0	0	0	0	0
Administrative expenses	-9,225	-5,552	-9,225	-30,853	-13,665
Development expenses	0	0	0	0	0
Other operating expenses/income	0	0	0	0	-24
<b>Operating profit</b>	<b>-3,577</b>	<b>-1,135</b>	<b>-3,577</b>	<b>-8,887</b>	<b>-5,708</b>
Net financial items	1,131	592	1,131	15,293	10,883
<b>Profit before tax</b>	<b>-2,446</b>	<b>-543</b>	<b>-2,446</b>	<b>6,406</b>	<b>5,175</b>
Tax	0	0	0	-1,329	-1,121
<b>Profit for the period/Comprehensive income for the period</b>	<b>-2,446</b>	<b>-543</b>	<b>-2,446</b>	<b>5,077</b>	<b>4,054</b>

## Parent company balance sheet

	31 Dec	31 Mar	31 Dec
TSEK	2021	2021	2021
Product and software development	33,566	21,994	30,665
Shares in subsidiaries	416,734	413,952	415,688
Deferred tax assets	16,384	17,714	16,384
Receivables from Group	91,912	94,423	90,411
Other current assets	4,198	2,536	2,888
Cash and bank balances	18,416	30,976	24,819
<b>Total assets</b>	<b>581,210</b>	<b>581,595</b>	<b>580,855</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	560,239	554,209	561,614
Long-term Bank loans	0	0	0
Long-term liabilities towards shareholders	0	8,441	0
Short-term Bank liabilities	0	0	0
Short-term liabilities towards shareholder	8,652	10,200	8,527
Trade and other payables	5,840	1,424	3,601
Trade and other payables from Group	0	3,698	1,759
Other current interest-free liabilities	6,479	3,623	5,354
<b>Total shareholders' equity and liabilities</b>	<b>581,210</b>	<b>581,595</b>	<b>580,855</b>

## Parent company statement of changes in shareholders equity

TSEK	Jan - Mar 2022	Jan - Mar 2021	YTD 2022	FY 2021	FY 2020
<b>Beginning of period</b>	<b>561,614</b>	<b>554,752</b>	<b>561,614</b>	<b>554,752</b>	<b>465,146</b>
New share issue, net	0	0	0	0	84,475
Share issue costs (net after tax effect)	0	0	0	0	-3,255
Other movements	0	0	0	0	1,500
Profit for the period/Comprehensive income for the period	-2,446	-543	-2,446	5,077	6,659
Stock related remuneration	1,071	0	1,071	1,785	227
<b>End of period</b>	<b>560,239</b>	<b>554,209</b>	<b>560,239</b>	<b>561,614</b>	<b>554,752</b>

## Quarterly data

### Consolidated statement of income

	2022		2021				2020	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Net sales</b>	113,405	172,512	130,416	125,760	78,101	134,252	131,595	93,456
Cost of goods sold	-61,905	-100,710	-67,034	-79,526	-53,584	-85,260	-82,399	-58,443
<b>Gross profit</b>	<b>51,500</b>	<b>71,802</b>	<b>63,382</b>	<b>46,234</b>	<b>24,517</b>	<b>48,992</b>	<b>49,196</b>	<b>35,013</b>
Costs	-45,898	-44,558	-35,138	-41,676	-38,655	-36,451	-36,268	-35,940
<b>Operating profit</b>	<b>5,602</b>	<b>27,244</b>	<b>28,244</b>	<b>4,558</b>	<b>-14,138</b>	<b>12,541</b>	<b>12,928</b>	<b>-927</b>
Net financial items	3,794	263	-1,699	-1,447	4,284	-884	-4,120	1,797
<b>Profit before tax</b>	<b>9,396</b>	<b>27,507</b>	<b>26,545</b>	<b>3,111</b>	<b>-9,854</b>	<b>11,657</b>	<b>8,808</b>	<b>870</b>
Tax	-2,960	-8,519	-4,327	460	68	-929	-2,892	2,253
<b>Profit for the period</b>	<b>6,436</b>	<b>18,988</b>	<b>22,218</b>	<b>3,571</b>	<b>-9,786</b>	<b>10,728</b>	<b>5,916</b>	<b>3,123</b>

### Consolidated key indicators and other information

TSEK	2022		2021				2020	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating margin (%)	4.94	15.79	21.66	3.62	Neg	9.34	9.82	Neg
Gross margin (%)	45.41	41.62	48.60	36.76	31.39	36.49	37.38	37.46
Profit margin (%)	5.68	11.01	17.04	2.84	neg	7.99	4.50	3.34
Equity per share (SEK)	0.62	0.61	0.59	0.56	0.56	0.56	0.56	0.51
Cash flow per share (SEK)	0.06	0.01	0.00	0.04	-0.04	-0.01	0.01	0.00
Number of employees	253	263	254	259	262	252	259	255
No. of outstanding shares (thousands)	921,776	921,776	921,776	921,776	921,776	921,776	913,596	860,024
Equity/assets ratio (%)	73.78	70.45	71.89	68.08	68.05	67.07	65.98	64.34
Order intake (SEK thousands)	83,527	195,358	64,182	46,915	61,793	120,458	323,701	282,569

## Consolidated segment data

	2022		2021			2020		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Order intake</b>								
System Sales	57,127	44,358	42,182	31,915	58,061	31,458	312,125	259,326
Managed Services	26,400	151,000	22,000	15,000	3,732	89,000	11,576	23,243
	<b>83,527</b>	<b>195,358</b>	<b>64,182</b>	<b>46,915</b>	<b>61,793</b>	<b>120,458</b>	<b>323,701</b>	<b>282,569</b>

	2022		2021			2020		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Net sales</b>								
System Sales	72,978	133,802	93,480	93,881	56,282	100,902	105,093	63,680
Managed Services	40,427	38,710	36,936	31,879	21,819	33,350	26,502	29,776
	<b>113,405</b>	<b>172,512</b>	<b>130,416</b>	<b>125,760</b>	<b>78,101</b>	<b>134,252</b>	<b>131,595</b>	<b>93,456</b>

	2022		2021			2020		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>EBITDA</b>								
System Sales	4,208	24,966	27,051	6,742	-2,308	13,978	19,835	7,042
Managed Services	11,453	12,538	10,974	6,725	-3,186	9,329	2,964	5,273
	<b>15,661</b>	<b>37,504</b>	<b>38,025</b>	<b>13,467</b>	<b>-5,494</b>	<b>23,307</b>	<b>22,799</b>	<b>12,315</b>

## The Sensys Gatso share

The number of shares at the end of the period amounted to 921,776,405 (921,776,405). The average number of shares during the period was 921,776,405 (921 776 405).

The table below shows the ten largest shareholders in the Company as per the end of March 2022. The family office that founded Gatso, which was acquired by Sensys Traffic AB in 2015, is the company's largest shareholder with 17% (BNP). (Source Euroclear).

#	Shareholder	Number of shares	Proportion of share capital/ Votes%
1	BNP PARIBAS SEC SERVICES PARIS	164,428,138	17.8
2	FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	39,569,909	4.3
3	NORDNET PENSIONS FÖRSÄKRING AB	25,388,224	2.8
4	WALL, PER	23,000,000	2.5
5	BERGSTRAND, INGER	20,659,837	2.2
6	SEB Investment Management	10,177,068	1.1
7	Handelsbanken fonder	9,593,649	1.0
8	KOCK, CHRISTIAN AXEL	9,567,396	1.0
9	MELLGREN, CLAES	8,395,325	0.9
10	Futur Pension	8,062,962	0.9

#	Country	Proportion of share capital/ Votes%
1	Sweden	76.1
2	Netherlands	17.9
3	Denmark	1.8
4	Finland	1.1
5	United states	0.8
6	Other	2.3
		<b>100.0</b>

# Purpose, Vision and Strategy

## 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 Vision

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

## Our Strategy

Sensys Gatso's long-term four-pillar strategy is  
 focused on profitable growth:

- ❖ Expansion in the US-market with TRaaS
- ❖ Entry into new markets with TRaaS
- ❖ Developing scalable software & flexible hardware
- ❖ Extension of the service scope in existing markets

## Our long-term financial goals for 2025

- ❖ Total net sales >1 000 MSEK
- ❖ of which TRaaS recurring revenues >600 MSEK
- ❖ EBITDA-margin >15%

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