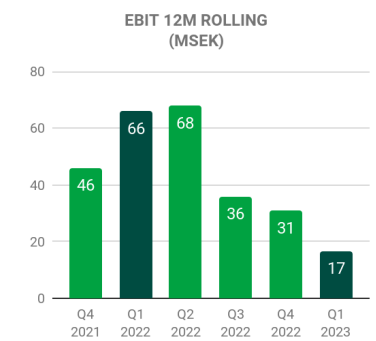
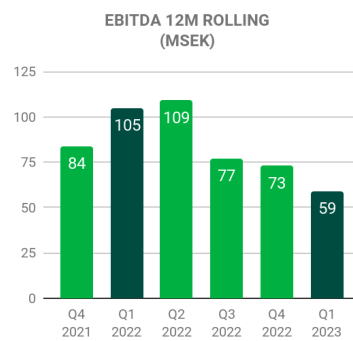
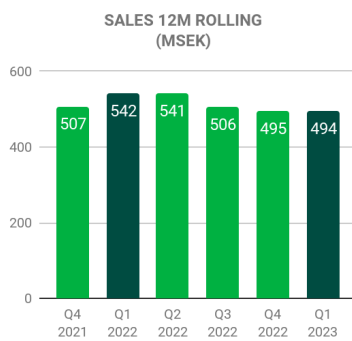
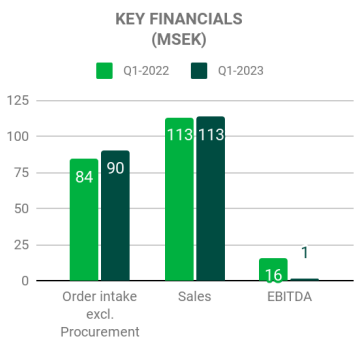


# Sensys Gatso Group AB

## Interim Report

### January - March 2023



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## Comments from the CEO

### 93% of Order Intake is recurring TRaaS

The order intake in Q1 arrived at SEK 90 million, comparable to last year at SEK 84 million. The order intake excludes the Dutch procurement award of SEK 245 million, which was won in Q1 2022, and which will be added to the order intake once the orders are formally allocated.

Of the Q1 2023 order intake, SEK 83 million or 93% relates to TRaaS recurring revenue, including SEK 35 million from one new city we added in our strategic USA market and two renewal contracts.

### TRaaS represents 76% of total Sales

With total sales of SEK 113 million, our first quarter was successful and on par with Q1 2022 sales. At SEK 86 million, our strategic recurring TRaaS sales increased by 25%. Our TRaaS Managed Services business, which is primarily realised in the United States, increased by 23% this quarter, from SEK 40 million to SEK 49 million. In the quarter, our TRaaS sales reached 76% of total sales, exceeding our target of 60% for our 2025 ambition.

### Investments in US Market

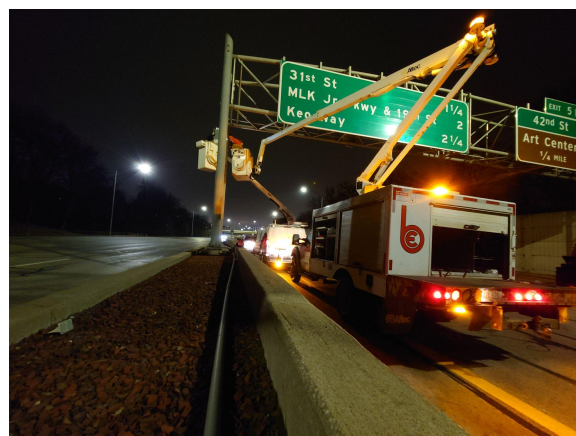
We started executing on a new plan for our US market in Q2 2022. Compared to Q1 2022, we added three sales managers to our US sales force. The investment is paying off with an increase of 7 closed contracts in this strategic market, of which 4 new cities, demonstrating the effectiveness of the strategy.

### Historic order intake makes increased development necessary

By placing significant orders in Europe, Australia, and the USA in 2022, our customers clearly displayed their enthusiasm for our solutions for traffic enforcement. Orders received for the whole year of 2022 totaled SEK 1.5 billion. This order intake represents more than three times the yearly revenue for 2022 and is by far the largest in Sensys Gatso's 65-year existence. We received an additional SEK 90 million in orders in Q1 of this year, bringing our total order intake that is currently in a project development phase to SEK 1.6 billion. Our engineering team is currently

working hard to develop solutions to cater for the customer specific demands for each of these large wins and for many smaller ones.

This is reflected in higher development costs now. These project investments will be leveraged during the revenue generation phase of these long term contracts.



*FLUX installed on test site USA*

### Development cost increase is temporary

Our temporary upscaling of the development teams has a side effect. We are to a high degree using short term consultants for the upscaling in order to be flexible and effortlessly able to scale down once the push is over. The downside is that this is a rather costly way of increasing capacity, which is visible in our Q1 financial metrics. As soon as our new product platform FLUX has proven itself on the market, we will adapt our development capacity thanks to the way that Flux is built. More importantly, the transition to FLUX enables us to further grow our topline without linear development cost increases.

### Short-term EBITDA decrease was planned

EBITDA arrived at 1.5 million for the quarter, compared to 16 million last year. The decrease in EBITDA can be attributed to an increase in operating expenses of SEK 11 million, which is primarily due to greater sales expenses to achieve our topline goals in the USA. These investments will be leveraged once the seven new contracts recently won by our sales team start adding to the topline, later in 2023. Additionally, our COGS has increased by SEK 9 million, mostly as a result of the additional development times needed to simultaneously complete a number of key projects and also construct the new FLUX platform. Once these projects are completed, later this year, we will reduce our development costs. As a result, the decrease in our EBITDA this quarter should not be looked upon as being structural.

### Healthy financial position

Taking into account the total amount of available credit facilities, the free available cash at the end of Q1 amounted to SEK 143 million. This is SEK 6 million lower compared to Q1 2022. Our investments in our software platforms FLUX, Puls

and Xilium have increased at a similar level of around SEK 7 million. With our strong available cash position and low level of debt, the company has a healthy financial position.

### Outlook

We added SEK 1.6 billion to our order book in 2022 and Q1 2023 and we are now executing against these orders. This temporarily increases our costs, mainly in our global development team. Our profitable TRaaS business continues to grow and our strengthened team in the USA proves to be able to push our topline in this strategic market. On top, we see our new ground breaking roadside platform FLUX coming to fruition in the market. 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

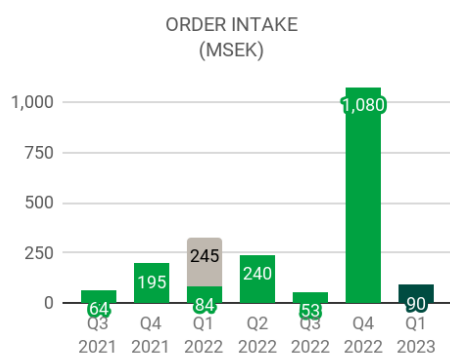
	Q1	Q1	YTD	FY
MSEK	2023	2022	2023	2022
Net Sales	113	113	113	495
Order intake	90	84	90	1,456
Operating profit (EBITDA)	1.5	15.7	1.5	73.3
Operating profit (EBIT)	-8.6	5.6	-8.6	30.8
Total Comprehensive income	-13.5	12.3	-13.5	59.3
Earnings per share, before and after dilution (SEK)	-0.02	0.01	-0.02	0.02
Cash flow from operating activities	-7.8	59.0	-7.8	125.6

## Financial results Group

### January – March 2023

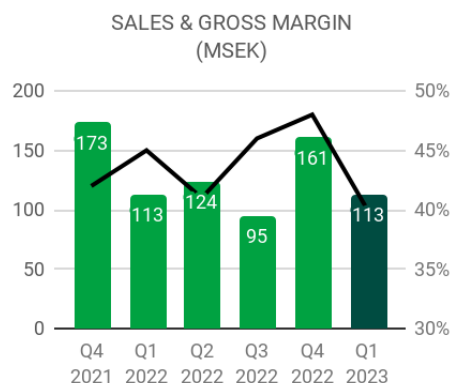
#### Order intake

Order intake during the first quarter totaled MSEK 90 compared to MSEK 84 million in the same quarter last year. In the first quarter of 2022 we also received a procurement award from the Dutch government worth MSEK 245. The order intake in the quarter mainly relates to the order received in the US for TRaaS Managed Services to the amount of MSEK 35 over an average contract period of 5 years. Order intake in Europe mainly relates to orders from our Dutch customer, extending our service agreement and an order from our Latvian partner for service and maintenance.



#### Net Sales and gross margin

Net sales in the quarter amounted to MSEK 113 (113). The gross margin for the quarter was 40.0% (45.4).



#### TRaaS Sales

The TRaaS sales for the quarter of MSEK 86 (69) equates to 76% of total sales. This growth is mainly related to growth of our US TRaaS Managed Services business and revenue from our Tasmania Police TRaaS Managed Services project.

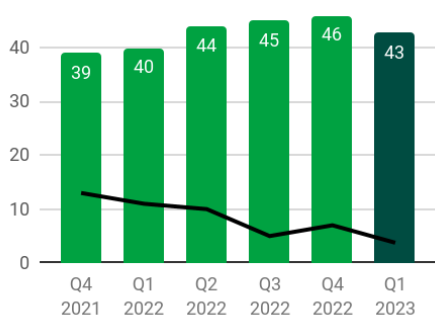
MSEK	Q1 2023	Q1 2022	YTD 2023	FY 2022
System Sales	27	44	27	183
TRaaS: Service & Maintenance	36	27	36	123
TRaaS: Licenses	1.7	1.3	1.7	4.1
TRaaS: Managed Services	49	40	49	185
<b>Total Sales</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>495</b>
Of which TRaaS:	86	69	86	312
TRaaS % of total Sales:	76%	61%	76%	63%

#### Business segment Managed Services

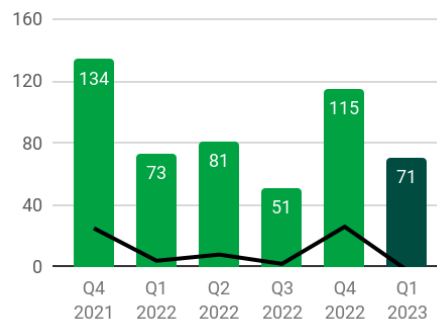
The sales development for the business segment Managed Services - consisting of Sensys Gatso USA and several projects in Germany - has continued to grow this quarter compared to the same quarter last year.

The sales have increased from MSEK 40 to MSEK 43 in Q1 of 2023. The increase in sales is attributable to higher volumes on our USA TRaaS programs. The EBITDA landed at SEK 3.8 million compared to approximately SEK 11.5 million in the comparative period 2022.

SALES & EBITDA MANAGED SERVICES (MSEK)



SALES & EBITDA SYSTEM SALES (MSEK)



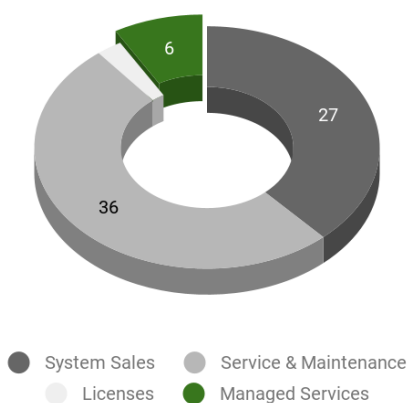
**Business segment System Sales**

The business segment System Sales, mainly consists of our Dutch, Swedish and Australian operational companies. The Sales for the quarter amounted MSEK 71 compared to MSEK 73 for the same quarter last year. The segment System Sales has incurred TRaaS Managed Services revenues in the quarter amounting to approximately MSEK 6 (0).

**Sales regions**

The sales by region have been stable in the first quarter compared to the same quarter last year, with a decrease in sales in APAC and Mena region relating to less Saudi sales in the quarter. Sales in the Americas region mainly relate to our TRaaS Managed Services offering in the USA.

SEGMENT SYSTEM SALES Q1-2023



	Q1 2023	Q1 2022	YTD 2023	FY 2022
<b>MSEK</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Europe	28	21	28	123
Americas	42	40	42	207
APAC and MEA	43	52	43	164
<b>Total Sales</b>	<b>113</b>	<b>113</b>	<b>113</b>	<b>495</b>

**Operating expenses**

The operating expenses for the quarter totalled SEK 55.7 million (44.6). The increase in expenses is mainly due to increased sales expenses related to the implementation of the new proactive sales model in the US market as well as temporary costs relating to upgrading our ERP system.

The EBITDA for the segment arrived at MSEK -2.3 compared to MSEK 4.2 for the same quarter last year. The Segment System Sales also absorbs head office costs of approx MSEK 3 per quarter.

### Profitability

The EBITDA in the quarter amounted to MSEK 1.5 (15.7). The operating profit (EBIT) for the quarter amounted to MSEK -8.6 million (5.6).

	Q1	Q1	YTD	FY
MSEK	2023	2022	2023	2022
Operating profit (EBIT)	-8.6	5.6	-8.6	30.8
Depreciation & Amortization	10.0	10.1	10.0	42.5
<b>Operating profit (EBITDA)</b>	<b>1.5</b>	<b>15.7</b>	<b>1.5</b>	<b>73.3</b>
Operating margin (EBITDA %)	1.3	13.8	1.3	14.8

### Translation effects

Throughout 2022 the foreign currencies US Dollar, Euro and Australian Dollar fluctuated significantly against the Swedish Krona. In the first quarter the currencies have been more stable, but still higher compared to Q1 last year. Due to this, the sales in the first quarter has been positively impacted by SEK 9 million, mainly relating to a stronger US Dollar and Australian Dollar. The impact on Profit for the period was not significant.

MSEK	2023 numbers		
	2023 FX	2022 FX*	Diff
	Q1	Q1	
Net sales	113.2	104.2	9.0
Cost of goods sold	-67.9	-62.2	-5.8
Gross profit	45.3	42.1	3.2
Costs	-53.9	-50.8	-3.1
Operating profit	-8.6	-8.7	0.2
Net financial items	-7.0	-6.6	-0.4
Profit before tax	-15.5	-15.4	-0.2
Tax	1.6	1.6	0.0
Profit for the period	-13.9	-13.8	-0.2

\*) 2022 FX: these are the 2023 numbers calculated at Q1 2022 currencies

### Personnel

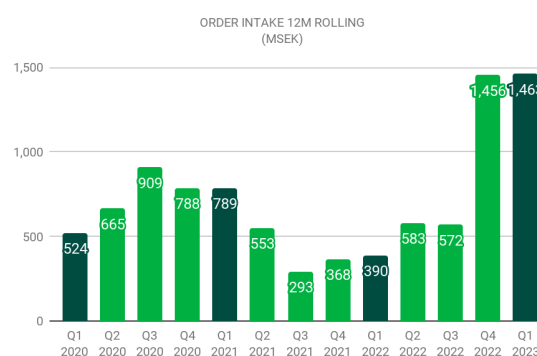
The average number of full-time employees was 265 (233). The number of employees at the end of the period was 295 compared to 284 at the end of 2022.

### Rolling 12 months

#### Order intake

The order intake rolling 12 months amounted to MSEK 1,463, compared to MSEK 390 million for the previous quarter. The order intake excludes the Dutch procurement award of SEK 245 million, which was won in Q1 2022, and which will be added to the order intake once the orders are formally allocated.

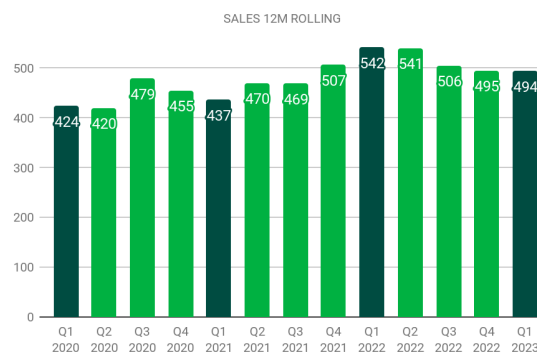
**+375%**



#### Net sales

The 12 months rolling sales are in line with previous quarter 12 months rolling numbers. The sales arrived at MSEK 494 million compared to MSEK 495.

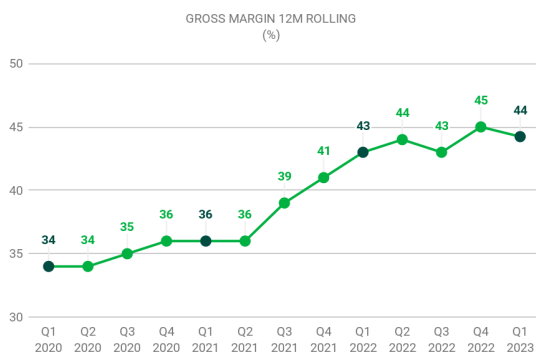
**-9%**



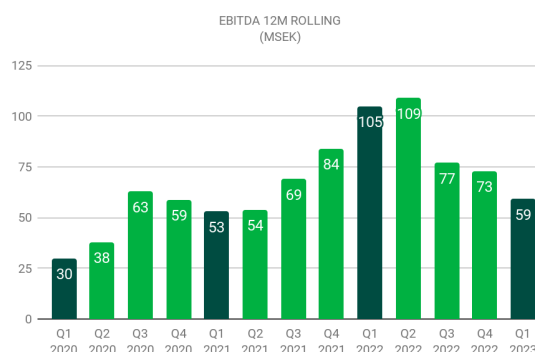
### Gross margin

The gross margin decreased by 1 percentage point from 45% to 44%.

**44%**



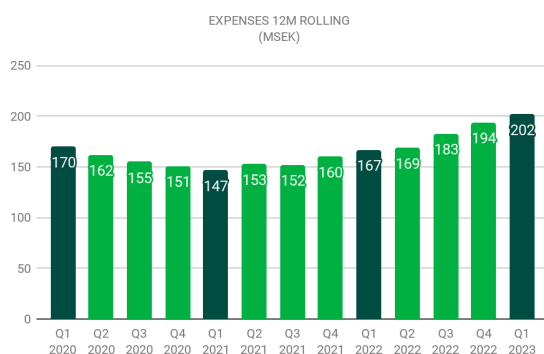
**-19%**



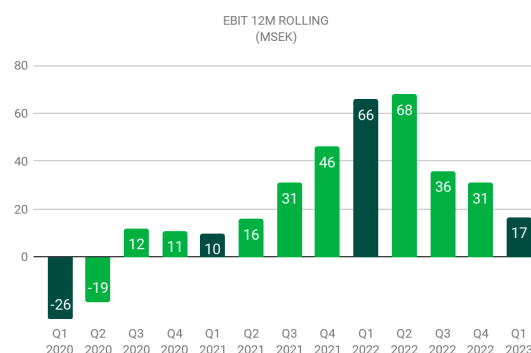
### Operating Expenses

The expenses have increased due to increased sales and development activities. The rolling 12 months expenses totalled MSEK 202 million compared to SEK 194 million in the previous quarter.

**+4%**



**-54%**



### EBITDA & EBIT

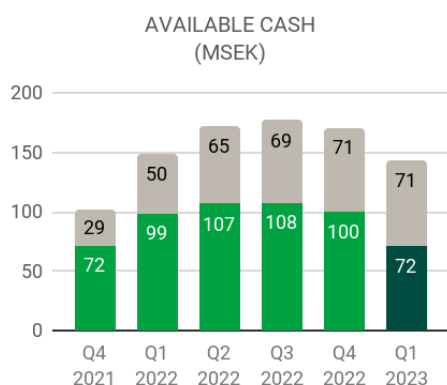
The EBITDA for the 12 months rolling amounted to MSEK 59 million compared to SEK 73 million at the end of 2022, a decrease of 19%. The EBIT for the 12 months rolling amounted to MSEK 17 million compared to SEK 31 million in the fourth quarter of 2022, a decrease of 45%.



## Cash flow and financial position

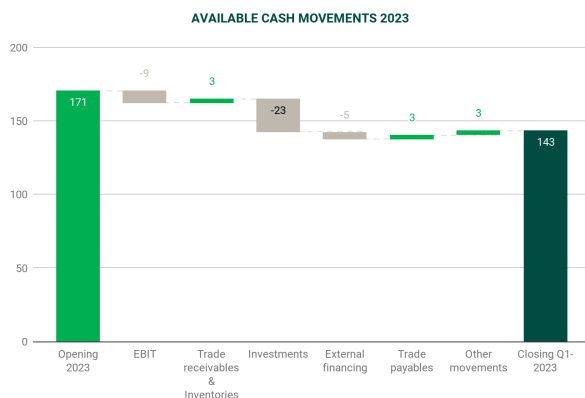
### Cash and available cash

Cash and cash equivalents at the end of the period totaled MSEK 72 million (99). At the end of the period free available cash amounted to MSEK 143 (149) taking into account the total amount of remaining credit facilities amounting to MSEK 71 (50).



### Cash flow from operating activities

For the quarter Sensys Gatso had a negative cash flow from operating activities of MSEK -8 (59). The free available cash moved from MSEK 171 to MSEK 143 in the quarter, with the majority of the cash invested in intangible and tangible fixed assets amounting to MSEK 23.



Note: This cash flow is based on the indirect model. The indirect method uses increases and decreases in balance sheet line items to modify the operating section of the cash flow statement from the accrual method to the cash method of accounting.

### Cash flow from investing activities

The investments in fixed assets for the quarter amounted to MSEK 23 million (9). Due to new contract signings in the USA we have started investing in Fixed Assets in Operations for these programs. The total investment in Fixed Assets in Operations amounts to MSEK 17 (3).

MSEK	Q1 2023	Q1 2022	YTD 2023	FY 2022
Software platforms FLUX, Xilium and Puls	7	4	7	22
Fixed assets in operations	15	3	15	19
Other intangible and tangible fixed assets	1	1	1	5
<b>Total investments</b>	<b>23</b>	<b>9</b>	<b>23</b>	<b>45</b>

### Financial position

The Group's equity at the end of the period totaled MSEK 613 million (575), producing an equity/assets ratio of 76% (74). The interest-bearing debt for the quarter ended in a net cash amount of MSEK 11 million (-6). Excluding lease liabilities, we ended the quarter at a positive net cash amount of MSEK 14 million net cash compared to SEK 26 million last year.

MSEK	Q1 2023	Q1 2022	FY 2022
Lease liabilities	25	21	23
Bank Loans and Credit facilities	35	43	31
Shareholder loans	23	29	22
Cash and bank	-72	-99	-100
<b>Net Interest-bearing debt</b>	<b>11</b>	<b>-6</b>	<b>-24</b>
-/- Lease liabilities	-25	-21	-23
<b>Adjusted Net Interest-bearing debt</b>	<b>-14</b>	<b>-26</b>	<b>-47</b>

## Significant events and other information

### Significant events during the quarter

- 26 Jan Sensys Gatso receives five year TRaaS contract for traffic safety in Fort Dodge IA, valued at approximately SEK 12 million
- 27 Jan Sensys Gatso Netherlands receives a 3-year TRaaS Service and Maintenance contract in Latvia, worth SEK 10 million
- 20 March Sensys Gatso receives a five-year TRaaS contract extension valued at SEK 10 million for red light photo enforcement in Homewood, Illinois
- 21 March Sensys Gatso receives a seven-year TRaaS contract valued at SEK 13 million for school zone speed enforcement in Parma Heights, Ohio
- 22 March Sensys Gatso receives an order from Ecuador for delivery of Enforcement systems, worth SEK 7.4 million

### Significant events after the quarter

- 5 April Sensys Gatso receives an order from Thailand for delivery of traffic enforcement systems, worth SEK 5.6 million
- 12 April Sensys Gatso intends to propose an 80:1 reverse share split to the AGM in order to attract more international investors
- 20 April Sensys Gatso receives a five-year TRaaS contract for traffic safety in Webster City worth SEK 7 million, expanding the footprint in Iowa

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

The United Nations' Sustainable Development Goals are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. Sensys Gatso's everyday activities and objectives directly contribute to 2 of those goals.

These 2 goals are: number 3 - Good health and well being, and number 11 - Sustainable cities and communities.

Development Goal Number 3 is ensuring healthy lives and promoting well-being at all ages because this is considered to be essential to sustainable development. Goal Number 3.6 specifically addresses the issue of fatalities and injuries as a result of traffic crashes. It states that by 2030 the number of fatalities and injuries should be decreased by 50%.

Development Goal Number 11 is about making cities, communities and human settlements more inclusive, safe, resilient and sustainable. Today, more than half the world's population live in cities. By 2050, an estimated 7 out of 10 people will likely live in urban areas. Cities are drivers of economic growth and contribute more than 80 per cent of global GDP.

However, the urban areas also account for more than 70 per cent of global greenhouse gas emissions. If well-planned and managed, urban development can be sustainable and can generate inclusive prosperity.

Read more about how Sensys Gatso contributes to the UN's aforementioned goals in the 2022 Annual Report on page 8-13 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 2022 Annual report on page 16-19 available at [www.sensysgatso.com](http://www.sensysgatso.com).

### AGM 2023

The AGM for 2023 will take place on Monday 15 May, 2023, 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.

### Invitation to a presentation

On 26 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>

If you wish to participate via webcast please use the link below.

<https://ir.financialhearings.com/sensys-gatso-group-q1-2023>

If you wish to participate via teleconference please register on the link below. After

registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=5003177>

### For further information please contact:

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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 26 April, 2023.*

### Upcoming financial events

Calendar	
AGM 2023	15 May 2023
Q2 Interim Report January - June 2023	17 August 2023
Q3 Interim Report January - September 2023	16 November 2023
Q4 Year-End Report January - December 2023	22 February 2024

## 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 <sup>1</sup>	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 2022 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 2022.

For more information about the accounting policies applied and definitions of key indicators, please refer to the annual report issued for 2022, which is available on the Sensys Gatso website [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 2023	Jan - Mar 2022	YTD 2023	FY 2022	FY 2021
<b>TSEK</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Net sales</b>	113,233	113,405	113,233	494,575	506,789
Cost of goods sold	-67,938	-61,905	-67,938	-269,670	-300,854
<b>Gross profit</b>	<b>45,295</b>	<b>51,500</b>	<b>45,295</b>	<b>224,905</b>	<b>205,935</b>
Selling expenses	-20,164	-19,653	-20,164	-81,703	-66,057
Administrative expenses	-19,901	-18,734	-19,901	-77,193	-63,823
Development expenses	-14,537	-9,870	-14,537	-43,934	-36,268
Other operating expenses/income (1)	750	2,359	750	8,748	6,121
<b>Operating profit</b>	<b>-8,557</b>	<b>5,602</b>	<b>-8,557</b>	<b>30,823</b>	<b>45,908</b>
Net financial items	-6,976	3,794	-6,976	2,255	1,401
<b>Profit before tax</b>	<b>-15,533</b>	<b>9,396</b>	<b>-15,533</b>	<b>33,078</b>	<b>47,309</b>
Tax	1,604	-2,960	1,604	-13,023	-12,318
<b>Profit for the period</b>	<b>-13,929</b>	<b>6,436</b>	<b>-13,929</b>	<b>20,055</b>	<b>34,991</b>
Profit is attributable to owners of Sensys Gatso Group AB	-14,160	5,515	-14,160	18,556	32,578
Profit is attributable to non- controlling interest	231	921	231	1,499	2,413
	<b>-13,929</b>	<b>6,436</b>	<b>-13,929</b>	<b>20,055</b>	<b>34,991</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	478	5,857	478	39,229	10,468
<b>Total other comprehensive income for the period, net after tax</b>	<b>478</b>	<b>5,857</b>	<b>478</b>	<b>39,229</b>	<b>10,468</b>
<b>Total comprehensive income for the period</b>	<b>-13,451</b>	<b>12,293</b>	<b>-13,451</b>	<b>59,284</b>	<b>45,459</b>
Number of shares (thousands)	921,776	921,776	921,776	921,776	921,776
Earnings per share, before and after dilution (SEK)	-0.02	0.01	-0.02	0.02	0.04

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



## Consolidated balance sheet

TSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Assets</b>			
Goodwill	278,726	254,994	276,735
Customer contracts and relations	0	302	0
Brand	5,756	7,607	6,354
Product and software development	69,196	51,132	63,084
Property, plant and equipment	38,393	32,526	33,946
Fixed assets in operations	75,787	58,826	70,630
Deferred tax assets	39,502	35,591	39,916
Other non-current assets	250	261	256
Trade and other receivables	47,140	83,283	67,449
Inventories and work in progress	102,247	97,042	85,177
Other current assets	84,765	58,457	84,986
Cash and bank balances	71,846	99,162	99,718
<b>Total assets</b>	<b>813,608</b>	<b>779,183</b>	<b>828,251</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	613,403	574,898	626,068
Long-term Lease liabilities	14,365	12,098	12,096
Long-term Bank loans	19,532	22,307	21,982
Long-term Liabilities towards shareholders	22,552	20,677	22,257
Warranty Provision	8,636	10,922	9,207
Deferred tax liabilities	1,852	3,064	9,451
Short-term Lease liabilities	10,641	8,696	10,497
Short-term Bank liabilities	15,495	21,170	8,843
Short-term liabilities towards shareholders	0	8,652	0
Trade and other payables	23,980	27,318	20,392
Other current interest-free liabilities	83,152	69,381	87,458
<b>Total shareholders' equity and liabilities</b>	<b>813,608</b>	<b>779,183</b>	<b>828,251</b>

## Consolidated statement of changes in equity

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2023	2022	2023	2022	2021
<b>Beginning of period</b>	<b>626,068</b>	<b>561,803</b>	<b>626,068</b>	<b>561,803</b>	<b>514,559</b>
New share issue	0	0	0	0	0
Share issue costs (net after tax effect)	0	0	0	0	0
Stock related costs	786	1,071	786	4,981	1,785
<i>Comprehensive income</i>					
Net profit for the period	-14,160	5,515	-14,160	18,556	32,578
Minority interest in subsidiaries	231	921	231	1,499	2,413
Translation differences	478	5,588	478	39,229	10,468
<b>Total comprehensive income for the period</b>	<b>-13,451</b>	<b>12,024</b>	<b>-13,451</b>	<b>59,284</b>	<b>45,459</b>
<b>End of period</b>	<b>613,403</b>	<b>574,898</b>	<b>613,403</b>	<b>626,068</b>	<b>561,803</b>

## Consolidated cash flow statement

	Jan - Mar 2023	Jan - Mar 2022	YTD 2023	FY 2022	FY 2021
<b>TSEK</b>					
<b>Operating profit</b>	<b>-8,557</b>	<b>5,602</b>	<b>-8,557</b>	<b>30,823</b>	<b>45,908</b>
Items with no effect on cash flow	8,280	9,837	8,280	40,900	38,556
Financial items	-1,830	-3,700	-1,830	1,646	-14,710
Tax paid/received	-2,716	-370	-2,716	-12,099	473
<b>Funds contributing from operating activities</b>	<b>-4,823</b>	<b>11,369</b>	<b>-4,823</b>	<b>61,270</b>	<b>70,227</b>
Change in working capital	-2,981	47,638	-2,981	64,280	-61,080
<b>Cash flow from operating activities</b>	<b>-7,804</b>	<b>59,007</b>	<b>-7,804</b>	<b>125,550</b>	<b>9,147</b>
Cash flow from investing activities	-22,801	-9,232	-22,801	-45,008	-41,956
	<b>-30,605</b>	<b>49,775</b>	<b>-30,605</b>	<b>80,542</b>	<b>-32,809</b>
<b>Financing activities</b>					
New share issue minus cost	0	0	0	0	0
Loan movements	-2,123	-1,975	-2,123	-2,886	19,421
Lease payments (IFRS16)	-3,098	-2,668	-3,098	-11,136	-11,032
Repayment/usage of credit facilities	6,652	-19,940	6,652	-32,267	-1,747
Repayment of loan to shareholders	0	0	0	-8,888	-10,231
<b>Change in cash and bank balances</b>	<b>-29,174</b>	<b>25,192</b>	<b>-29,174</b>	<b>25,365</b>	<b>-36,398</b>
Liquid funds at the beginning of the period	99,718	72,463	99,718	72,463	108,489
Translation differences in liquid funds	1,302	1,507	1,302	1,890	372
<b>Closing cash and cash equivalents</b>	<b>71,846</b>	<b>99,162</b>	<b>71,846</b>	<b>99,718</b>	<b>72,463</b>

## Consolidated Segment report

TSEK	Jan - Mar 2023			Jan - Mar 2022		
	System Sales	Managed Service	Total	System Sales	Managed Service	Total
Total Net sales per business segment	82,895	46,425	129,320	72,087	41,537	113,624
Inter-segment transactions	-12,320	-3,767	-16,087	891	-1,110	-219
<b>Total Net Sales</b>	<b>70,575</b>	<b>42,658</b>	<b>113,233</b>	<b>72,978</b>	<b>40,427</b>	<b>113,405</b>
<b>EBITDA</b>	<b>-2,281</b>	<b>3,759</b>	<b>1,478</b>	<b>4,208</b>	<b>11,453</b>	<b>15,661</b>
Depreciation and amortization	-4,716	-5,319	-10,035	-4,799	-5,260	-10,059
<b>Operating Profit</b>	<b>-6,997</b>	<b>-1,560</b>	<b>-8,557</b>	<b>20,053</b>	<b>7,191</b>	<b>5,602</b>
Net financial items			-6,976			3,794
<b>Profit before tax</b>			<b>-15,533</b>			<b>9,396</b>
Tax			1,604			-2,960
<b>Profit for the period</b>			<b>-13,929</b>			<b>6,436</b>

### Managed Services

TSEK	Jan - Mar	Jan - Mar	YTD	FY	FY
	2023	2022	2023	2022	2021
Total Net sales per business segment	46,425	41,537	46,425	130,287	124,158
Inter-segment transactions	-3,767	-1,110	-3,767	-942	-1,753
<b>Total Net Sales</b>	<b>42,658</b>	<b>40,427</b>	<b>42,658</b>	<b>129,345</b>	<b>122,405</b>
<b>EBITDA</b>	<b>3,759</b>	<b>11,453</b>	<b>3,759</b>	<b>27,051</b>	<b>20,154</b>
Depreciation and amortization	-5,319	-5,260	-5,319	-17,800	-28,278
<b>Operating Profit</b>	<b>-1,560</b>	<b>7,191</b>	<b>-1,560</b>	<b>9,251</b>	<b>-8,124</b>

### System Sales

TSEK	Jan - Mar	Jan - Mar	YTD	FY	FY
	2023	2022	2023	2022	2021
Total Net sales per business segment	82,895	72,087	82,895	387,428	340,505
Inter-segment transactions	-12,320	891	-12,320	-9,984	-7,977
<b>Total Net Sales</b>	<b>70,575</b>	<b>72,978</b>	<b>70,575</b>	<b>377,444</b>	<b>332,528</b>
<b>EBITDA</b>	<b>-2,281</b>	<b>4,208</b>	<b>-2,281</b>	<b>56,451</b>	<b>39,284</b>
Depreciation and amortization	-4,716	-4,799	-4,716	-19,794	-20,339
<b>Operating Profit</b>	<b>-6,997</b>	<b>20,053</b>	<b>-6,997</b>	<b>36,657</b>	<b>18,945</b>

## Consolidated key indicators

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2023	2022	2023	2022	2021
Net sales	113,233	113,405	113,233	494,575	506,789
Order intake	89,970	83,527	89,970	1,456,104	368,248
Gross margin (%)	40.0	45.4	40.0	45.5	40.6
Operating profit (EBIT)	-8,557	5,602	-8,557	30,823	45,908
Operating margin (EBIT %)	Neg	4.9	Neg	6.2	9.1
Operating profit (EBITDA)	1,478	15,661	1,478	73,344	83,502
Profit for the period	-13,929	6,436	-13,929	20,055	34,991
Earnings per share, before and after dilution (SEK)	-0.02	0.01	-0.02	0.02	0.04
Cash flow from operations	-7,804	59,007	-7,804	125,550	9,147

## Consolidated EBITDA

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2023	2022	2023	2022	2021
Operating profit (EBIT)	-8,557	5,602	-8,557	30,823	45,908
Depreciation tangible and intangible fixed assets	8,234	8,609	8,234	36,966	32,022
Amortization of acquired intangible assets	1,801	1,450	1,801	5,555	5,572
<b>Operating profit (EBITDA)</b>	<b>1,478</b>	<b>15,661</b>	<b>1,478</b>	<b>73,344</b>	<b>83,502</b>
<b>Operating margin (EBITDA %)</b>	<b>1.3</b>	<b>13.8</b>	<b>1.3</b>	<b>14.8</b>	<b>16.5</b>

## Parent company statement of comprehensive income

	Jan - Mar	Jan - Mar	YTD	FY	FY
TSEK	2023	2022	2023	2022	2021
Other sales	6,967	5,648	6,967	24,647	21,966
Cost of goods sold	0		0	0	0
<b>Gross profit</b>	<b>6,967</b>	<b>5,648</b>	<b>6,967</b>	<b>24,647</b>	<b>21,966</b>
					0
Selling expenses	0	0	0	0	0
Administrative expenses	-9,938	-9,225	-9,938	-35,443	-30,853
Development expenses	0	0	0	0	0
Other operating expenses/income	0	0	0	0	0
<b>Operating profit</b>	<b>-2,971</b>	<b>-3,577</b>	<b>-2,971</b>	<b>-10,796</b>	<b>-8,887</b>
Net financial items	576	1,131	576	3,405	15,293
<b>Profit before tax</b>	<b>-2,395</b>	<b>-2,446</b>	<b>-2,395</b>	<b>-7,391</b>	<b>6,406</b>
Tax	0	0	0	0	-1,329
<b>Profit for the period/Comprehensive income for the period</b>	<b>-2,395</b>	<b>-2,446</b>	<b>-2,395</b>	<b>-7,391</b>	<b>5,077</b>

## Parent company balance sheet

	31 Mar	31 Mar	31 Dec
TSEK	2023	2022	2022
Product and software development	48,833	33,566	45,535
Shares in subsidiaries	420,527	416,734	419,886
Deferred tax assets	16,384	16,384	16,384
Receivables from Group	42,625	91,912	55,206
Other current assets	2,435	4,198	2,363
Cash and bank balances	33,871	18,416	30,379
<b>Total assets</b>	<b>564,675</b>	<b>581,210</b>	<b>569,753</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	557,598	560,239	559,204
Long-term Bank loans	0	0	0
Long-term liabilities towards shareholders	0	0	0
Short-term Bank liabilities	0	0	0
Short-term liabilities towards shareholder	0	8,652	0
Trade and other payables	2,046	5,840	3,247
Trade and other payables from Group	5,031	0	2,792
Other current interest-free liabilities	0	6,479	4,510
<b>Total shareholders' equity and liabilities</b>	<b>564,675</b>	<b>581,210</b>	<b>569,753</b>

## Parent company statement of changes in shareholders equity

TSEK	Jan - Mar 2023	Jan - Mar 2022	YTD 2023	FY 2022	FY 2021
<b>Beginning of period</b>	<b>559,204</b>	<b>561,614</b>	<b>559,204</b>	<b>561,614</b>	<b>554,752</b>
New share issue, net	0	0	0	0	0
Share issue costs (net after tax effect)	0	0	0	0	0
Other movements	0	0	0	0	0
Profit for the period/Comprehensive income for the period	-2,395	-2,446	-2,395	-7,391	5,077
Stock related remuneration	789	1,071	789	4,981	1,785
<b>End of period</b>	<b>557,598</b>	<b>560,239</b>	<b>557,598</b>	<b>559,204</b>	<b>561,614</b>



## Quarterly data

### Consolidated statement of income

	2023	2022			2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Net sales</b>	113,233	161,308	95,364	124,498	113,405	172,512	130,416	125,760
Cost of goods sold	-67,938	-83,127	-51,172	-73,466	-61,905	-100,710	-67,034	-79,526
<b>Gross profit</b>	<b>45,295</b>	<b>78,181</b>	<b>44,192</b>	<b>51,032</b>	<b>51,500</b>	<b>71,802</b>	<b>63,382</b>	<b>46,234</b>
Costs	-53,852	-55,911	-48,372	-43,901	-45,898	-44,558	-35,138	-41,676
<b>Operating profit</b>	<b>-8,557</b>	<b>22,270</b>	<b>-4,180</b>	<b>7,131</b>	<b>5,602</b>	<b>27,244</b>	<b>28,244</b>	<b>4,558</b>
Net financial items	-6,976	-10,077	3,470	5,068	3,794	263	-1,699	-1,447
<b>Profit before tax</b>	<b>-15,533</b>	<b>12,193</b>	<b>-710</b>	<b>12,199</b>	<b>9,396</b>	<b>27,507</b>	<b>26,545</b>	<b>3,111</b>
Tax	1,604	-2,000	-4,382	-3,681	-2,960	-8,519	-4,327	460
<b>Profit for the period</b>	<b>-13,929</b>	<b>10,193</b>	<b>-5,092</b>	<b>8,518</b>	<b>6,436</b>	<b>18,988</b>	<b>22,218</b>	<b>3,571</b>

### Consolidated key indicators and other information

TSEK	2023	2022			2021			
	Q4	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating margin (%)	-7.56	13.81	-4.38	5.73	4.94	15.79	21.66	3.62
Gross margin (%)	40.00	48.47	46.34	40.99	45.41	41.62	48.60	36.76
Profit margin (%)	-12.30	6.32	-5.34	6.84	5.68	11.01	17.04	2.84
Equity per share (SEK)	0.67	0.68	0.67	0.66	0.62	0.61	0.59	0.56
Cash flow per share (SEK)	-0.01	0.01	0.03	0.03	0.06	0.01	0.00	0.04
Number of employees	294	284	276	256	253	263	254	259
No. of outstanding shares (thousands)	921,776	921,776	921,776	921,776	921,776	921,776	921,776	921,776
Equity/assets ratio (%)	75.39	75.59	76.20	75.75	73.78	70.45	71.89	68.08
Order intake (SEK thousands)	89,970	1,079,505	53,380	239,692	83,527	195,358	64,182	46,915

## Consolidated segment data

	2023		2022		2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Order intake</b>								
System Sales	54,970	952,005	53,380	95,692	57,127	44,358	42,182	31,915
Managed Services	35,000	127,500	0	144,000	26,400	151,000	22,000	15,000
	<b>89,970</b>	<b>1,079,505</b>	<b>53,380</b>	<b>239,692</b>	<b>83,527</b>	<b>195,358</b>	<b>64,182</b>	<b>46,915</b>

	2023		2022		2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Net sales</b>								
System Sales	70,574	115,097	50,674	80,520	72,978	133,802	93,480	93,881
Managed Services	42,659	46,211	44,690	43,978	40,427	38,710	36,936	31,879
	<b>113,233</b>	<b>161,308</b>	<b>95,364</b>	<b>124,498</b>	<b>113,405</b>	<b>172,512</b>	<b>130,416</b>	<b>125,760</b>

	2023		2022		2021			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>EBITDA</b>								
System Sales	-2,281	26,220	1,668	7,629	4,208	24,966	27,051	6,742
Managed Services	3,759	7,425	4,502	10,029	11,453	12,538	10,974	6,725
	<b>1,478</b>	<b>33,645</b>	<b>6,170</b>	<b>17,658</b>	<b>15,661</b>	<b>37,504</b>	<b>38,025</b>	<b>13,467</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, 2023. 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 SA PARIS, W8IMY (GC)	164,428,138	17.8
2	AVANZA PENSION	36,777,765	4.0
3	NORDNET PENSIONS FÖRSÄKRING AB	33,182,119	3.6
4	WALL, PER ANDERS CURT	23,000,000	2.5
5	BERGSTRAND, INGER	20,659,837	2.2
6	FUTUR PENSION	19,908,687	2.2
7	Handelsbanken fonder	12,478,835	1.4
8	Mellgren, Claes	9,105,325	1.0
9	HAMBERG, KARL PETER GUDMUND	8,000,000	0.9
10	SEB Investment Management	7,464,707	0.8

#	Country	Proportion of share capital/ Votes%
1	Sweden	75.0
2	Netherlands	17.9
3	United states	1.6
4	Denmark	1.6
5	Finland	0.9
6	Other	3.0
		<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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