

Sensys Gatso Group AB

Interim Report

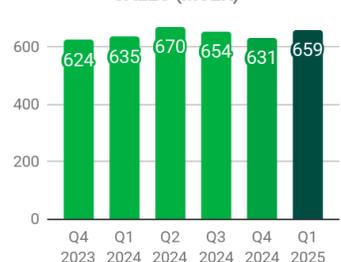
January-March 2025



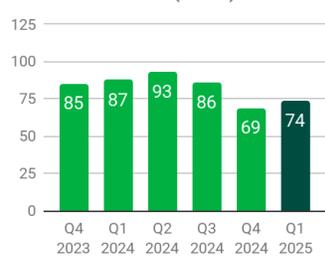
KEY FINANCIALS (MSEK)



12M ROLLING SALES (MSEK)



12M ROLLING EBITDA (MSEK)



12M ROLLING EBIT (MSEK)



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Comments from the CEO

94% of order intake is recurring revenue

Order intake and procurement awards during the first quarter came in at SEK 192 million compared to SEK 318 million in Q1 2024. Of the total order intake, 62% or SEK 119 million, is from orders received in the U.S. market. SEK 65 million is related to renewing a contract with our longstanding customer East Providence in Rhode Island. The remaining SEK 54 million relates to three new contracts signed during the quarter in three different states; Illinois, Pennsylvania and Colorado. The latter one is our first contract in a new State for Sensys Gatso, with the city of Longmont. Opening up a new state is a milestone that potentially could lead to new cities following suit. Of the SEK 192 million total order intake 94% or SEK 180 million is labeled as recurring revenue. The substantial share of recurring TRaaS revenue within our Q1 order intake demonstrates that we continue to grow our stable, recurring revenue base in line with our strategy.

First recurring revenue order from Saudi Arabia

In January we received a TRaaS order from our customer Tahakom to the value of SEK 27 million, to provide maintenance and support services on the 1,200 in-vehicle systems that have been delivered since 2018. This order is for the first year of service and maintenance under a three year framework agreement. These TRaaS services include ensuring that the systems are always compliant with regulatory requirements, correctly functioning, and up-to-date. It reinforces the strategic partnership between Tahakom and Sensys Gatso and marks a significant step towards improving road safety in Saudi Arabia while emphasizing the importance of supporting local content and sustainability initiatives in the Kingdom.

Negligible impact from tariffs on our US business

After the quarter the US Government has imposed global tariffs on most of the countries that export to the USA. Sensys Gatso has a significant business

in the USA, representing roughly 40% of our worldwide revenue and growing. The business model we operate in this strategic market through our wholly owned subsidiary Sensys Gatso USA Inc., is a so-called Managed Services Business model. In this model, we own, install, maintain and operate automated traffic enforcement equipment sourced from the Netherlands and Sweden. When operating the equipment, we evaluate events, send out citations and collect the money on behalf of our customers; 55 cities in 12 states. The value added for Sensys Gatso in this model is generated from the operations part in the value chain. The equipment we use is typically depreciated over 5 years and has a negligible impact in the value chain. The recent turmoil resulting from the tariffs communication has weakened the dollar against the Swedish Krona and the Euro. These currency translation effects naturally affect our profit before tax during the first quarter.

Revenue up 22%; TraaS revenue up 11%

Total Revenue for the quarter arrived at SEK 152 million, 22% higher than Q1 2024 at SEK 125 million. The 44% increase in System Sales - from SEK 41 million to SEK 59 million - was mainly related to an increased roll-out of the Dutch tender in Q1. The recurring TRaaS revenue arrived at SEK 93 million this quarter, 11% higher than Q1 2024 at SEK 84 million. The TRaaS revenue is primarily driven by our TRaaS Managed Services business in the USA. Our TRaaS Managed Services revenue remained relatively stable at SEK 57 million versus SEK 59 million in Q1 of last year. From this, we may conclude that our US team managed to compensate for the shortfall in revenue from the Iowa paused programs with increased revenue from programs in other states. This quarter our recurring TRaaS business accounted for 61% of our total revenue. This is in line with our strategic target of more than 60% of total revenue.

Stable margin, increased EBITDA

Our Gross Margin this quarter was 37%, compared to 38% in Q1 2024. This is lower than our run rate margin of 40% and is driven by the relatively large contribution this quarter of System Sales from the Dutch project. System Sales margins are typically lower and precede the higher margin Service and Maintenance recurring revenue, which is expected to continue for at least 6 years for the Dutch project. The overall gross margin of the contract will gradually recoup during this phase. Our EBITDA for the quarter arrived at SEK 9 million, SEK 5 million higher compared to SEK 4 million last year.

Currency Translation effects on financial performance

Due to volatility in main foreign currencies US Dollar, Australian Dollar and Euro, Sensys Gatso has been impacted through translation of its foreign currency receivables and cash positions to Swedish Krona. This has resulted in a negative impact in the first quarter of approximately SEK 6 million compared to a positive impact in Q1 2024 of SEK 3 million. The interest on the Euro bond of EUR 30 million has resulted in an interest expense of approximately SEK 7 million compared to SEK 3 million in Q1 2024. The total Financial items amounted to approximately SEK 13 million (0) for the quarter.

Financial summary

MSEK	Q1 2025	Q1 2024
Revenue	152	125
Order intake and Procurement Awards	192	318
Operating profit (EBITDA)	8.5	3.7
Operating profit (EBIT)	-3.7	-6.9
Total Comprehensive income	-43.8	19.8
Earnings per share, before and after dilution (SEK)	-1.28	-0.45
Cash flow from operating activities	-31.0	55.0

Financial Outlook

Sensys Gatso has made significant progress in several key areas, including obtaining first contracts in new states in the USA, expansion of the Managed Services business model into other geographical areas such as Australia and Ghana and a strategic partnership in Saudi Arabia with a first order in hand.

Our order book and remaining backlog of more than SEK 1 billion is robust and will provide solid revenue well into the future. We expect our TRaaS business to continue delivering profitable growth, driven by our strengthened U.S. team and our ground-breaking FLUX roadside platform.

Our long-term strategy remains unchanged, and we are taking proactive steps to address the challenges we've encountered. We are confident that these actions will position us to deliver on our ambition in the near future.

For 2025 we expect our revenue to arrive between SEK 700 to 800 million. Due to additional sales investments to accelerate growth within the US market, we anticipate to realise an EBITDA margin between 12% and 14% in 2025.

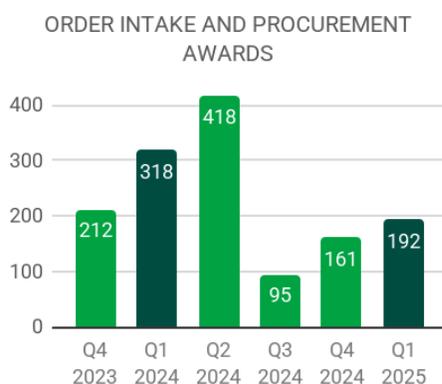
Ivo Mönnink

CEO, Sensys Gatso Group

Financial results Group

Order intake and procurement awards

Order intake and procurement awards during the first quarter totaled MSEK 192 compared to MSEK 318 in Q1 2024. The order intake in Q1 is driven by orders received in the U.S. market. The total order intake in the U.S. Market amounted to MSEK 119, of which MSEK 65 relates to a renewal contract, securing the base revenue. During the quarter we have also signed three new cities totalling MSEK 54 revenue over the contract period.



Net Sales and gross margin

Net sales in the quarter amounted to MSEK 152 (125). The gross margin for the quarter was 37.3 percent (37.5).

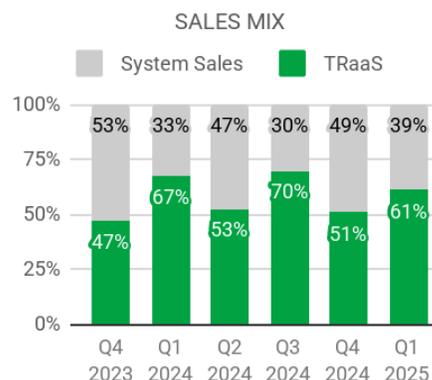


TRaaS Sales

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 & Licences
- » TRaaS: Managed Services

The TRaaS sales for the quarter of MSEK 93 (84) equates to 61% of total sales (67%). This sales is mainly driven by the segment Managed Services.



MSEK	Q1 2025	Q1 2024
System Sales	59	41
TRaaS: Service & Maintenance & Licences	36	25
TRaaS: Managed Services	57	59
Total Revenue	152	125
Of which TRaaS:	93	84
TRaaS % of total Sales:	61%	67%

Nature (MSEK)	Segments		Q1 2025
	System Sales	Managed Services	Total
System Sales	59		59
TRaaS: Service & Maintenance & Licences	36		36
TRaaS: Managed Services	11	46	57
	106	46	152

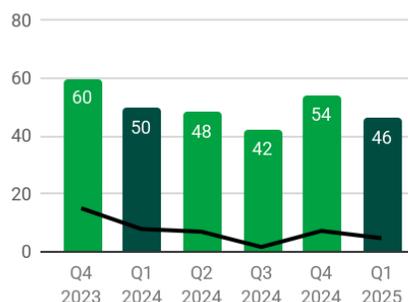
Nature (MSEK)	Segments		Q1 2024
	System Sales	Managed Services	Total
System Sales	41		41
TRaaS: Service & Maintenance & Licences	25		25
TRaaS: Managed Services	10	50	59
	75	50	125

Business segment Managed Services

The revenue for the business segment Managed Services consists of our US Business and allocated software development costs. The revenue of the segment in the quarter amounted to MSEK 46 compared to MSEK 50 million for the same quarter last year. The EBITDA for the segment resulted in a profit of MSEK 5 (8).

MSEK	Q1 2025	Q1 2024
Segment Revenue		
Managed Services	50	51
Inter-segment transactions	-4	-1
Revenue	46	50
EBITDA	5	8
Depreciation and amortisation	-8	-6
Operating Profit	-3	2

SALES & EBITDA MANAGED SERVICES (MSEK)



Business segment System Sales

The revenue of the segment consists of System Sales and TRaaS generated from service and maintenance contracts as well as the Australian Managed Services Revenue. Sales amounted to total MSEK 106 compared to MSEK 75 for the same quarter last year. The EBITDA for the segment resulted in a profit of MSEK 4 (-4).

MSEK	Q1 2025	Q1 2024
Segment Revenue		
System Sales	107	89
Inter-segment transactions	-1	-14
Revenue	106	75
EBITDA	4	-4
Depreciation and amortisation	-4	-5
Operating Profit	-1	-9

SALES & EBITDA SYSTEM SALES (MSEK)



Sales regions

Sales in the European region has increased mainly due to an increased rollout on the Dutch Tender. Sales from the region Americas is lower mainly due to less sales in the US due to the Iowa legislative changes.

Sales in the APAC region are higher compared to previous year driven by growth in our Australian business due to rollout under the announced purchase order in January 2025 relating to the upgrade of traffic safety systems from the state of Victoria, worth SEK 12 million.

MSEK	Q1 2025	Q1 2024
Europe	67	45
Americas	46	49
APAC and MEA	39	31
Total Revenue	152	125

Operating expenses

The operating expenses for the quarter totaled MSEK 58.6 (55.2), excluding financial items.

Profitability

The EBITDA in the quarter amounted to MSEK 8.5 (3.7). The operating profit (EBIT) for the quarter amounted to MSEK -3,7 (-6.9).

MSEK	Q1 2025	Q1 2024
Operating profit (EBIT)	-3.7	-6.9
Depreciation & Amortisation	12.2	10.6
Operating profit (EBITDA)	8.5	3.7
Operating margin (EBITDA %)	5.6	2.9

Translation effects

Due to currency fluctuations financial results can be impacted by translation of local currency to Swedish Krona. The currencies of Q1 2025 do not differ significantly from the currencies of Q1 2024. Therefore the operational financial results are not significantly impacted. However the financial items

in the profit and loss to the amount of MSEK 13 consists of MSEK 6 translation losses on foreign cash positions in the balance sheet.

Personnel

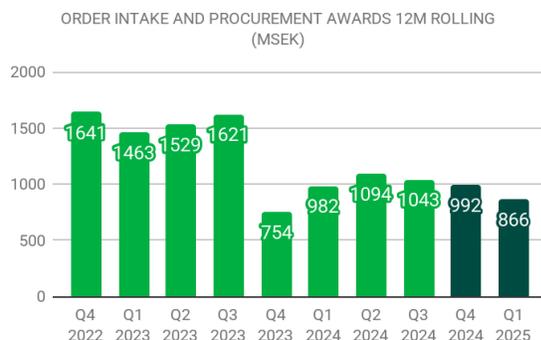
The average number of full-time employees (FTE) was 265 (276). The number of total employees at the end of the period was 306 compared to 308 at the end of 2024.

Rolling 12 months

Order intake and Procurement Awards

The 12-month rolling order intake, including procurement awards, amounted to MSEK 866 compared to MSEK 992 for the previous quarter.

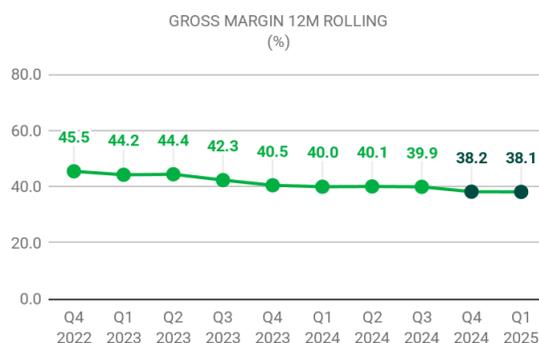
-13%



Gross margin

The 12-month rolling gross margin has remained stable at approximately 38%.

38%



Net sales

The 12-month rolling net sales has increased compared with previous quarter 12-month rolling numbers. The net sales arrived at MSEK 659 compared to MSEK 631.

4%



Operating Expenses

The 12-month rolling expenses have been stable, totaling MSEK 225 compared to MSEK 222 in the previous quarter.

1%



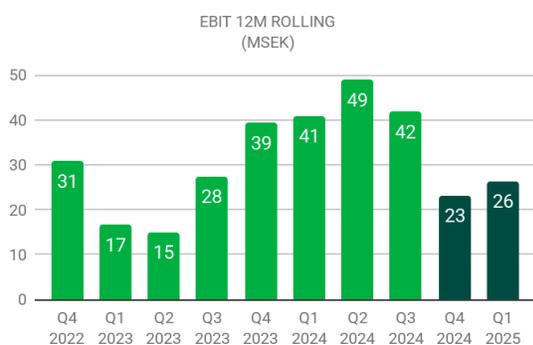
EBITDA & EBIT

The EBITDA for the 12 months rolling amounted to MSEK 74 compared to MSEK 69 at the end of the previous quarter. The EBIT for the 12 months rolling amounted to MSEK 26 compared to MSEK 23 at the end of the previous quarter.

7%



17%



Cash flow and financial position

Cash and available cash

Cash and cash equivalents at the end of the period totaled MSEK 125 (165). At the end of the period, free available cash amounted to MSEK 149 (203), taking into account the total amount of remaining credit facilities amounting to MSEK 24 (38).



Working capital

Working capital movements amounted to approximately MSEK 32, including a translation effect of approximately MSEK 13.

Investing activities

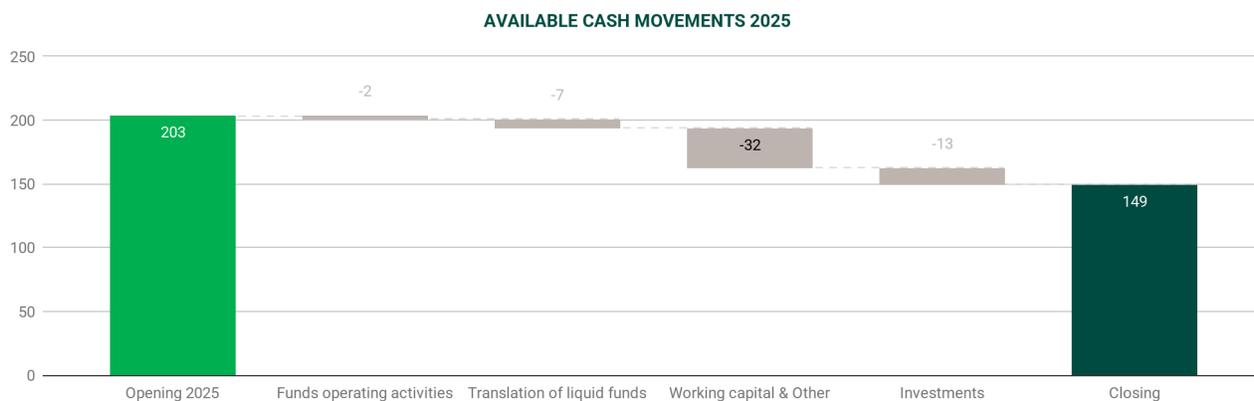
The investments for the quarter amounted to MSEK 13 (27). The majority of the investments were for capitalized software development amounting to MSEK 8 (8) and for fixed assets in operations amounting to MSEK 4 (16).

Translation liquid funds

Sensys Gatso holds various currencies (SEK, EUR, USD, AUD) for the company's operations. The volatility in currencies has resulted in a loss on translation of liquid funds to the amount of MSEK 7.

Movements in available cash

The available cash has moved from MSEK 203 to MSEK 149 at the closing of Q1 2025. The main drivers in the cash development are the following;



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

MSEK	Q1 2025	Q1 2024	FY 2024
Software platforms FLUX, Xilium and Puls	8	8	28
Fixed assets in operations	5	16	57
Other intangible and tangible fixed assets	0	0	5
Investments in Joint Ventures	0	3	4
Total investments	13	27	93

Financial position

The Group's equity at the end of the period totaled MSEK 574 (618), producing an equity/assets ratio of 50% (54).

The net interest-bearing debt for the quarter ended at MSEK 274 (75). Excluding lease liabilities, we ended the quarter at a net debt amount of MSEK 228 compared to a net amount of MSEK 55 last year.

MSEK	31 Mar 2025	31 Mar 2024	31 Dec 2024
Lease liabilities	46	20	24
Bond	319	55	338
Bank Loans and Credit facilities	34	34	20
Shareholder loans	0	23	0
Cash and bank	-125	-51	-165
Net Interest-bearing debt	274	81	217
-/- Lease liabilities	-46	-20	-24
Adjusted Net Interest-bearing debt	228	61	192

Significant events and other information

Significant events during the quarter

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

A list of Sensys Gatso's press releases can be found on www.sensysgatso.com

Related party transactions

We refer to the disclosure under the cash flow of the acquisition of minority shareholding.

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.

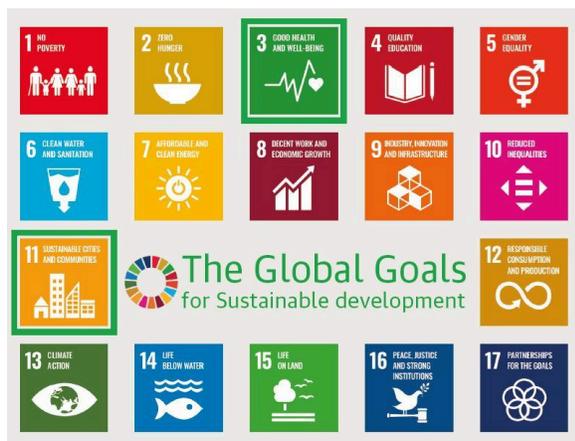
However, the urban areas also account for more than 70 per cent of global greenhouse gas emissions. If well-planned and managed, urban development can be sustainable and can generate inclusive prosperity.

Read more about how Sensys Gatso contributes to the UN's aforementioned goals in the 2024 Annual Report on page 35-36 available at www.sensysgatso.com.

Several global trends continued to favour Sensys Gatso, not the least the world's drive for sustainable cities, reduced environmental impacts from vehicles and the fulfilment of the UN's 2030 sustainable development goals. Making roads safer by changing human behaviour in traffic is fundamental to our business strategy. Our TRaaS business model supports our customers in the transformation towards sustainable and safe environments. Sensys Gatso develops, produces, markets and sells software driven system solutions and products to improve traffic safety. Our largest product category includes automatic speed and red light monitoring systems designed to prevent

traffic accidents and thereby save lives. However, our solutions not only help save lives by preventing road crashes – our products and services also contribute to the reduction of carbon emissions and lower pollution levels. Our customers include police and road authorities globally, as well as, to some extent, private operators contracted by government agencies.

We have a close relationship with our customers and together we find customised 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 favour Sensys Gatso, not the least the world's drive for sustainable cities, reduced environmental impacts from vehicles and the fulfilment of the UN's 2030 sustainable development goals. This is the bigger picture, read our sustainability report in the 2024 Annual report on page 32-36 available at www.sensysgatso.com.

AGM 2025

The AGM for 2025 will take place on Thursday May 15, 2025, in Jönköping. Please, go to 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 24 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://sensys-gatso-group.events.inderes.com/q1-report-2025>

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.inderes.com/teleconference/?id=5003493>

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 24 April, 2025.

Upcoming financial events

Calendar

AGM	15 May 2025
Q2 Interim Report January - June 2025	21 August 2025
Q3 Interim Report January - September 2025	20 November 2025
Q4 Year-End Report January - December 2025	26 February 2026

Jönköping, 24 April 2025

Ivo Mönnink
Chief Executive
Officer

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 amortisation
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 amortisation)

The Intangible fixed assets, relating to the Purchase Price Allocation on the acquisition of Gatso Beheer BV, generate considerable amounts of amortisation. 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 27 of the 2024 Annual Report. There are not considered to be any significant risks in addition to these. Given the current macroeconomic conditions the company has updated the risks related to macroeconomic conditions and risks related to regulatory compliance and change.

Risks related to macroeconomic conditions

Macroeconomic factors, such as ongoing military conflicts in Ukraine and the Middle East, the continued high inflation during 2023 and high interest rates put in place by central banks to combat such inflation, are affecting business globally and are expected to continue to do so for some time to come in the form of reduced production rates, disrupted value and logistics chain, lower product demand and purchasing power, increased production costs, increased financing costs, volatility on the capital markets etc., all of which could have general negative effect on the economy as a whole and thus negatively impact the operations of the Group. The Group is exposed to the conflict in Gaza due to its operations in the Middle East, concentrated around the United Arab Emirates and Saudi Arabia. An escalating or prolonged conflict could thus have a negative impact on the Group's business in the region. Whereas the Group has no direct exposure to the military conflict in Ukraine, the increased international tension and international sanctions enacted as a result thereof, as well as the potentially increased volatility on the capital markets that such conflicts may cause, may negatively impact the Group's operations and revenue. Additionally, the high inflation environment during the recent year has resulted in higher costs for employees, which the Group has not been able to fully pass on to its customers due to the lack of indexation clauses in certain of the Group's customer agreements as well as pricing being pre-approved in tender processes. The rising interest rates has also increased the Group's interest costs as the interest rate on the majority of the Group's debt is variable. Macroeconomic factors of different magnitudes, such as general economic developments, inflation and interest rates, are likely to continue to affect the financial and political conditions in the markets in which the

Group operates and may have a material negative impact on the Group's operations and financial position.

Risks related to regulatory compliance and change

Due to the nature of Sensys Gatso's activities and its presence in a number of different geographical markets, including the United States of America, Europe, Middle East and Australia, the group is subject to a variety of laws and regulations that impact the Group's operations. Different markets have different laws and regulations to which the automated traffic enforcement equipment supplied by the Group must adhere. Changes in such laws and regulations may limit the group's ability to provide hardware and services to its customers or increase the cost thereof. The Group is present in developing countries as well as in decentralised countries that have state or municipal laws and regulations, such as in the United States of America, where the risk for changes in laws and regulations typically is higher. In many jurisdictions, Sensys Gatso is also required to obtain so-called type approvals for its equipment, which is a set of regulatory and technical requirements that the equipment must meet. Independent certification bodies will issue type approval certifications after determining that the equipment complies with the applicable legislation. There is a risk that the Company does not obtain, or loses, type approvals or other certifications that are necessary for the sale of its equipment in the various jurisdictions in which the Group operates, which could prevent the Group from selling its products and services in the relevant market and thereby have a material adverse effect on the Group's sales and ability to retain and attract new customers. The Group is also subject to a variety of laws and regulations pertaining to, inter alia, employment, competition, business practices, foreign ownership and government participation in the economy. Changes in such laws and regulation in the jurisdictions where the Group operates may negatively affect the Group's ability to successfully implement its business strategy. Furthermore, the Group is required to allocate resources to ensure compliance with changing laws and regulations in different jurisdictions. The Group's activities may

also be negatively affected due to political risks and uncertainties.

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 2024.

For more information about the accounting policies applied and definitions of key indicators, please refer to the annual report issued for 2024, which is available on the Sensys Gatso website 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 & Licences
- » TRaaS: Managed Services

TRaaS: Service & Maintenance & Licences

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

is to provide the software and maintain it over a period of time. The revenues are recorded over the contract period.

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.

Financial assets and liabilities

Assets and liabilities recognised at amortised cost (carrying amount) correspond with fair value. For short-term assets and liabilities, the effect of discounting is not significant and for long-term liabilities, the interest rate is variable, and the credit risk has not changed since obtaining the loan.

Pledges and securities

The facilities at Rabobank and at DLL have securities and covenants that are reported in the annual report. The company will provide an update in the interim report when changes are made. We refer to note 22 (Bank guarantees and pledged assets) and 27 (Risks: Liquidity and financial risks).

Consolidated statement of comprehensive income

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Revenue	152,408	124,999	152,408	124,999	631,183
Cost of goods sold	-95,637	-78,187	-95,637	-78,187	-389,970
Gross profit	56,771	46,812	56,771	46,812	241,213
Selling expenses	-22,784	-23,472	-22,784	-23,472	-94,911
Administrative expenses	-21,522	-18,616	-21,522	-18,616	-76,495
Development expenses	-14,300	-13,128	-14,300	-13,128	-50,430
Other operating expenses/income	-1,890	1,464	-1,890	1,464	3,832
Operating profit	-3,725	-6,940	-3,725	-6,940	23,209
Net financial items	-12,958	114	-12,958	114	-11,636
Result Joint Ventures	-412	-492	-412	-492	-2,501
Profit before tax	-17,095	-7,318	-17,095	-7,318	9,072
Tax	2,358	2,122	2,358	2,122	-3,389
Profit for the period	-14,737	-5,196	-14,737	-5,196	5,683
Profit is attributable to owners of Sensys Gatso Group AB	-14,737	-5,887	-14,737	-5,887	5,926
Profit is attributable to non- controlling interest	0	691	0	691	-243
Profit for the period	-14,737	-5,196	-14,737	-5,196	5,683
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	-29,082	24,958	-29,082	24,958	18,926
Total other comprehensive income for the period, net after tax	-29,082	24,958	-29,082	24,958	18,926
Total comprehensive income for the period	-43,819	19,762	-43,819	19,762	24,609
Number of shares (thousands)	11,530	11,530	11,530	11,530	11,530
Earnings per share, before and after dilution (SEK)	-1.28	-0.45	-1.28	-0.45	0.49

Consolidated balance sheet

TSEK	31 Mar 2025	31 Mar 2024	31 Dec 2024
Goodwill	268,041	285,159	286,341
Brand	785	3,357	1,473
Product and software development	113,495	92,011	109,367
Property, plant and equipment	57,450	32,996	37,219
Fixed assets in operations	118,353	104,762	128,091
Deferred tax assets	33,098	37,288	34,874
Investments in Joint Ventures	9,512	10,819	10,501
Other non-current assets	170	219	189
Trade and other receivables	158,180	122,749	109,139
Inventories and work in progress	183,627	124,816	167,270
Other current assets	71,182	92,267	95,321
Cash and bank balances	125,443	51,165	165,322
Total assets	1,139,336	957,608	1,145,107
Shareholders' equity	574,060	656,205	617,879
Long-term Lease liabilities	35,932	9,848	13,368
Long-term Bond loans	319,240	55,466	337,547
Long-term Bank loans	0	0	0
Long-term Liabilities towards shareholders	0	23,050	0
Warranty Provision	13,137	12,838	13,492
Deferred tax liabilities	6,974	8,367	7,806
Short-term Lease liabilities	10,210	9,998	10,714
Short-term Bank liabilities	34,332	33,917	20,216
Trade and other payables	57,712	47,118	45,876
Other current interest-free liabilities	87,739	100,801	78,209
Total shareholders' equity and liabilities	1,139,336	957,608	1,145,107

Consolidated statement of changes in equity

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024
Beginning of period	617,879	635,656	617,879	635,656
Share-based payments costs	0	787	0	787
<i>Comprehensive income</i>				
Net profit for the period	-14,737	-5,887	-14,737	-5,887
Minority interest in subsidiaries	0	691	0	691
Translation differences	-29,082	24,958	-29,082	24,958
Total comprehensive income for the period	-43,819	19,762	-43,819	19,762
End of period	574,060	656,205	574,060	656,205

Consolidated cash flow statement

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Operating profit	-3,725	-6,940	-3,725	-6,940	23,209
Items with no effect on cash flow	9,638	14,207	9,638	14,207	51,290
Interest paid	-7,820	8,345	-7,820	8,345	-10,322
Tax paid/received	-268	-639	-268	-639	-13,698
Funds contributing from operating activities	-2,175	14,973	-2,175	14,973	50,479
Change in working capital	-28,825	40,029	-28,825	40,029	-6,272
Cash flow from operating activities	-31,000	55,002	-31,000	55,002	44,207
Cash flow from investing activities	-12,896	-27,097	-12,896	-27,097	-93,395
Financing activities					
Bond issue (less costs)	0	0	0	0	0
Acquisition of minority result	0				
Loan movements	0	-2,104	0	-2,104	-58,037
Lease payments (IFRS16)	-2,982	-3,127	-2,982	-3,127	-12,178
Repayment/usage of credit facilities	14,116	-21,864	14,116	-21,864	-35,038
Repayment of loan to shareholders	0	0	0	0	-22,189
Change in cash and bank balances	-32,762	810	-32,762	810	110,935
Liquid funds at the beginning of the period	165,322	48,753	165,322	48,753	48,753
Translation differences in liquid funds	-7,117	1,602	-7,117	1,602	5,634
Closing cash and cash equivalents	125,443	51,165	125,443	51,165	165,322

Items with no effect on the cash flow are mainly related to depreciation and amortisation of intangible and tangible fixed assets and IFRS16 adjustments.

Consolidated Segment report

TSEK	Q1 2025			Q1 2024		
	System Sales	Managed Services	Total	System Sales	Managed Services	Total
Segment Revenue	107,041	50,424	157,465	88,875	50,809	139,684
Inter-segment transactions	-846	-4,211	-5,057	-13,513	-1,172	-14,685
Revenue	106,195	46,213	152,408	75,362	49,637	124,999
EBITDA	3,815	4,661	8,476	-4,178	7,828	3,650
Depreciation and amortisation	-4,319	-7,881	-12,200	-4,556	-6,033	-10,589
Operating Profit	-504	-3,220	-3,724	-8,734	1,795	-6,939
Net financial items			-12,958			114
Result Joint Ventures			-412			-492
Profit before tax			-17,094			-7,317
Tax			2,358			2,122
Profit for the period			-14,736			-5,195

Managed Services

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Segment Revenue Managed Services	50,424	50,809	50,424	50,809	204,819
Inter-segment transactions	-4,211	-1,172	-4,211	-1,172	-10,533
Revenue	46,213	49,637	46,213	49,637	194,286
EBITDA	4,661	7,828	4,661	7,828	23,499
Depreciation and amortisation	-7,881	-6,033	-7,881	-6,033	-27,487
Operating Profit	-3,220	1,795	-3,220	1,795	-3,988

System Sales

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Segment Revenue System Sales	107,041	88,875	107,041	88,875	495,381
Inter-segment transactions	-846	-13,513	-846	-13,513	-58,486
Revenue	106,195	75,362	106,195	75,362	436,895
EBITDA	3,815	-4,178	3,815	-4,178	45,308
Depreciation and amortisation	-4,319	-4,556	-4,319	-4,556	-18,111
Operating Profit	-504	-8,734	-504	-8,734	27,197

Consolidated key indicators

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Operating margin (%)	-2.44	-5.55	-2.44	-5.55	3.68
Gross margin (%)	37.25	37.45	37.25	37.45	38.22
Profit margin (%)	-9.67	-4.16	-9.67	-4.16	0.90
Equity per share (SEK)	49.79	56.91	49.79	56.91	53.59
Cash flow per share (SEK)	-2.69	4.77	-2.69	4.77	3.83
Number of employees	306	303	306	303	308
No. of outstanding shares (thousands)	11,530	11,530	11,530	11,530	11,530
Equity/assets ratio (%)	50.39	68.53	50.39	68.53	53.96
Order intake (SEK thousands)	192,394	318,318	192,394	318,318	991,944

Revenue by nature

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
System Sales	59,424	40,796	59,424	40,796	260,311
TRaaS: Service & Maintenance & Licences	35,753	24,971	35,753	24,971	132,666
TRaaS: Managed Services	57,231	59,232	57,231	59,232	238,206
Total Revenue	152,408	124,999	152,408	124,999	631,183
Of which TRaaS:	92,984	84,203	92,984	84,203	370,872
TRaaS % of total Sales:	61%	67%	61%	67%	59%

Consolidated EBITDA

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Operating profit (EBIT)	-3,725	-6,940	-3,725	-6,940	23,209
Depreciation tangible and intangible fixed assets	11,585	9,974	11,585	9,974	43,096
Amortisation of acquired intangible assets	616	616	616	616	2,502
Operating profit (EBITDA)	8,476	3,650	8,476	3,650	68,807
Operating margin (EBITDA %)	5.6	2.9	5.6	2.9	10.9

Parent company statement of comprehensive income

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Revenue	5,014	4,994	5,014	4,994	24,647
Cost of goods sold		0	0	0	0
Gross profit	5,014	4,994	5,014	4,994	24,647
					0
Selling expenses	0	0	0	0	0
Administrative expenses	-8,980	-8,321	-8,980	-8,321	-35,443
Development expenses	0	0	0	0	0
Other operating expenses/income	0	0	0	0	0
Operating profit	-3,966	-3,327	-3,966	-3,327	-10,796
Net financial items	-1,255	926	-1,255	926	3,405
Profit before tax	-5,221	-2,401	-5,221	-2,401	-7,391
Tax	0	0	0	0	0
Profit for the period/Comprehensive income for the period	-5,221	-2,401	-5,221	-2,401	-7,391

Parent company balance sheet

TSEK	31 Mar 2025	31 Mar 2024	31 Dec 2024
Product and software development	76,837	63,099	45,535
Shares in subsidiaries	421,444	420,804	419,886
Deferred tax assets	14,029	16,384	16,384
Receivables from Group	283,234	49,566	55,206
Other current assets	6,068	3,297	2,363
Cash and bank balances	92,833	10,577	30,379
Total assets	894,445	563,727	569,753
Shareholders' equity and liabilities			
Shareholders' equity	562,444	555,406	559,204
Long-term Bond loans	319,205	0	0
Trade and other payables	2,066	1,576	3,247
Trade and other payables from Group	0	1,968	2,792
Other current interest-free liabilities	10,730	4,777	4,510
Total shareholders' equity and liabilities	894,445	563,727	569,753

Parent company statement of changes in shareholders equity

TSEK	Q1 2025	Q1 2024	YTD Q1 2025	YTD Q1 2024	FY 2024
Beginning of period	567,665	557,020	567,665	557,020	561,614
Profit for the period/Comprehensive income for the period	-5,221	-2,401	-5,221	-2,401	-7,391
Stock related remuneration	0	787	0	787	4,981
End of period	562,444	555,406	562,444	555,406	559,204

Quarterly data

Consolidated statement of income

TSEK	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Revenue	152,408	197,741	140,994	167,449	124,999	220,694	156,974
Cost of goods sold	-95,637	-126,019	-88,401	-97,363	-78,187	-128,870	-97,128
Gross profit	56,771	71,722	52,593	70,086	46,812	91,824	59,846
Costs	-60,496	-56,310	-51,479	-56,463	-53,752	-57,787	-51,592
Operating profit	-3,725	15,412	1,114	13,623	-6,940	34,037	8,254
Net financial items	-12,958	-4,212	-7,683	145	114	-9,891	1,092
Result Joint Ventures	-412	-851	-469	-689	-492	-1,601	0
Profit before tax	-17,095	10,349	-7,038	13,079	-7,318	22,545	9,346
Tax	2,358	-842	-1,179	-3,490	2,122	-7,393	-1,404
Profit for the period	-14,737	9,507	-8,217	9,589	-5,196	15,152	7,942

Consolidated key indicators and other information

TSEK	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Operating margin (%)	-2.44	7.79	0.79	8.14	-5.55	15.42	5.26
Gross margin (%)	37.25	36.27	37.30	41.86	37.45	41.61	38.12
Profit margin (%)	-9.67	4.81	-5.83	5.73	-4.16	6.87	5.06
Equity per share (SEK)	49.79	53.59	55.68	57.28	56.91	55.13	55.58
Cash flow per share (SEK)	-2.69	2.12	0.77	-3.83	4.77	0.40	0.36
Number of employees	306	308	305	310	303	302	299
No. of outstanding shares (thousands)	11,530	11,530	11,530	11,530	11,530	11,530	11,530
Equity/assets ratio (%)	50.39	53.96	53.36	65.92	68.53	65.96	68.89
Order intake (SEK thousands)	192,394	161,109	94,900	417,617	318,318	212,266	145,374

Consolidated segment data

Segment Order intake & Procurement Awards	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Order intake System Sales	73,394	161,109	69,900	142,117	43,518	212,266	123,374
Order intake Managed Services	119,000	0	25,000	275,500	274,800	0	22,000
	192,394	161,109	94,900	417,617	318,318	212,266	145,374
Segment Revenue	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
Revenue System Sales	106,195	143,609	98,625	119,299	75,362	160,726	112,163
Revenue Managed Services	46,213	54,131	42,368	48,150	49,637	59,969	44,811
	152,408	197,740	140,993	167,449	124,999	220,695	156,974
Segment profitability	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
EBITDA System Sales	3,815	21,314	10,435	17,737	-4,178	30,423	15,262
EBITDA Managed Services	4,661	7,171	1,598	6,902	7,828	15,018	3,942
	8,476	28,485	12,033	24,639	3,650	45,441	19,204

The Sensys Gatso share

The number of shares at the end of the period amounted to 11,530,358 (11,530,358). A reversed share split of 1:80 was resolved by the AGM on May 15th 2023. Historical share numbers have been recalculated based on the reversed share split.

The table below shows the ten largest shareholders in the Company as per the end of March, 2025. 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)	2,055,351	17.8
2	Försäkringsaktiebolaget Avanza Pension	503,726	4.4
3	Nordnet Pensionsförsäkring AB	435,788	3.8
4	Futur Pension Försäkringsaktiebolag	330,301	2.9
5	STATE STREET BANK AND TRUST CO, W9	315,879	2.7
6	Wall, Per	287,500	2.5
7	Bergstrand, Inger	258,248	2.2
8	Hamberg Karl Peter Gudmund	130,000	1.1
9	Dimensional Fund Advisors	124,846	1.1
10	MELLGREN CLAES	117,442	1.0

#	Country	Proportion of share capital/ Votes%
1	Sweden	72.1
2	Netherlands	17.8
3	USA	4.1
4	Denmark	1.4
5	Ireland	1.2
6	Other	3.4
		100.0

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 behaviour.
 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

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