

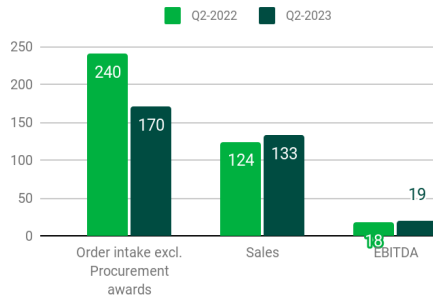
# Sensys Gatso Group AB

## Half year Report

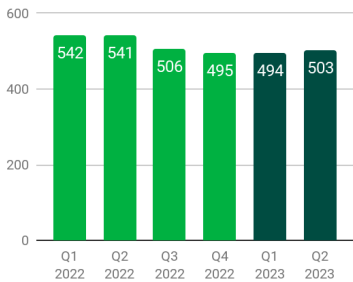
### January - June 2023



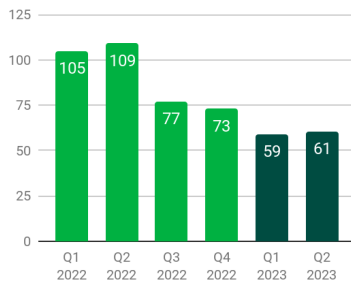
**KEY FINANCIALS (MSEK)**



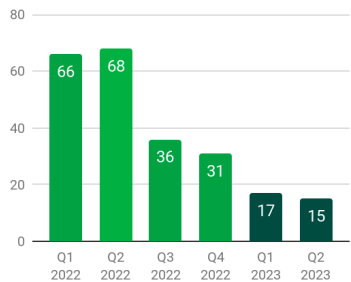
**12M ROLLING SALES (MSEK)**



**12M ROLLING EBITDA (MSEK)**



**12M ROLLING EBIT (MSEK)**



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## Comments from the CEO

### **Executing on our guidance**

*In all regions, there has been robust commercial activity this quarter. Five new customers in the United States, the beginning of our first significant contract deliveries to Sweden and the Netherlands, and the restart of our deliveries to Saudi Arabia. Our recurring TRaaS business, which continues growing, had another successful quarter. Our EBITDA margin for the quarter was 15% due to a strong gross margin and high sales volume. Overall, we are on track to meet both our 2023 financial guidance and our 2025 ambition.*

### **Five new customers in USA**

The order intake in Q2 arrived at SEK 170 million, compared to SEK 240 million in Q2 2022. The order intake excludes the Middle East procurement award of SEK 152 million, which was won in Q2 2023. Including this procurement award, the order intake for the quarter is SEK 322 million, up by 34% compared to Q2 2022.

For the first half year the total order intake - including procurement awards - amounted to SEK 412 million (569), mainly driven by TRaaS order intake from the US market and system sales order intake from the Middle East. With our strengthened US sales team we managed to sign no less than five new customers in the first half of this year and we have extended one contract with an existing customer. It's encouraging to see that our stepped-up sales efforts in the crucial US market are beginning to be visible in the order intake.

### **TRaaS represents 65% of total Sales and grew 18%**

Our TRaaS sales for the quarter of SEK 87 (74) million was up by 18%. This recurring business equates to 65% of total sales. The growth is mainly related to our US TRaaS Managed Services business and revenue from our Tasmania Police TRaaS Managed Services project in Australia. Year to date the TRaaS sales amounted to SEK 173 million, an increase of 24%. During the first half year, TRaaS sales represented 70% of our total sales, ahead of our ambition for 2025 of 60% of total sales.

### **Onboarding new programs in the US Market**

We started executing on our plan for the US market in Q2 2022. We have since added three sales managers to our US sales force. The investment is paying off. Since the beginning of this year, we closed 6 contracts in this strategic market, of which 5 in new cities, for a total contract value of SEK 112 million. This demonstrates the effectiveness of the strategy. We are now in the implementation phase of these new contracts, which typically incurs one-off costs for installations and warning tickets that temporarily suppress the EBITDA margin in the segment.

### **Resuming deliveries to Saudi Customer**

At the end of the second quarter we have delivered 75% of this SEK 275 million contract for our unique Vehicle-in-Motion solution to our Saudi customer. Due to our customer's dependency on a number of external prerequisites outside of their control, such as availability of vehicles and drivers, we were asked in Q3 2022 to temporarily pause the deliveries of the Vehicle-in-Motion contract. We now agreed to deliver the remaining 25% of the contract in the second half of 2023.

### **On track for carrying out historical order intake**

For the whole year of 2022 we received a record high order intake totaling SEK 1.5 billion. During the first half of 2023 we added another SEK 412 million. This total order intake of nearly SEK 2 billion includes two large contracts; the Swedish Trafikverket order of SEK 850 million and the Dutch Public Prosecution Services procurement award of SEK 250 million. Before revenue can be realized, the fulfillment of these orders always necessitates upfront development work and expenses. These investments will be leveraged over the anticipated twelve year contract periods.

I'm pleased to report that our implementation plan is moving along as planned. Our solutions are accepted and first revenues have been recorded at the end of Q2. It displays our in-depth

comprehension of our customers' needs for automated traffic enforcement and our ability to put these needs into practice using our advanced technologies.

### EBITDA margin in line with ambition

We reported in Q1 that the reason for the quarter's low EBITDA was not structural in nature, but rather a result of implementation expenses and the additional development costs required to simultaneously complete a number of significant projects and build the new FLUX platform. Compared to Q1 we now see in this quarter a SEK 20 million higher sales level, a 2 percentage point better gross margin and our expenses improving by SEK 4 million. As a result, EBITDA arrived this quarter at SEK 19.2 million (17.7%), an 8% improvement compared to Q2 of 2022. At 14,5%, our EBITDA margin is in line with our 2025 ambition. Later on, after development work for our commercial projects is finished, we anticipate a further decrease in our development costs as well as stronger revenues, which will further improve EBITDA.

### Investing for Growth in the USA

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 in the quarter amounted to SEK 17 million, compared to zero in the same period last year. The investments in Fixed Assets in Operations for the first half of the year totalled SEK 31 million, or 63% of our total investments for the year. I am pleased to see that these investments are rising since it demonstrates that we are successfully expanding into the critical U.S. market.

### Financial guidance for 2023

In order to attract more international investors, the AGM voted in May of this year in favour of a 1 to 80 reverse share split. In conjunction with this event we released our financial guidance for the full year 2023 to make it easier for international investors to analyse the financial performance of the company. On the back of our record breaking order intake we are targeting full year 2023 revenues in the range of MSEK 550-650 and an EBITDA margin of 10-15%. In light of the restart of the deliveries to Saudi Arabia, the beginning of the deliveries for the two

significant projects in Sweden and The Netherlands, the rollout of the new programs in the USA, as well as several other smaller deliveries, I reaffirm our guidance for 2023.

### Outlook

In 2022 and the first half of 2023 combined, we added almost SEK 2 billion to our order book, and we are currently 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 and ambition 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

	Q2	Q2	YTD	YTD
MSEK	2023	2022	2023	2022
Net Sales	133	124	246	238
Order intake *)	170	240	260	323
Operating profit (EBITDA)	19.2	17.7	20.7	33.3
Operating profit (EBIT)	5.6	7.1	-3.0	12.7
Total Comprehensive income	27.9	27.5	14.4	39.8
Earnings per share, before and after dilution (SEK)	0.32	0.01	0.30	0.02
Cash flow from operating activities	-19.3	30.8	-27.1	89.8

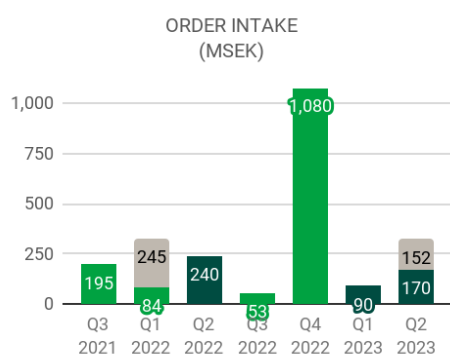
\*) Excluding Middle East procurement award of MSEK 152

## Financial results Group

### Order intake

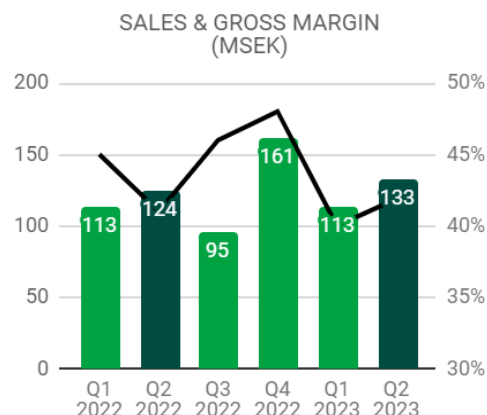
Order intake during the second quarter totaled MSEK 170 compared to MSEK 240 in the same quarter last year. In the second quarter of 2023 we received a large procurement award from our long standing customer in the Middle East for delivery of enforcement systems worth MSEK 152. Including this procurement award the order intake amounts to MSEK 322, 34% higher than Q2 2022. In our strategic growth market USA we have signed three new programs for Automated Traffic Enforcement services with a total revenue of MSEK 77 over the five to seven years contract periods. In the fourth quarter of 2022 we rolled out the first TRaaS Managed Services program in Australia, in the second quarter of this year we have signed an expansion to this contract with additional services worth up to MSEK 26.

For the first half year the total order intake - including procurement awards - amounted to MSEK 412 (569), driven by Managed Services order intake from the US market and by system sales order intake from the Middle East and TRaaS. In total we have signed in the strategic US market five new customers in the first half year and we have extended one contract with an existing customer.



### Net Sales and gross margin

Net sales in the quarter amounted to MSEK 133 (124). The gross margin for the quarter was 41.9 percent (41.0). For the first half year the sales arrived at MSEK 246 (238), with a gross margin of 41.0 percent (43.1).



### TRaaS Sales

The TRaaS sales for the quarter of MSEK 87 (74) equates to 65% 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. For the first half year TRaaS sales amounted to 70% of total sales, showing a growth in mainly Managed Services sales of 21% compared to 2022.

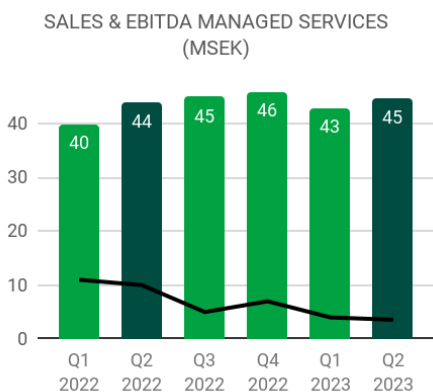
	Q2 2023	Q2 2022	YTD 2023	YTD 2022
<b>MSEK</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
System Sales	46	51	73	95
TRaaS: Service & Maintenance	32	29	68	57
TRaaS: Licenses	1.8	0.3	3.5	1.6
TRaaS: Managed Services *)	53	44	101	84
<b>Total Sales</b>	<b>133</b>	<b>125</b>	<b>246</b>	<b>238</b>
Of which TRaaS:	87	74	173	143
TRaaS % of total Sales:	65%	59%	70%	60%

\*) including MSEK 8 of managed services AUSTRALIA, reported in segment System Sales

### Business segment Managed Services

The sales for the business segment Managed Services - consisting of Sensys Gatso USA and several projects in Germany - has remained stable this quarter compared to the same quarter last year at MSEK 45.

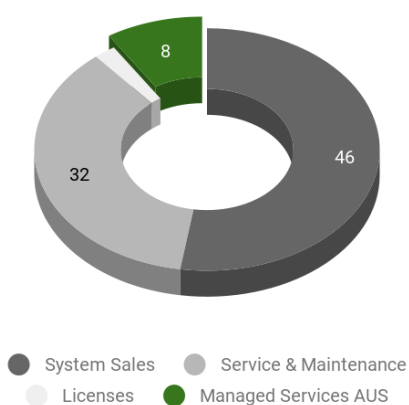
The main reason is that we are in the process of onboarding the new programs we have signed in the USA since the beginning of 2023. The EBITDA for the segment, which includes software development related costs, landed at MSEK 3.6 compared to approximately MSEK 10 in the comparative period 2022. The sales for the first half year amounted to MSEK 88 (84).



#### Business segment System Sales

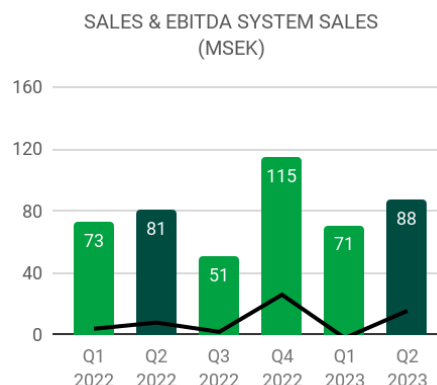
The business segment System Sales, mainly consists of our Dutch, Swedish and Australian operational companies. The Sales for the quarter amounted to MSEK 88 compared to MSEK 81 for the same quarter last year. The segment System Sales also includes TRaaS Managed Services revenues of our Australian program amounting to approximately MSEK 8 (0) in the quarter.

SEGMENT SYSTEM SALES Q2-2023



The EBITDA for the segment arrived at MSEK 15.6 compared to MSEK 7.6 for the same quarter last

year. During the first half year of 2023 the segment System Sales achieved a sales of MSEK 159 (154).



#### Sales regions

European sales have increased significantly in the second quarter compared to the same quarter last year. Also from a half year perspective Europe has seen an increase in sales, which amounts to 80% growth. The increase in sales in Europe is driven by the start of the execution of the projects in Sweden and the Netherlands, both of which were awarded last year. Americas continues to grow as we perform well in the USA and have expanded our footprint in Latin America. Sales in the Americas mainly relate to our TRaaS Managed Services offering in the USA. The APAC and MEA region had lower sales in the second quarter and for the first half year, due to postponed deliveries to Saudi Arabia. The region is expected to pick up in the second half of the year with new orders received in the second quarter and deliveries to our Saudi customer resuming.

	Q2 2023	Q2 2022	YTD 2023	YTD 2022
<b>MSEK</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Europe	45	29	90	50
Americas	54	43	96	83
APAC and MEA	34	52	60	105
<b>Total Sales</b>	<b>133</b>	<b>124</b>	<b>246</b>	<b>238</b>

### Operating expenses

The operating expenses for the quarter totalled MSEK 50 (47), excluding financial items. 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.

### Profitability

The EBITDA in the quarter amounted to MSEK 19.2 (17.7). The operating profit (EBIT) for the quarter amounted to MSEK 5.6 (7.1).

	Q2	Q2	YTD	FY
MSEK	2023	2022	2023	2022
Operating profit (EBIT)	5.6	7.1	-3.0	12.7
Depreciation & Amortization	13.6	10.5	23.7	20.6
<b>Operating profit (EBITDA)</b>	<b>19.2</b>	<b>17.7</b>	<b>20.7</b>	<b>33.3</b>
Operating margin (EBITDA %)	14.5	14.2	8.4	14.0

### Translation effects

The sales in the second quarter has been positively impacted by MSEK 8, 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
	Q2	Q2	
Net sales	132.6	124.7	8.0
Cost of goods sold	-77.1	-72.2	-4.9
Gross profit	55.6	52.5	3.1
Costs	-50.0	-48.2	-1.8
Operating profit	5.6	4.3	1.3
Net financial items	1.0	1.2	-0.2
Profit before tax	6.6	5.5	1.1
Tax	-2.9	-2.7	-0.2
Profit for the period	3.7	2.8	0.9

\*) 2022 FX: these are the 2023 numbers calculated at Q2 2022 currencies

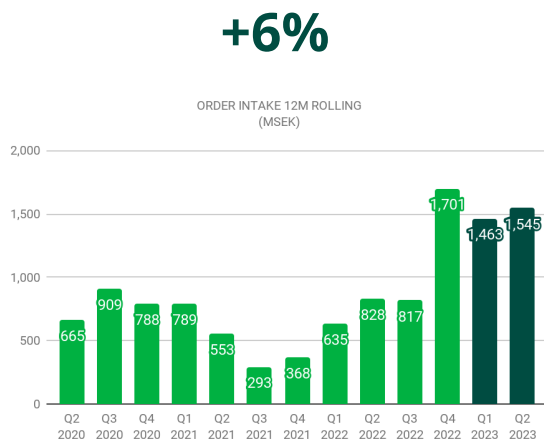
### Personnel

The average number of full-time employees was 270 (234). The number of employees at the end of the period was 301 compared to 284 at the end of 2022. The increase in employees is mainly in TRaaS managed Services employees in the USA, further strengthening and professionalizing our organisation, as well as in Australia for building up a new TRaaS Managed Services organisation.

## Rolling 12 months

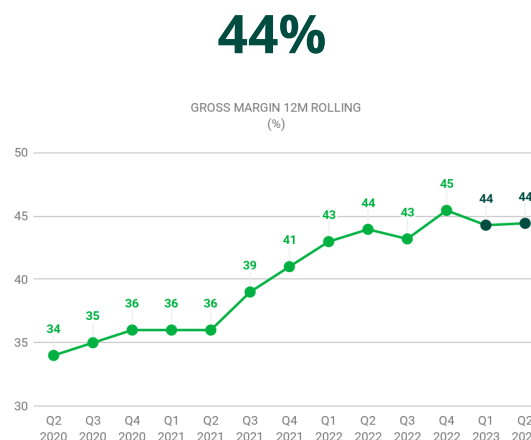
### Order intake

The 12 months rolling order intake - including procurement awards - amounted to MSEK 1,545, compared to MSEK 1,463 for the previous quarter.



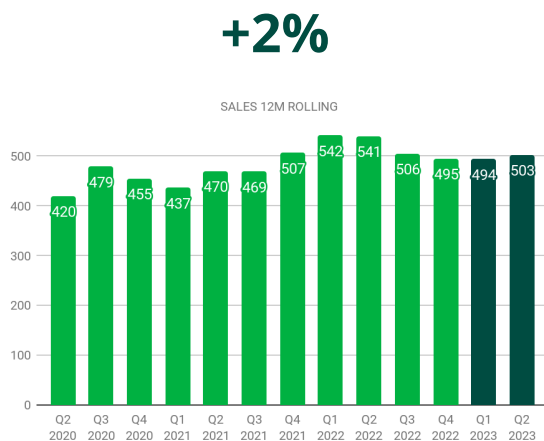
### Gross margin

The 12 months rolling gross margin remained stable at 44% points.



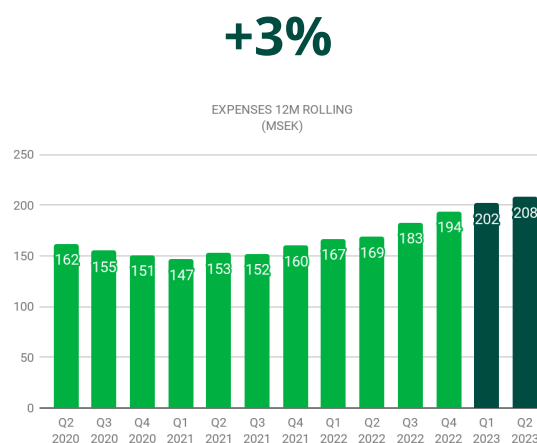
### Net sales

The 12 months rolling sales are in line with previous quarter 12 months rolling numbers. The sales arrived at MSEK 503 compared to MSEK 494.



### Operating Expenses

The 12 months rolling expenses have slightly increased due to increased sales and development activities. The rolling 12 months expenses totalled MSEK 208 compared to MSEK 202 in the previous quarter.

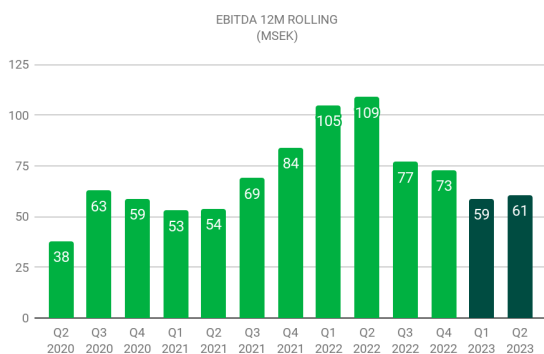




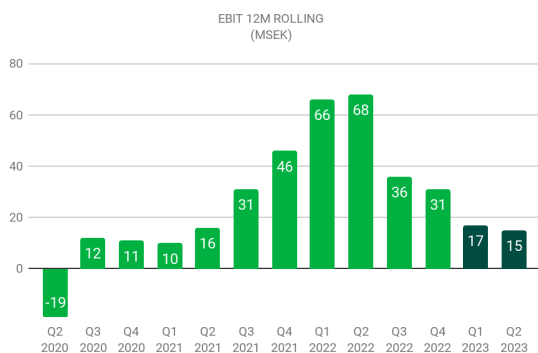
**EBITDA & EBIT**

The EBITDA for the 12 months rolling amounted to MSEK 61, similar compared to MSEK 59 at the end of Q1. The EBIT for the 12 months rolling amounted to MSEK 15 compared to MSEK 17, a decrease of 12%.

**+2%**



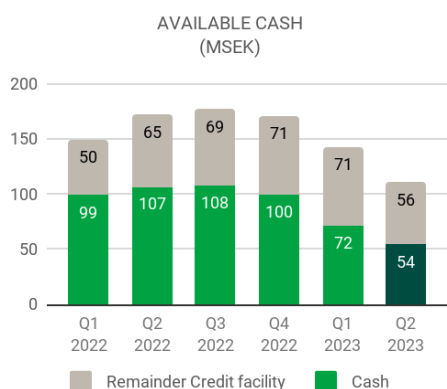
**-12%**



## Cash flow and financial position

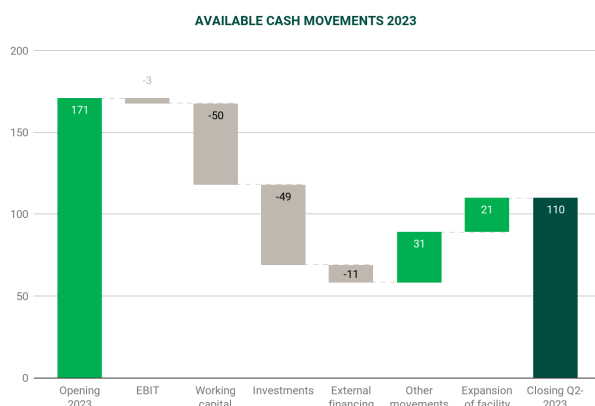
### Cash and available cash

Cash and cash equivalents at the end of the period totaled MSEK 54 (107). At the end of the period free available cash amounted to MSEK 110 (172) taking into account the total amount of remaining credit facilities amounting to MSEK 56 (65).



### Cash flow from operating activities

During the first half year Sensys Gatso realized a negative cash flow from operating activities of MSEK -27 (90). Free available cash moved from MSEK 171 to MSEK 110. This movement was mainly related to building up inventory levels for system sales contracts and investments in fixed assets.



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 26 (7), of which MSEK 17(0) were investments in fixed assets in operations, mainly related to new contract signings in the USA. For the first half year the investments in fixed assets in operations amounted to MSEK 31(0), which represents 63% of the total investments year to date.

MSEK	Q2 2023	Q2 2022	YTD 2023	FY 2022
Software platforms FLUX, Xilium and Puls	7	5	14	10
Fixed assets in operations	17	0	31	3
Other intangible and tangible fixed assets	3	2	4	3
<b>Total investments</b>	<b>26</b>	<b>7</b>	<b>49</b>	<b>16</b>

### Financial position

The Group's equity at the end of the period totalled MSEK 642 (604), producing an equity/assets ratio of 72% (76). The net cash amount for the quarter ended at MSEK 61 (-24). Excluding lease liabilities, we ended the quarter at a net debt amount of MSEK 37 net cash compared to a positive amount of MSEK 42 last year.

MSEK	Q2 2023	Q2 2022	FY 2022
Lease liabilities	24	19	23
Bank Loans and Credit facilities	68	35	31
Shareholder loans	24	30	22
Cash and bank	-54	-107	-100
<b>Net Interest-bearing debt</b>	<b>61</b>	<b>-24</b>	<b>-24</b>
-/- Lease liabilities	-24	-19	-23
<b>Adjusted Net Interest-bearing debt</b>	<b>37</b>	<b>-42</b>	<b>-47</b>

## Significant events and other information

### Significant events during the quarter

- 30 June Number of shares and votes in Sensys Gatso Group
- 20 June Sensys Gatso Group has signed a new SEK 100 million facility agreement with Rabobank Netherlands for financing US Growth plan
- 13 June Sensys Gatso executes on its commercial strategy - releasing the financial outlook for 2023
- 12 June Sensys Gatso signed a 5-year procurement agreement in the Middle East for speed and red-light enforcement systems worth SEK 152 million
- 8 June Sensys Gatso Australia receives TRAFFIC enforcement as a Service (TRaaS) order for expansion of services in Tasmania to the value of SEK 26 million
- 30 May Sensys Gatso receives a seven-year red light TRaaS contract from Warrington Township, Pennsylvania USA, worth SEK 26 million
- 24 May Sensys Gatso receives a five-year red light and speed TRaaS contract from Marion, Iowa USA, worth SEK 44 million
- 19 May Sensys Gatso receives an order from Ajman for delivery of red-light enforcement systems, worth SEK 5.4 million
- 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
- 12 April Sensys Gatso intends to propose an 80:1 reverse share split to the AGM in order to attract more international investors
- 5 April Sensys Gatso receives an order from Thailand for delivery of traffic enforcement systems, worth SEK 5.6 million

### Significant events during the previous quarter

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

### Significant events after the quarter

- 31 July Number of shares and votes in Sensys Gatso Group
- 17 July Sensys Gatso receives an order from North Africa worth SEK 8,7 million
- 11 July Sensys Gatso receives a seven-year TRaaS contract for traffic safety in Bensalem worth SEK 22 million, expanding the footprint in Pennsylvania
- 3 July Share issue in Sensys Gatso Group

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).

### Audit

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

#### Invitation to a presentation

On 17 August 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-q2-2023>

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=5005239>

#### For further information please contact:

Ivo Mönnink, CEO

e-mail: [i.monnick@sensysgatso.com](mailto:i.monnick@sensysgatso.com)

e-mail IR: [investors@sensysgatso.com](mailto:investors@sensysgatso.com)

Telephone: +46 36 34 29 80

*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 17 August, 2023.*

### Upcoming financial events

#### Calendar

Q3 Interim Report January - September 2023	16 November 2023
Q4 Year-End Report January - December 2023	22 February 2024

#### Declaration of the board of directors

The Board of Directors and the CEO declare that this half-yearly report provides a fair view of the Group's and Company's activities, financial position and financial results, and describes the significant risks and uncertainty factors faced by the Group.

Jönköping, 17 August 2023

**Claes  
Ödman**  
Chairman of  
the Board

**Jochem  
Garritsen**  
Board member

**Pia  
Hofstedt**  
Board member

**Kerstin  
Sjöstrand**  
Board member

**Mark  
Talbot**  
Board member

**Francis  
Schmeer**  
Board member

**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 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

	Apr - June 2023	Apr - June 2022	Jan - June 2023	Jan - June 2022	FY 2022
<b>TSEK</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>Net sales</b>	132,642	124,498	245,875	237,903	494,575
Cost of goods sold	-77,087	-73,466	-145,025	-135,371	-269,670
<b>Gross profit</b>	<b>55,555</b>	<b>51,032</b>	<b>100,850</b>	<b>102,532</b>	<b>224,905</b>
Selling expenses	-20,721	-18,599	-40,885	-38,252	-81,703
Administrative expenses	-18,129	-18,812	-38,030	-37,546	-77,193
Development expenses	-10,873	-9,620	-25,410	-19,490	-43,934
Other operating expenses/income (1)	-279	3,130	471	5,489	8,748
<b>Operating profit</b>	<b>5,553</b>	<b>7,131</b>	<b>-3,004</b>	<b>12,733</b>	<b>30,823</b>
Net financial items	1,045	5,068	-5,931	8,862	2,255
<b>Profit before tax</b>	<b>6,598</b>	<b>12,199</b>	<b>-8,935</b>	<b>21,595</b>	<b>33,078</b>
Tax	-2,888	-3,681	-1,284	-6,641	-13,023
<b>Profit for the period</b>	<b>3,710</b>	<b>8,518</b>	<b>-10,219</b>	<b>14,954</b>	<b>20,055</b>
Profit is attributable to owners of Sensys Gatso Group AB	3,832	7,985	-10,328	13,500	18,556
Profit is attributable to non- controlling interest	-122	533	109	1,454	1,499
	<b>3,710</b>	<b>8,518</b>	<b>-10,219</b>	<b>14,954</b>	<b>20,055</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	24,156	18,986	24,634	24,843	39,229
<b>Total other comprehensive income for the period, net after tax</b>	<b>24,156</b>	<b>18,986</b>	<b>24,634</b>	<b>24,843</b>	<b>39,229</b>
<b>Total comprehensive income for the period</b>	<b>27,866</b>	<b>27,504</b>	<b>14,415</b>	<b>39,797</b>	<b>59,284</b>
Number of shares (thousands)	11,522	921,776	11,522	921,776	921,776
Earnings per share, before and after dilution (SEK)	0.32	0.01	0.30	0.02	0.02

## Consolidated balance sheet

TSEK	30 June 2023	30 June 2022	31 Dec 2022
<b>Assets</b>			
Goodwill	291,547	267,123	276,735
Customer contracts and relations	0	77	0
Brand	5,372	7,349	6,354
Product and software development	75,958	54,453	63,084
Property, plant and equipment	36,432	31,198	33,946
Fixed assets in operations	85,571	61,898	70,630
Deferred tax assets	40,349	35,990	39,916
Other non-current assets	252	262	256
Trade and other receivables	89,814	80,030	67,449
Inventories and work in progress	119,279	89,540	85,177
Other current assets	93,787	62,677	84,986
Cash and bank balances	54,414	107,149	99,718
<b>Total assets</b>	<b>892,775</b>	<b>797,746</b>	<b>828,251</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	642,055	604,283	626,068
Long-term Lease liabilities	13,240	9,989	12,096
Long-term Bank loans	17,712	26,118	21,982
Long-term Liabilities towards shareholders	23,583	21,360	22,257
Warranty Provision	7,585	10,953	9,207
Deferred tax liabilities	1,577	2,802	9,451
Short-term Lease liabilities	10,296	8,718	10,497
Short-term Bank liabilities	50,097	8,382	8,843
Short-term liabilities towards shareholders	0	8,839	0
Trade and other payables	33,492	26,146	20,392
Other current interest-free liabilities	93,138	70,156	87,458
<b>Total shareholders' equity and liabilities</b>	<b>892,775</b>	<b>797,746</b>	<b>828,251</b>

## Consolidated statement of changes in equity

	Apr - June 2023	Apr - June 2022	Jan - June 2023	Jan - June 2022	FY 2022
<b>TSEK</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
<b>Beginning of period</b>	<b>613,403</b>	<b>575,167</b>	<b>626,068</b>	<b>561,803</b>	<b>561,803</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	1,079	1,572	2,150	4,981
<i>Comprehensive income</i>					
Net profit for the period	3,832	7,985	-10,328	13,500	18,556
Minority interest in subsidiaries	-122	533	109	1,454	1,499
Translation differences	24,156	19,519	24,634	25,376	39,229
<b>Total comprehensive income for the period</b>	<b>27,866</b>	<b>28,037</b>	<b>14,415</b>	<b>40,330</b>	<b>59,284</b>
<b>End of period</b>	<b>642,055</b>	<b>604,283</b>	<b>642,055</b>	<b>604,283</b>	<b>626,068</b>

## Consolidated cash flow statement

	Apr - June 2023	Apr - June 2022	Jan - June 2023	Jan - June 2022	FY 2021
<b>TSEK</b>					
<b>Operating profit</b>	<b>5,553</b>	<b>7,131</b>	<b>-3,004</b>	<b>12,733</b>	<b>30,823</b>
Items with no effect on cash flow	13,527	11,333	21,807	21,170	40,900
Financial items	9,972	5,564	8,142	1,864	1,646
Tax paid/received	-1,597	-1,023	-4,313	-1,393	-12,099
<b>Funds contributing from operating activities</b>	<b>27,455</b>	<b>23,005</b>	<b>22,632</b>	<b>34,374</b>	<b>61,270</b>
Change in working capital	-46,733	7,797	-49,714	55,435	64,280
<b>Cash flow from operating activities</b>	<b>-19,278</b>	<b>30,802</b>	<b>-27,082</b>	<b>89,809</b>	<b>125,550</b>
Cash flow from investing activities	-26,211	-6,935	-49,012	-16,167	-45,008
	<b>-45,489</b>	<b>23,867</b>	<b>-76,094</b>	<b>73,642</b>	<b>80,542</b>
<b>Financing activities</b>					
New share issue minus cost		0	0	0	0
Loan movements	-2,173	-1,998	-4,296	-3,973	-2,886
Lease payments (IFRS16)	-3,339	-2,703	-6,437	-5,371	-11,136
Repayment/usage of credit facilities	34,602	-12,788	41,254	-32,728	-32,267
Repayment of loan to shareholders	0	0	0	0	-8,888
<b>Change in cash and bank balances</b>	<b>-16,399</b>	<b>6,378</b>	<b>-45,573</b>	<b>31,570</b>	<b>25,365</b>
Liquid funds at the beginning of the period	71,846	99,162	99,718	72,463	72,463
Translation differences in liquid funds	-1,033	1,609	269	3,116	1,890
<b>Closing cash and cash equivalents</b>	<b>54,414</b>	<b>107,149</b>	<b>54,414</b>	<b>107,149</b>	<b>99,718</b>

## Consolidated Segment report

TSEK	Apr - June 2023			Apr - June 2022		
	System Sales	Managed Service	Total	System Sales	Managed Service	Total
Total Net sales per business segment	98,941	46,350	145,291	80,541	44,347	124,888
Inter-segment transactions	-11,116	-1,534	-12,650	-22	-369	-391
<b>Total Net Sales</b>	<b>87,825</b>	<b>44,816</b>	<b>132,641</b>	<b>80,519</b>	<b>43,978</b>	<b>124,498</b>
<b>EBITDA</b>	<b>15,617</b>	<b>3,567</b>	<b>19,184</b>	<b>7,629</b>	<b>10,029</b>	<b>17,658</b>
Depreciation and amortization	-4,951	-8,680	-13,631	-4,057	-6,470	-10,527
<b>Operating Profit</b>	<b>10,666</b>	<b>-5,113</b>	<b>5,553</b>	<b>3,572</b>	<b>3,559</b>	<b>7,131</b>
Net financial items			1,045			5,068
<b>Profit before tax</b>			<b>6,598</b>			<b>12,199</b>
Tax			-2,888			-3,681
<b>Profit for the period</b>			<b>3,710</b>			<b>8,518</b>

### Managed Services

TSEK	Apr - June 2023	Apr - June 2022	Jan - June 2023	Jan - June 2022	FY 2022
Total Net sales per business segment	46,350	44,347	92,775	85,884	130,287
Inter-segment transactions	-1,534	-369	-5,300	-1,479	-942
<b>Total Net Sales</b>	<b>44,816</b>	<b>43,978</b>	<b>87,475</b>	<b>84,405</b>	<b>129,345</b>
<b>EBITDA</b>	<b>3,567</b>	<b>10,029</b>	<b>7,327</b>	<b>21,482</b>	<b>27,051</b>
Depreciation and amortization	-8,680	-6,470	-13,999	-11,730	-17,800
<b>Operating Profit</b>	<b>-5,113</b>	<b>3,559</b>	<b>-6,672</b>	<b>9,752</b>	<b>9,251</b>

### System Sales

TSEK	Apr - June 2023	Apr - June 2022	Jan - June 2023	Jan - June 2022	FY 2022
Total Net sales per business segment	98,941	80,541	181,836	152,629	387,428
Inter-segment transactions	-11,116	-22	-23,435	869	-9,984
<b>Total Net Sales</b>	<b>87,825</b>	<b>80,519</b>	<b>158,401</b>	<b>153,498</b>	<b>377,444</b>
<b>EBITDA</b>	<b>15,617</b>	<b>7,629</b>	<b>13,335</b>	<b>11,837</b>	<b>56,451</b>
Depreciation and amortization	-4,951	-4,057	-9,667	-8,856	-19,794
<b>Operating Profit</b>	<b>10,666</b>	<b>3,572</b>	<b>3,668</b>	<b>2,981</b>	<b>36,657</b>

## Consolidated key indicators

	Apr - June	Apr - June	Jan - June	Jan - June	FY
TSEK	2023	2022	2023	2022	2022
Net sales	132,642	124,498	245,875	237,903	494,575
Order intake	170,122	239,692	260,092	323,219	1,456,104
Gross margin (%)	41.9	41.0	41.0	43.1	45.5
Operating profit (EBIT)	5,553	7,131	-3,004	12,733	30,823
Operating margin (EBIT %)	4.2	5.7	Neg	5.4	6.2
Operating profit (EBITDA)	19,184	17,658	20,662	33,319	73,344
Profit for the period	3,710	8,518	-10,219	14,954	20,055
Earnings per share, before and after dilution (SEK)	0.32	0.01	0.32	0.02	0.02
Cash flow from operations	-19,278	30,802	-27,082	89,809	125,550

## Consolidated EBITDA

	Apr - June	Apr - June	Jan - June	Jan - June	FY
TSEK	2023	2022	2023	2022	2022
Operating profit (EBIT)	5,553	7,131	-3,004	12,733	30,823
Depreciation tangible and intangible fixed assets	11,794	9,059	20,028	17,668	36,966
Amortization of acquired intangible assets	1,837	1,468	3,638	2,918	5,555
<b>Operating profit (EBITDA)</b>	<b>19,184</b>	<b>17,658</b>	<b>20,662</b>	<b>33,319</b>	<b>73,344</b>
<b>Operating margin (EBITDA %)</b>	<b>14.5</b>	<b>14.2</b>	<b>8.4</b>	<b>14.0</b>	<b>14.8</b>

## Parent company statement of comprehensive income

	Apr - June 2023	Apr - June 2022	Jan - June 2023	Jan - June 2022	FY 2022
<b>TSEK</b>					
Other sales	6,248	5,474	13,215	11,122	24,647
Cost of goods sold	0	0	0	0	0
<b>Gross profit</b>	<b>6,248</b>	<b>5,474</b>	<b>13,215</b>	<b>11,122</b>	<b>24,647</b>
Selling expenses	0	0	0	0	0
Administrative expenses	-9,528	-6,373	-19,466	-15,598	-35,443
Development expenses	0	0	0	0	0
Other operating expenses/income	0	0	0	0	0
<b>Operating profit</b>	<b>-3,280</b>	<b>-899</b>	<b>-6,251</b>	<b>-4,476</b>	<b>-10,796</b>
Net financial items	1,817	1,115	2,393	2,246	3,405
<b>Profit before tax</b>	<b>-1,463</b>	<b>216</b>	<b>-3,858</b>	<b>-2,230</b>	<b>-7,391</b>
Tax	0	0	0	0	0
<b>Profit for the period/Comprehensive income for the period</b>	<b>-1,463</b>	<b>216</b>	<b>-3,858</b>	<b>-2,230</b>	<b>-7,391</b>

## Parent company balance sheet

	30 June	30 June	31 Dec
TSEK	2023	2022	2022
Product and software development	52,105	37,949	45,535
Shares in subsidiaries	421,167	417,788	419,886
Deferred tax assets	16,384	16,384	16,384
Receivables from Group	45,718	81,495	55,206
Other current assets	3,942	5,345	2,363
Cash and bank balances	24,635	20,600	30,379
<b>Total assets</b>	<b>563,951</b>	<b>579,561</b>	<b>569,753</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity	556,919	561,534	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	8,839	0
Trade and other payables	2,453	4,723	3,247
Trade and other payables from Group	0	0	2,792
Other current interest-free liabilities	4,579	4,465	4,510
<b>Total shareholders' equity and liabilities</b>	<b>563,951</b>	<b>579,561</b>	<b>569,753</b>



## Parent company statement of changes in shareholders equity

TSEK	Apr - June 2023	Apr - June 2022	Jan - June 2023	Jan - June 2022	FY 2022
<b>Beginning of period</b>	<b>557,598</b>	<b>560,239</b>	<b>559,204</b>	<b>561,614</b>	<b>561,614</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	-1,463	216	-3,858	-2,230	-7,391
Stock related remuneration	784	1,079	1,573	2,150	4,981
<b>End of period</b>	<b>556,919</b>	<b>561,534</b>	<b>556,919</b>	<b>561,534</b>	<b>559,204</b>

## Quarterly data

### Consolidated statement of income

	2023		2022			2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Net sales</b>	132,642	113,233	161,308	95,364	124,498	113,405	172,512	130,416
Cost of goods sold	-77,087	-67,938	-83,127	-51,172	-73,466	-61,905	-100,710	-67,034
<b>Gross profit</b>	<b>55,555</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>
Costs	-50,002	-53,852	-55,911	-48,372	-43,901	-45,898	-44,558	-35,138
<b>Operating profit</b>	<b>5,553</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>
Net financial items	1,045	-6,976	-10,077	3,470	5,068	3,794	263	-1,699
<b>Profit before tax</b>	<b>6,598</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>
Tax	-2,888	1,604	-2,000	-4,382	-3,681	-2,960	-8,519	-4,327
<b>Profit for the period</b>	<b>3,710</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>

### Consolidated key indicators and other information

TSEK	2023		2022			2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Operating margin (%)	4.19	-7.56	13.81	-4.38	5.73	4.94	15.79	21.66
Gross margin (%)	41.88	40.00	48.47	46.34	40.99	45.41	41.62	48.60
Profit margin (%)	2.80	-12.30	6.32	-5.34	6.84	5.68	11.01	17.04
Equity per share (SEK)	55.72	0.67	0.68	0.67	0.66	0.62	0.61	0.59
Cash flow per share (SEK)	-1.67	-0.01	0.01	0.03	0.03	0.06	0.01	0.00
Number of employees	301	294	284	276	256	253	263	254
No. of outstanding shares (thousands)	11,522	921,776	921,776	921,776	921,776	921,776	921,776	921,776
Equity/assets ratio (%)	71.92	75.39	75.59	76.20	75.75	73.78	70.45	71.89
Order intake (SEK thousands)	170,122	89,970	1,079,505	53,380	239,692	83,527	195,358	64,182

## Consolidated segment data

	2023		2022			2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Order intake</b>								
System Sales	93,122	54,970	952,005	53,380	95,692	57,127	44,358	42,182
Managed Services	77,000	35,000	127,500	0	144,000	26,400	151,000	22,000
	<b>170,122</b>	<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>

	2023		2022			2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>Net sales</b>								
System Sales	87,825	70,574	115,097	50,674	80,520	72,978	133,802	93,480
Managed Services	44,816	42,659	46,211	44,690	43,978	40,427	38,710	36,936
	<b>132,641</b>	<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>

	2023		2022			2021		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
<b>EBITDA</b>								
System Sales	15,617	-2,281	26,220	1,668	7,629	4,208	24,966	27,051
Managed Services	3,567	3,759	7,425	4,502	10,029	11,453	12,538	10,974
	<b>19,184</b>	<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>

## The Sensys Gatso share

The number of shares at the end of the period amounted to 11,522,206 (921,776,405). The change in number of shares is a result of the 1: 80 reversed share split as resolved by the AGM on May 15th 2023.

The table below shows the ten largest shareholders in the Company as per the end of June, 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)	2,055,352	17.8
2	AVANZA PENSION	494,590	4.3
3	NORDNET PENSIONS FÖRSÄKRING AB	423,239	3.7
4	WALL, PER ANDERS CURT	287,500	2.5
5	BERGSTRAND, INGER	258,248	2.2
6	FUTUR PENSION	242,378	2.1
7	HANDELSBANKEN FONDER	186,572	1.6
8	MELLGREN, CLAES	114,442	1.0
9	HAMBERG, KARL PETER GUDMUND	110,000	0.9
10	DAHLIN, LARS	92,500	0.8

#	Country	Proportion of share capital/ Votes%
1	Sweden	75.2
2	Netherlands	17.9
3	Denmark	1.6
4	United states	1.3
5	Finland	1.0
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%

### Sensys Gatso Group AB

Office address Vasavägen 3c,  
 SE-554 54 Jönköping  
 Postal address Box 2174,  
 SE-550 02 Jönköping  
 Sweden

T +46 36 34 29 80

F +46 36 12 56 99

info@sensysgatso.com

www.sensysgatso.com

Registered No 556215-4459

VAT NO SE556215445901

Registered Office Jönköping