

Sensys
Gatso
Group

›2024

Annual Report



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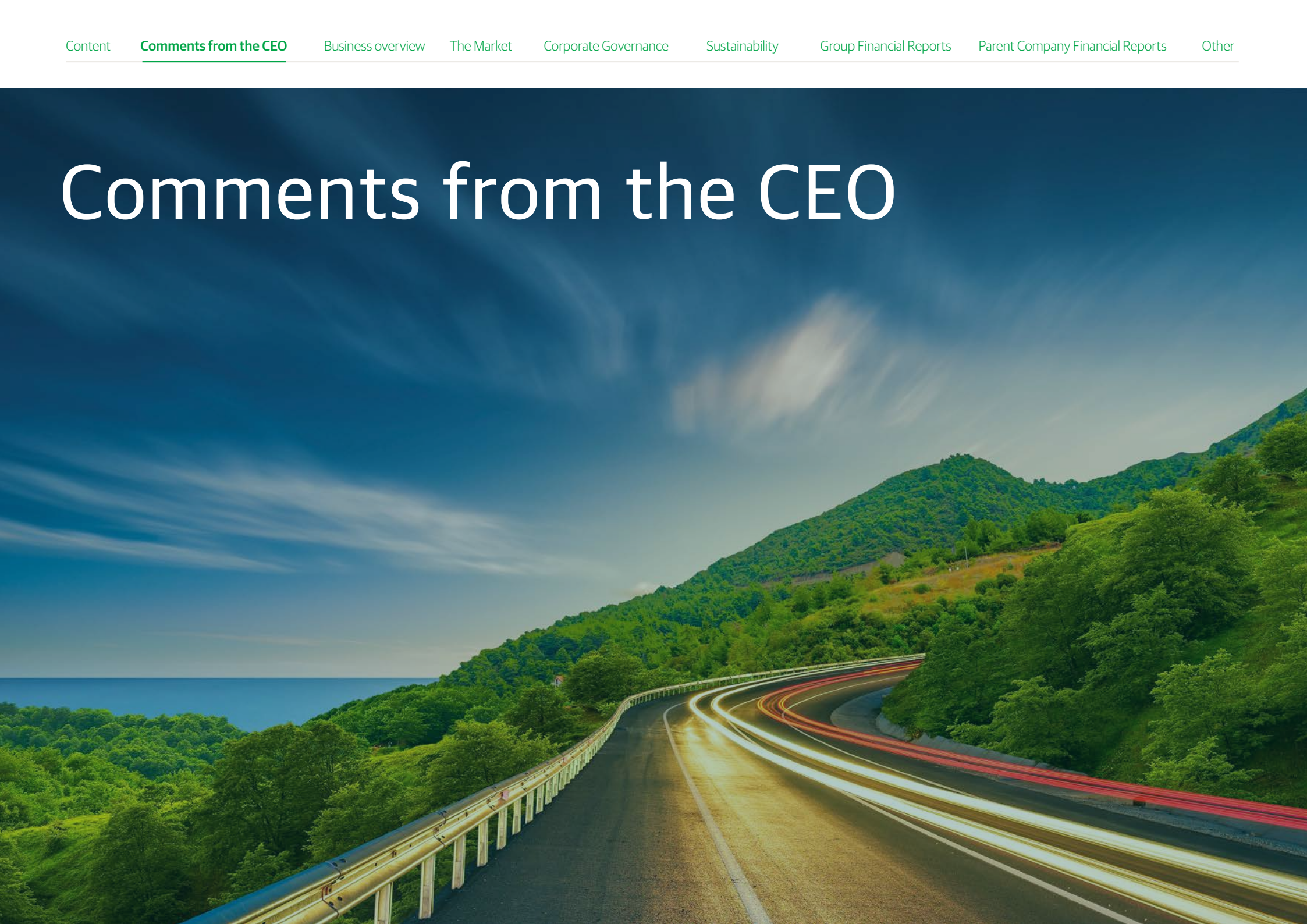


Annual Report – 2024

Sensys Gatso Group AB is a Swedish company that is subject to Swedish legislation. All amounts are expressed in Swedish kronor. Millions of kronor are abbreviated to MSEK and thousands to TSEK. Numerical data within parentheses refer to the 2023 financial year, unless otherwise stated. Data on market and competition conditions are Sensys Gatso Group's own estimates. These estimates are based on most up-to-date available information from published sources.

Financial information, both in Swedish and English, is available at www.sensysgatso.com under Investera/Investors, where a printed copy of the Annual Report may also be ordered. A copy of the Annual Report can also be obtained by calling +46 (0)36-34 29 80, or by e-mailing a request to info@sensysgatso.com.

Comments from the CEO



Comments from the CEO: "Strong order intake with significant TRaaS contributions"

Sensys Gatso has seen a strong order intake during 2024. The order intake and procurement awards amounted to SEK 992 million compared to SEK 754 million in 2023. Of the total order intake, SEK 575 million, or 58%, is from our Managed Services segment with an average contract term of 5 years. All order intake for this segment are TRaaS Managed Services contracts, signed with cities in our strategically important US market. In total Sensys Gatso has signed 13 new and extended contracts in the USA in 2024. For the segment System Sales, the order intake amounted to SEK 417 million, of which SEK 80 million for TRaaS service and maintenance contracts. The substantial share of recurring TRaaS revenue in our Segments Managed Services and System Sales combined, indicates that we have successfully implemented our strategy to establish a solid foundation of recurring revenue for the future.

Significant progress on major contracts in Sweden and the Netherlands with SEK 1,000 million in backlog

In 2022 we signed the largest contract in our industry in Sweden with our longstanding customer Trafikverket. The total contract value is estimated to be worth SEK 850 million, of which 40% is related to services over a 12 year contract period. Also in 2022, we secured the Dutch tender, worth SEK 400 million of which SEK 200 million is related to services, over a 6 year contract period.

During 2024 there has been significant progress on both of these large contracts. The development phase of the Swedish contract has been completed during Q4 of this year with final acceptance by our customer in January 2025. This followed extensive testing to align and integrate our new FLUX speed enforcement system with our customer's various IT systems, some of which are also new or updated. The commencement of the Swedish project rollout is now anticipated in the first half of 2025, encompassing the replacement of existing systems and

the installation of new systems in the field. The Service and Maintenance component of the contract will be initiated incrementally and is projected to endure for the next twelve years.

The rollout of the Dutch order has started in 2024. This phase will continue during 2025, and is expected to be completed in 2026. Service and maintenance for the Dutch order is slowly phasing in, starting

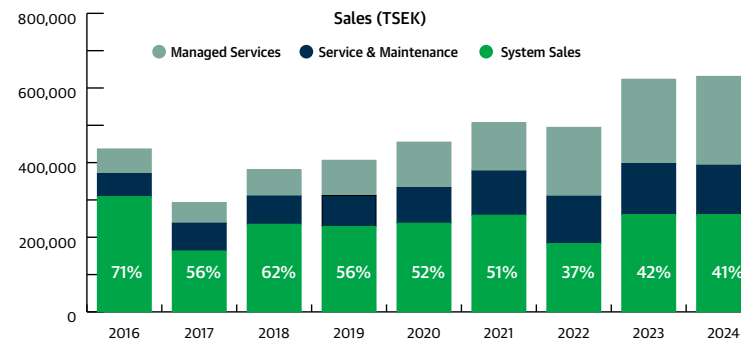
in 2024 and ending in 6 years, with potential contract renewals for another 6 years thereafter. Of the combined Swedish and Dutch SEK 1,250 million contract value, approximately 15% has been delivered to date, leaving more than SEK 1,000 million still in the backlog of just these two programs in our home markets.

Stable TraaS revenue, notwithstanding lowa in the US

2024 has seen a lower growth rate on revenue which is mainly related to a shift in timing of System Sales deliveries and lower than expected Managed Service Sales in Iowa, USA. The decrease in System Sales was mainly related to timing of deliveries in Sweden and delay of anticipated orders from the Middle East. The total sales for 2024 amounted to SEK 631 million, 1% higher compared to SEK 624 million in 2023.

Growth in TRaaS revenue in both our Managed Services and System sales segment has been strong over the last few years. Growing from SEK 130 million in 2016 to SEK 370 million in 2024. This growth demonstrates the focus on recurring and services revenue and underpins our strategy to transition into a strong technology solutions provider with a significant recurring services revenue base.

In 2024 new legislation came into force in Iowa, USA, impacting our TRaaS Managed Services revenue, reducing the number of locations where speed enforcement can be implemented. We have been supporting our customers that were impacted by this legislative change and we have been taking appropriate steps to mitigate the impact as much as possible. Notwithstanding the negative impact on our TRaaS Managed Services revenue caused by the legislative changes in the state of Iowa in the USA, our TRaaS Managed Services revenues grew by 2% in 2024.



Iowa, US, legislative changes impact speed enforcement operations and revenue

As of May 2024, new legislation in Iowa led to a permitting process for automated speed enforcement systems, issued by the Iowa Department of Transportation. Unexpectedly, only 11 out of 140 existing fixed speed location permits were approved, including 7 out of 75 for Sensys Gatso's customers. 95 out of 148 mobile speed deployment location applications were approved.



Red light enforcement cameras were not affected. We are working with our customers to find solutions to reestablish the operations of the speed systems that did not receive a permit. This process is both time-consuming and laborious, with consequently slow revenue recovery for our programs in Iowa. The estimated negative impact of the legislative changes on our 2024 revenue is SEK 20 million. Corrected for this, the full year growth of our Managed Services business would have been approximately 14%.

New order from Tahakom, Saudi Arabia, under multi-Year framework agreement

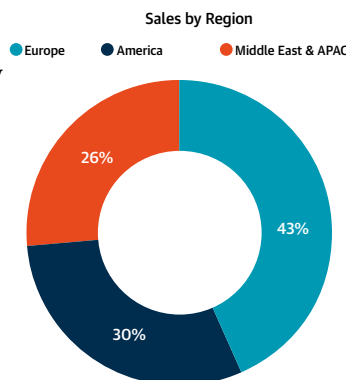
In April 2024, we signed a Memorandum of Understanding with our customer Tahakom in the Kingdom of Saudi Arabia. Following this, our customer provided technical qualification for our automated traffic enforcement solutions. During the fourth quarter, Sensys Gatso has signed framework agreements for fixed & mobile speed and fixed red light enforcement as well as a framework agreement for Service & Maintenance on the delivered Vehicle in Motion systems. With these framework agreements in place, detailing pricing and logistics terms and conditions, Sensys Gatso is now in the position to receive purchase orders under these agreements. In January 2025, we received the first order for the maintenance of the in-vehicle systems in Saudi Arabia. This was a first order, for one year, under a three year framework agreement. This purchase order is worth SEK 27 million. The expectation is that we will receive new purchase orders for the remaining two years under the framework agreement, with an increased level as more systems will be added for service and maintenance.

Ghana project progressing

In 2022, we entered into an eleven-year contract with the Government of Ghana through our 40% joint venture share in Nationwide Traffic Management & Enforcement Ltd (NTMEL). The contract involves the design, building, financing, operation, and maintenance of a nationwide road safety program. The total revenue for the JV is projected to be approximately SEK 800 million over the contract duration. The project rollout is progressing well, with the first test citations issued in 2024. Due to parliament elections in December 2024, the formal confirmation of the legal framework has been delayed. The issuance of citations is expected to commence no later than July 2025. In our financial reporting we show results from the project as results from JV's.

Balanced global revenue distribution

Sensys Gatso is a globally active European leader in our industry with a balanced sales mix across different regions. In 2024, revenue was distributed across the Americas (30%), Europe (43%), and APAC/MEA (26%). Compared to full year 2023, the region APAC and MEA contributed less in 2024, due to the completion of the deliveries to Saudi Arabia. This has been compensated by the increased revenue in Europe mainly from the roll-out of the Dutch tender. Our global presence helps us at times to even out the volatility that is inherent to the one-off system sales. As we grow our recurring TRaaS revenue, our total revenue growth will become even more stable.



Strategic investments strengthen US operations and consolidate ownership

We have continued to invest in our strategic US market. The Managed Services business model that we operate in the USA is a business model where CAPEX investments are needed upfront to establish the base for the recurring revenues from the TRaaS Managed Services contracts. In 2024 we made strategic investments in Fixed Assets totaling SEK 57 million. Additionally, we invested SEK 44 million to repurchase the minority shareholding from former employees in our Sensys Gatso USA entity, securing 100% ownership of this key driver of our growth strategy.

Profitability

The gross margin during 2024 at 38.2% has been lower than 2023 with 40.5%. This is mainly caused by lower initial margins on System Sales deliveries 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 lower gross margin and increased cost base, predominantly relating to investments in the sales organisation, has had an impact on the year's EBITDA profitability. Our EBITDA for 2024 arrived at SEK 69 million, compared to SEK 85 million last year.

Outlook

Due to recent market dynamics, such as extended customer testing phases and legislative changes in the US, Sensys Gatso sees a delay in achieving its ambition of reaching SEK 1 billion in revenue with an EBITDA margin of more than 15% in 2025.

Despite the delay, 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 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. While we are disappointed to not meet our ambition within the original timeframe, we are resolute in our commitment to achieving this goal. 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.

Financial Outlook 2025

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 AB

Business overview



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 Mission

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.”

2024 in brief

Environmental impact

- » Contributed to a healthier environment for citizens by helping to ban polluting vehicles in cities
- » Reduced CO2 pollution by enforcing speed limits

Development of the business

- » 3% growth in recurring sales (notwithstanding legal changes in Iowa)
- » Rollout started of long term large contracts in our home markets Sweden and Netherlands
- » Expansion of our footprint in the USA with 13 new contracts

Transforming the business

- » Continued the transformation to a service provider
- » Approx 59% recurring revenue

Innovation

- » Market introduction of new Enforcement platform FLUX; enabling customers to easily change configuration and type of enforcement based on the changing behaviours of road users
- » MSEK 28 invested in software platforms

Social impact

- » 1.25 million people die in traffic every year, it is our purpose to make traffic safer by changing driver behaviour
- » Protected vulnerable road users by supporting governments in reducing traffic violations through enforcement

Financial

- » MSEK 631 sales
- » 11% EBITDA margin
- » Order backlog on two largest projects SEK 1,0bn

Sensys Gatso - Making traffic safer®



Strategy and business

Sensys Gatso is the leading provider of automated traffic enforcement solutions with a strong global presence. Our mission is saving lives by changing the driving behaviour of motorists. We are firmly committed to improving road safety by reducing vehicle speed and red light negation, by optimising traffic flows and by contributing to a sustainable urban environment, always in close partnership with governments and other authorities all over the world.

Focused Strategies

Sensys Gatso is transforming its business model from a pure hardware solution provider to combined one-stop-shop Traffic Enforcement as a Service provider. With this transformation Sensys Gatso aims to be closer to its customers, being able to better support them in their challenge to reduce road casualties and increase traffic safety. This business model is referred to as TRaaS (TRaffic Enforcement as a Service) and is a recurring revenue model based on predictable Service & Maintenance, Service Level Agreements and Managed Services.

Sensys Gatso's strategy is to focus on the defined four pillars of growth;

- » Flexible Hardware and Scalable software
- » Expansion in the USA with Traffic enforcement as a Service
- » Entry in new markets with Traffic enforcement as a Service
- » Extend service scope to existing markets

Flexible Hardware and scalable software

By building our new enforcement platform FLUX, Sensys Gatso has created a modular enforcement system that can be configured to the changing behaviours of road users. The FLUX platform enables our customers to easily upgrade to new types of enforcement all within the same solution. With smarter technology on the roadside and a growing need to analyse traffic flows and potential violations in the back office, Sensys Gatso has invested in its backoffice smart analytics platform PULS and violation processing suite XILIUM. By deploying our software products in the cloud, it not only is secure, but it can scale endlessly.

Expansion in the USA

The growth potential in the US market is demonstrated by various new states opening up for Automated Traffic Enforcement, trying to curb the increasing numbers of road casualties after COVID. Sensys Gatso supports villages, municipalities and cities in their challenge to make traffic safer, especially around vulnerable road users such as children on their way to school. Our strategy is to protect and expand our position in states where we are the leading Automated Traffic Enforcement provider as well as expanding into new states.

Entry in new markets

With our Traffic Enforcement as a Service model Sensys Gatso aims to enter into new markets. These upcoming markets are often just exploring the possibilities for Automated Traffic Enforcement. Depending on the risk profile of countries and the project in particular Sensys Gatso participates in Joint Ventures to deliver and operate traffic safety programs. We believe that this will be a growing market for Sensys Gatso in the longer-term.

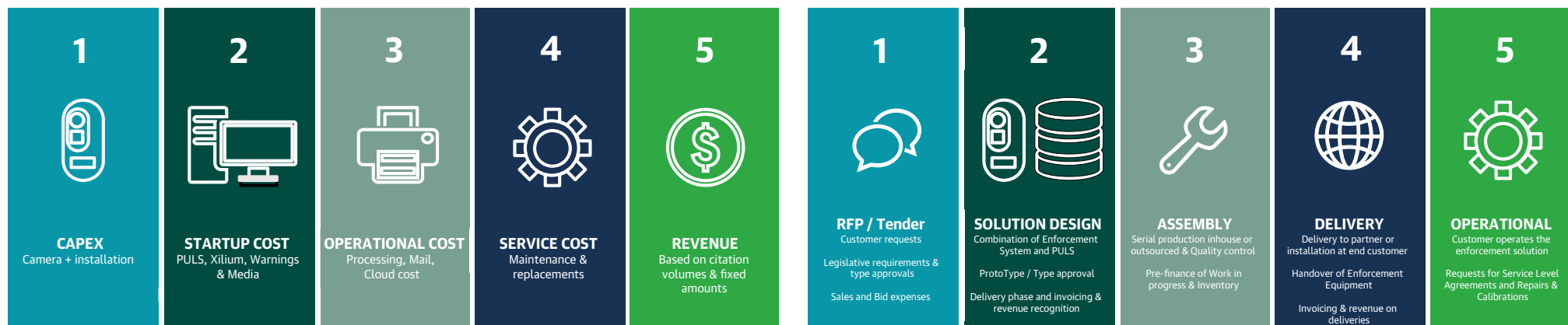
Extending service scope

It is Sensys Gatso's ambition to be closer to the customer. In countries that do not have a partnership or the partner does not want to provide services to the end customer, Sensys Gatso, depending on volume and risk, aims to fulfil that customer need. This is done through local subsidiaries or through a comprehensive and rapid Service and Maintenance chain in our Assembly hubs in Sweden and Netherlands.



Our business

In 2024, the reportable segments of Sensys Gatso were Managed Services and System Sales. Within these segments the company operates three main business models; TRaaS Managed Services, System Sales and TRaaS Service and Maintenance. For a more elaborate description of these business models and revenue streams we refer to note 2 of the consolidated financial statements.



Managed Services

The Managed Services business model is a Business Process Outsource business model, where Sensys Gatso designs, builds, owns and operates the enforcement equipment. This business model requires upfront Capex investments for designing and building the enforcement equipment. Programs have startup costs relating to a one time configuration of the back office software suits PULS and Xilium and can include warning periods and media support to our customers, to create community awareness and support. During the operational phase the program incurs operating costs such as labour costs for processing, IT costs and costs for mailing out citations. During the lifetime of the program Sensys Gatso maintains the enforcement systems. Revenue is generated through a services fee which can be based on citation volumes or fixed fees.

System Sales

The system sales business model predominantly has revenue streams of project and repeat orders as well as service and maintenance (including licence fees).

This business model is often tender driven, with multiple repeat orders after the initial project is completed. During the tender phase extensive due diligence is performed on legislation and type approval requirements. In the solution design phase our developers design and configure the solution, using our existing product lines, to meet these customer requirements. Assembly of the designed solution is done in house in Sweden or Netherlands or outsourced for high volumes. This business model requires upfront working capital finance throughout the design and assembly phase. Revenue is recorded based on contract specifics, but predominantly at delivery. Once delivered and accepted by our customer Sensys Gatso often enters into a Service Level Agreement for maintenance and uptime assurance or in ad hoc repair and maintenance.

Strategy and long-term plan

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 first order in hand.

Sensys Gatso's long-term strategy remains unchanged, and proactive steps have been taken to address the challenges the company encountered.

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

The management team and the Board are confident that these actions will position us to deliver on our ambition in the near future.

Financial Outlook 2025

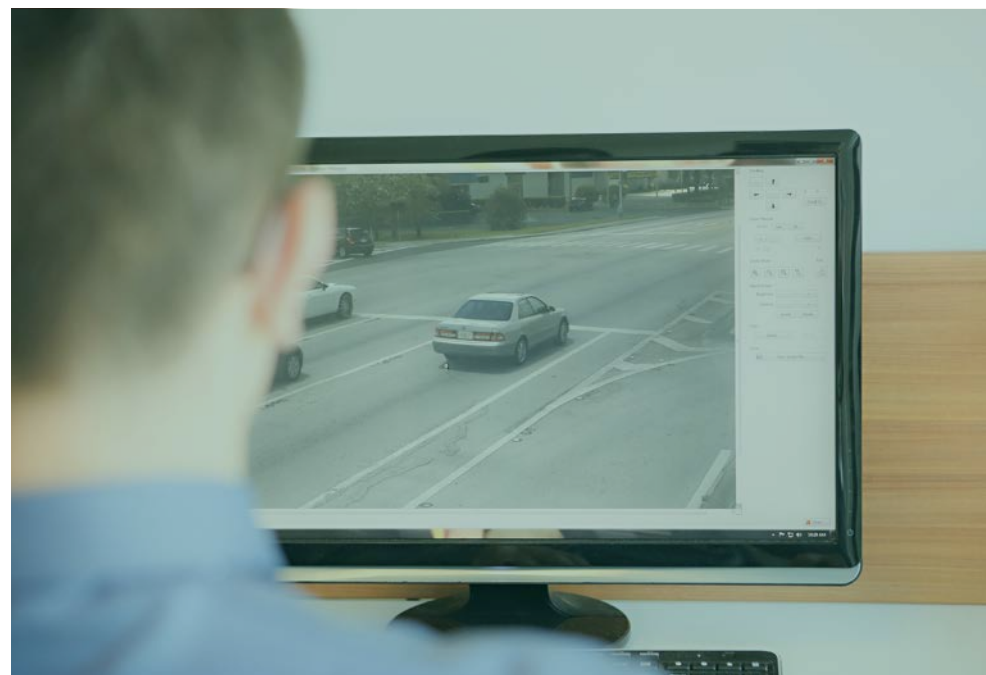
For 2025 Sensys Gatso expects our revenue to arrive between SEK 700 to 800 million. Due to additional sales investments to accelerate growth within the US market, SensysGatso anticipates to realise an EBITDA-margin between 12% and 14% in 2025.

Sensys Gatso's long-term financial goals

TSEK	2020	2021	2022	2023	2024	Outlook 2025	Ambition
Total Net Sales	455	507	495	624	631	700-800	>1,000
of which TRaaS recurring sales:	217	247	312	363	371	400-450	>600
EBITDA	13%	16%	15%	14%	11%	12-14%	>15%

Dividend policy

The Board of Directors of Sensys Gatso has not established a dividend policy and does not believe that a dividend will be paid in the near future. Generated net profit will be re-invested in the company to finance the growth plan. When the growth plan is fully financed, dividend will materialize after assessment of the company's financial position, organic growth opportunities, investments, acquisition opportunities and cash-flow.



Financial performance: - A five-year summary

INCOME STATEMENT	2024	2023	2022	2021	2020
Sales	631,183	623,543	494,575	506,789	454,933
Operating expenses	-607,974	-584,256	-463,752	-460,881	-444,112
Operating profit/loss	23,209	39,287	30,823	45,908	10,821
Financial items	-11,636	-14,730	2,255	1,400	-8,346
Result joint ventures	-2,501	-1,601	-	-	-
Profit/loss before tax	9,072	22,956	33,078	47,308	2,475
Income tax	-3,389	-10,081	-13,023	-12,318	1,478
Profit/loss for the year/Total profit/loss	5,683	12,875	20,055	34,990	3,953

BALANCE SHEET	2024	2023	2022	2021	2020
Noncurrent assets	608,054	533,429	490,922	436,379	416,237
Current assets	535,179	428,165	337,329	361,115	351,007
Total assets	1,143,233	961,594	828,251	797,494	767,244
Shareholders' equity	617,879	635,688	626,068	561,801	514,559
Noncurrent liabilities	363,505	99,367	69,636	65,421	65,509
Current liabilities	161,848	226,541	132,547	170,270	187,176
Total shareholders' equity and liabilities	1,143,232	961,595	828,251	797,492	767,244

DATA PER SHARE	2024	2023	2022	2021	2020
Earnings per share 31 Dec, SEK ¹⁾	0.51	1.06	1.61	2.83	0.44
Shareholders' equity per share, SEK ¹⁾	53.59	55.17	54.34	48.76	44.66
Dividend per share, SEK	0	0	0	0	0
Share price 31 Dec, SEK ¹⁾	65.5	72.6	79.2	76.8	133.6
P/E ratio	127	69	49	27	284
Number of shares at end of period before dilution, thousands	11,530	11,522	11,522	11,522	11,522
Number of shares at end of period after dilution, thousands	11,530	11,530	11,522	11,522	11,522
Average number of shares during the period before and after dilution, thousands	11,530	11,526	11,522	11,522	11,522

¹⁾ Share data of 2022 and before are recalculated based on the 80:1 reversed share split.



Simon Mulder, CFO, Sensys Gatso Group AB

KPI	2024	2023	2022	2021	2020
Order intake	617,732	753,732	1,456,104	368,248	788,353
Sales	631,183	623,543	494,575	506,789	454,933
Gross margin %	38.2%	40.5%	45.5%	40.6%	35.6%
Operating profit (EBITDA)*	68,807	85,307	73,344	83,502	59,438
Operating margin (EBITDA)	10.9%	13.7%	14.8%	16.5%	13.1%
Operating profit (EBIT)	23,209	39,287	30,823	45,908	10,821
Operating margin (EBIT)	3.7%	6.3%	6.2%	9.1%	2.40%
Profit for the period	5,683	12,875	20,055	34,991	3,954
Net margin	0.9%	2.1%	4.1%	6.9%	0.90%
Return on equity	0.9%	2.0%	3.2%	6.2%	0.80%
Equity/Assets ratio	54.05%	65.84%	75.40%	70.40%	67.30%
Interest-bearing liabilities*	381,845	157,356	75,675	116,326	118,301
Adjusted interest-bearing liabilities*	357,763	135,543	53,082	93,383	89,924
Net interest-bearing debt*	216,523	108,603	-24,043	43,863	9,812
Adjusted Net interest-bearing debt*	192,441	86,790	-46,636	20,920	-18,565
(Net) Working capital	373,331	201,625	204,782	190,845	163,831
Free available cash	202,955	84,209	170,540	101,826	147,729
Cash flow from operations	44,207	-18,324	125,549	9,147	15,466
Number of employees	308	302	284	263	252
Average number of employees (FTE)	276	273	258	240	230

***Calculation samples**

Interest bearing debt

TSEK	2024
Lease liabilities	24,082
Unsecured Bond	337,547
Bank Loans and Credit facilities	20,216
Shareholder loans	0
Cash and bank	-165,322
Net Interest-bearing debt	216,523
-/- Lease liabilities	-24,082
Adjusted Net Interest-bearing debt	192,441

Interest bearing liabilities

TSEK	2024
Lease liabilities	24,082
Unsecured Bond	337,547
Bank Loans and Credit facilities	20,216
Shareholder loans	0
Interest-bearing liabilities	381,845
-/- Lease liabilities	-24,082
Adjusted interest-bearing liabilities	357,763

Operating profit (EBITDA)

	2024
Operating profit	23,209
Depreciation	45,598
	68,807

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	Operating profit (EBIT) as a percentage of net sales
Operating profit (EBITDA)	Operating profit (EBIT) before depreciation and amortisation
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)
Free available cash	Cash banks and balances plus remainder of the credit facilities available to the group, but excluding long-term loan facility not taken up.
Cash flow from operations	Cash flow from operations is the amount of cash generated by the normal business operations based on the indirect method.
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

Significant events

Q1

- » 8 January - Sensys Gatso receives TRaaS contract for traffic safety in Grinnell (IA) worth SEK 15 million and continues to expand its footprint in Iowa, USA
- » 11 January - Sensys Gatso extends the Pawtucket, Rhode Island TRaaS contract by two years, increasing the contract value by SEK 19 million
- » 12 January - Sensys Gatso's partner receives procurement award for traffic safety solution in Finland, worth estimated SEK 20 million
- » 15 January - Sensys Gatso receives TRaaS contract renewal for automated traffic safety in Muscatine, IA, worth SEK 16 million
- » 22 January - Sensys Gatso Group has chosen Kepler Cheuvreux for research coverage, in addition to Carnegie
- » 24 January - Sensys Gatso receives TRaaS contract renewal for automated traffic safety in Lake Zurich, IL, worth SEK 21 million
- » 25 January - Sensys Gatso receives new TRaaS contract for traffic safety in De Soto, IA worth SEK 22 million; Iowa expansion continues
- » 12 February - Sensys Gatso receives TRaaS contract renewal for automated traffic safety in Waterloo, IA, worth SEK 57 million
- » 20 February - Sensys Gatso secures a purchase order for traffic enforcement systems in the Middle East worth SEK 26 million, as part of the SEK 152 million procurement award
- » 23 February - Sensys Gatso receives TRaaS Managed Services contract for traffic safety in Newton, IA, worth SEK 100 million
- » 29 February - Sensys Gatso's partner signs contract for traffic safety solution in Finland, worth estimated SEK 20 million
- » 8 March - Sensys Gatso receives TRaaS contract for traffic safety in Granger, IA, worth SEK 17 million; continues to expand its footprint in Iowa
- » 21 March - Sensys Gatso receives red-light TRaaS renewal contract with Village of Orland Park, worth SEK 7.8 million

Q2

- » 17 April - Tahakom and Sensys Gatso's partnership drives Local Content and Sustainability in Saudi Arabia
- » 26 April - Sensys Gatso receives TRaaS contract extension from the City of Albany which adds School Zone Speed Enforcement worth SEK 197 million
- » 6 May - Sensys Gatso receives first TRaaS contract in Connecticut with the Town of Stratford, worth SEK 73 million
- » 22 May - Sensys Gatso receives TRaaS contract renewal for automated traffic safety in Libertyville, IL, worth SEK 5.5 million
- » 11 June - Sensys Gatso has started issuing caution notices on schedule in Ghana
- » 14 June - Sensys Gatso has been selected as a vendor to deliver Average Speed Enforcement in the Netherlands, with an estimated revenue of SEK 84 million

Q3

- » 9 July - Sensys Gatso signs procurement contract in the Netherlands
- » 19 July - Sensys Gatso receives red light TRaaS contract worth SEK 25 million with Montgomery Township, PA
- » 30 August - Sensys Gatso contemplates issuance of senior unsecured bonds
- » 6 September - Sensys Gatso successfully issues senior unsecured floating rate bonds of EUR 30 million to further accelerate growth

Q4

- » 9 October - Implementation of new legislation in Iowa, USA
- » 7 November - Sensys Gatso publishes bond prospectus and applies for admission to trading of bonds on Nasdaq Stockholm
- » 11 December - Sensys Gatso Australia receives contract extension of maintenance services for traffic safety systems from the state of Victoria, worth SEK 79 million

A list of Sensys Gatso's press releases can be found on:

www.sensysgatso.com

The Market



Connecting with Customers Worldwide: The Sensys Gatso Structure

Sensys Gatso operates within the dynamic global road safety market, a sector valued at approximately USD 4.4 billion annually and exhibiting a Compound Annual Growth Rate (CAGR) of 9%*. Our strategic organizational structure enables us to leverage our worldwide presence while effectively addressing the unique requirements of customers in diverse local markets.

Sensys Gatso's structure

Sensys Gatso's organizational structure has been designed to place the customer contact point as close to the customer as possible. Sensys Gatso has multiple entities worldwide, including Sensys Gatso USA, Sensys Gatso Sweden, Sensys Gatso Netherlands, Sensys Gatso Middle East, and Sensys Gatso Australia.

Each of those organizations has been assigned to serve one or more particular markets. Sensys Gatso has the option to service each of those markets directly through its own organization or indirectly through a partnership with another company. An indirect market approach is chosen when Sensys Gatso's part in a project is limited, or when there's a particular need for local resources or personnel.

Local market dynamics

Every market has unique needs when it comes to technology. These needs are typically a consequence of the laws pertaining to automated traffic enforcement. A good example would be whether the owner of the car or the driver is legally responsible for any possible infraction. This distinction defines how the photo of the violating vehicle needs to be taken. Sensys Gatso is organizing its global development to maximize its fit in the various markets.

The degree to which a market is decentralized or centralized is another crucial consideration. An appointed, centralized authority is in charge of procurement in a centralized market, and they are typically also in charge of running the traffic enforcement systems. Local governments, such as cities or provinces, are in charge of selecting the technologies and suppliers in a decentralized market.

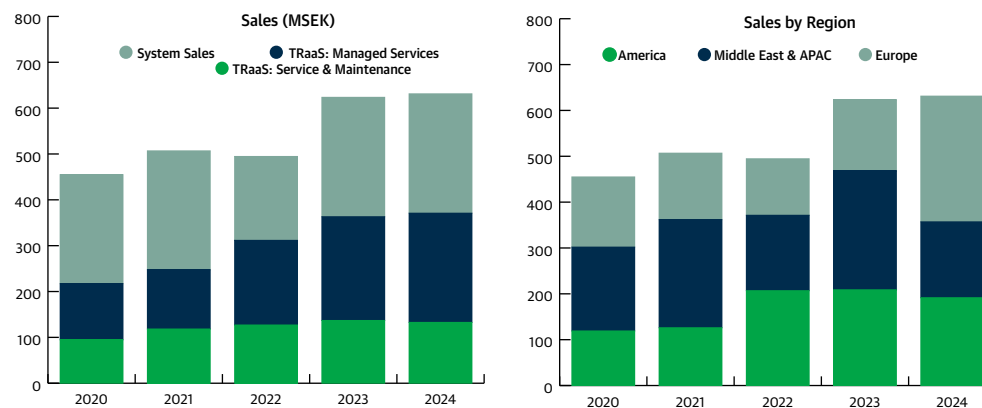
In most markets, automated traffic enforcement equipment must adhere to legal requirements. Independent certification bodies will issue type approval certifications after determining that the equipment complies with the applicable legislation. This process is typically very intensive and may take a long time to complete.

Depending on the client's procurement strategy, a multi-vendor or single vendor strategy can be implemented. For example, a multi-vendor strategy is chosen when the customer wants to spread risks related to project execution or risk of vendor continuation, whereas a single vendor strategy is typically chosen when economies of scale have been demonstrated to be significant.

Focus on growth

Sensys Gatso has been concentrating on recurring revenue streams as part of its strategy, referred to as TRaaS (Traffic enforcement as a Service). This is being done in order to have a more consistent and increasing revenue stream in addition to System Sales, which are heavily project-dependent and subject to volatility surges. The graph below shows how much this segment has expanded over the past few years. For the year 2025 Sensys Gatso has estimated that the total revenue will be between 700 and 800 MSEK.

The graphs below show Total revenue over the last 5 years per segments and regions.



In the following pages, a few key customers with whom Sensys Gatso has longstanding relations, will be described. The following section aims to provide a deeper understanding of Sensys Gatso's customer base by showcasing a selection of key clients and illustrating the enduring nature of our partnerships with them.

Source:

*1 MarketandMarkets, Road Safety Market, Global Forecast to 2026

America

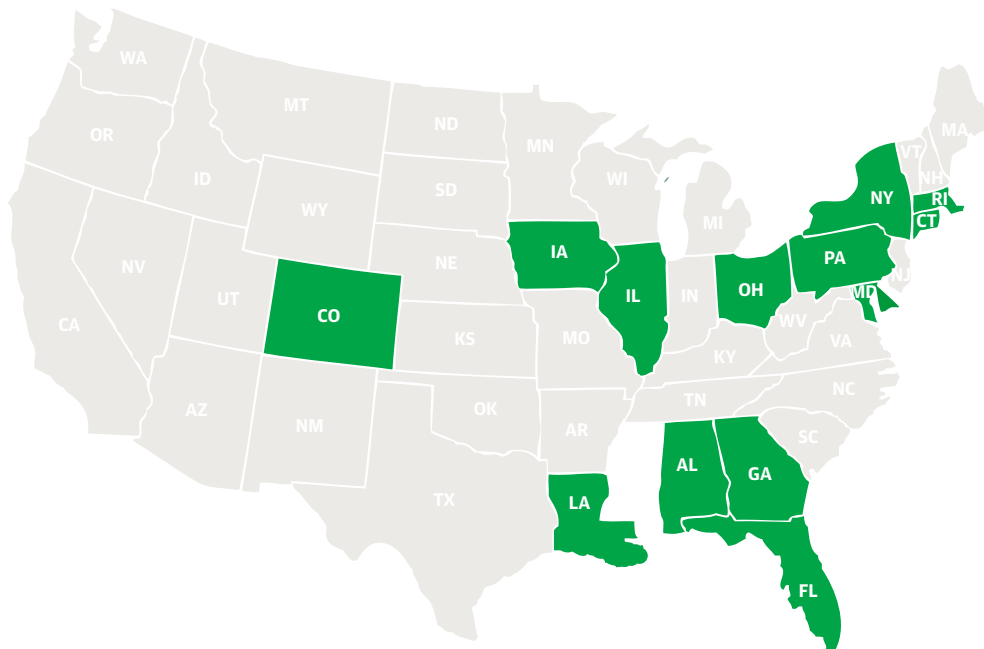
United States of America

The US market is exclusively operated under the TRaaS Managed Services business model. Sensys Gatso owns and operates the equipment and manages the program on behalf of the customer. The pricing structure is either a monthly fixed fee, per issued citation, per paid citation, or a hybrid of fixed fee and per citation fee.

All of Sensys Gatso's contracts are with local municipalities, and the contract's base term is typically between 5 and 7 years. Sensys Gatso currently has over 45 active programs in 13 states.

The establishment of a traffic enforcement program demands considerable political and public endorsement, requiring substantial time and effort from involved parties. Consequently, such programs are generally implemented for a period of five to seven years and often incorporate provisions for renewal.

Sensys Gatso has currently contracts in 13 states



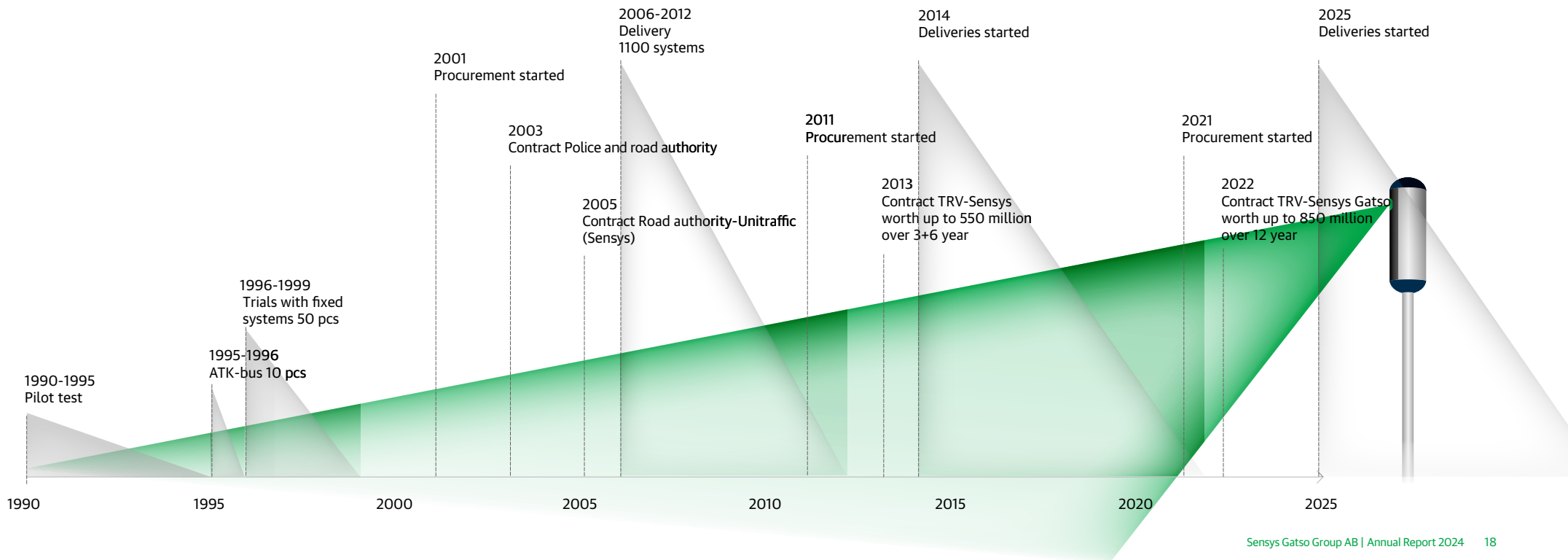
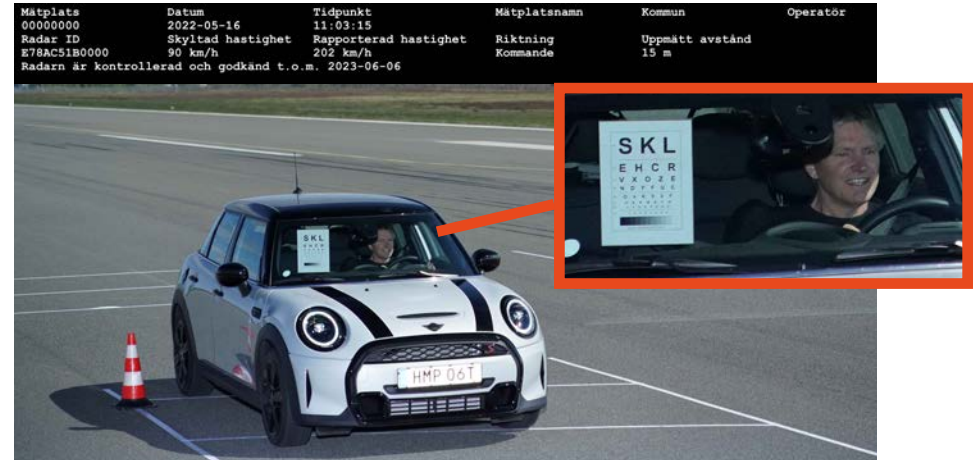
Europe

Sweden

In 2022, Sensys Gatso Sweden secured a significant 12-year contract, valued up to SEK 850 million, to provide traffic safety equipment and TRaaS services across Sweden. The contract was awarded through a nationwide procurement process, and Sensys Gatso anticipates delivering approximately SEK 400 million worth of products and services during the initial 6 years.

The partnership between Sensys Gatso Sweden and the Swedish Transport Administration dates back to the early 1990s, marked by the initial trials and implementation of Sensys Gatso's speed safety solutions.

The reliability and superior image resolution of these systems, demonstrated through rigorous competitive assessments, have been instrumental in the Swedish Transport Administration's continued reliance on them.



Europe

The Netherlands



The speed enforcement system as we know it these days was invented by Maurice Gatsonides in the Netherlands, a former racing driver; sports enthusiast, rally champion and entrepreneur and also the founder of Gatso. The Dutch authorities have, ever since the introduction of the speed enforcement system, made use of it. Over the years, procurement, operations and maintenance have been dealt with by both the police and the Ministry of Justice. In the 80's and 90's, it was a decentralized function, managed by local police forces. In the late 1990s, the automated traffic enforcement function became the responsibility of the centralized Dutch Prosecution Office.

Sensys Gatso has been a provider of technology, maintenance, and operations of enforcement systems since the beginning of speed enforcement. Currently, Sensys Gatso is responsible for Fixed Speed, Red Light, and Section Control systems in the Netherlands.



Picture from 1971

Australia

With a land mass approximately the size of mainland USA, the eight (8) States and Territories act as an independently governed jurisdiction. Each territory has its own technical, legal, and operational approval requirements.

Tasmania

In conjunction with Tasmania Police, the collaboratively managed service-based enforcement program has helped reduce lives lost on the road by approximately 40% year to year. Sensys Gatso has established the TRaaS delivery model in late 2022 on a framework agreement that provides for various types of enforcement to choose from. Since inception, the model has increased the number of hours of speed enforcement, added Distracted Driver enforcement and is currently transitioning into the added functionality of unregistered vehicle and mobile average speed enforcement services.

Victoria

In the state of Victoria, Sensys Gatso has a longstanding relationship with Department of Justice and Community Safety (DJCS) that is amongst others, responsible for traffic safety and enforcement in the state.

Victoria's road safety camera program comprises both mobile and fixed cameras working in tandem to ensure that speed enforcement coverage is maximized across Victorian roads. Mobile road safety cameras aim to generate general deterrence across the entire road network via an 'anywhere, anytime' operational mode deployed in over 2000 locations. Sensys Gatso is one of the main technology partners for DJCS.



Middle East

Dubai

Dubai Police, a pioneer in leveraging technology and innovation in law enforcement, has been a valued customer of Sensys Gatso since the early 2000s. Their commitment to innovation has yielded remarkable results, notably a significant reduction in traffic-related fatalities since 2006.

Dubai Police is currently using more than 800 roadside systems for speed and red-light enforcement which have (among other measures) heavily contributed to improved driving behavior and hence improved traffic safety.

Dubai Police recently signed a 5-year plan with Sensys Gatso through its partner KTC over 500 enforcement systems from 2023-2027, expected value being between 500-1000 MSEK. These will both add to and replace some of the existing installed base in Dubai.



2001	2006	2015	2016-2022	2023-2027
The first digital speed and red-light systems installed in Dubai.	Sensys Gatso installs second generation of speed enforcement systems throughout Dubai.	Sensys Gatso together with KTC International installs red-light enforcement systems in JBR as part of the Tram Project.	After successful trials, Sensys Gatso, together with KTC International, installs high volumes of the Alutower Bi-directional Speed Enforcement systems all over Dubai.	Sensys Gatso and KTC International sign a 5-year agreement to add hundreds of Alucool and Alutower systems with the next generation radar and top of the line technology to tackle today's changing driving behavior.

Saudi Arabia

Sensys Gatso's customer in the Kingdom of Saudi Arabia (KSA), the Saudi Technology and Security Comprehensive Control Company (Tahakom), was established in 2015 with inspiring ambition and a clear vision for achieving public safety and smart mobility. Since then, Tahakom has become one of the leading national companies contributing to developing local content through solutions in a bid to preserve human life and create economic value for the kingdom. Tahakom provides strategic solutions to improve the quality of life and guarantee public safety, based on Saudi Vision 2030, which includes specific goals on traffic safety.

Since 2018, Sensys Gatso and Tahakom have collaborated to provide in-vehicle moving speed enforcement. Tahakom typically issues tenders based on three-year plans, and numerous systems in each category are typically requested in each tender. These categories may include Fixed Speed, Red Light, and Mobile Speed systems, among others.



Corporate Governance



Corporate Governance Report 2024

Sensys Gatso Group AB is a Swedish public limited liability company with its headquarters in Jönköping, listed on Nasdaq Stockholm, Small Cap. Sensys Gatso applies and follows the Swedish Code of Corporate Governance and hereby submits the 2024 Corporate Governance Report. The company's auditors have carried out statutory audits of the report.

Starting point

Good corporate governance, risk management, internal control and management are key components in a successful business. They are essential for Sensys Gatso's ability to continue to grow with profitability and a hygiene factor in building trust-based relationships with our investors and other stakeholders.

Corporate governance structure

Sensys Gatso's decision-making bodies are the Annual General Meeting, the Board, the chief executive officer (CEO) and the company's auditor. At the ordinary General Meeting, which is to be held within six months of the end of the financial year (the Annual General Meeting), the shareholders appoint a Board and an auditor. The Board appoints the CEO. The auditor reviews the Annual accounts as well as the administration by the Board and the CEO. The Nomination Committee is tasked with proposing Board members, the Chairman of the Board and the auditor for election by the Annual General Meeting.

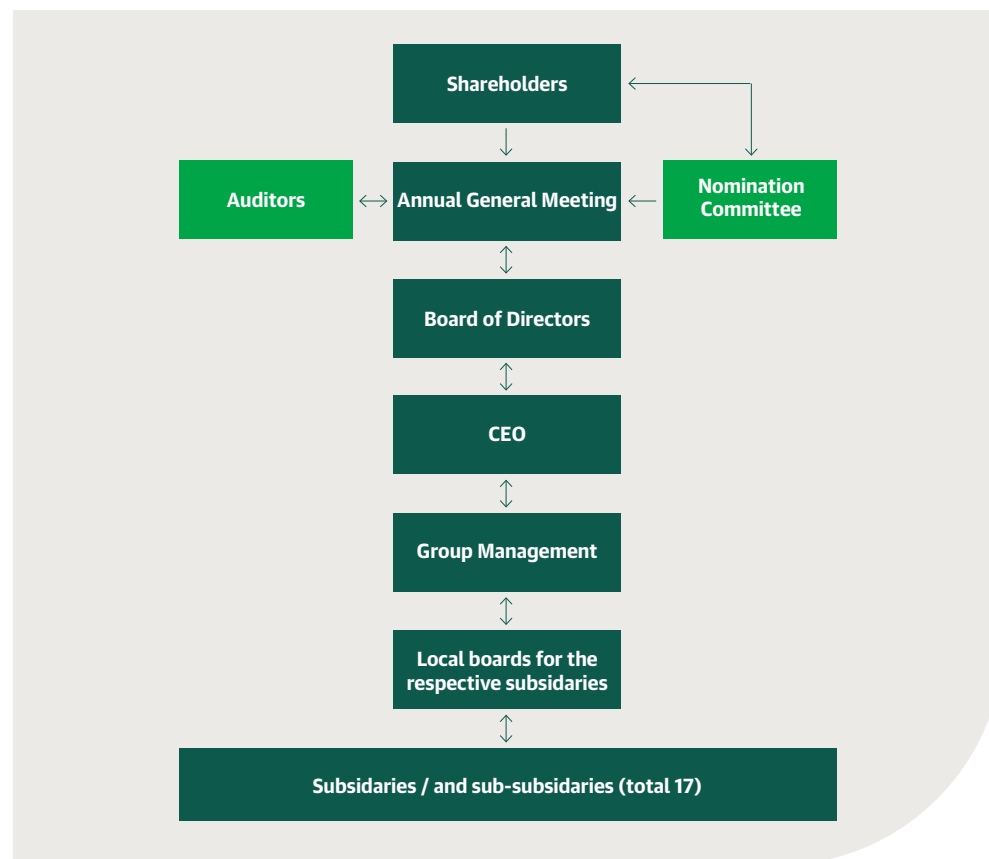
Shares and shareholders

Information on Sensys Gatso's shares and shareholders can be found on page 77. The number of shareholders at year-end was 14,100 (15,635). The largest individual shareholder is Gatso Special Products BV via BNP PARIBAS SA PARIS, W8IMY with a total of 17.7 percent (17.7), and the next largest shareholder is Försäkringsaktiebolaget Avanza Pension with 4.3 percent and the third largest shareholder is Nordnet with 4.1 percent.

General Meeting

The Annual General Meeting (AGM) is Sensys Gatso's highest decision-making body. Shareholders included in the share register on the record date and who have given notice of their participation in time, are entitled to attend the AGM and to vote in person or via a proxy. At the AGM, shareholders exercise their voting rights to resolve on proposals from the Nomination Committee, the Board and the shareholders, as well as on key matters including the adoption of income statements and balance sheets, approval of the appropriation of the company's profit and discharge of the Board and CEO from their liabilities for the Nomination committee and election of the Board of Directors. The AGM also resolves on the composition of the Nomination Committee and its work, and makes decisions on principles for remuneration and other terms of employment for the CEO and other senior executives. In addition, auditors are elected, fees are determined and other statutory matters are addressed. Resolutions are normally approved by a simple majority at the AGM. In cer-

tain matters, however, the Companies Act stipulates that a proposal must be approved by a greater proportion of the votes represented at the AGM. In addition to the AGM, which is held within six months of the end of the financial year, an Extraordinary General Meeting may be announced if the Board considers this to be necessary or if this is requested by a shareholder holding at least 10 percent of the shares.



Annual General Meeting

The 2024 AGM was held on 8 May in Jönköping and also via postal voting in accordance with the Act (2020:198) on temporary exemptions to facilitate the conduct of general and association meetings. A total of 4.04 percent (18.75) of the total number of shares and votes was represented.

The CEO informed the AGM about the position of the company and commented on the results for 2023, and the first quarter of 2024. During the AGM, shareholders were given the opportunity to ask questions.

Minutes from the AGM can be found on the Sensys Gatso website. All resolutions were passed with the required majority. Below is a selection of the resolutions passed at the meeting:

Board of Directors

- » The annual general meeting discharged the members of the Board of Directors and the CEO from liability for the fiscal year 2023.
- » The annual general meeting resolved to re-elect Claes Ödman, Jochem Garritsen, Kerstin Sjöstrand, Pia Hofstedt, Francis Schmeer and Mark Talbot as members of the Board of Directors for the period until the end of the next annual general meeting. The annual general meeting elected Claes Ödman as Chairman of the Board of Directors.

Auditor

- » The annual general meeting resolved to elect BDO Mälardalen AB as auditor for the period until the end of the next annual general meeting. BDO Mälardalen AB has appointed the authorised public accountant Johan Pharmanson auditor in charge.

Remuneration to the members of the Board of Directors and the auditor

- » The annual general meeting resolved that the remuneration to the members of the Board of Directors shall be SEK 1,750,000, to be allocated as follows: SEK 500,000 to the Chairman of the Board of Directors and SEK 250,000 each to the other members of the Board of Directors. The annual general meeting further resolved that remuneration to the auditor shall be paid in accordance with approved invoice within framework of the submitted quotation.

Issuance authorisation

- » In accordance with the Board of Directors' proposal, the annual general meeting resolved to authorise the Board of Directors, for the period until the next annual general meeting, to resolve

on new issues of shares corresponding to not more than ten per cent of the total number of outstanding shares in the company.

Acquisition and transfer of own shares

- » In accordance with the Board of Directors' proposal, the annual general meeting resolved to authorise the Board of Directors, for the period until the next annual general meeting, to resolve on acquisition and transfer of own shares on Nasdaq Stockholm. The company's holding of own shares at any given time must not exceed five per cent of the total number of shares in the company.

Nomination Committee

A Nomination Committee is formed each year at the initiative of the Chairman of the Board. According to the AGM, the Nomination Committee shall represent the four largest shareholders of the company. If a Nomination Committee comprising five members (including the chairman) is not obtained after having contacted the eight largest shareholders, the chairman shall continue to contact the shareholders that are next in turn until a Nomination Committee comprising four members (including the chairman) has been obtained. The work of the Nomination Committee takes place at the end of the financial year and the beginning of the new year. The Nomination Committee is to observe the guidelines that apply to independent Board members under the Swedish Corporate Governance Code when making nominations to the AGM. The Nomination Committee's proposals, with regard to the election and remuneration of Board members, are presented in the notice of the AGM as well as on the company's website. The members of the 2024 Nomination Committee were appointed based on the ownership structure as per 30 September 2023 and known changes thereafter.

The Nomination Committee has consisted of:

- » Jan Johansson (appointed by Inger Bergstrand),
- » Per Wall (for his own holdings),
- » Timo Gatsonides (for his own and others' holdings) and
- » Claes Ödman (in his capacity of Chairman of the Board for the company).

Timo Gatsonides was appointed Chairman of the Nomination Committee. No remuneration has been paid for the work of the Nomination Committee. Sensys Gatso Group deviates from the Code's rule 2.3, second paragraph, which states that neither the CEO nor other members of executive management are to be members of the Nomination Committee. The shareholder controlling

The Nomination Committee ahead of 2025 AGM comprises:

Member of the Nomination Committee	Representing	Participation/votes	Member of the Nomination Committees since
Per Wall	for own holdings	287,500	2017
Jan Johansson	Inger Bergstrand	258,248	2014
Timo Gatsonides	Gatso Special Products BV	2,039,757	2015
Claes Ödman	Chairman of the Board	28,398	2016

the largest number of the votes has appointed Timo Gatsonides, who was the CTO of Sensys Gatso Group and former member of executive management until January 19, 2021. In light of Timo Gatsonides' knowledge of Sensys Gatso and his large direct shareholding through a family company, it was deemed beneficial to the company to deviate from the Code on this point.

The nomination committee applies and complies with the diversity policy in the corporate governance code in its development of the proposal of directors to the board of directors. The goal of the policy is that the board shall take into account the business operations, development phase and other circumstances to prepare an appropriate composition characterized by diversity of and breath of competence, experience and background and to aim for a balanced gender distribution.

At the 2024 AGM, six members were elected, of whom two are women and four are men. As a basis for its proposal for the 2024 AGM, the Nomination Committee makes an assessment of whether the Board is appropriate based on an annual assessment of the Board's work and applying the Company Code. All shareholders are entitled to approach the Nomination Committee with proposals for the AGM. No such proposals were received before the AGM in 2024.

Role and composition of the Board

The company's business is to develop and market traffic enforcement and traffic informatics products. The Board plays a central role in Sensys Gatso's long-term strategy, which is based on four pillars and is focused on profitable growth:

- » Expansion in the US with traffic enforcement as a service
- » Establishment in new markets with traffic enforcement as a service
- » Development of scalable software and flexible hardware
- » Expansion of service offering in our current markets

After the Annual General Meeting, the Board is the Company's highest decision-making body. The work of the Board is governed, among other things, by the Companies Act, the Articles of Association and the Board's Rules of Procedure. The Board establishes goals and strategic guidelines, is responsible for ensuring that the CEO executes Board decisions and has ultimate responsibility for the Company's internal control and risk management. According to the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of seven members. At the

Board of Directors, as per year end 2024

Board of Directors elected by the AGM	Attendance	Born	Elected	Fee	Number of shares/ votes	Nationality	Function	Independent*
Claes Ödman	14/14	1965	2011	500,000	28,398	Swedish	Chairman of the Board	independent
Kerstin Sjöstrand	14/14	1958	2016	250,000	4,178	Swedish	Board member	independent
Pia Hofstedt	13/14	1961	2016	250,000	8,000	Swedish	Board member	independent
Jochem Garritsen	13/14	1972	2015	250,000	1,376	Dutch	Board member	independent
Francis Schmeer	14/14	1972	2022	250,000	2,875	American	Board member	independent
Mark Talbot	14/14	1970	2023	250,000	500	American	Board member	independent

*Independent in relation to the company and/or the owners.

AGM, six ordinary Board members were elected. More information on the Board members can be found in the table below. The Board of Sensys Gatso consists of:

- » Claes Ödman, Chairman of the Board (re-election)
- » Jochem Garritsen (re-election)
- » Kerstin Sjöstrand (re-election)
- » Pia Hofstedt (re-election)
- » Francis Schmeer (re-election)
- » Mark Talbot (re-election)

All members of Sensys Gatso's Board of Directors are independent in relation to both the company and the company's major shareholders. No member of the Board is employed by the Group. The Nomination Committee's assessment regarding whether each proposed member meets the independence requirements is announced in connection with the Committee's proposal. For further information see below and page 30.

The work of the Board of Directors

The work is based on the Board's Rules of Procedure and follows an annual plan. Each meeting is based on an agenda and relevant background documentation distributed to the members of the Board in advance of the meeting. In addition to the statutory Board meeting in conjunction with the Annual General Meeting, the Board normally meets nine times a year (ordinary meetings, including meetings in connection with the publication of interim and annual reports). Additional Board meetings are convened when necessary. In 2024 the Board held a total of 14 (15) meetings. Matters addressed by the statutory Board meeting included the Board's Rules of Procedure, decisions regarding authorisation of company signatories, instructions for the CEO and the Board's annual planning.

The Audit Committee and the Remuneration Committee comprise the Board in its entirety, as the Board considers this most appropriate, taking the size of the Company into account. The Board evaluates on a yearly basis the need for an internal audit function. Based on the size of the Company the Board resolved to have no internal audit function. The work of the Audit and Remuneration Committees is handled in accordance with the Board's annual plan for its ordinary Board meetings. Ordinary Board meetings include several fixed agenda items such as strategic focus areas and risk management. Extra time is allocated to four Board meetings annually during which special emphasis is placed on strategic issues and future sustainable business. Reporting includes develop-

ments within the operation, the organisation, analyses of risks, sustainability work, financial position and an annual update and review of the company's policies and procedures. The Board takes decisions on matters concerning the Group's strategic focus, finances, investments, acquisitions, sales and organisational issues, as well as rules and instructions. All Board decisions are based on decision-making documentation and are made following discussions mediated by the Chairman of the Board. The Board monitors operations, partly through monthly reports provided by the CEO, and partly through their own work. Informal contact is also maintained among the members of the Board.

The Chairman of the Board leads the work of the Board and follows the activities in dialogue with the CEO. The Chairman of the Board represents the Company in matters concerning shareholder structure and matters of specific importance. The Chairman is responsible for ensuring that the work of the Board is well-organised and efficient, that the Board fulfils its commitments and that it receives satisfactory information and decision-making documentation.

Remuneration Committee

The Remuneration Committee consists of the Board of Directors in its entirety. The Remuneration Committee is a preparatory body for the Board of Directors and does not limit the Board's responsibility for the administration of the Company and for the decisions made. The Committee's tasks include preparing the Board's proposals regarding guidelines for the remuneration of senior executives, to monitor and evaluate completed and ongoing variable remuneration programmes and Sensys Gatso's compliance with the remuneration guidelines resolved by the general meeting.

Audit Committee

Sensys Gatso's Audit Committee consists of the Board of Directors in its entirety. The Audit Committee is a preparatory body for the Board and does not limit the Board's responsibility for the administration of the Company and for the decisions made. The Committee's work includes reviewing the Company's financial reporting and the efficiency of the Company's internal control and risk management. The Audit Committee's work also focuses on the quality and accuracy of the Group's financial reporting and related reporting. The Committee monitors how accounting principles and accounting requirements develop and discusses other significant issues related to the Company's financial accounting and sustainability reporting. The Committee also evaluates the auditors' work, qualifications and independence and follows up in particular on whether the auditor provides the Company with services other than auditing services.

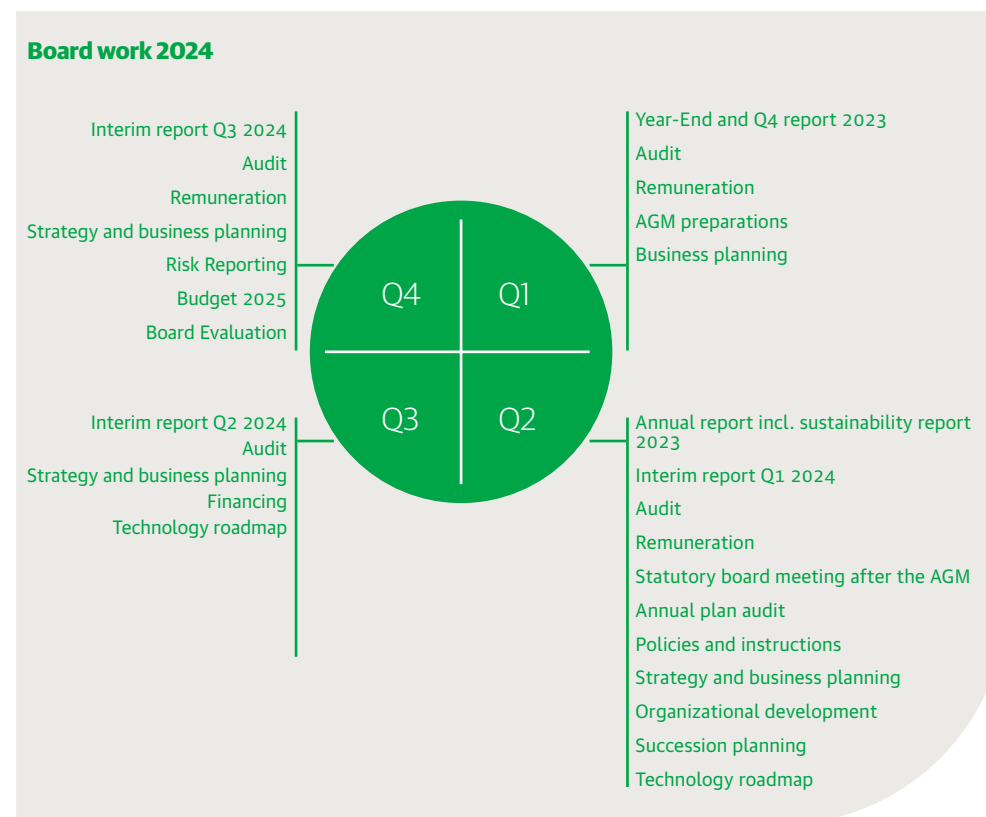
Evaluation of the work of the board

The work of the Board is evaluated annually through a structured process led by the Chairman of the Board. The 2024 evaluation was conducted by means of a questionnaire with the aim of obtaining an understanding of Board members' views on the formats of the work of the Board, the composition of the Board, of Directors, the performance of the Board and areas for improvement. The results of the evaluation have been presented and discussed by the Board. The conclusions from these evaluations and discussions have been reported orally to the Nomination Committee.

Remuneration to the Board

The AGM resolved that Board fees should be paid in the amount of SEK 1,750,000 per year (1,750,000), of which SEK 500,000 (500,000) will be paid to the Chairman of the Board and SEK

250,000 (250,000) per year to the other Board members. Fees payable to Board members are determined annually by the AGM. No separate fees are payable for work on committees. In 2024, remuneration was paid in accordance with note 5.



Ensuring the quality of financial reporting

The Rules of Procedure, as well as the company's policies, which are adopted annually by the Board, include detailed instructions on matters such as what financial reports and information should be provided to the Board. In addition to year-end reports, interim reports and annual reports, the Board reviews and evaluates extensive financial data regarding Sensys Gatso. The Board also processes information on risk assessments, disputes and any irregularities that may have an impact on the financial position of Sensys Gatso. The Board also reviews the most significant accounting principles applied in the Group regarding financial reporting and material changes in accounting principles, as well as reports on internal control and the processes for financial reporting. The Company's auditors report to the Board when necessary and at least twice annually; on at least one of these occasions the company's management is not present. In connection with the Board meeting that deals with the annual financial statements, the Administration Report, the proposed appropriation of profit and the year-end report, the Company's auditor submits a report on observations and remarks from the audit.

The company's auditor, elected at the AGM, examines Sensys Gatso's annual report and consolidated accounts, the administration of the company by CEO and the Board of Directors, as well as the annual accounts of subsidiaries. The auditor also submits an audit report. The audit is conducted in accordance with the Swedish Companies Act, International Standards on Auditing (ISA) and generally accepted accounting principles in Sweden. The 2024 AGM appointed BDO Mälardalen AB as auditor with Johan Pharmansson as the auditor in charge. In February 2025, Johan Pharmansson from BDO Mälardalen AB personally presented his report to the Board regarding the auditing assignment and the Company's internal controls for 2024. BDO Mälardalen AB coordinated the audit of the Group's subsidiaries and all activities with a significant scope of operations at the subsidiaries were audited by BDO in the respective countries. The 2024 AGM resolved that remuneration be paid to the auditor in accordance with approved invoicing. The audit fee for 2024 amounted to a total of MSEK 5.8 (3.6) for the entire Group in accordance with Note 25.

CEO and Group Management

The CEO leads the operations in accordance with the instructions to the CEO as adopted by the Board. In consultation with the Chairman, the CEO compiles the necessary information and documentation which provides the basis for the Board's work. The CEO is responsible for ensuring that the Board receives relevant information and the decision-making documentation required for the Board to be able to make well-founded decisions. The CEO presents and justifies proposals for decisions. The CEO leads the work of the Group Management and renders decisions in consultation with other members of the management team. In 2024, Group Management consisted of the CEO, CFO, CCO and CTO. Group Management holds regular meetings to follow up operations, discuss relevant matters and draft proposals for strategic plans and budgets, which the CEO presents to the Board for decisions. Group Management has strategy days with the Board twice a year.

The Sensys Gatso Group's operations comprise five active subsidiaries. The operations of the subsidiaries are controlled by their Boards of Directors. Sensys Gatso has a decentralized structure, with a strong focus on responsibility and performance.

Guidelines for remuneration and other employment terms and conditions for senior executives

The Group Management falls within the provisions of these guidelines. The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting. These guidelines do not apply to any remuneration decided or approved by the General Meeting. Remuneration for employment subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or local practice, taking into account the overall purpose of these guidelines.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

In short, the Company's business strategy is the following.

- » Expansion in the US-market with Traffic Enforcement as a Service
- » Entry into new markets with Traffic Enforcement as a Service
- » Developing scalable software & flexible hardware
- » Extension of the service scope in existing markets

For more information regarding the Company's business strategy, please see www.sensysgatso.com. The Company shall offer total remuneration at the prevailing market rate to enable the recruitment and retention of senior executives.

Types of remuneration, etc.

Remuneration of the Group Management shall consist of a base salary, variable remuneration, pension and other benefits and remuneration. Together, these various parts shall comprise each individual's total remuneration. Additionally, long-term share-related incentive plans can be implemented in the Company. Such plans are resolved by the General Meeting and are therefore excluded from these guidelines. Variable remuneration covered by these guidelines shall aim at promoting the Company's business strategy and long-term interests, including its sustainability. The base salary and variable compensation together constitute the senior executive's annual salary. The base salary shall take into consideration each individual's area of responsibility and experience. The variable compensation shall be linked to predetermined and measurable criteria. The variable compensation is based on the Company's net sales and EBITDA for the financial year, and may be paid to the Group Management. For the CEO and other members of the Group Management the variable compensation can amount to a maximum 50 per cent of their annual base salary. No variable compensation is to be paid out in the event of negative EBITDA. The Board of Directors is responsible for evaluating to what extent the criteria have been satisfied. The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The CEO shall benefit from a supplementary pension scheme with a premium that represents approximately 30 percent of the current annual salary. Other members of the Group Management shall have the right to retirement pensions as per the Swedish ITP plan or equivalent. The retirement age is 65 years. Other remuneration and benefits shall be paid at market rate and contribute to enabling each senior executive to fulfill their duties. Such benefits may be of a limited amount. For employment governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or local practice, taking into account the overall purpose of these guidelines.

The CEO's employment contract includes termination conditions. The notice period is six months. If notice is made from the Company's side a severance pay in the form of another three months' salary is paid. The customary notice period of three to six months applies to all other members of the Group Management. The fixed salary shall remain unchanged during the notice period. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed executive is not entitled to severance pay. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete undertaking applies, however not for more than 9 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Company does not have a Remuneration Committee, instead the Board of Directors handle all matters. The matters that would have been handled by a Remuneration Committee are instead handled by the Board of Directors, inter alia, preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors also monitors and evaluates questions regarding the CEO's terms of employment, pension benefits and variable remuneration, and resolves on corresponding terms regarding other senior executives. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Board of Directors shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the Company. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Board of Directors' tasks include preparing the resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines. Remuneration to senior executives can be found in note 5.

Governing documents and internal control

The purpose of internal control is to create an effective decision-making process in which requirements, goals and frameworks are clearly defined. Ultimately, internal control is aimed at protecting the company's assets and thus the shareholders' investment. The Board has overarching responsibility for ensuring that Sensys Gatso maintains satisfactory internal control. The CEO is responsible for ensuring that there is a satisfactory system of internal control covering all material risks in ongoing operations. Each year, the Board adopts governing documents in the form of instructions to the CEO, policies and guidelines including the Code of Conduct, Anti-Corruption Policy, Privacy and Data Protection Policy, Risk Policy, Finance Policy, Information Policy, Insider Policy Information Security Policy, Equality Policy, Corporate Social Responsibility Policy, and Whistle Blower Policy. The company has procedures for training and compliance, assessment and evaluation of internal efficiency. The company's business plan with follow-up is an important means of ensuring internal control. The Board's Rules of Procedure along with the instructions for the CEO provide guidance and clarify what decisions are made by the Board and what decisions are made by the CEO. Given the operations and organisational structure of the Sensys Gatso Group, as well as how financial reporting is organised in other respects, the Board did not find a need for a dedicated audit function in the form of internal audit.

The CEO is responsible for ensuring that the Board of Directors receives the reports required to continually assess the financial position of the company. The Board continually assesses the financial reporting, which includes financial developments, financial position, cash flow and liquidity, as well as other important conditions. The CEO and CFO, who report to the Board, are responsible

for maintaining an effective control environment and the ongoing processes of internal control and risk management. The Board maintains an ongoing dialogue with the Company's auditor regarding the scope and quality of the Company's financial reporting, as well as the effectiveness of the internal control and governance.

The Sensys Gatso Group's operations comprise active subsidiaries. The operations of the subsidiaries are controlled by their Boards of Directors with representatives from Group Management. Sensys Gatso has a decentralized structure and culture, with a strong focus on responsibility and performance.

Our global presence requires that our employees and business partners take responsibility for themselves and for each other. To this end we have created a regulatory framework, our Code of Conduct.

The Code of Conduct is to be followed by everyone in our Group, including our employees, the Board and management. We also inform our business partners about the Code of Conduct, and we expect them to comply with it.

Our Code of Conduct states that we are to act as a reliable and honest partner, living up to our commitments. We believe in long-term business relationships in which we, together with our business partners, create a basis for strong financial results, concern for the environment and social commitment. The Code clarifies our position on issues related to human rights, labour conditions, the environment, business ethics and communication. The Code applies to all Sensys Gatso employees, regardless of their position.

In addition to the code of conduct, the board adopts a large number of policies and guidelines, e.g. anti-corruption policy, whistleblower policy, data and information security policy, risk policy, information policy and insider policy.

Equality policy

Differences between people include not only gender, ethnic origin, age, disability, religion and sexual orientation, but also experience, education, living situation and values. Taken together, such differences create a dynamic diversity that adds new perspectives and ideas. This collective diversity represents the competence within Sensys Gatso, which is a strategic asset in the Group's commercial and operational development. Sensys Gatso views equality and diversity as both self-evident and a strength, and therefore strive to achieve diversity in the composition of the workforce and in recruitment. The purpose of the equality policy is to prevent individuals from being chosen for certain groups purely/primarily due to their gender, or so that a group does not become single gendered. Candidates are appointed to positions based on the defined requirements profile. If candidates are equally qualified, Sensys Gatso shall ensure that the company's work groups are well balanced and that Sensys Gatso uses the time and skills of its employees in a manner that benefits both operations and individual personal development. When filling vacant positions, the company shall also strive to achieve the best possible age and ethnicity distribution.

In practice, this means that management takes responsibility and strives to ensure that the company's groups have a good balance of employees whose time and skills are used in a manner that benefits both operations and individual personal development. The aim is to strive for as even a distribution as possible of all work tasks in the workplace and to act to prevent gender division in different tasks and roles.

During 2024 no incidents have been reported via the whistleblower reporting channel.

Risk assessment

The company continuously monitors risk and updates its analysis and assessment of risks that could lead to errors in the financial reporting. This is achieved mainly through documented procedures and contacts between the CEO and CFO. The financial risk assessment is mainly related to the potential for material misstatement in the reporting of the company's financial position and performance. To minimise these risks, governing documents have been established for accounting and there are procedures for annual reporting and follow-up of reported annual accounts. The financial reporting is managed through the Group's control structure. Management also works continuously to identify and manage significant risks that affect the financial reporting. More information about the company's risk management and financial risks can be found in note 27.

Management identifies those areas that are at increased risk of strategic, financial, or operational errors. In accordance with the risk policy, at least once a year the Board analyses the outcome of the company's risk assessment and risk management to ensure that it covers all significant risk areas.

Control activities

Sensys Gatso has established and documented a number of internal procedures that are both preventive in nature and aimed at avoiding losses or errors in the financial reporting. Control activities involve all levels in the organisation. To ensure completeness and accuracy in the financial reporting, instructions and guidelines are being put into place and communicated to the relevant personnel. Control activities also include follow-up and comparisons of earnings and order intake, account reconciliations and balances, as well as accounting and valuation principles.

Financial reports are prepared for the Group each quarter. The process includes detailed reviews and analyses, as well as specific analyses of revenue recognition, cost follow-up, investments, cash flow, financing and liquidity. The control environment, which is summarised in Sensys Gatso's policies and guidelines, is established based on how the operations are organised, the corporate culture, communication, documentation and follow-up. The main task for management and its employees is, in part, to apply, assess and maintain Sensys Gatso's control procedures and, in part, to perform internal control focused on business-critical issues. The company's auditor reviews a selection of controls and procedures and reports any areas for improvement to the management team and the Board. Nothing has emerged to indicate that the control system would not work as intended.

The Sensys Gatso share is listed on a regulated market, Nasdaq Stockholm, and the company applies and follows the Nasdaq Rulebook for Issuers of Shares, as well as laws, rules, and good practices in the stock market. The share is traded under the ticker symbol SGG.

Code of Conduct, policies and guidelines

The Board yearly review and approve the following corporate policies that supports Sensys Gatso's corporate culture:

- » Code of Conduct
- » Anti Corruption Policy
- » CSR policy
- » Equality policy
- » Whistle Blower Policy
- » Information Security Policy
- » Privacy Policy
- » IR & Communication Policy
- » Insider Policy
- » Social Media Policy
- » Risk Policy
- » Finance Policy

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in Sensys Gatso Group AB (publ), corporate identity number 556215-4459.

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 23-29 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

BDO Mälardalen AB

Date and signature on the Swedish original

Johan Pharmanson

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Board of Directors



CLAES ÖDMAN
CHAIRMAN OF THE BOARD

Born: 1965

Board member since 2011.

Education: Masters Degree in Engineering Physics and an MBA, both from Chalmers in Gothenburg.

Background: President of AddSecure Smart Transport. Previously COO and member of Group management of Swiss listed company Ascom as well as various executive positions at Ericsson AB, including in Singapore and Taiwan.

Other directorship: No.

Shareholding: 28,398 shares of which 10,000 shares in a pension fund.



JOCHEM GARRITSEN

Born: 1972

Board member since 2015.

Education: Master of Science degree in Systems Engineering, Policy Analysis and Management, University of Delft. Jochem is from the Netherlands.

Background: Senior Business Manager at Nokia. Has worked in the telecommunication industry in The Netherlands and abroad since 1999. Is a strong international leader and has held senior sales and business line head positions for professional services.

Other directorship: No.

Shareholding: 1,376 shares.



PIA HOFSTEDT

Born: 1961

Board member since 2016.

Education: Degree in Business Administration from Stockholm University and management training, Dale Carnegie.

Background: Extensive background as CIO within different industries. Currently CEO of Hofstedt Consulting & Management, Former CIO Quant AB, Aleris, Scandic Hotels, Salus Ansvar, Neo Net AB, CEO Neo Net Technology.

Other directorship: No.

Shareholding: 8,000 shares.



KERSTIN SJÖSTRAND

Born: 1958

Board member since 2016.

Education: B.Sc. Business Administration from Stockholm University.

Background: Has worked 30 years at SEB within different roles such as CFO and chief of staff at division level and business manager for the Swedish card business.

Other directorship: No.

Shareholding: 4,178 shares.



MARK TALBOT

Born: 1970

Board member since: 2023

Education: MBA Smith School of Business, University of Maryland, College Park, MD USA; BA Accounting and Finance, The Catholic University of America, Washington, DC, USA

Background: Current position Executive Chairman and CEO, Q Free Holdings, Inc.

Previous assignment: Founder and Principal, EFCT Advisory Services, Co Founder CYBRBASE, Inc, CEO, Redflex Holdings Inc.

Managing Director, Conduent, State and Local Government Group President, Xerox Transportation Solutions - Americas

Managing Director, Affiliated Computer Services, State and Local Government

Other directorship: No.

Shareholding: 500 shares



FRANCIS SCHMEER

Born: 1972

Board member since 2022.

Education: MBA from the London Business School. Bachelor's degree in Marketing from Georgetown University, Washington DC, USA.

Background: Group CEO at Connect44. Previously Chief Sales & Marketing Officer and member of Group management of Swiss listed company Ascom. Has previously held various executive positions at Sony Ericsson, T-Mobile, Samsung and Goldman Sachs.

Other directorship: No.

Shareholding: 2,875 shares.

Up-to-date information on the members of the Board of Directors and Senior executives and their securities holdings is available on our website:

www.sensysgatso.com

All board members are independent in relation to the company and its management, independent in relation to the company's major shareholders.

Senior executives



IVO MÖNNINK
CEO

Born: 1962

Employed since 2017.

Education: Master in Business Economics, Erasmus University Rotterdam.

Background: as previously worked as CEO of Hitec Power Protection, Ferm powertools and Besin International (now Smurfit Kappa Hexacomb). Started his international career in commercial roles with Nike and Unilever.

Other directorship: Owner of, and Board member of Destro Management B.V.

Shareholding: 20,533 shares.

68,750 LTIP 2021 call options valid from June, 2024.



SIMON MULDER
CFO

Born: 1978

Employed since: 2016

Education: Post Master Accountancy.

Background: Has previously worked as Finance Director of Sensys Gatso Group The Netherlands and Senior Audit Manager at BDO.

Other directorship: No

Shareholding: 2,157 shares.

34,375 LTIP 2021 call options valid from June, 2024.



JORIS LAMPE
CCO

Born: 1972

Employed since: 2017

Education: MSc in Science and Business Administration, Twente University.

Background: Has previously worked as Account Manager at Lucent Technologies, as Sales Manager at Nedap and as Managing Director of Itron Nederland.

Other directorship: No

Shareholding: 2,188 shares.

34,375 LTIP 2021 call options valid from June, 2024.



PÄR DEGERMAN
CTO

Born: 1976

Employed since: 2021

Education: Master of Science and a Licentiate degree from Linköping University.

Background: International technical background from Scania and CTO of Einride.

Other directorship: No

Shareholding: 1,978 shares.

34,375 LTIP 2021 call options valid from June, 2024.

Sustainability



Sustainability Report - *The bigger picture*

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 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 customized solutions for local needs and objectives. Our long term relationship with customers often results in add-on sales over time. For more information about Sensys Gatso and our customers we kindly refer to note 1.

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.

Sensys Gatso applies and follows the UN Global Compact ten principles; here we report on our progress. Sensys Gatso is all about contributing to safe traffic, the global drive for sustainable cities and the UN 2030 Sustainable Development Goals (SDG). Sensys Gatso's business is focused on SDG goal number 3, good health and well-being, and SDG goal number 11, building sustainable cities and communities, which is how we can make the biggest impact.



Environmental - Sustainable cities

Sensys Gatso is active in an industry that is at the beginning of undergoing major changes. Even in the wake of the global pandemic, we witness an increase in urbanization and more people digitally connected. Digitalization and an increased awareness of societal issues, such as sustainability, have changed the way people think, live and work. Today's young urbanized groups, living in metropolitan areas, would prefer to rent a car when necessary through services such as Car-to-go and Uber, rather than own a vehicle.

As a company, we need to meet these changes and challenges in advance - and assist our customers in meeting these new needs trends. Traditionally, Sensys Gatso's customers have been law enforcement authorities with the need to fulfill legal requirements, but today our customers are traffic safety authorities where safety is at the top of their agenda. We also see a trend where future customers will be cities and municipalities focused on providing high living standards where aspects such as user-friendly environments, accessibility and safety will score very high.

Environmental - A safer and healthier planet

As a company we are committed to reducing our own environment impact. Environmental issues are central to the process of developing new products and improving existing ones. Moreover, it is an essential part of how our employees think and act.

An important regulation that Sensys Gatso complies with is the WEEE directive (Waste of Electric and Electronic Equipment) given our European centric product and services delivery model. The directive determines how we must handle electronics product waste. Sensys Gatso also complies with the RoHS directive (Restrictions of Hazardous Substances), which refers to restricting and removing hazardous substances from electrical and electronic equipment. Our subsidiaries are following the ISO 14001:2015 standard and have determined the KPI's that most impact our environmental footprint. These include KPI's for usage of water, energy and gas and CO2 emission. The trend from 2012 onwards, is a steady decrease on the Key Performance Indicators, except for the gas use since that is more difficult to achieve as it is more dependent on weather conditions (e.g. cold winters). The entity in the Netherlands where we have production is also certified under the ISO 14001:2015 standard.

Governance

- » Corporate Culture
- » Internal process and training
- » Recruitment process and talent management
- » Code of Conduct (public on sensysgatso.com)
- » Anti Corruption Policy
- » CSR policy (public on sensysgatso.com)
- » Equality policy
- » Whistle Blower Policy (public on sensysgatso.com)
- » Information Security Policy
- » Privacy Policy (public on sensysgatso.com)
- » IR & Communication Policy
- » Insider Policy
- » Social Media Policy
- » Risk Policy
- » Finance Policy
- » ISO 9001 certifications in operational subsidiaries
- » ISO 14001 certification in operational subsidiary
- » ISO 27001 certification in operational subsidiary

Report on progress:

Examples of our sustainability approach in development;

- » Sensys Gatso cooperates with Dutch authorities to monitor traffic in environmental zones, both in cities and rural zones. In urban areas, our technology determines if trucks and other heavy vehicles drive through city centers within a certain timeline.
- » Outside the cities, in suburbs and in the countryside, we keep track of cars driving through family neighborhoods. The benefits are calmer, more pleasant, and cleaner residential areas and roads in general.
- » Sensys Gatso has an ongoing test project for schools to improve the overall safety for kids and teenagers. The purpose is to warn unprotected pedestrians when speeding cars approach.
- » Sensys Gatso has several School Zone Speed enforcement programs in the USA, with the objective to protect the youngest participants on the road.

In the yearly risk assessment two main areas of risk to the environment have been identified;

Within transportation;

All deliveries to customers are done through ex-works or FCA, giving limited possibilities for Sensys Gatso to choose forwarder and thereby limiting the risk. However, for internal transportations we aim to optimize a combination of price and quality when choosing a freight forwarder. Deliveries are either done by air or by lorries. We actively work to reduce unnecessary transportations by weekly planning of logistics. Sensys Gatso does not have any Key Performance Indicators in place to measure transportation environmental risks yet.

Within production;

Sensys Gatso follows a number of legislative requirements around the world, which are maintained and updated through our global Environmental Management System - which allows us to ensure our compliance with applicable legislation and local laws.

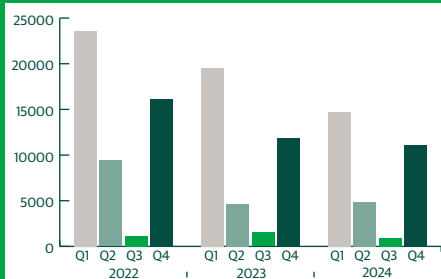
For example, Sensys Gatso is obligated to participate in a country wide program of collecting and recycling electronic waste, which is a mandatory EU legislative requirement and should lead to 65% circular e-waste by 2030. Another example is our ISO 14001:2015 certification, which on a global basis ensures that we as a supplier are guided by strict environmental standards, which includes adherence to applicable laws and our own environmental footprint.

Sensys Gatso measures environmental risks in production through the Key Performance Indicators listed above. Our goal is to reduce these impacts by 3% yearly.

We promote returning and recycling of products, and dismantle products when returned by a customer after use. The residual and product waste is collected, separated, reused and/or disposed of accordingly - contributing to the circular economy. It is critical that people are aware of their impact on the environment. At Sensys Gatso people's sustainability awareness is continuously increased through our company wide information. This includes our efforts taken within the production facility to minimize our environmental impact - highlighted by using our "Green SGG" campaign sign throughout the facility.



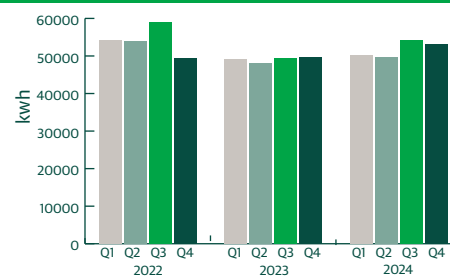
Gas use per quarter
Sensys Gatso Netherlands



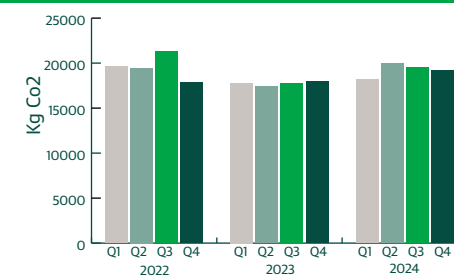
Consolidate paper use (Prints)
Sensys Gatso Netherlands and Sensys Gatso Sweden



Consolidated used electricity
Sensys Gatso Netherlands and Sensys Gatso Sweden



Consolidated kg CO2 emission for used electricity
Sensys Gatso Netherlands and Sensys Gatso Sweden



UN Global Compact - Report on progress

UN Global Compact Human Rights principle 1-2: Be yourself, whoever and wherever you are

Sensys Gatso's compliance with human rights is based on our Code of Conduct and above all on the United Nations Universal Declaration of Human Rights (UDHR). Our Code of Conduct clarifies Sensys Gatso's position regarding issues such as human rights, employee conditions, environment, business ethics and communication. Sensys Gatso encourages every business partner around the world to do the same.

Sensys Gatso does not foresee any larger risks to human rights within the projects we are involved in. However, some of our customers are active in countries where the risk of human rights violations is higher than in northern Europe. In order to be a responsible ambassador for human rights, for some projects we have internal workshops to highlight and discuss human rights in the countries at hand.

Sensys Gatso honors all human rights and follows all legal and export regulations. Our position is that every individual has a basic and strong right to feel safe, regardless of the political and religious views of the specific government. If an employee feels uncomfortable traveling to another country, due to the country's human rights policies, we won't force our co-worker to go. We respect our employees' values and their personal integrity.

Due to the high-tech environment within the company, there is a great risk of limited diversity within the Sensys Gatso team, despite the fact that the company strives for diversity in the composition of the workforce and in recruitment.

The purpose of the equality policy is to prevent individuals from being chosen for certain teams purely/primarily due to their gender, or so that a group does not become single gendered. When appointing vacant positions, the company strives to achieve the best possible age, sex and ethnicity distribution.

The company has no other KPIs in human rights other than that we carry out an annual mandatory training of the company's code of conduct. However, the feeling of being accepted and respected for who you are, is discussed in the yearly employee interviews. Through our whistle blower policy, there is also the possibility to address a specific occasion or incident anonymously to the Chairman of the Board of Directors.

UN Global Compact Labour principle 3-6

In 2024 all subsidiaries maintained the same average percentage of sick days as previous years, 2 - 4 %. In general, we have a very healthy global working environment.

In 2019, we introduced a platform that allows for flexible working environments. The platform allowed us to seamlessly continue our deliveries during 2020 and 2021 when the pandemic limited employee contacts, and contributed to maintaining the health and well-being of our staff.

Sensys Gatso performs employee satisfaction and performance interviews twice yearly. In addition to following up on the interviews, we conduct workshops where specific focus areas and issues are highlighted. In 2023 Sensys Gatso implemented an Employee Engagement

Platform, Winningtemp, for all of our employees globally. With pulse surveys sent every second week we gain accurate, detailed and up-to-date insight into how our organisation is feeling. The online platform enables us to gain insight into the well-being of our employees, helping us to proactively manage issues that affect employee satisfaction and engagement.

UN Global Compact principle 7-9: Social - Presence and engagement

Sensys Gatso maintains discussions with authorities around the world regarding a variety of traffic issues. For example, in Sweden we have consulted primarily with the Swedish Transport Administration (Trafikverket) that is responsible for the long-term planning of state road network and their Vision Zero initiative.

The Vision Zero initiative is aimed at reducing road casualties to zero. We have embraced the ideas of the Swedish Vision Zero policy in how we develop our products and services. Our promise is that no one should die in traffic, ever. The principles of Vision Zero have gained greater acceptance worldwide, including several cities in the USA. As the concept evolves, we are committed to supporting the Vision Zero initiatives through our leadership role in providing solutions for safer traffic environments and more sustainable societies.

It was the Swedish Government that started in 1997 the program by the name of Vision Zero. The main objective (vision) of the program is to have zero fatalities amongst the road users. Any other figure would be considered inappropriate in the sense that the government and the people accept that people die on roads. Vision Zero is based on an underlying ethical principle that "it can never be ethically acceptable that people are killed or seriously injured when moving within the road transportation system". As an ethics-based approach, Vision Zero functions to guide strategy selection and not to set particular goals or targets. In most road transport systems, road users bear complete responsibility for safety. Vision Zero changes this relationship by emphasizing that responsibility is shared by transportation system designers and road users. A core principle of the vision is that 'Life and health can never be exchanged for other benefits within the society' rather than the more conventional comparison between costs and benefits. Typically, a monetary value is placed on life and health, and then that value is used to decide how much money to spend on a road network towards the benefit of decreasing how much risk.

Sensys Gatso has worked together with the Swedish Transport Administration (Trafikverket) on the topic of Enforcement since Vision Zero was first introduced. By making the general public aware and conscious of the fact that speed limits are being enforced - especially on known dangerous sections of roads - the speed of vehicles will decrease, thus reducing the number of fatalities and those seriously injured. Since the beginning of the implementation of Vision Zero in Sweden, Sensys Gatso has delivered and maintained approximately 3,000 speed cameras. The cameras save about 20 lives a year and save more than 70 people each year from being seriously injured in traffic.

Sensys Gatso is honoured and pleased to share our road safety and automated enforcement expertise with governments, multilateral organizations and NGOs. We regularly present at major conferences at, for example, UNRSF, UNECE, UNECA, AfDB, IRF, ITS World Congress and RSSC (VTI) conferences. We provide our extensive knowledge to our customers, but also for the benefit of governments, multilateral organisations, NGOs and related stakeholders - by means of presentations, panel discussions and white papers to further advance road safety and contribute to the UN SDGs, UN's Decade of Action for Road Safety 2021 - 2030 and Vision Zero programmes.

The International Road Federation (IRF) is a global not-for-profit organisation with an infrastructure and road safety benefitting agenda since 1948. IRF members from governments, NGOs, knowledge institutes and companies in more than 70 countries support the development and advancement of safe infrastructure and road safety globally. Sensys Gatso's Director Government Affairs holds the current chair of the IRF Road Safety Committee which includes task forces for distracted driving, road side, work zone and powered two wheeler safety.

Sweden's Vision Zero ambition is an important principle and has become a new global standard for traffic safety. Together with the Swedish Transport Administration, the Swedish Institute for Standards (SIS) has initiated an international effort and has developed a management system standard for road traffic safety - ISO 39001 - which was published in the autumn of 2012. The international interest is great and interest groups such as, WHO and World Bank have participated in the work. Road traffic safety not only concerns road builders, transporters and vehicle manufacturers, but all organizations that can influence or are affected by road safety. Sensys Gatso Sweden is a member of the committee.

More recent examples are the implementation of Low Emission Zones (LEZ) in several European cities. The European Commission has issued a directive to its member states in order to decrease pollution in cities which has led to the implementation of these systems which are designed to ban certain vehicles from entering the cities.



Sensys Gatso's Director Government Affairs, Philip Wijers, presenting on speed management at the IRF Europe and Central Asia Regional Congress held in Plovdiv, Bulgaria, November 2024.

Social - employees

The heart and soul of our business

As a global company Sensys Gatso can make a difference in the world. In order to make the world a better place, our employees and business partners must take responsibility - for themselves and for each other. Sensys Gatso's Code of Conduct is a regulatory framework that helps us remember who we are. The code is a set of professional rules, covering things like laws, regulations, values, and behaviors that define how we do business. Our Code of Conduct applies to all employees, and the Board of Directors. Its main purpose is to ensure that Sensys Gatso acts reliably and with integrity. Sensys Gatso is committed to making sure everyone in our business is treated equally. We want everybody to have the same opportunities, regardless of gender, ethnic origin, age, and religion. We embrace people's differences. When we mix, things get dynamic and interesting, bringing new perspectives and ideas to the table. Therefore, Sensys Gatso has an equality and diversity policy. The purpose of Sensys Gatso's equality and diversity policy is to prevent individuals from being excluded due to gender, ethnic origin, age, and religion. The policy is also important to enable our ambition to build diverse groups. Our overall goal is that all tasks are evenly assigned throughout the entire workforce. To us, it's of utmost importance to avoid stereotypes and gender labels regarding certain positions and tasks.

At Sensys Gatso, our working environment is a central theme. A good working environment is good for the health and wellbeing of every employee. It also makes it easier to recruit and retain employees. Our working environment consists of offices, workshops, R&D laboratories, cars, test sites, and much more. We constantly analyze how we can get better in order to eliminate all types of risks at work. Sensys Gatso has documented routines and instructions designed to ensure a safe lab environment and safe working conditions on road sites. In countries where road safety is poor, we are particularly vulnerable. To avoid danger and injuries on road sites, training programs are made available to all employees. Visitors, customers, partners, suppliers, authorities and of course our employees, everyone should always feel safe working with Sensys Gatso. It's part of our brand, and our integrity.

UN Global Compact Anti Corruption principle 10: A hygiene factor

Since 2008, Sensys Gatso has been following a policy that addresses issues of bribery, corruption and public affairs in our line of work. In the tendering phase, the policy is discussed with employees as well as partners. When we handle larger projects in countries where there is a high risk of corruption, we always make a risk analysis beforehand.

With some larger customers the company has a written understanding of the basis for the collaboration to ensure there is no risk of misunderstanding the code of conduct between the company and the customer.

In some cases, due to high risk of corruption, based on decisions from the Board of Directors, participation in certain projects may be declined.

All employees who have contact with customers and suppliers undergo annual training in code of conduct and anti-corruption policy, confirmed that they have read the policy and that they understand it and that they will follow it.

In addition has Sensys Gatso further implemented the Know Your Customer (KYC) process documenting the KYC forms on all material customers and partners.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Sensys Gatso Group AB, corporate identity number 556215-4459.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 33-36 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 2024.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

BDO Mälardalen AB

Date and signature on the Swedish original

Johan Pharmanson

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.

Financial Reports



Administration Report

The Board of Directors and Chief Executive Officer of Sensys Gatso Group AB (publ.), corporate registration number 556215-4459, hereby present the Annual Report & Accounts for the financial year ended 31 December 2024.

Sensys Gatso Group's operations

Sensys Gatso provides services and maintenance in combination with sales of systems with the objective to improve safety in traffic through enforcement. The company develops, produces, markets and sells sensors, systems and software that are mainly used for speed enforcement, red-light enforcement, Automatic License Plate Recognition, environmental zones and safety zones enforcement. In the USA the company mainly provides Managed Services, where we service the whole chain from providing and maintaining equipment, owned by the company, to processing events, sending out citations and collecting funds. The Group's end customers primarily comprise of police and road authorities throughout the world, as well as private operators. Sales are conducted either directly or via partners, agents and distributors positioning the Group as a leading global traffic safety provider.

Legal structure

Sensys Gatso Group consists of Sensys Gatso Group AB (publ) and the wholly-owned subsidiaries Sensys Gatso Sweden AB, Sensys Gatso Group BV, and Sensys Gatso Middle East Safety & Security Company. For additional information see note H.

Sales and earnings

Net sales for the full year was SEK 631.2 million (623.5). The gross margin was 38.2 percent (40.5). Profit/loss before tax amounted to SEK 9.1 million (23). Profit/loss after tax was SEK 5.7 million (12.9). For further details regarding financial performance please see page 12.

Financial position

The Group's equity at the end of the period totalled SEK 617.9 million (635.7), producing an equity/assets ratio of 54.0 percent (65.7). Cash and cash equivalents amounted to SEK 165.3 million (48.8) at the end of the year. Cash flow from operating activities during the year totalled SEK 44.2 million (-18.3).

Share data and key ratios

Earnings per share were SEK 0.51 (1.06) and equity per share was SEK 53.59 (53.13).

Employees

The average number of employees was 276 persons (273). The number of employees at the end of the period was 308 (302), whereof a part being part-time employees. For additional information see note 5.

Environmental issues

The environment is an important consideration in Sensys Gatso's development of new products, its improvement of existing products and with regard to deliveries and business trips involving employees. Sensys Gatso supplies systems for traffic informatics. The functionality of these systems contributes to lower carbon dioxide emissions as a result of reduced speeds and more even flows of traffic.

Sensys Gatso complies with the applicable WEEE Directive (Waste of Electric and Electronic Equipment), which stipulates how future used electrical equipment will be processed, and the RoHS Directive (Restriction on Hazardous Substances), which aims to remove hazardous substances from products.

We have successfully transferred our quality and environmental management systems to comply with new ISO standards and we are now certified according;

- » ISO 9001:2015 for Quality management system in Sweden, the Netherlands and Australia
- » ISO 14001:2015 for Environmental Management system in the Netherlands
- » ISO 27001:2019 for Information Security for the Netherlands

Furthermore the Sensys Gatso Sweden AB holds an accreditation for compliance to the requirements of the ISO 17020:2012 standard, to perform type C inspections.

For further information see the Sustainability report on page 32.

Research and Development

The Group prioritises Research and Development in order to maintain and strengthen the company's market position. Remaining at the forefront by offering innovative solutions is fundamental to what we do. Since its inception, Sensys Gatso Group has worked with universities and institutes of higher education, offering students the opportunity to write papers with the assistance of the company. During 2024 SEK 27.7 million (26.5) has been capitalized for the development of the new platform FLUX and other solutions.

Policies concerning remuneration and other conditions of employment for Sensys Gatso's senior executives

The Annual General Meeting in 2018 established policies for the remuneration of the company's senior executives. The Group's senior executives currently include the CEO and three members. The Group shall offer remuneration that is consistent with market terms and this shall be established by the Board in consultation with the Chief Executive Officer. The criteria shall be based on the importance of the duties performed, competence and experience, and remuneration shall consist of the following components:

- » Basic salary
- » Variable remuneration
- » Pension benefits
- » Other benefits and severance terms

The variable remuneration shall be based on set targets for sales and EBITDA and cannot amount to more than 6 months salary for group management and the CEO.

As previously, the CEO shall benefit from a supplementary pension scheme with a premium that represents approximately 30 percent of the current annual salary. The retirement age is 65 years.

Other members of the company's management team shall have the right to retirement pensions as per the Swedish ITP plan or equivalent.

Salaries and remuneration of the CEO and other senior executives for 2024 are listed under note 5. These guidelines are also proposed for the coming year.

Risks

A description of potential risks and how these are managed is provided under note 27.

Sensys Gatso share information

There are no limitations on the right to assign shares of Sensys Gatso Group (first refusal), nor are there any limitations on how many votes each shareholder may cast at general shareholders' meetings. The company is not aware of any agreements between shareholders which could entail a limitation on the right to assign shares. The single largest shareholder is BNP PARIBAS SA PARIS, W8IMY (GC) with 2,055,351 shares. 2,039,757 of these shares are held by Gatso Special Products BV, with 17.70% of total shares (17.70). For more information, see page 77, Sensys Gatso Group share information and ownership structure.

The annual general meeting in May 2024 authorized the Board, with or without deviation from the shareholders preferential, to do a new share issue of maximum ten (10) percent of the total number of shares in the company. Also, the annual general meeting authorized the board to repurchase a maximum of five per cent of the total number of issued shares.

Appointment and dismissal of Board members

The Articles of Association contain no specific provisions on the appointment or dismissal of Board members.

Parent company

The business of the Parent company consists of owning and managing participations in subsidiaries, as well as managing some key tasks for the Group. Net sales for the period amounted to SEK 20.2 million (21.7) and profit before taxation amounted to SEK 11.4 million (-3.2).

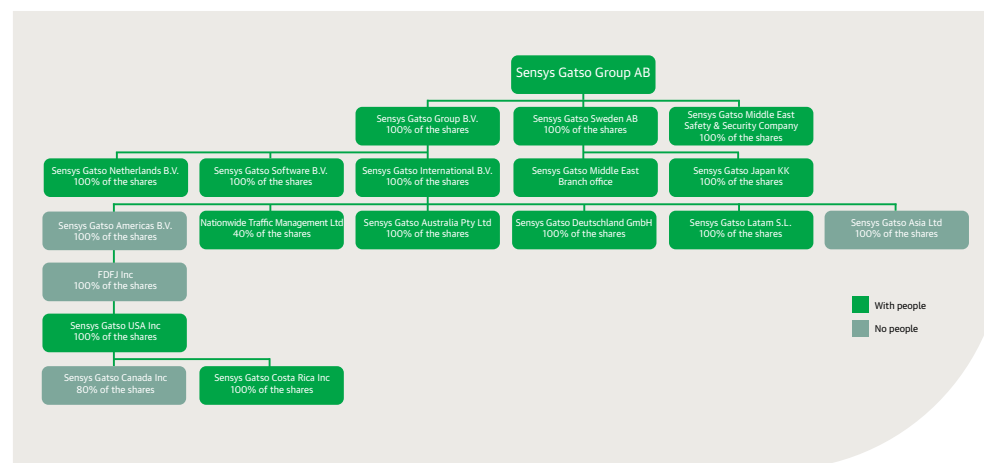
Proposed appropriation of profit or loss

The following profits are at the disposal of the Annual General Meeting (amount in SEK):

Share premium reserve	475,511,996
Retained earnings	-51,817,816
Total SEK	423,694,180

For detailed movements in shareholders equity we refer to page 66.

The Board of Directors proposes that no dividend will be paid for 2024 and the retained earnings be carried forward.



Group Statement of Income and other comprehensive income

TSEK	Note	2024	2023
Net sales	2	631,183	623,543
Cost of sales	3, 5	-389,970	-371,023
Gross margin		241,213	252,520
Selling costs		-94,911	-83,971
Administrative costs		-76,495	-84,359
Development costs		-50,430	-46,128
Other operating income		3,832	1,225
Income from operations	3, 4, 5, 25	23,209	39,287
Financial income	6	8,773	99
Financial expenses	6	-20,409	-14,829
Result joint ventures, net of income taxes	13	-2,501	-1,601
Income before tax		9,072	22,956
Income tax for the year	7	-3,389	-10,081
Net income		5,683	12,875
Income attributable to owners of Sensys Gatso Group AB		5,926	12,185
Income attributable to non-controlling interest		-243	690
		5,683	12,875
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
Translation differences		18,895	-4,113
Total other comprehensive income for the period, net after taxes		18,895	-4,113
Total comprehensive income for the year		24,578	8,762
Total comprehensive income attributable to owners of Sensys Gatso Group AB		24,821	8,072
Total comprehensive income attributable to non-controlling interest		-243	690
		24,578	8,762
Earnings per share before dilution		0.51	1.06
Earnings per share after dilution		0.51	1.06
Proposed dividend per share		-	-
Average number of outstanding shares before dilution, thousands		11,530	11,522
Average number of outstanding shares after dilution, thousands ¹⁾		11,530	11,526
Number of outstanding shares, thousands		11,530	11,530

¹⁾ In calculation of the average number of shares after dilution is not included the granted share options under the LTIP of 450,313 (474,375) shares because the options have not been "in the money."

Group Balance Sheet

TSEK	Note	31 Dec 2024	31 Dec 2023	TSEK	Note	31 Dec 2024	31 Dec 2023
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
INTANGIBLE FIXED ASSETS				CAPITAL AND RESERVES ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY			
Goodwill	8	286,341	273,420				
Other Intangible assets	9	110,840	88,218				
		397,180	361,638	Share capital	17, 23	46,122	46,122
TANGIBLE FIXED ASSETS				Other contributed capital		500,727	500,727
Property, plant and equipment	10	142,327	107,186	Other reserves		39,256	61,977
Right of use assets	11	22,982	20,506	Retained earnings incl net profit for the year		31,775	24,275
		165,309	127,691				
FINANCIAL FIXED ASSETS						617,880	633,101
Deferred tax assets	12	34,874	35,265	Non-controlling interest		0	2,587
Joint ventures	13	10,501	8,615	TOTAL SHAREHOLDERS' EQUITY		617,880	635,688
Other noncurrent assets		189	220	LIABILITIES			
		45,564	44,100	NON CURRENT LIABILITIES			
TOTAL NON CURRENT ASSETS		608,054	533,429	Borrowings	18, 21, 23	337,547	49,281
CURRENT ASSETS				Liabilities to shareholders	18, 24	0	22,192
Inventories	14	167,270	100,264	Deferred tax liabilities	12	7,806	8,071
Trade receivables	15, 21	109,139	176,836	Provisions	19	5,202	8,008
Current tax assets	7	8,177	2,198	Lease liability	11, 21, 23	13,368	11,815
Other receivables		5,084	10,927	TOTAL NON CURRENT LIABILITIES		363,923	99,367
Prepaid expenses and accrued income	16, 2	83,332	89,187	CURRENT LIABILITIES			
		373,001	379,412	Borrowings	18, 21, 23	20,216	64,070
CASH AND CASH EQUIVALENTS				Provisions	19	8,289	5,750
Cash and bank balances	21, 23	165,322	48,753	Lease liability	11, 21, 23	10,714	9,998
		165,322	48,753	Trade payables	21	45,876	54,653
TOTAL CURRENT ASSETS		538,323	428,165	Current tax liabilities	7	6,562	7,675
TOTAL ASSETS				Accrued expenses and deferred income	20	72,918	84,395
		1,146,377	961,594	TOTAL CURRENT LIABILITIES		164,574	226,541
				TOTAL LIABILITIES		528,497	325,907
				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,146,377	961,594

Group Statement of Changes in Shareholders' equity

	Share capital	Other contributed capital	Other reserves	Retained earnings	Non-controlling interest	Total shareholders' equity
Shareholders' equity 1 Jan 2023	46,089	500,727	66,090	11,264	1,897	626,067
Net profit of the year				12,185	690	12,875
Other comprehensive income			-4,113			-4,113
Directed share issue	33			-33		0
Stock related remunerations				859		859
Shareholders' equity 1 Jan 2024	46,122	500,727	61,977	24,275	2,587	635,688
Net profit of the year				5,926	-243	5,683
Other comprehensive income			18,895			18,895
Acquisition Minority Shareholding in Subsidiary			-41,616		-2,344	-43,960
Stock related remunerations				1,574		1,574
Shareholders' equity 31 Dec 2024	46,122	500,727	39,256	31,775	0	617,880

	Before dilution	After dilution
Number of shares at the beginning of the year	11,530	11,530
Share issue or other movements	0	0
Number of shares at the end of the year	11,530	11,530
Weighted average number of shares	11,530	11,530
Profit attributable to owners of Sensys Gatso Group AB	5,926	5,926
Earning per share	0.51	0.51

Group Consolidated statements of cash flow

TSEK	2024	2023
Operating profit/loss	23,209	39,287
Adjustments for non-cash items		
Depreciation and amortisation	45,597	46,019
Movement in warranty provision	1,486	2,799
Exchange rate effects	-3,047	10,641
Other non cash items	7,255	-2,200
Adjustments for non-cash items	51,291	57,259
Cash flow from operating activities before changes in working capital	50,480	84,269
Cash flow from changes in working capital		
Trade receivables	72,948	-114,571
Inventories	-67,006	-15,087
Trade payables	-8,807	34,291
Other changes in working capital	-3,408	-7,226
Cash flow from operating activities	44,207	-18,324
Investing activities		
Investments in intangible assets	-27,686	-26,528
Investments in tangible assets	-61,503	-65,871
Investments in joint ventures	-4,206	-10,217
Cash flow from investing activities	-93,395	-102,616
Financing activities		
Bond Issue	331,525	0
Acquisition Minority Shareholding	-43,960	0
Loans received	0	37,419
Repayment of loans	-58,037	-8,416
Movements on credit facilities	-35,043	55,227
Repayments liabilities to shareholders	-22,189	0
Lease payments (IFRS 16)	-12,178	-13,517
Cash flow from financing activities	160,119	70,714
Cash flow for the year	110,931	-50,226
Cash and cash equivalents at beginning of the year	48,753	99,718
Translation on liquid funds	5,638	-739
Cash and cash equivalents at end of the year	165,322	48,753

Accounting and valuation principles

Sensys Gatso Group applies International Financial Reporting Standards (IFRS) as endorsed by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1. The Parent Company's annual report is prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's Recommendation RFR2 - Accounting for Legal Entities and the accounting policies adopted are consistent with those of the previous financial year as presented in the 2023 annual report. All amounts are reported in thousands of Swedish kronor (TSEK), unless stated otherwise. The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are valued at fair value. Assets and liabilities are valued at cost, unless stated otherwise below.

GENERAL INFORMATION TO THE CONSOLIDATED FINANCIAL STATEMENTS

Reporting entity and its operations

Sensys Gatso Group AB, incorporated and domiciled in Sweden, is a public limited liability company organized under Swedish Law. Sensys Gatso is headquartered in Jönköping, Sweden and has its registered address at Vasavägen 3c, SE-554 54 Jönköping, Sweden. The consolidated financial statements of Sensys Gatso as of December 31, 2024 comprises Sensys Gatso Group AB and its subsidiaries (together referred to as the 'company' or 'Sensys Gatso' or the 'Group'). Sensys Gatso is a global leader in traffic management solutions for nations, cities and fleet owners.

Basis of preparation

The Consolidated financial statements are:

- » prepared in accordance with International Financial Reporting standards (IFRS) as adopted by the European Union (EU) and comply with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR1.
- » authorized for issue by the Board of Sensys Gatso Group AB on April 15, 2025;
- » prepared under the historical cost convention, unless otherwise indicated;
- » prepared on a going concern basis;
- » presented in Swedish Kronor, which is the presentation currency;
- » rounded to the nearest thousand SEK (TSEK) unless stated otherwise;
- » subject to rounding, whereby amounts may not add up precisely to the totals provided.

Accounting estimates and judgements

The preparation of financial statements requires management to make a number of estimates and judgments that affect the application of accounting policies and the reporting amounts of assets and liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities. Amounts recognized are based on factors that are by default associated with uncertainty. Actual results may therefore differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimates are recognized prospectively. Where applicable, the estimates and judgments of specific financial statement items are described in the respective note to the consolidated financial statements. The company regularly updates its significant assumptions and estimates to support the reported amounts of assets, liabilities, income and expenses.

Material accounting policies

The material accounting policies as generally applied throughout the financial statements are described below. Material accounting policies relating to specific financial statement items are included in the respective notes to the financial statements.

Basis of consolidation

The Consolidated financial statements comprise the financial statements of Sensys Gatso Group AB and all subsidiaries that the company controls on a consolidated basis. Control exists when the company is exposed or has rights to variable returns from its involvement with the investee and the company has the ability to affect those returns through its power over the investee. Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and in cases where Sensys Gatso has less than a majority of the voting or similar rights of an investee, Sensys Gatso considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement(s) with the other vote holders of the investee, rights arising from other contractual arrangements and the company's voting rights and potential voting rights.

Subsidiaries are fully consolidated from the date that control commences until the date that control ceases. All intercompany balances and transactions have been eliminated in the Consolidated financial statements.

Non-controlling interest in the financial results and equity of subsidiaries are shown separately in the Consolidated financial statements, Consolidated statement of changes in shareholders' equity and the Consolidated balance sheet respectively.

Sensys Gatso recognizes joint ventures on an equity method basis.

Translation of foreign currencies

Functional currency and presentation currency

Items included in the financial statements of each of the subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Consolidated financial statements are presented in SEK, which is the Parent Company's functional and presentation currency.

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates. Foreign exchange-rate differences attributable to operating activities are recognized in operating profit, while exchange-rate differences attributable to Sensys Gatso's financing are recognized under financial income and expenses.

Subsidiaries

The results and financial position of all subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- » assets and liabilities for each balance sheet are translated at the rate of exchange at the close of the financial period
 - » income and expenses for each income statement are translated at the respective monthly average exchange rate, and
 - » all resulting exchange-rate differences are recognized as a separate component of equity.
- Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

New Accounting policies effective in 2024

No new IFRS accounting standards or amendments to existing standards, effective in 2024, had a significant impact on the consolidated financial statements. The company has not early adopted any standards or amendments to existing standards.

New or amended IFRS Accounting Standards to be applied after 2024

IFRS 18 Presentation and Disclosure in Financial Statements replaces IAS 1 Presentation of Financial Statements. IFRS 18 is effective for reporting periods beginning on or after January 1, 2027, with early application permitted. Companies will be required to restate comparative periods. The Group has not yet assessed its impact on the Group's financial reporting. IFRS 18 will not affect the recognition and measurement of the Group's transactions but will impact the structure and presentation of the financial statements, including the financial statements and notes. IFRS 18 may also affect the key performance indicators presented and how they are calculated. IFRS 18 introduces new requirements for the presentation of financial statements, with a particular focus on:

- » Statement of profit or loss: Mandatory subtotals, such as operating profit, are introduced. Revenue and expenses in the statement of profit or loss will be classified into five categories: operating, financing, investing, income tax, and discontinued operations.
- » Aggregation and disaggregation of information, including the introduction of overarching principles for how information should be aggregated and disaggregated in the financial statements.
- » Disclosures on key performance measures ("Management Defined Performance Measures - MPMs"), which must be provided in a single note, with reconciliations to the closest IFRS-compliant subtotal.

Changes in presentation from the prior year

Accounting policies have been applied consistently for all periods presented in these consolidated financial statements. Certain prior-year amounts have been reclassified to conform to the current year presentation, which are deemed to be immaterial.

INFORMATION BY SEGMENT

Accounting policies

Segment accounting policies are the same as the accounting policies applied by the company. Operating segments are components of the company's business activities about which separate financial information is available that is evaluated regularly by the Chief Operating Decision-Maker (the Chief Executive Officer of the company). The Chief Executive Officer decides how to allocate resources and assesses performance.

Reportable segments comprise the operating segments System Sales and Managed Services.

Accounting estimates and judgements

Determining reportable segments requires significant judgment and involves evaluating the information which is reviewed by the Chief Operating Decision-Maker to assess performance and allocate resources, in accordance with IFRS 8 'Operating Segments'.

The Sensys Gatso operating segments are System Sales and Managed Services, each being responsible for the management of its business worldwide.

The current operating segments are based on a segmentation of Products and Services.

The recurring part of the segment System Sales and the Segment Managed Services is also referred to as TRaffic Enforcement as a Service (TRaaS).

SIGNIFICANT ACCOUNTING JUDGMENTS

Impairment testing for goodwill

Impairment testing of the Group's goodwill and requires estimates and assumptions regarding margins, growth, discount rate, etc. For a more detailed description of the impairment tests, see Note 8. The carrying amounts for goodwill as of December 31, 2024 amounted to SEK 286.3 million (273.4).

Depreciation of property, plant and equipment

The contract periods for which these assets are installed vary significantly between contracts, however most contract periods are at least five years and have extension options of either one year or two years. The Group depreciates these assets over a maximum of seven years on a straight line basis regardless of the length of the contract. The major components of the installation relate to the construction and civil engineering works associated with the installation, in addition to the camera and detection equipment. The Group expects the infrastructure to last for decades once installed, whilst the camera and detection equipment is expected to last for a period approximating seven years. Despite the longevity of the installation it is impaired upon termination or non-renewal of a contract to process traffic violations (and, in some instances, the outcome of many of these events is outside the control of the Group). Accordingly, it is difficult to assess the appropriate length of time over which to depreciate these assets.

Amortisation of capitalised development costs

Capitalised development costs are mainly attributed to capitalised labour associated with the development of new technology within the traffic enforcement industry. The contract periods for which the technology is used varies significantly and similar technology can be utilised for multiple contracts. The Group amortises these assets over a maximum of five years on a straight line basis regardless of the length of individual contracts for which the technology is used. The Group expects the technology to last for a period of five years from inception, due to varying requirements of its customers. Management assesses development costs at each reporting date and if the technology is no longer in use it is considered impaired.

Deferred taxes

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and their value for tax purposes. There are mainly two types of assumptions and estimates that affect the reported deferred tax. These are assumptions and assessments to determine the carrying amount of various assets and liabilities and for future taxable profits, in cases where a future utilization of deferred tax assets is dependent on this. As of December 31, 2024, reported deferred tax assets amounted to SEK 34.9 million (35.3). The part of the tax receivable that relates to loss carryforwards in the balance sheet is the value dependent on future profits in the companies and markets where the historical losses exist. The valuation of this asset is based on management's assessment of these units' ability to show profit and thus be able to use the deductions.

Notes on the accounts, Group

1 Segment reporting

► Accounting policies

The Group reports in two business segments, Systems Sales and Managed Services. These two main segments are used for internal reporting and managing the different operations.

System Sales

The segment System Sales consists of project related and repeat sales of solutions including service and maintenance and license sales. The segment system sales has a good global spread with sales in Europe, Middle East and APAC. The business is generally highly volatile with a few large contracts and many smaller deals. Margins differentiate between size of a deal and the service delivered, with typically higher margins on repeat sales and service and maintenance and licences. Volatility in sales and the sales mix can have a significant impact on the segments profitability from one quarter to another.

In 2024 and 2023, the group had one customer whose share of the company's segment System Sales net sales exceeded 10 percent.

Managed Service

The segment Managed Services focuses on Managed Services contracts where the company is responsible for the entire value chain; providing enforcement equipment (owned by the company), maintenance of the equipment, operating the enforcement program, evaluating and sending out citations and collecting payments on the behalf of our customers.

The enforcement systems including the construction costs are recorded on the balance sheet under fixed assets in operations. This business segment has high capital expenditure upfront, with on average 3-5 year customer contracts, with considerable possibilities of extension after the initial contract period. Sales in this segments are predominantly from the Americas region.

The Managed Services sales are dependent on the volume of citations, which can have some seasonality related to weather and holiday periods. Typically in the first year of operation of the contract the company incurs startup costs that are accounted for in the expenses as they occur. The segment Managed Services also include the costs related to software development and maintenance activities related to the segments sales.

In 2024 and 2023, the group had 2 customers whose share of the segment Managed Services net sales exceeded 10 percent.

	2024			2023		
	System Sales	Managed service	Total	System Sales	Managed service	Total
Total Net sales per business segment	495,381	204,819	700,200	462,997	202,111	665,108
Inter-segment transactions	-58,486	-10,533	-69,019	-31,706	-9,857	-41,563
Total Net Sales	436,895	194,286	631,181	431,291	192,254	623,545
EBITDA	45,308	23,499	68,807	59,021	26,286	85,307
Depreciation and amortization	-18,111	-27,487	-45,598	-18,813	-27,208	-46,021
Operating Profit	27,201	-3,988	23,209	40,208	-922	39,286
Net financial items			-11,636			-14,729
Result Joint Ventures			-2,501			-1,601
Profit before tax			9,072			22,956
Tax			-3,389			-10,081
Profit for the period			5,683			12,875

Non-current assets (excluding financial instrument and deferred tax)	2024	2023
Sweden	77,019	66,379
USA	173,766	135,909
The Netherlands	243,139	228,745
Australia	67,969	57,372
Germany	597	924
Total	562,490	489,329

2 Net sales

► Accounting policies

System Sales

The group earns the majority of its revenues from system sales. It predominantly manufactures and assembles those systems to specific orders, but also retains some finished systems for speculative sale. System sales comprises the manufacturing and assembly of enforcement systems consisting of hardware and embedded software. It mainly manufactures and assembles those enforcement systems to specific orders. System sales contracts can be combined with a service and maintenance contract, which is seen as a separate performance obligation. The Group has both individual contracts and procurement contracts with its customers. For procurement contracts, a contract with a customer is not deemed to arise until the customer places an order based on the terms of the agreement as this is when enforceable rights and obligations for the Group and the customer arise.

Revenue is recognised based on the characteristics of a contract. System Sales is typically delivered at a point in time, when control passes to the customer. The group recognises revenue at a point in time, typically on delivery of the systems to customers' premises or at the point of shipping. However, in a minority of contracts, typically for more bespoke orders, the group also recognises revenue as an order progresses through the manufacturing process, depending on milestones in a contract and performance obligations identified. The sale of systems are also referred to as One-off project sales. Revenues for embedded software development are recognised at a point in time when software has been delivered to the customer. Pricing is dependent on the sales regions and the complexity of the enforcement solution that is required by our customers. Systems are typically sold with a 12 month warranty.

Invoicing is done based on contract specifics and can vary between pre invoicing and post invoicing or invoicing on certain milestones. The payment of invoices is typically between 30 and 60 days after invoice is issued. A contract asset arises when the Group has satisfied the performance obligation, but still needs to invoice the customer (accrued income). A contract liability arises when a customer makes prepayments (customer liability) or when the group has preinvoiced (deferred income) before the performance obligation is satisfied.

Services (TRaaS)

Recurring service revenues are collectively referred to as Traffic Enforcement as a Service revenues (TRaaS). Management tracks on the performance of TRaaS related revenues and reports on the development of TRaaS sales in the quarterly reports to the stock market. Sensys Gatso identifies the following TRaaS revenue streams:

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

TRaaS: Service & Maintenance

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 length of the contracts on a straight line basis using the output model. 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: Licences

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. Licences are on a right to access basis. Revenues of licences are based on a fixed amount per period or on a variable basis such as number of sensors or citation volumes.

Contract Assets

The company recognizes contract assets for revenue earned from installation services because the receipt of consideration is conditional on successful completion of the installation. Upon completion of the installation and acceptance by the customer, the amount recognized as contract assets is reclassified to trade receivables. Contract assets are accounted for under "Prepaid expenses and accrued income" on the balance sheet (note 16).

Contract Liabilities

The company recognizes contract liabilities if a payment is received from a customer before the company transfers the related goods or services. Contract liabilities are recognized as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer). Contract liabilities are accounted for under "Accrued expenses and deferred income" on the balance sheet (note 20).

Net sales by region	2024	2023
Europe	274,146	154,881
America	191,562	208,850
Middle East and APAC	165,475	259,812
Total	631,183	623,543

Net sales by country	2024	2023
Sweden	46,217	48,579
Netherlands	154,922	52,326
Rest of Europe	73,007	53,976
Total Europe	274,146	154,881

USA	190,956	188,462
Rest of Americas	606	20,388
Total Americas	191,562	208,850

Saudi Arabia	13,705	81,586
Australia	112,396	105,412
Rest of Middle East and APAC	39,374	72,814
Total Middle East and APAC	165,475	259,812

Nature of sales	2024	2023
One-off	260,311	260,357
TRaaS Recurring	370,872	363,186
Total	631,183	623,543

Nature of services	Nature of sales	Segment	2024	2023
System sales	One-off	System sales	260,311	260,357
Service & maintenance	TRaaS Recurring	System sales	126,642	129,782
Licences	TRaaS Recurring	System sales	6,024	7,089
Managed services	TRaaS Recurring	Managed services	238,206	226,315
Total			631,183	623,543

Revenue recognition	Nature of services	2024	2023
At a point in time	System sales	260,311	260,357
Overtime	Service and maintenance	126,642	129,782
	Licences	6,024	7,089
	Managed services	238,206	226,315
Total		631,183	623,543

	Contract Assets		Contract liabilities	
	2024	2023	2024	2023
At 1 January	66,792	57,791	-18,431	-15,534
Transfers in the period from contract assets to trade receivables	-66,792	-57,791	-	-
Amounts included in contract liabilities that was recognised as revenue during the period			8,930	12,243
Accrued income	63,205	66,792	-	-
Deferred income	-	-	4,323	-15,140
Cash received in advance of performance and not recognised as revenue during the period	-	-	-	-
At 31 December	63,205	66,792	-5,179	-18,431

Contract assets consist of accrued income and contract liabilities out of prepayments from customers and deferred income. Contract assets are written off where there is no reasonable expectation of recovery. No write offs have been taken in 2024 (0). We expect that the majority of the contract liabilities will be recognized as revenue in less than one year after balance sheet date.

3 Cost of sales and expenses

► Accounting policies

Cost of sales and expenses are recognized in the income statement when they are incurred. Committed expenses for which the company has not yet received an invoice are accrued under the "Accrued expenses and deferred income" (note 20). Expenses that have been prepaid are accrued under the "Prepaid expenses and accrued income" (note 16).

Sensys Gatso has the policy to capitalise development expenses as intangible assets that are expected to generate probable future economic benefits and are controlled by the company. All other research and development expenditure is recognized in the income statement as incurred.

Development costs capitalised as intangible assets are valued as the total of direct costs plus reasonable amounts for indirect costs. Development expenses for customising the companies solutions for customers are accounted for in the cost of systems sold, matched to sales.

Employee expenses related to the development of our software platform amounted to SEK 26.1 million (27.8) which have been capitalised as Intangible assets under Product and Software development on the balance sheet.

	2024	2023
Cost for products and systems	179,198	161,305
Depreciation and amortisation	45,597	46,019
Employee benefits and expenses	295,977	290,974
Other employee expenses	19,057	16,756
Housing expenses	7,404	8,050
Office expenses	17,526	18,802
Sales expenses	13,662	14,157
Car expenses	5,993	5,151
Development expenses	5,438	5,082
General expenses	48,061	47,140
Financial items	-3,855	-1,348
Total	634,059	612,088
Capitalized Employee expenses	-26,086	-27,832
Total expenses	607,973	584,256

Capitalised employee expenses are mainly related to the development of our software platforms. The capitalisation is reflected on the balance sheet under "Intangible fixed assets" (note 9).

4 Depreciation and amortisation

► Accounting policies

Intangible assets and property, plant and equipment are amortised or depreciated on a straight-line basis over the length of their useful life as of the moment they are ready to be taken into use as follows:

- » Leasehold improvement 10 years
- » Furnitures & fixtures 2-5 years
- » Fixed assets in operations 3-7 years
- » Brand 10 years
- » Product and software development 3-10 years

Depreciation, amortisation and impairments are specified per function in the income statement as follows:

	Cost of sales		Selling costs		Administrative costs		Development costs		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Brand	0	0	2,502	2,513	0	0	0	0	2,502	2,513
Other intangible assets	0	0	0	0	0	0	3,249	3,637	3,249	3,637
Improvement expenses leasehold	439	803	115	211	48	135	98	199	699	1,349
Furniture, Fixtures, Fittings and vehicles	2,306	2,061	599	530	231	369	437	477	3,573	3,436
Fixed Assets in operation	24,036	23,130	0	0	0	0	0	0	24,036	23,130
Right of use assets	6,767	6,824	2,065	2,097	1,307	1,493	1,397	1,541	11,536	11,954
Total Depreciation and Amortisation	33,549	32,818	5,280	5,350	1,586	1,996	5,181	5,855	45,596	46,019

Amortisation of intangible assets was SEK 5.8 (6.2) million and depreciation of property, plant and equipment totalled SEK 28.3 (27.8) million. The depreciation of the right of use assets amounted to SEK 11.5 (12.0) million. During 2024 no impairment was taken (0).

5 Employee benefits and expenses

► Accounting policies

Pension commitments

Within the Group, there are only defined-contribution plans. A defined-contribution plan is a pension plan according to which the Group pays a fixed amount to a separate legal entity and, therewith, has no obligation to pay additional premiums. Costs for employees' service during current or previous periods impact the Group's earnings.

Retirement contribution obligations

Defined-contribution pension plans exist for all full time employees, for which the company pays ongoing established charges to a separate legal entity (such as an insurance company) and consequently does not have any legal or informal obligation to pay further charges. The company's costs for these are reported as a cost during the period when the employees concerned have performed the services related to such cost.

Share-based payments

Where equity settled share options are awarded to employees, the fair value of the options are charged to the consolidated statement of comprehensive income over the vesting period with a corresponding increase in equity as of the date of grant. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Employee options

The Company has established a long term incentive plan in 2021 for a maximum of 50 key executives and employees (LTIP 2021). The fair value of the option granted is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- » Including any market performance conditions (the entity's share price)
- » Excluding the impact of any service and non-market performance vesting conditions (remaining an employee over a specified period of time)
- » Including the impact of non-vesting conditions (requirement to hold shares for a specific period of time)

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Severance pay

Severance pay is paid when an employee's employment has been terminated before the normal retirement age or when an employee accepts voluntary redundancy in exchange for such payment. The company recognises severance pay when it is demonstrably obliged to either terminate the employment of employees under a detailed formal plan with no possibility of withdrawal or to pay compensation upon termination as a result of an offer to encourage voluntary.

Number of employees at year-end	2024			2023		
	Women	Men	Total	Women	Men	Total
Holland	13	91	104	12	90	102
Sweden and branch offices	3	36	39	3	33	36
Australia	12	56	68	13	51	64
Germany	1	4	5	1	4	5
USA	57	32	89	35	57	92
Parent Company	0	3	3	0	3	3
Total	86	222	308	64	238	302

Board members and group management, Group	2024			2023		
	Women	Men	Total	Women	Men	Total
Board Members	2	4	6	2	4	6
Group Management	0	4	4	0	4	4
Total	2	8	10	2	8	10

Employees Full-time equivalent	2024	2023
Holland	103	98
Sweden and branch offices	37	36
Australia	64	63
Germany	4	4
USA	68	70
Parent Company	2	2
Total	276	273

	Salaries and other remunerations		Social securities		Pension contributions		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Parent Company	6,771	7,514	956	881	462	452	8,189	8,847
Subsidiaries	244,571	242,022	24,256	23,588	18,961	16,517	287,788	282,127
Group	251,342	249,536	25,212	24,469	19,423	16,969	295,977	290,974

Remuneration of the Board of Directors, the CEO and other senior executives Parent Company	Board Fee	
	2024	2023
Chairman of the Board, Claes Ödman	500	500
Board member, Kerstin Sjöstrand	250	250
Board member, Pia Hofstedt	250	250
Board member, Jochem Garritsen	250	250
Board member, Francis Schmeer	250	250
Board member, Mark Talbot (from May 2023)	250	146
Board member, Christina Hallin (until May 2023)	0	104
Total Remuneration Board of directors	1,750	1,750

Remuneration and other benefits for Group Management	Base Salary		Variable Remuneration		Social charges and other benefits		Pension Expenses		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Managing Director and CEO, Ivo Mönnink	3,569	3,443	1,210	1,666	612	435	1,066	1,033	6,456	6,577
Other senior management (3 individuals)	6,254	6,028	1,565	1,678	1,609	1,506	857	690	10,284	9,902

Share Options LTIP	2024	2023
Balance as of January 1	453,750	464,063
Leavers	-24,062	-27,500
Joiners	0	17,187
Total outstanding Share Options	429,688	453,750

All outstanding share options have vested.

Variable remuneration group management

Group management consists of the CEO and other Senior Management (CFO, CCO and CTO).

Variable remuneration

The agreement for the CEO has been in place since 2017. The variable remuneration is based on net sales and EBITDA, and is subject to an upper limit of 50% annual salary.

Based on the performance measurement of 2024 an amount of TSEK 1,210 (1,666) has been accrued and will be paid out in 2025.

The variable remuneration for other Senior Management is based on net sales and EBITDA, and is subject to an upper limit of 50% annual base salary. Based on the performance measurement of 2024 an amount of TSEK 1,565 (1,678) has been accrued and will be paid out in 2025.

Share based payment

In 2021 the general meeting of shareholders approved the implementation of a long-term incentive program in the form of a stock-option plan for up to 50 key executives and employees ("LTIP 2021"). LTIP 2021 is a program that spans over three award years and under which the participants will be granted, free of charge, share-options that entitle the acquisition of up to 550,000 shares (44.0 million before reverse split 80:1) in the Company subject to three-year vesting periods. As part of the implementation a total of up to 687,500 shares (including 137,500 million shares acquired through warrants for the hedging of social security costs) may be issued.

In 2021 470,938 share-options were granted to employees with an exercise price of SEK 102.4 (1.28 before reverse split 80:1). The company wishes to promote share ownership but also to minimize dilution and therefore intends to "net settle" exercised options, i.e. the participating employee receives the value of the option gains in shares.

The value of the share-options have been calculated based on the Black and Scholes Model using a volatility based on the average deviation in the share price in 2021 up to the grant

date. The used volatility in the model amounted to 37.5 percent. The total cost recorded in the result of 2024 amounted to SEK 2.0 million of which SEK 1.6 million has been recorded in equity and 0.4 million as a social security liability on the balance sheet.

The CEO has been awarded 68,750 share options and other Senior Management have been awarded 34,375 share options each. The majority of the options are exercisable until July 2026.

Variable remuneration in subsidiaries

Other group executives

The other group executives are employed or contracted in the subsidiaries.

Variable remuneration for other group executives and management

The agreement for the senior executives and management team applies since 2017. The variable remuneration is based on regional performance and group performance. The remuneration is subject to an upper limit of 50% annual salary.

There are separate agreements for variable remuneration of other employees in the different subsidiaries.

6 Financial income and expenses

Accounting policies

Financial income and expenses are recognized on the accrual basis in the consolidated statements of income. Interest income and expense are measured using the effective interest method.

Financial income	2024	2023
Interest income on bank deposits	0	0
Exchange rate gains on bank deposits or other loans	8,295	0
Other financial income	479	99
Total financial income	8,773	99

Financial expenses	2024	2023
Interest expense on loans	19,712	6,507
Exchange rate losses on bank deposits or other loans	0	7,343
Interest lease liability	697	978
Total financial costs	20,409	14,829

Exchange rate gains and losses are both realised and unrealized exchange rate effects. Sensys Gatso uses swaps to temporarily mitigate currency fluctuations. The exchange rate losses in 2023 and the gains in 2024 mainly relate to the translation of foreign currency to the reporting currency and are therefore unrealized.

In the third quarter of 2024 the company secured a Bond Loan of EUR 30 million, which has led to the main increase of interest on loans compared to 2023.

7 Income tax

Accounting policies

Reported income tax includes tax which is to be paid or received for the current year and adjustments pertaining to previous years' current taxes and changes in deferred tax. The measurement of all income tax liabilities and assets is performed at nominal amounts, applying the tax rates and provisions that have been enacted, or substantially enacted, and which are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled. In the case of items recognized in profit or loss, related tax effects are also recognized in profit or loss. The tax effects of items that are recognized directly in shareholders' equity are also recognized directly in shareholders' equity. Deferred income tax is calculated using the balance-sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. These temporary differences have primarily arisen through consolidation adjustments.

Deferred tax assets pertaining to future tax deductions are recognized to the extent that it is probable that such deductions can be netted against surpluses in future taxation. Deferred tax liabilities pertaining to temporary differences attributable to investments in subsidiaries are not recognized in the consolidated accounts as the Parent Company can, in all cases, control the date for a reversal of the temporary differences and it is not assessed as probable that a reversal will take place within the foreseeable future. The reporting of deferred tax is based on effective tax rates.

Corporate income tax	2024	2023
Income before taxes	9,072	22,956
Investments in joint ventures, net of income taxes	-2,501	-1,601
Income before taxes and investments of joint ventures	11,573	24,557
Unrecognized tax loss and credit forwards	-2,805	-9,625
	14,378	34,182
Tax at applicable rate 25%	-3,595	-8,545
Permanent differences including non deductible expenses	206	-2,823
Tax previous years	0	1,287
Tax on profit/loss for the year in accordance with income statement	-3,389	-10,081
Effective tax in %	23.6%	29.5%

Sensys Gatso Group is a global company with local companies established in various tax jurisdictions. The applicable tax rates vary between 19% and 30% depending on the jurisdiction. The company has tax losses in various jurisdictions which have (to some extent) been accounted for as a deferred tax assets. We refer to note 12 Deferred Taxes for further disclosure on taxes. Reported income tax includes tax which is to be paid or received for the current year and adjustments pertaining to previous years' current taxes and changes in deferred tax.

8 Goodwill

► Accounting policies

Goodwill consists of the amount by which the consideration, any non-controlling interest and fair value at the acquisition dates of previous shareholdings exceeds the fair value of the Group's share of identifiable net assets acquired. Goodwill on the acquisition of subsidiaries is recognized as an intangible asset. Goodwill is tested annually to identify any need for impairment and is recognized at cost less accumulated impairment. The gain or loss on the sale of an entity includes the remaining carrying amount for goodwill pertaining to the entity sold. Goodwill is allocated to cash-generating units when testing for any impairment requirement. This allocation is made to the cash-generating units that are expected to benefit from the business combination giving rise to the goodwill item. The Group allocates goodwill to all lines of business.

Accounting estimates and judgments

The cash flow projections used in the value in use calculations for goodwill impairment testing contain various judgments and estimations as described in the 'key assumptions' section.

Goodwill	2024	2023
Balance as of January 1		
Cost	273,420	276,735
Accumulated impairment / amortisation	0	0
Book value	273,420	276,735
Changes:		
Translation effects	12,921	-3,315
Total changes	12,921	-3,315
Balance as of December 31		
Cost	286,341	273,420
Accumulated impairment	0	0
Book value	286,341	273,420

Key assumptions

Market share and growth

The forecasts are based on the company history and previous management experience, as well as external sources like the "MarketsandMarkets" report on Road safety market, press releases and investor presentations from competition. The growth estimated by "MarketsandMarkets" for the Road Safety Market overall amounts to approximately 10%. The part of the Road Safety Market relating to our segment Managed Services, is projected to grow approximately 13%.

Sensys Gatso Group

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. These financial metrics are the base for the impairment testing of the segment's goodwill.

System Sales

The revenue in the segment System Sales is volatile during the quarters and over years. The budget and forecast under the business plan has been built-up from the individual entities and the opportunities that Sensys Gatso sees for the next coming years. The revenue in this segment, including the recurring revenue for services, is projected to grow by approximately 15% per year. The EBITDA is expected to improve over the projected years as a result of the effects of expected further integration of the company's product and solution offerings. The employee expenses and other operating costs are expected to grow with less than 50% of projected annual sales growth. The projection of employee expenses and other operating costs have been made by entity and by department based on the identified sales opportunities.

Managed Services

Managed Services is a market of growth for the Sensys Gatso Group and management foresees a significant growth with more than doubled revenue in the coming five years' time. The estimation of EBITDA and operating cash flow in this CGU will be in line with the growth of revenue, which we expect to be 25% per year on average for the coming 5 years. This business segment has a highly flexible organisation, employees being part time processors and operators. With growth of revenue, the direct costs of processing and operating is forecasted to increase. The current organisation of fixed employees is deemed to be sufficient to support the projected growth.

Future cashflows

The future cash flows used in calculating the unit value of each unit are based for the first year on the budget for 2025 adopted for each unit. Thereafter, cash flows are based on assumptions about annual sales and cost growth in a four-year forecast period. Impairment testing was performed as of September 30, 2024, applying approximately 11 percent (9) discount rate after tax and an assumption of sustainable annual growth of 2 percent (2) for the period beyond the forecast horizon. The forecast period extends from 2025 to 2029, i.e., over a five-year period. There is no need for impairment in the Group as the discounted present value of future cash flows exceeds the carrying amount of the net assets for both the brand and goodwill items in the table above. Assumptions about the discount rate and assumed growth in free cash flow in the forecast period are presented in the table below:

Assumptions	2024		2023	
	System Sales	Managed Services	System Sales	Managed Services
Forecast period	5	5	5	5
WACC after tax (5)	10.80%	10.60%	8.50%	8.50%
Growth rate beyond period	2.00%	2.00%	2.00%	2.00%

Exchange rates

The results of the Sensys Gatso Group are influenced by exchange rate fluctuations. As set out in note 27 of this report, the largest exposure to changes in currency is with EUR/SEK and USD/SEK exchange rate. The exchange rates used for these main currencies are 11.5 for EUR/SEK and 11.0 for USD/SEK.

Sensitivity analysis

Management has performed a sensitivity analysis per segment on a simulated higher WACC percentage in relation to a higher beta and higher specific risks premium. The recoverable amount exceeds the carrying amount of goodwill. The overall outcome of the sensitivity analysis for both segments does not give any sign of impairment.

Goodwill is distributed among the Group's cash-generating units (CGUs) and identified as follows (TSEK):

Group	2024	2023
System Sales	187,458	181,363
Managed Services	98,882	92,057
Total	286,341	273,420

The movement in goodwill valuation in both segments relates to currency effects. No impairments were taken in 2024 or 2023.

9 Other intangible assets

► Accounting policies

The intangible asset "Brand" were obtained through the acquisition of Gatso Beheer BV in 2015. The intangible assets are treated as assets and liabilities of the foreign entity and are translated at the closing rate.

Brands

This item mainly includes assets in the form of brands, which have arisen in conjunction with the acquisition of subsidiaries. These are valued at the fair value on the acquisition date and, thereafter, less amortisation and impairment. Brands are amortised over a period of 10 years.

Product and software development

Development costs that are expected to generate probable future economic benefits and controlled by the Parent company are capitalised as intangible assets. All other research and development expenditure is recognized in the income statement as incurred. Development costs capitalised as intangible assets are valued as the total of direct costs plus reasonable amounts for indirect costs. Development costs incurred in connection with product adaptations are recognized in the income statement. Product and software development is amortised over 3-10 years.

Amortisation

Intangible assets are amortised on a straight-line basis over the length of their useful life as of the moment they are ready to be taken into use as follows:

- » Brand 10 years
- » Product and software development 3-10 years

Intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the assets concerned may not be recoverable.

Consolidated intangible fixed assets	Brand		Product & software development		Total	
	2024	2023	2024	2023	2024	2023
Balance as of January 1						
Cost	23,254	23,261	159,047	134,109	182,301	157,370
Accumulated impairment /amortization	-19,421	-16,908	-74,662	-71,025	-94,084	-87,933
Book value	3,833	6,354	84,385	63,084	88,218	69,438
Changes:						
Additions	0	0	27,686	26,528	27,686	26,528
Impairments	0	0	0	0	0	0
Amortization	-2,504	-2,514	-3,249	-3,637	-5,753	-6,151
Translation effects	144	-7	545	-1,590	689	-1,597
Total changes	-2,360	-2,521	-2,704	-5,227	-5,064	-7,748
Balance as of December 31						
Cost	23,398	23,254	187,278	159,047	210,676	182,301
Accumulated impairment /amortization	-21,925	-19,421	-77,911	-74,662	-99,837	-94,084
Book value	1,473	3,833	109,367	84,385	110,840	88,218

Product and software development

Flux

Sensys Gatso has continued to develop its products and software platforms. The enforcement platform called "FLUX" will replace (over time) the existing platforms (S and T-Series). FLUX has been valued on the balance sheet as the total of direct costs plus reasonable amounts for indirect costs, consisting of materials used and capitalised employee expenses. Amortisation of the FLUX platform is expected to commence in 2025.

PULS & Xilium

The software products PULS and Xilium have been further developed throughout 2024 by adding features. PULS is used to connect any sensor and to analyse the data generated by the sensors. Xilium is a back office software suite that enables customers to process events into violations. The software products are valued on the balance sheet as the total of direct costs plus reasonable amounts for indirect costs, consisting of capitalised employee expenses. Amortisation of these platforms is done on a 5 year basis commencing the year following the investment in the platform.

The remaining bookvalue of Product & Software development is as follows:

Development item (in MSEK)	2024	2023
Flux platform	75.7	61.9
Software Xilium/Puls	15.6	8.5
T-Series platform	2.0	2.0
Other	16.1	11.9
Total	109.4	84.3

10 Property, plant and equipment

▶ Accounting policies

All fixed assets (Leasehold improvement, Furniture's & fixtures and Fixed assets in operations) are measured at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent expenses are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is likely that future economic benefits associated with the asset will occur to the Group, and when the asset's cost can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the period in which they arise.

Depreciation

Property, plant and equipment are amortised/depreciated on a straight-line basis over the length of their useful life as of the moment they are ready to be taken into use as follows:

- » Leasehold improvement 10 years
- » Furniture's & fixtures 2-5 years
- » Fixed assets in operations 3-7 years

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the book value of the assets concerned may not be recoverable.

Tangible fixed assets	Leasehold improvement		Furnitures, fixtures, etc		Fixed Assets in operation		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
Balance as of January 1								
Cost	20,435	20,373	50,317	44,104	279,777	234,422	350,529	298,899
Accumulated depreciation	-19,465	-18,116	-36,957	-33,521	-186,922	-163,792	-243,344	-215,429
Book value	970	2,257	13,360	10,583	92,855	70,630	107,185	83,470
Changes:								
Additions	690	102	4,313	6,356	56,500	59,412	61,503	65,870
Disposals	0	0	0	0	0	0	0	0
Depreciation	-699	-1,349	-3,573	-3,436	-24,037	-23,130	-28,309	-27,915
Translation effects	11	-40	-836	-143	2,773	-14,057	1,948	-14,240
Total changes	2	-1,287	-96	2,777	35,236	22,225	35,142	23,715
Balance as of December 31								
Cost	21,136	20,435	53,794	50,317	339,050	279,777	413,980	350,529
Accumulated depreciation	-20,164	-19,465	-40,530	-36,957	-210,959	-186,922	-271,653	-243,344
Book value	972	970	13,264	13,360	128,091	92,855	142,327	107,185

11 Right of use assets and liabilities

▶ Accounting policies

Right-of-use assets

The company leases various items of real estate, vehicles and other equipment. The company determines whether an arrangement constitutes or contains a lease based on the substance of the arrangement at the lease inception. The arrangement constitutes or contains a lease if fulfillment is dependent on the use of a specific asset and the arrangement conveys a right to use the asset, even if that asset is not explicitly specified in the arrangement.

The company recognizes right-of-use assets and lease liabilities for leases with a term of more than twelve months if the underlying asset is not of low value. Payments for shortterm and low-value leases are expensed over the lease term. In 2024 and 2023 these were immaterial. Extension options are included in the lease term if their exercise is reasonably certain. Right-of-use assets are measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurements. Right-of-use assets are depreciated using the straight-line method over the shorter of the lease term and the useful life of the underlying assets.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments due over the lease term, generally discounted using the incremental borrowing rate. Lease liabilities are subsequently measured at amortized cost using the effective interest method. Lease liabilities are remeasured in case of modifications or reassessments of the lease.

Impairment of owned and right-of-use assets

Judgments are required, not only to determine whether there is an indication that an asset may be impaired, but also whether indications exist that impairment losses previously recognized may no longer exist or may have decreased (impairment reversal). After indications of impairment have been identified, estimates and assumptions are used in the determination of the recoverable amount of a fixed asset. These involve estimates of expected future cash flows (based on future growth rates and remaining useful life) and residual value assumptions, as well as discount rates to calculate the present value of the future cash flows.

Right-of-use assets Judgment is required to determine the lease term. The assessment of whether the company is reasonably certain to exercise extension options impacts the lease term, which could affect the amount of lease liabilities and right-of-use assets recognized.

The group leases premises, vehicles and copiers. The latter two are defined as "others". Lease agreements included in the lease liability have a remaining term greater than 12 months.

Right of use assets	Premises		Others		Total	
	2024	2023	2024	2023	2024	2023
Opening value	18,202	18,274	2,304	2,833	20,505	21,107
Additions	7,807	8,400	2,125	1,563	9,932	9,963
Depreciation	-9,991	-9,880	-1,545	-2,233	-11,536	-12,112
Modification of lease terms	2,855	-21	0	118	2,855	97
Translation effects	-530	1,429	1,757	22	1,227	1,451
Closing value	18,342	18,202	4,640	2,304	22,982	20,505
Lease liability	Premises		Others		Total	
	2024	2023	2024	2023	2024	2023
Opening value	19,508	19,585	2,304	3,008	21,812	22,593
Additions	7,807	8,400	2,125	1,563	9,932	9,963
Interest expense	592	793	105	185	697	978
Modification of lease terms	2,855	-21	0	118	2,855	97
Lease payments	-10,894	-10,890	-1,284	-2,627	-12,178	-13,517
Translation effects	647	1,641	318	57	965	1,698
Closing value	20,514	19,508	3,568	2,304	24,082	21,813

12 Deferred tax assets and liabilities

▶ Accounting principles

Deferred tax assets and liabilities are recognized, using the consolidated balance sheet method, for the expected tax consequences of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available, against which the temporary differences can be utilised. In cases where the company has reported losses in recent years, deferred tax recoverable relating to previous losses is only recognised to the extent that there are compelling circumstances indicating that it will be used to offset future taxable profits.

Within the Group there is an extensive budget and forecast process in order to verify the value of the deferred tax assets. Budgets and forecasts are built-up from the entities in collaboration between entity General Managers and Group Management. Furthermore, there are also verifiable circumstances in the form of the current order backlog and agreements with customers as underlying information to the budget and forecast process. These budgeted and forecasted numbers of future sales and profit are matched towards the tax assets in order to measure the number of profitable years needed for utilisation of the total value of the tax assets.

The measurement of all income tax liabilities and assets is performed at nominal amounts, applying the tax rates and provisions that have been enacted, or substantially enacted, and which are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. In the case of items recognized in profit or loss, related tax effects are also recognized in profit or loss. The tax effects of items that are recognized directly in shareholders' equity are also recognized directly in shareholders' equity. Deferred income tax is calculated using the balance-sheet method on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. These temporary differences

have primarily arisen through consolidation adjustments. Deferred tax assets pertaining to future tax deductions are recognized to the extent that it is probable that such deductions can be netted against surpluses in future taxation. The reporting of deferred tax is based on effective tax rates.

Deferred tax recoverable	2024	2023
Opening deferred tax recoverable	35,265	39,916
Utilization of deferred tax	-2,692	-3,907
Additions	1,928	0
Effect of change in tax rate	0	0
Translation effects	373	-744
Closing deferred tax assets	34,874	35,265

The deferred tax assets can be specified as follows:	2024	2023
Other	0	0
Inventory	279	616
Loss carried forward	34,595	34,649
Total deferred tax assets	34,874	35,265

Deferred tax liabilities	2024	2023
Opening deferred tax liability	8,071	9,451
Release relating to depreciation on intangible fixed assets	-707	-1,108
Temporary difference accelerated depreciation fixed assets	370	0
Translation effects	71	-272
Closing deferred tax liabilities	7,806	8,071

As per December 2024, the Parent company Sensys Gatso Group AB had a total estimated unutilised tax losses of SEK 142.8 (154.2) million. Approximately SEK 68.1 (78.2) million has been accounted for in the deferred tax asset to the amount of SEK 14.0 (16.4) million.

The deferred Tax Asset relating to losses carried forward in Sweden have been calculated at a tax rate of 20.6 percent. Based on continued future expected profits in Sensys Gatso Group AB arising from group recharges, intercompany financing activities, future royalties for products and brands the company is expected to be profitable in future. Furthermore, management expects Sensys Gatso Sweden AB to continue contributing to the future profits by entries into new markets and a broader product range that can be offered to existing customer relations. Management has made the assessment that the tax losses accounted for in the deferred tax asset will be utilised in the future.

In Sensys Gatso Sweden AB there is a deferred tax asset recorded in relation to inventory that has not been taken as a tax loss. The total amount of utilizable deferred tax amounts to SEK 1.4 million (2.9).

In Sensys Gatso Australia Pty Ltd a deferred tax assets of SEK 17.1 (15.0) million is recognised relating to temporary differences and losses carried forward to the amount of SEK 59.9 (50.0) million. For determining the taxable income the company made use of the tax beneficial accelerated depreciation possibilities. This has lead to the recognition of a deferred tax liability of SEK 7.4 (8.1) million. Based on Management's assessment we see future profits to offset the losses carried forward.

13 Joint ventures

► Accounting policies

Sensys Gatso recognizes joint ventures on an equity method basis.

Joint venture	2024	2023
Balance as of 1 January	8,615	0
Acquisition costs	4,206	10,196
Result of joint venture	-2,501	-1,581
Translation effects	181	0
Total	10,501	8,615

After acquiring 40% of share capital in Nationwide Traffic Management Ltd (NTMEL) relating to the Ghana traffic safety project, the company has started funding the operations together with its Joint Venture partner. Investments during the year mostly relating to contributions to share capital according to the Shareholders Agreement of NTMEL.

The joint venture is a limited liability company incorporated in Accra, Ghana. Sensys Gatso has a 40% shareholding, the other 60% is held by a local partner. Sensys Gatso is the technology and knowledge provider to the joint venture and holds 2 of the 4 board seats in the company. The entity is responsible for the execution of a traffic safety program in Ghana. The joint venture has entered into a consortium with local governmental authorities for the operation of the program.

The traffic safety program in Ghana is a new program for Sensys Gatso and the government of Ghana. Risks associated with this joint venture is that the program does not succeed, which could lead to a loss of invested funds. The program is currently in a startup phase and progress is within expectations. Results for the year are accounted for under result of joint ventures, net of income taxes in the consolidated income statement.

The financials of the joint venture are as follows:

As at 31 December	2024	2023
Non-current assets	6,220	3,798
Current assets	25,975	22,641
Non-current liabilities	4,275	0
Current liabilities	1,668	4,902
<i>Included in the above amounts are:</i>		
Cash and cash equivalents	3,310	8,451
Non-current financial liabilities	0	0
Net assets (100%)	26,252	21,537
Group share of net assets (40%)	10,501	8,615

Period ended 31 December	2024	2023
Revenues	0	0
Loss from continuing operations	-6,253	-3,953
Total comprehensive income (100%)	-6,253	-3,953
Group share of total comprehensive income (40%)	-2,501	-1,581

Contingent liabilities

The joint venture has an contractual agreement to rent premises:

- term: commencing date January 1st 2023 until December 31st 2024

- price: 83000 USD per year

Ghana has experienced high inflation rates in recent years with more than 30% in 2023. The inflation rate in 2024 amounted to approximately 20%. No inflation adjustment has taken place on the joint venture.

14 Inventories

Inventories consist of raw materials and supplies, work in progress and finished goods.

► Accounting policies

Inventories are stated at the lower of cost or net realizable value. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include direct labor and fixed and variable production overheads, considering the stage of completion and the normal capacity of production facilities. Costs of idle facility and abnormal waste are expensed. The cost of inventories is determined using the first-in, firstout (FIFO) method. The write-down of inventories to net realizable value is included in cost of sales.

Accounting estimates and judgments

Inventory is reduced for the estimated losses due to obsolescence. This reduction is determined for groups of products based on sales in the recent past and/or expected future demand.

	2024	2023
Raw materials and supplies	108,622	64,469
Work in process	24,396	19,851
Finished goods	34,252	15,944
Inventories	167,270	100,264

The immaterial estimated losses due to obsolescence are all related to "Raw materials and supplies".

15 Trade receivables

► Accounting policies

Trade receivables are held by the company to collect the related cash flows. These receivables are measured at fair value and subsequently measured at amortized cost minus any impairment losses. Expected credit losses are accounted for under the allowance for doubtful trade receivables. Additions to the allowance are charged to the Consolidated income statement.

Accounting estimates and judgments

Receivables are subject to impairment assessment, which involves estimating expected credit losses.

The ageing analysis of trade accounts receivable, net (after deduction provision for doubtful trade receivables), representing current and overdue is as follows:

Aging analysis	2024	2023
Current	54,701	66,336
Overdue 1-30 days	9,195	33,633
Overdue 31-180 days	25,924	68,769
Overdue more than 180 days	19,318	8,098
Trade receivable- net	109,139	176,836
Change in provision for doubtful trade receivables	2024	2023
Balance as of January 1	16,367	12,020
Changes in expected credit losses	-699	4,347
Write-offs	0	0
Balance as of December 31	15,669	16,367
Provision for doubtful trade receivables	2024	2023
Current	0	0
Overdue 1-30 days	0	0
Overdue 31-180 days	2,772	2,704
Overdue more than 180 days	12,897	13,663
Total	15,669	16,367

Sensys Gatso's payment terms vary from 30 to 180 days on average. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and ageing. The expected loss rates are based on ageing and historical credit losses. As Sensys Gatso's customers are governments or partners dealing with governments, we assess the risk of non-payment on receivables until 12 months to be low and not significant.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will

lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income.

16 Prepaid expenses and accrued income

► Accounting policies

Contract assets (accrued income)

A contract asset arises when the Group has satisfied the performance obligation, but still needs to invoice the customer (accrued income).

Contract costs

Costs relating to projects are capitalised under contract costs and are amortised over the contract period.

Prepaid expenses and accrued income	2024	2023
Deposits (property and other)	3,729	2,740
Contract assets (accrued income)	63,205	66,792
Contract costs	8,490	10,850
Other items	7,907	8,805
Total	83,332	89,186

17 Shareholders' Equity

Share capital

The share capital of Sensys Gatso Group AB amounts to SEK 46,121,428.30 (46,121,428.30), divided into 11,530,358 (11,530,358) shares. The quota value is SEK 4 per share. All shares have an equal right to a portion of the company's assets and profits. Each share entitles the holder to one vote. At shareholders' meetings, each person entitled to vote may vote for the full number of shares owned and represented by him/her without any restriction in the number of votes.

For an overview of the development of share capital since 1 January 1995, we refer to our website (www.sensysgatso.com).

Non-controlling interest

The non-controlling interest relates to the 20% local shareholding in Sensys Gatso USA Inc. Due to the acquisition of the minority share in the fourth quarter of 2024 there is no Non-controlling interest anymore. The acquisition of the minority shareholding has been recorded in Equity for the full amount of SEK 44 million.

18 Borrowings and liabilities to shareholders

► Accounting policies

Borrowings is initially measured at fair value net of directly attributable transaction costs. Subsequently, borrowings is measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

All bank overdraft facilities and the Unsecured Bond are denominated in EUR. The company has an overdraft facility, which is reported under short-term borrowings, at its disposal from Rabobank amounting to EUR 5.0 million (8.175), corresponding to approximately SEK 58 million over which SEK 20 million has been drawn down. The overdraft facility is mainly utilised to finance working capital and investments in Intangible Fixed Assets. The overdraft facility has a variable interest rate.

During the third quarter Sensys Gatso issued an Unsecured Bond of EUR 30 million. The term of the bond is 4 years and has an interest rate of 3 months EURIBOR plus 4,75 per cent. There are no repayment obligations during the initial term of the bond. The bond was secured in a framework of EUR 60 million, creating the possibility for future financing of additional EUR 30 million. The bond has the obligation of performing an incurrence test four months after the balance sheet date, with a minimum Net Interest Bearing Debt to adjusted EBITDA ratio of 3.0.

With the proceeds from the Bond Issue during the third quarter of 2024, Sensys Gatso has refinanced its long-term borrowings with the bank and shareholder.

The Group's interest-bearing borrowings

<i>Long-term</i>	2024	2023
Unsecured Bond	337,547	0
Borrowings from banks	0	49,281
Loan from shareholder	0	22,192
Total	337,547	71,473
<i>Short-term</i>	2024	2023
Borrowings from banks	0	8,816
Overdraft facility bank	20,216	55,254
Total	20,216	64,070

19 Provisions

► Accounting policies

A provision is a liability of uncertain timing or amount. Provisions are recognized if, as a result of a past event, the company has a present legal or constructive obligation, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be estimated reliably.

Sensys Gatso adds to its warranty provision for products delivered during the year. Utilisation of the warranty provision happens when a warranty claim is granted. Releases of the warranty provision relates to products where the warranty period has expired.

Accounting estimates and judgments

By their nature, the recognition of provisions requires estimates and assumptions regarding the timing and the amount of outflow of resources. Provisions for product warranties are based on current volumes of products sold still under warranty and on historical rates of warranty claims for mature products as well as estimates and assumptions regarding quality and future warranty claims for new estimates and estimated cost to remedy the various warranty claims that may occur.

Other provisions	Product warranty		Other	Total		
	2024	2023	2024	2023	2024	2023
Non-current	7,217	3,294	791	555	8,008	3,849
Current	3,997	5,357	1,753	1,758	5,750	7,115
Balance as of January 1	11,214	8,651	2,544	2,313	13,757	10,964
Changes						
Additions	10,260	9,562	62	231	10,322	9,793
Utilizations	-654	-1,381	0	0	-654	-1,381
Releases	-8,420	-5,597	-1,753	0	-10,173	-5,597
Translation effects	236	-20	2	0	238	-20
Total change	1,422	2,563	-1,689	231	-505	2,814
Non-current	4,347	7,217	855	791	5,202	8,008
Current	8,289	3,997	0	1,753	8,289	5,750
Balance as of December 31	12,636	11,214	855	2,544	13,491	13,757

20 Accrued expenses and deferred income

► Accounting policies

Contract Liabilities

The company recognizes contract liabilities if a payment is received from a customer before the company transfers the related goods or services. Contract liabilities are recognized as revenue when the company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Other

Other liabilities are initially measured at fair value and subsequently at amortised cost and are derecognized when the obligation under the liability is discharged, cancelled or has expired.

Accrued expenses and accrued income	2024	2023
Accrued salaries	15,507	13,550
Holiday pay liability	17,177	15,680
Social charges	3,955	5,521
Contract liabilities (deferred income)	5,178	18,431
Accrued project cost	7,077	6,342
Interest bond	7,187	0
Other	16,836	24,871
Total	72,918	84,395

21 Financial instruments

► Accounting policies

Financial assets at amortised cost

The Group's financial assets measured at amortised cost comprise trade, contract assets (accrued income) and cash and cash equivalents in the consolidated statement balance sheet. For accounting policies of the trade receivables and contract assets we refer to respectively note 14 and 15.

Cash and cash equivalents include cash in hand, deposits held at call with banks. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position. The company currently does not have financial assets at fair value through the profit and loss or through Other Comprehensive Income.

Financial assets at amortised costs	2024	2023
<i>Assets as per balance sheet</i>		
Trade receivables	109,139	176,836
Contract assets (accrued income)	63,205	66,792
Cash and bank balances	165,322	48,753
Total	337,666	297,601

Financial liabilities at amortised cost

The Group's financial liabilities are measured at amortised cost and comprise of borrowings from credit investors (Unsecured Bond), credit institutions, liabilities to shareholders, trade payables and other short-term monetary liabilities in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Borrowings from credit investors (Unsecured Bond), credit institutions and liabilities to shareholders are initially recognised at fair value. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Trade payables and other short-term monetary liabilities are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

The company currently does not have financial liabilities at fair value through the profit and loss or through Other Comprehensive Income.

Other financial liabilities at amortised costs	2024	2023
<i>Liabilities as per balance sheet:</i>		
Unsecured Bond	337,547	0
Borrowings from credit institutions	20,216	113,351
Liabilities to shareholders	0	22,192
Lease liability	24,082	21,813
Trade payables	45,876	54,683
Total	427,721	212,039

22 Bank guarantees and Pledged assets

	2024	2023
<i>Bank guarantees</i>		
Customer authorities	13,955	16,354
<i>Pledged assets</i>		
Tangible fixed assets	142,327	107,186
Inventory	167,270	100,264
Receivables	109,139	176,836
Total pledged contingent liabilities	432,690	400,640

Bank guarantees

Sensys Gatso has bank guarantees in place for customers that require security during the roll-out of a project and during an operational phase. The total outstanding bank guarantees amounts to SEK 14.0 million. Besides these guarantees, the Parent company has provided Parent Company Guarantees that state that the Parent company or any other subsidiary will take over responsibility for projects if the undertaking subsidiary does not deliver. The total amount of Parent Company Guarantees amount to SEK 310 (307) million.

Pledges and securities Rabobank

The company has access to an overdraft facility to the amount of EUR 5 million and a bank guarantee facility to the amount of EUR 1.85 million.

First ranking right of pledge of all present and future rights and/or claims pursuant to existing and future relations arising from business and trade of Sensys Gatso Group BV, Sensys Gatso Americas BV, Sensys Gatso International BV, Sensys Gatso Deutschland GmbH, Sensys Gatso USA Inc., Sensys Gatso Netherlands BV and Sensys Gatso Software BV.

A corporate guarantee by Sensys Gatso Group AB and Sensys Gatso Sweden AB for the credit of EUR 5 million, and the guarantee facility of EUR 1.85 million.

23 Cash flow statement supplementary information

▶ Accounting policies

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances as well as short-term financial investments with maturities of less than three months. Cash and cash equivalents solely consist of cash and bank balances.

Cash flow statements

The cash flow statement has been prepared using the indirect method. The recognized cash flow includes only those transactions that have resulted in receipts or payments. Cash flows related to Interest and tax are included in operating activities. Assets and liabilities acquired as part of a business combination are included in investing activities (net of cash acquired). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the transaction dates.

	Non-cash movements:				2024
	2023	Cashflow	IFRS 16 leasing	Currency effects and consolidation changes	
<i>Long term borrowing</i>					
Unsecured Bond	0	331,525		6,022	337,547
Borrowing	49,281	-49,221		-60	0
Liabilities to shareholders	22,192	-22,189		-3	0
Lease liabilities	11,815	-1,952	2,769	737	13,369
<i>Short-term borrowing</i>					
Borrowing	64,070	-43,859		5	20,216
Lease liabilities	9,998	-10,226	10,714	228	10,714
Total	157,356	204,078	13,483	6,929	381,846

For disclosure on the movements in the financial liabilities to banks and the shareholder, we refer to note 18.

24 Related party transactions

Related parties to Sensys Gatso Group are mainly its key management and shareholders that also have a function within the company.

Key management personnel

The total compensation of key management personnel is disclosed in note 5.

Shareholders

The related party transactions with shareholders have two dimensions being the transaction with the shareholder for loans and rental costs on one side and on the other side transactions for management and consultancy functions. The disclosed transactions with shareholders relate to shareholder Gatso Special Products BV and its shareholders that perform managerial functions or consulting activities within our company.

	2024	2023
Liabilities to shareholders		
<i>Non-current liabilities to shareholders</i>		
Opening liabilities	22,192	22,257
Repayment	-22,189	0
Currency/net present value adjustments	-3	-65
Liabilities to shareholders	0	22,192
Related party transactions	Shareholders	Directors
Rental costs premises	2,307	
Interest costs loans	985	
Management fee		2,635
Consultancy fee	482	
Related party positions	Shareholders	Directors
Rental costs premises	233	
Interest costs loans		
Management fee		257
Consultancy fee	66	

25 Audit fees and related costs

The table below shows the related fees for the years 2024 and 2023 rendered by BDO.

	2024	2023
Audit assignment	4,833	3,556
Tax consulting	1,005	927
Other	360	52
Total	5,837	4,483

26 Events after the balance sheet date

Significant events after the end of the reporting period;

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

27 Risks

Risk management is part of all business operations, and its purpose is to identify, assess, manage and report significant risks. The board has approved a Risk Policy and a Financial Policy.

Risks

The significant risks include:

- » Currency risks, existing out of:
 - Transaction exposure risks and translation exposure risks
- » Interest risks
- » Liquidity and finance risks
- » Credit risks
- » Capital risks
- » Project risks
- » Price risks
- » Insurance risks
- » Technological risks
- » Environmental risks
- » Risks related to macroeconomic conditions

Currency risks

Currency risk refers to the fluctuations in exchange rates having a negative impact on the Group's income statement, balance sheet and/or cash flow. Currency risk arises when future business transactions, or reported assets or liabilities, are expressed in a currency which is not the Group's functional currency.

Transaction exposure

In the Group's international operations, some customers pay in their own currency which means that the Group is exposed to transactional currency risks. This kind of currency risk also arises in conjunction with the import of raw material and components in a currency that is not the Group's functional currency. Incoming flows or foreign currencies should be used for payment in the same currency. The subsidiaries within the group perform their business mostly in their functional currencies, therefore limiting transaction exposure risk.

Transaction exposure 2024	SEK	EUR	USD	Other	Total
<i>Assets as per balance sheet:</i>					
Trade receivables (including amounts to be invoiced)	0	6,076	41,105	0	47,181
Cash and bank balances	7,224	109,929	29,343	2,970	149,466
Total	7,224	116,005	70,448	2,970	196,647
<i>Liabilities as per balance sheet:</i>					
Borrowings	0	337,547	0	0	337,547
Liabilities to shareholders	0	0	0	0	0
Total	0	337,547	0	0	337,547

The Group's largest currency exposure is against the EUR and USD.

Estimated currency effects on equity (in TSEK)	%	TSEK
EUR	+/- 10%	+/-22,154
USD	+/- 10%	+/- 7,045

Translation exposure

Currency risk also arises in conjunction with the translation of foreign net Currency risk also arises in conjunction with the translation of foreign net assets and earnings, so-called translation exposure. This currency risk is not hedged and refers, primarily, to the translation of foreign subsidiaries' income statement and balance sheets. Earnings from foreign subsidiaries are translated into Swedish krona based on the average exchange rate for each month. Net assets are translated into Swedish krona based on the exchange rate per last date of the month.

The Group's risk exposure in foreign currencies at the end of 2024, expressed in thousands of Swedish krona (TSEK) consisted of the following:

Estimated currency effects in equity (in TSEK)	%	TSEK
EUR	+/- 10%	+/- 55,559
USD	+/- 10%	+/- 2,969
AUD	+/- 10%	+/- 6,438

As indicated by the exposure table above, the Group is primarily exposed to changes in the EUR/SEK exchange rate.

The company also recognizes a risk on timing of payment and uses currency swap contracts to temporarily prolong the effect of a forward contract if needed. These currency SWAPs will be bought/sold on the settlement date of the forward contract(s). The Company does not have any outstanding SWAP's to mitigate timing related risks on forward contracts.

The company, from time to time, enters into currency swap contracts to mitigate currency risks on intercompany loans in SEK, which are swapped to a foreign currency. These swap contracts are not accounted for as a cash flow hedge, therefore the fair value of these contracts are accounted for in the profit and loss. At the end of the financial year the outstanding currency swaps had a non material value.

Interest risks

The company holds no interest-bearing assets and, accordingly, the Group's income and cash flow from operating activities are, in all material aspects, independent of changes in market interest rates. The Group's interest-rate risk arises in conjunction with long-term borrowing. The aim is to limit the interest risk in the Group's interest-bearing liabilities. At the closing date, the Group had MSEK 357.8 (135.5) in interest-bearing liabilities and cash and cash equivalents amounted to MSEK 165.3 (48.8). Borrowing on the basis of floating interest rates, exposes the Group to interest-rate risks as regards to cash flow. By the end of 2024, the Group's borrowings largely consisted of Bond Financing and a credit facility provided by Rabobank. The financial structure is based on a three month EURIBOR plus a margin. An increase in EURIBOR by 1 percentage point would result in an approximately MSEK 1.1 lower result and equity. For further disclosure on the terms of the bond and the credit facility we refer to note 18. The Group holds no listed financial instruments.

Liquidity and financial risks

Financing risk also refers to risks associated with existing and future financing, refinancing of overdue loans, or difficulties in raising external loans. Liquidity risk refers to the risk of being unable to fulfil payment commitments when they fall due as a consequence of insufficient liquidity. Both of these forms of risk are managed by the company preparing regular cash flow forecasts. The Board closely monitors rolling forecasts for the company's liquidity reserve to ensure that the company has sufficient cash funds to meet the requirements of operating activities. The group has processes in place to monitor the bank covenants and the cash flow and is in control of cash requirements. For the liabilities the company has conventional covenants towards the banks, such as an absolute EBITDA level. At the end of 2024 the

company used MSEK 19.8 (64.0) of its credit facilities. The table below presents an analysis of the Group's financial liabilities to be settled, specified according to the contractual time to maturity, as of the closing date. The amounts stated in the table are the contractual, undiscounted cash flows. Amounts falling due within 12 months correspond with the carrying amounts, as the effect of discounting is negligible.

As of 31 December 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank loans	20,216	0	337,547	0
Trade payables	45,876	0	0	0
Loan to related parties	0	0	0	0
Lease liability	10,714	9,817	3,551	0
Total	76,806	9,817	341,098	0

As of 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Bank loans	72,476	8,416	34,459	0
Trade payables	54,653	0	0	0
Loan to related parties	0	0	0	22,192
Lease liability	9,998	9,817	1,998	0
Total	137,127	18,233	36,457	22,192

Credit risks

Credit risks are defined as the risk of loss if the opposite parties with whom the Group has invested cash and cash equivalents, fail to fulfil their obligations. Credit risks are to a large extent avoided through effective creditworthiness analyses/monitoring of existing and potential customers, and in certain cases by obtaining payments in advance or payment against a letter of credit. The Groups' assets are recognised in the balance sheet after deduction for provisions for expected credit losses. The credit risk is limited to the carrying amount of each financial asset. A provision of MSEK 15.7 (16.3) was made for receivables that are not expected to be paid.

Capital risks

The Group's objective with regard to the capital structure is to secure the Group's ability to continue operating, so that it can continue to generate returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to keep the cost of capital down. To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debt. The debt/ equity ratio at 31 December 2024 was 54.0% (66.0).

Project risks

For Sensys Gatso, a major part of operational risk lies in the management of each individual project. Sensys Gatso works actively to integrate risk management in each customer project, and has developed an in-house tool, Risk Assessment Analysis, for this purpose. The tool enables the company to identify, manage and where necessary, accept and limit

the risks involved in each project. The project manager is responsible for implementing Risk Assessment Analysis and subsequently following up and reporting on important matters. In addition to this, for larger projects, a member of the management team will be appointed to act as sponsor for the project and the point of contact for regular reports from the project manager.

Each entity manager is responsible for driving and developing his/her respective area of responsibility, which includes identifying opportunities and threats as well as continuously following up on activities. In the local management team meetings projects are discussed, resulting in operational decisions.

Price risks

Price risk in the Group's operations primarily arise in conjunction with the purchase of material used in manufacturing.

Insurance risks

The Group has adequate insurance policies covering property, product liability, interruptions and transport, as well as an insurance policy covering the Board of Directors and CEO.

Technological risks

As computer-aided technology has assumed an increasingly greater scope within the companies, security requirements net connection is fixed and completely isolated from other networks via hardware firewalls. Access via public networks is secured via security devices. User access to the system is regulated via Group authorisations and entitlements based on actual assignments and roles within the company. As of May 25, 2018, the group is in full compliance with new GDPR regulations.

Environmental risks

As described in our Sustainability report Sensys Gatso aims to reduce its impact on the environment by reducing the use of electricity and gas. For several years we have tracked our consumption which has resulted in more awareness throughout the company. As a result of COVID-19 we introduced remote working reducing both daily commute to our offices as well as international travel. The company was able to operate with limited impact in doing so. Going forward the companies policy will remain in a hybrid model, combining working from the office and from home, where possible. Sensys Gatso has also assessed the financial impact and risks associated with Climate change. The risks related to Climate change are assessed to be non-material with the biggest risk being the risk of rising water levels that could temporarily impact the assembly facility in the Netherlands.

Risks related to macroeconomic conditions

Macroeconomic factors, such as ongoing military conflicts in Ukraine and the Middle East, the continued high inflation during 2024 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.

Parent Company Income Statement

TSEK	Note	2024	2023
Net sales	B	20,189	21,688
Cost of sales		0	0
Gross profit		20,189	21,688
Administrative costs	C	-32,343	-35,600
Income from operations		-12,154	-13,912
Financial income	D	9,581	3,216
Financial expenses	D	-12,438	-222
Income after financial income and expenses		-15,011	-10,918
Appropriations, net of income taxes	E	26,437	7,876
Income tax		-2,355	0
Net income		9,071	-3,042
Parent company statement of comprehensive income			
Net income		9,071	-3,042
Other comprehensive income		0	0
Total comprehensive income for the year		9,071	-3,042

Parent Company Balance Sheet

TSEK	Note	31 Dec 2024	31 Dec 2023	TSEK	Note	31 Dec 2024	31 Dec 2023
ASSETS				SHAREHOLDERS' EQUITY AND LIABILITIES			
INTANGIBLE FIXED ASSETS				Restricted equity			
Product and software development	F	72,631	59,218	Share capital	J	46,122	46,122
		72,631	59,218	Statutory reserve		25,215	25,215
				Legal reserve		72,631	59,218
						143,968	130,555
FINANCIAL FIXED ASSETS				Non-restricted equity			
Deferred tax assets	G	14,029	16,384	Share premium reserve		475,512	475,512
Investments in Subsidiaries	H	421,444	420,163	Retained earnings including net profit for the year		-51,815	-49,047
Loan Subsidiaries	I	204,803	38,568			423,697	426,465
		640,276	475,115				
				TOTAL SHAREHOLDERS' EQUITY		567,665	557,020
TOTAL NON CURRENT ASSETS							
		712,907	534,333	LIABILITIES			
OTHER CURRENT ASSETS				NON CURRENT LIABILITIES			
Receivables from subsidiaries		81,120	13,294	Borrowings		337,488	0
Current tax assets			96	CURRENT LIABILITIES			
Other receivables		3,528	882	Trade payables		3,846	2,128
Prepaid expenses and accrued income			2,050	Liabilities to subsidiaries		8,336	3,624
		84,648	16,323	Other liabilities		0	190
				Accrued expenses and deferred income		10,730	3,776
CASH AND CASH EQUIVALENTS						22,912	9,718
Cash and bank balances		130,509	16,081				
		130,509	16,081	TOTAL LIABILITIES		360,400	9,718
TOTAL CURRENT ASSETS				TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
		215,157	32,404			928,065	566,738
TOTAL ASSETS							
		928,065	566,738				

Parent Company

Statement of changes in shareholders' equity

	Share capital	Statutory reserve	Share premium reserve	Legal reserve	Retained earnings	Total shareholders' equity
Shareholders' equity 1 Jan 2023	46,089	25,215	475,512	45,535	-33,148	559,203
Net profit of the year					-3,042	-3,042
Addition to legal reserve				13,683	-13,683	0
Directed share issue	33				-33	0
Stock related remunerations					859	859
Shareholders' equity 1 Jan 2024	46,122	25,215	475,512	59,218	-49,047	557,021
Net profit of the year					9,071	9,071
Addition to legal reserve				13,413	-13,413	0
Stock related remunerations					1,574	1,574
Shareholders' equity 31 Dec 2024	46,122	25,215	475,512	72,631	-51,815	567,665

A Notes to the Parent company financial statement

► Accounting policies applied

The Parent Company's annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2. RFR 2 stipulates that, in its annual accounts, the Parent Company is to apply International Financial Reporting Standards (IFRS) as endorsed by the EU, where this is possible within the framework of the Swedish Annual Accounts Act, and with regard to the connection between accounting and taxation. RFR 2 specifies the exceptions and supplements to be applied in relation to IFRS. Identified differences between accounting policies of the Group and the Parent Company mainly refer to IAS 12 Income taxes.

Presentation of Parent company financial statements

The structure of the Parent company balance sheet and Parent company income statement are aligned as much as possible with the Consolidated financial statements in order to achieve optimal transparency between the Group financial statements and the Parent company financial statements.

B Net sales

Sales of the Parent company are related to recharged head office costs from the parent company to direct subsidiaries in Europe. The sales refer to remunerations of services performed.

Net sales by region	2024	2023
Europe	20,189	21,688
America	0	0
Middle East and APAC	0	0
Total	20,189	21,688

C Administrative costs

The table below shows the Administrative costs distributed over the expenses by nature.

	2024	2023
Employee benefits and expenses (including board fee and recharges)	10,859	12,778
Housing expenses	375	439
Office expenses	5,794	6,912
Sales expenses	1,603	1,640
Development expenses	18	3,238
General expenses	13,718	10,725
Financial items	-24	-132
Total	32,343	35,600

D Financial income and expenses

The Parent company provides intercompany loans to its group companies for financing operational activities and projects.

Financial income	2024	2023
Interest income on bank deposits	107	218
Exchange rate gains on bank deposits or other loans	4,426	467
Interest income group companies	5,048	2,531
Total financial income	9,581	3,216
Financial expenses	2024	2023
Interest expense on loans	9,060	212
Exchange rate losses on bank deposits or other loans	3,369	0
Other financial expenses	9	10
Total financial expenses	12,438	222

E Appropriations, net of income taxes

During the year the Parent company received group contributions from Sensys Gatso Sweden AB to the amount of SEK 26.4 million (SEK 7.9 million).

F Intangible fixed assets

Intangible Fixed Assets	Product & software development	
	2024	2023
Balance as of January 1		
Cost	59,218	45,535
Accumulated amortization	0	0
Book value	59,218	45,535
Changes:		
Additions	13,413	13,683
Impairments	0	0
Amortisation	0	0
Total changes	13,413	13,683
Balance as of December 31		
Cost	72,631	59,218
Accumulated impairment /amortization	0	0
Book value	72,631	59,218

G Deferred tax assets

As per December 2024, the Parent company had a total estimated unutilised tax losses of SEK 142.8 (154.2) million. Approximately SEK 68.1 (79.5) million has been accounted for in the deferred tax asset to the amount of SEK 14.0 (16.4) million. For further disclosure on deferred tax assets we refer to note 12 in the consolidated financial statements.

H Subsidiaries

► Accounting policies

Shares in subsidiaries are recognized at acquisition cost less any impairment. The acquisition cost includes acquisition-related costs and any contingent consideration. When there is an indication that shares in subsidiaries have decreased in value, an estimate of the recoverable amount is made. If this amount is lower than the carrying amount, impairment is made. Impairment losses are recognized in the items "Income from participations in Group companies".

	2024	2023
Opening acquisition value	420,163	419,886
Movements in the year	1,281	277
Closing accumulated acquisition value and Carrying amount	421,444	420,163

Details of wholly owned subsidiaries, their corporate identity numbers and registered offices are as follows:

Subsidiaries	Ownership	Corporate Identity Number	Registered offices	No. of share	Carrying amount	
					2024	2023
Sensys Gatso Sweden AB	100%	556811-3376	Jönköping, Sweden	500	32,682	31,401
Sensys Gatso Group BV	100%	34030301	Haarlem, The Netherlands	3,598	388,762	388,762
Sensys Gatso Middle East Safety & Security Company	100%	1010786077	Riyadh, Saudi Arabia	1 000	0	0
Sub-subsidiaries	Ownership	Corporate Identity Number	Registered offices	No. of share		
Sensys Gatso Netherlands	100%	34065996	Haarlem, The Netherlands	500		
Sensys Gatso Software B.V.	100%	34077170	Haarlem, The Netherlands	400		
Sensys Gatso International B.V.	100%	34064750	Haarlem, The Netherlands	400		
Sensys Gatso Australia Ltd.	100%	ABN20086 166494	Sydney, Australia	1,000		
Sensys Gatso Deutschland GmbH	100%	HRB 67669	Hilden, Germany	25,000		
Sensys Gatso Americas B.V.	100%	34279593	Aerdenhout, The Netherlands	50,000		
FDFJ Inc.	100%	4375982	Dover Delaware, USA	100		
Sensys Gatso USA Inc.	100%	4375979	Dover Delaware, USA	80		
Gatso Asia Ltd.	100%	1196483	Hong Kong, Hong Kong	1		
Gatso Canada	80%	BC1009998	Alberta, Canada	10,000		
Sensys Gatso Japan KK	100%	0110-01-101894	Tokyo, Japan	100		
Sensys Gatso Costa Rica Sociedad Anónima	100%	3-101-786819	San José, Costa Rica	600		
Sensys Gatso LaTaM S.L.	100%	B05296892	Madrid	5,000		
Joint ventures	Ownership	Corporate Identity Number	Registered Offices	No. of shares		
Nationwide Traffic Management Ltd	40%	CS756382015	Accra, Ghana	1,200,000		

1 Loan Subsidiaries

The parent company has provided subsidiaries with loans up to SEK 204.8 million (SEK 45.0 million) with maturity date of November 30, 2025 and December 2028. The loan bears an interest between 6-8.25% per annum on average. The company also has a short-term receivable on subsidiaries to the amount of SEK 68.5 million (SEK 6.9 million). The company assesses the credit risk on loans to subsidiaries on an annual basis. Based on the forecast, used in the impairment testing of the goodwill, the company assesses that the receivables will be settled in the future.

Receivables on subsidiaries	2024	2023
Non-current loan to subsidiaries	204,803	38,568
Current loan to subsidiaries	81,120	13,294
	285,924	51,862

Loan subsidiaries	2024	2023
Opening loan	38,568	45,000
Additions	166,235	-6,432
Closing loan subsidiaries	204,803	38,568

Receivables from subsidiaries	2024	2023
Opening	13,294	10,206
Additions/repayments	74,257	3,088
Closing receivables from subsidiaries	81,120	13,294

2 Shareholders' Equity

Share capital

The share capital of Sensys Gatso Group AB amounts to SEK 46,121,428.30 (46,121,428.30), divided into 11,530,358 (11,530,358) shares.

The quota value is SEK 4 per share. All shares have an equal right to a portion of the company's assets and profits. Each share entitles the holder to one vote. At shareholders' meetings, each person entitled to vote may vote for the full number of shares owned and represented by him/her without any restriction in the number of votes.

For an overview of the development of share capital since 1 January 1995, we refer to our website (www.sensysgatso.com).

Signatures

The Board of Directors and the CEO certify that the consolidated accounts have been prepared in accordance with international financial reporting standards, IFRS, as adopted by the EU, and that they provide a true and fair view of the Group's financial position and the results of its operations.

The annual report has been prepared in accordance with generally accepted accounting principles in Sweden and provides a true and fair view of the Parent Company's financial position and results.

The administration report for the Group and Parent Company provides a true and fair overview of the development of the Group's and the Parent Company's operations, financial position and results, and describes significant risks and uncertainty factors facing the Parent Company and other companies within the Group.

The income statements and balance sheets will be submitted for adoption at the AGM on 15 May 2025.

Jönköping, April 15, 2025

Claes Ödman
Chairman of the Board

Jochem Garritsen
Board Member

Pia Hofstedt
Board Member

Kerstin Sjöstrand
Board Member

Francis Schmeer
Board Member

Mark Talbot
Board Member

Ivo Mönnink
Chief Executive Officer

Our audit report was submitted on April 15, 2025
BDO Mälardalen AB

Johan Pharmanson
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Sensys Gatso Group AB (publ), corporate identity number 556215-4459

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sensys Gatso Group AB (publ) for the financial year 2024. The annual accounts and consolidated accounts of the company are included on pages 38-70 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Audit Committee in accordance with the Audit Regulation (537/2014/EU) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014/EU) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Impairment test of goodwill

Of the group's total balance sheet, goodwill comprises a significant amount. In Note 8 Intangible Fixed Assets, Sensys Gatso Group describes its valuation of reported goodwill. As these assets are not amortized on an ongoing basis, an annual impairment test is, instead, to be executed. Sensys Gatso Group has undertaken this test during the final quarter of 2024.

An impairment test contains several assumptions, amongst others, regarding future market developments, the possibility of achieving growth, profit development and the discount factor. In other words, the judgments and estimations made by group management and the Board are complex.

As goodwill comprises a significant amount and the assumptions required include judgments and estimations each of which can have decisive importance for the valuation, this area has been of special significance in the audit.

How our audit addressed the Key audit matter

Our audit procedures included but were not limited to:

Initially, we checked, together with BDO's valuation specialists, the prepared impairment tests per segment to determine if they are based on established principles and methods.

In our audit, we checked the most important assumptions made by the group management and Board of Directors which were applied in the impairment tests, such as those regarding growth, profitability, and the discount rate. We assessed these assumptions, by comparing against Sensys Gatso Group's budget per segment and against historical outcome. We executed an independent assessment with the starting point being the market economic premises for the various cash-generating units included in each segment. The applied discount rates per segment were checked against observable market data. We also examined the starting point for the determination of significant assumptions to ensure that they are consistent with the previous year. We audited the simulations and sensitivity analyses undertaken by the group management and Board of

Directors. These tests have also provided the basis for our control of the disclosures provided in the annual report in Note 8.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2-22, 30-37 and 76-80. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards, as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors' responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and

consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

The auditor's audit of the administration of the Board of Directors and the Managing Director and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sensys Gatso Group AB (publ) for the financial year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations,

size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Sensys Gatso Group AB (publ) for the financial year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sensys Gatso Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 require us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always

detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standards on Quality Management 1, which requires the firm to design, implement and operate a system of quality management, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards, and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

BDO Mälardalen AB was appointed auditor of Sensys Gatso Group AB (publ) by the general meeting of the shareholders on 8 May 2024 and has been the company's auditor since 2018.

Stockholm, 15 April 2025

BDO Mälardalen AB

Johan Pharmanson

Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.



Other



The share

Sensys Gatso's share is listed on Nasdaq Stockholm's Small Cap list. As at 31 December 2024, the share capital amounted to TSEK 46.121 (46.121) divided into 11,530,358 (11,530,358) shares.

The number of shareholders totaled 14,100 (15,635). All shares carry the same voting rights and entitle the holder to the same share of the company's earnings and capital. The company has one shareholder (Gatso Special Products BV) with number of shares that exceeds 10 percent of the company's total number of shares. The Articles of Association do not contain any conditions concerning voting right restrictions. There is no authorisation for repurchase of treasury shares.

The highest price paid for Sensys Gatso shares during the year was SEK 84.50 (27 March, 2024) and the lowest price paid was SEK 44.95 (6 December, 2024). The closing price paid on 31 December, 2024 was SEK 65.50 (72.63).

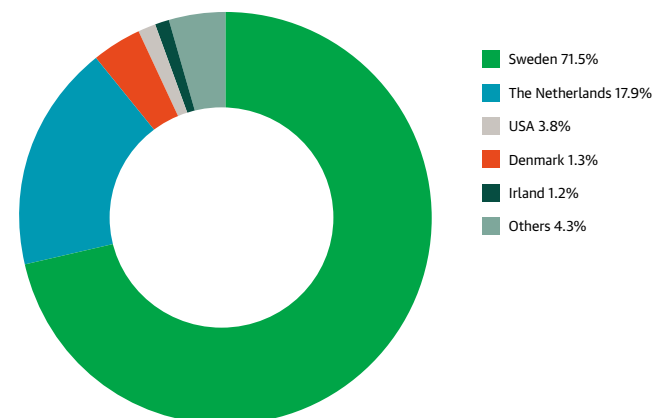
In 2024 a total of 3,765,439 (3,301,151) Sensys Gatso shares were traded on the Stockholm Stock Exchange. At the end of the year, the market capitalisation amounted to SEK 755 million (837).

The 20 largest shareholders

The shares in Sensys Gatso Group AB were held as of 31 December 2024 as follows:	Number of shares	Proportion of share capital/votes %
BNP PARIBAS SA PARIS, W8IMY (GC)	2,055,351	17.83
Försäkringsaktiebolaget Avanza Pension	498,893	4.33
Nordnet Pensionsförsäkring AB	466,415	4.05
Futur Pension Försäkringsaktiebolag	336,011	2.91
Wall Per	287,500	2.49
STATE STREET BANK AND TRUST CO, W9	285,433	2.48
BERGSTRAND INGER	258,248	2.24
Hamberg Karl Peter Gudmund	130,000	1.13
Dimensional Fund Advisors	124,846	1.08
MELLGREN CLAES	117,442	1.02
Skandia Fonder AB	112,973	0.98
CACEIS BANK, GERMANY BRANCH, W8IMY	112,500	0.98
SEB Life International	104,584	0.91
DAHLIN LARS	101,000	0.88
BOYER PERNILLA	70,157	0.61
ARDING LANGUAGE SERVICES AKTIEBOLAG	62,500	0.54
SEB Investment Management AB	59,116	0.51
Handelsbanken Fonder AB	55,368	0.48
Stridh Hakan	53,100	0.46
Anchora Capital As	51,804	0.45
Total, 20 largest shareholders	5,343,241	46.36
Total, other shareholders (14,080)	6,187,117	53.64
TOTAL	11,530,358	100.00

* 2,039,757 of these shares are held (via BNP PARIBAS SEC SERVICES PARIS, W8IMY (GC)) by Gatso Special Products BV.

Geographical shareholder distribution



Information to the shareholders

Financial Calendar

Sensys Gatso Group AB (publ) will publish the following financial information:

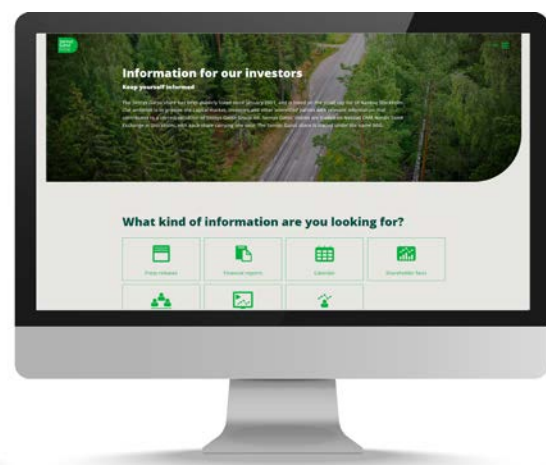
- » Q1 2025, 24 April
- » Q2 2025, 21 August
- » Q3 2025, 14 November
- » Q4 2025, 26 February 2026

Annual reports and other reports are available at our website at www.sensysgatso.com and can also be ordered directly from Sensys Gatso.

Annual General Meeting of Shareholders

Sensys Gatso will hold its Annual General Meeting of Shareholders on 15 May 2025 at the Company at Vasavägen 3c in Jönköping.

The Board of Directors has, in accordance with Chapter 7, Section 4a of the Swedish Companies Act and the articles of association of the Company, resolved that the shareholders shall also have the right to exercise their voting rights through postal voting ahead of the Meeting. Thus, shareholders may choose to exercise their vote at the Meeting through being present in person, through proxy or through postal voting.



Sensys Gatso's website - www.sensysgatso.com - contains detailed and up-to-date financial information. The website also has a subscriber service for those wishing to subscribe to press releases and reports via e-mail.

Voting at the Annual General Meeting

Those who wish to exercise their voting rights at the Meeting must:

- » be entered as a shareholder in the share register kept by Euroclear Sweden AB on Wednesday 7 May 2025 or, if the shares are registered in the name of a nominee, request that the nominee registers the shares in their own name for voting purposes in such time that the registration is completed by Friday 9 May 2025; and
- » give notice of attendance to the Company in accordance with the instructions set out in the section "Notice of attendance for participating in person or through a proxy" or submit a postal vote in accordance with the instructions set out in the section "Postal voting" no later than on Friday 9 May 2025.

Notice of attendance for participating in person or through a proxy

Those who wish to participate in the Annual General Meeting in person or through a proxy shall give notice of attendance to the Company by mail to Sensys Gatso Group AB, Box 2174, 550 02 Jönköping or by e-mail to info@sensysgatso.com. The notice of attendance shall state name, date of birth or corporate identification number, address, telephone number and, where relevant, the number of accompanying advisors (not more than two).

Shareholders represented through a proxy must issue a written power of attorney for the representative. A template proxy form is available at the Company's website, www.sensysgatso.com. The proxy form template is also available at the Company or may be order via e-mail info@sensysgatso.com. The power of attorney shall be sent to the Company, to the address above, well in advance of the Meeting. Documents of authority in original shall be presented at the Meeting. A proxy representing a legal person shall append a copy of a certificate of registration showing the authorized company signatories.

Postal voting

Shareholders who wish to exercise their voting rights by postal voting shall use the voting form and follow the instructions available on the Company's website, www.sensysgatso.com. The postal vote must be received by the Company no later than on Friday 9 May 2025. The postal voting form shall be sent to the Company by mail to Sensys Gatso Group AB, Box 2174, 550 02 Jönköping or by e-mail to info@sensysgatso.com. The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (i.e. the advance vote in its entirety) is invalid. Further instructions and terms are set out in the postal voting form.

Contact for financial information

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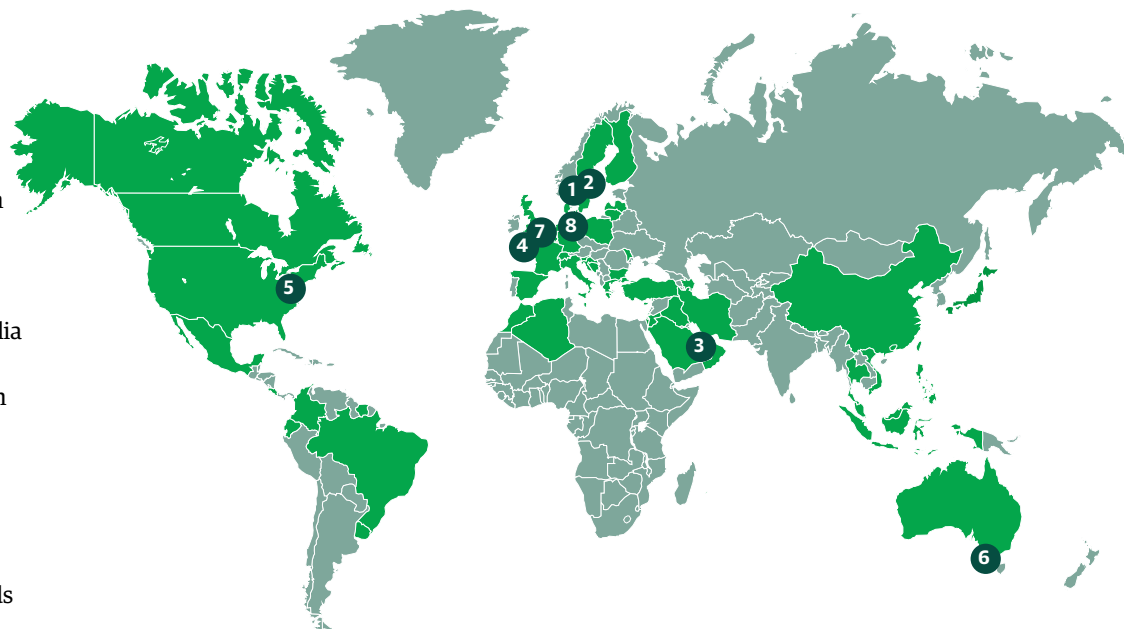
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Sensys Gatso is a global leader in traffic management solutions for nations, cities and fleet owners. Sensys Gatso has subsidiaries in Australia, Costa Rica, Germany, the Netherlands, Saudi Arabia, Sweden, and the USA, and a branch office in the United Arab Emirates and has a total of 308 employees. The Sensys Gatso Group's shares are listed at NASDAQ Stockholm.

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