

# Sensys Gatso Group AB

## Interim Report

### January - March 2021



	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Dec 2020
<b>MSEK</b>				
Net Sales	78.1	95.6	78.1	454.9
Order intake	61.8	61.6	61.8	788.4
Operating profit (EBIT)	-14.1	-13.7	-14.1	10.8
Operating profit (EBITDA)	-5.5	1.0	-5.5	59.4
Total Comprehensive income	-0.9	4.7	-0.9	-15.7
Earnings per share, before and after dilution (SEK)	-0.01	-0.02	-0.01	0.00
Cash flow from operating activities	-40.1	9.6	-40.1	15.5

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## Comments from the CEO

### **12-months rolling Order Intake at SEK 789 million - up 50%**

The order intake during the first quarter totalled SEK 62 million compared to SEK 62 million last year. The order intake for the quarter mainly relates to repeat and smaller orders from our existing installed base as well as SEK 14 million purchase order under the announced procurement award from our Belgium customer of SEK 60 million. Including this procurement award the order intake would amount to SEK 108 million. With order intake in first quarters typically being somewhat lower, the 12-months rolling order intake arrived at SEK 789 million, an equal level compared to Q4 2020 and up 50 percent compared to last year.

### **School Zone Sales expected to pick up in Q2**

Net sales in the quarter arrived at SEK 78 million, compared to SEK 96 million last year. This deviation is to a large extent due to the Managed Services business in the USA falling behind in the quarter by SEK 11 million. We believe this effect to be temporary, caused by COVID related school closings. Automated traffic enforcement in school zones can only be operational when kids attend schools, so not during weekends, vacation periods or forced school closings. Because of COVID, schools in the USA were closed most of the time between the summer period of 2020 through to March 2021, when they gradually reopened. Revenue recognition of school program citations is typically realized 30 days after the citation issuance. It can be expected therefore that the US TRaaS Sales will start picking up again in the second half of Q2 of this year.



### **Strong Costa Rica contract position confirmed**

In February 2020 Sensys Gatso, together with our consortium partners, signed a contract with the Costa Rican government for the country's Nationwide Intelligent Transportation System. To confirm our position in the contract we travelled to Costa Rica in March to meet with our customer Cosevi, with our consortium partners and with members of the Costa Rican government. During these meetings both our strong legal position in the contract and the willingness of our customer to execute the contract were confirmed. Together with our consortium partners we agreed to further reinforce our contractual position in the coming months.

With this, we believe the program will be rolled-out as projected, but on a different timeline. Our best estimate remains that first deliveries will start in the second half of 2021.

### **20% of KSA contract delivered**

After logistics challenges at our customer for our mobile solution in the Kingdom of Saudi Arabia, the execution of this large order resumed with deliveries in February. With these deliveries we have now executed 20 percent of the SEK 275 million total contract value. The end-customers project and the rollout thereof is defining the speed of the deliveries. We are planning the next shipments to align with our customers requirements. We foresee the remainder of the deliveries under the contract still to be executed throughout 2021, with next deliveries scheduled in April.

### **Financing larger contracts**

Our cash at the end of the period amounts to a solid SEK 102 million. This includes the first tranche of SEK 12,5 million of the SEK 50 million new facility agreement, which was signed with Rabobank in 2020, to facilitate further growth. In April 2021 we received the second and third tranche of the Rabobank financing, adding SEK 25 million to the available cash position. This additional funding

enables the company to manage larger contracts and the related buildup of inventory and work in progress, like for instance in the case of the Saudi contract.

### **Outlook**

Our order book is strong and our costs are in control. Even with some short term COVID related revenue impact, we retain our long-term plan to grow our net sales to more than SEK 1 billion, of which TRaaS revenues is more than SEK 600 million, in 2025. We also retain our ambition to increase our EBITDA margin to more than 15 percent in 2025.

**Ivo Mönnink**

**CEO, Sensys Gatso Group**

## Financial summary

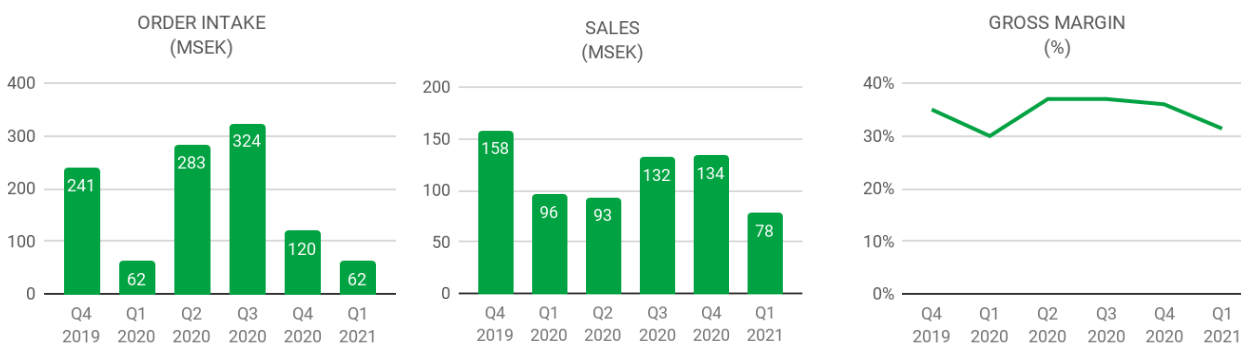
### Key indicators

	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Dec	Jan - Dec
TSEK	2021	2020	2021	2020	2019
Net sales	78,101	95,630	78,101	454,933	406,325
Order intake	61,793	61,625	61,793	788,353	561,940
Gross margin (%)	31.4	30.0	31.4	35.6	35.7
Operating profit (EBIT)	-14,138	-13,721	-14,138	10,821	-24,374
Operating margin (EBIT %)	Neg	Neg	Neg	2.4	Neg
Operating profit (EBITDA)	-5,494	1,017	-5,494	59,438	28,585
Profit for the period	-9,786	-15,813	-9,786	3,954	-15,111
Earnings per share, before and after dilution (SEK)	-0.01	-0.02	-0.01	0.00	-0.02
Cash flow from operations	-40,092	19,914	-40,092	15,466	-3,740

### EBITDA

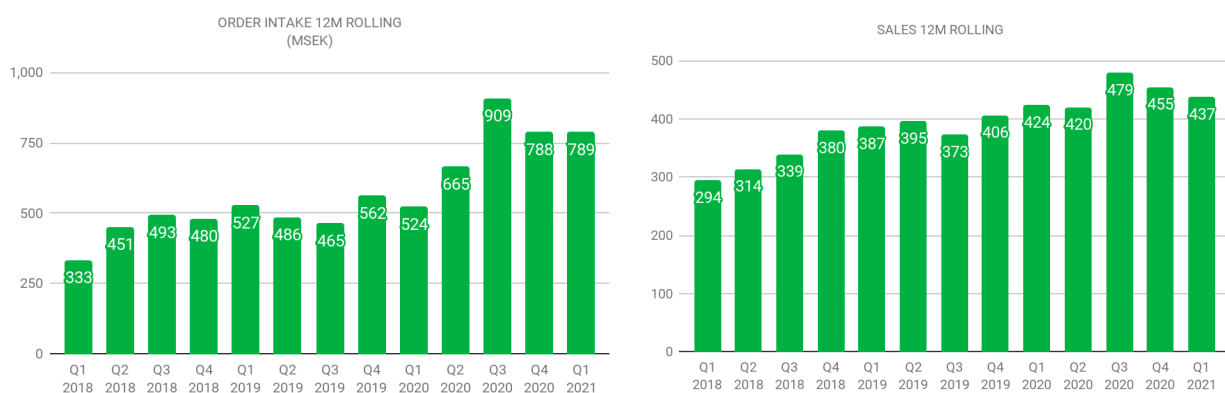
	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Dec	Jan - Dec
TSEK	2021	2020	2021	2020	2019
Operating profit (EBIT)	-14,138	-13,721	-14,138	10,821	-24,374
Depreciation tangible and intangible fixed assets	7,254	9,691	7,254	34,582	30,767
Amortization of acquired intangible assets	1,390	5,046	1,390	14,034	22,192
<b>Operating profit (EBITDA)</b>	<b>-5,494</b>	<b>1,017</b>	<b>-5,494</b>	<b>59,438</b>	<b>28,585</b>

## Financial results Group



### First quarter January – March 2021

Order intake during the first quarter totalled SEK 61.8 million compared to SEK 61.6 million in the same quarter last year. The order intake for the quarter mainly relates to repeat and smaller orders from our existing installed base as well as SEK 13.5 million purchase order under the announced procurement award from our Belgium customer of SEK 60 million. Including the full procurement award the order intake would amount to SEK 108.0 million. The 12 months rolling order intake arrived at 789 million, which is in line with the fourth quarter of 2020.



Net sales in the quarter amounted to SEK 78.1 million (95.6). The segment System Sales contributed SEK 56.3 million (62.9) and Managed Services contributed SEK 21.8 million (32.8). The 12 months rolling sales arrived at SEK 437 million. The gross margin for the quarter was 31.4 percent (30.4).

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

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



#### *TRaaS: Service & Maintenance*

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

#### *TRaaS: Managed Services*

The Managed Services department delivers technology, processes violations, issues citations, collects fines and delivers helpdesk support. Revenues are recognised over a period of time based on the contract duration. Typically the group has a performance obligation to deliver enforcement services. Revenues are recognised based on delivering the enforcement services and are mainly dependent on traffic volumes.

#### *TRaaS: Licenses*

Licence revenues relates to software license fees. The performance obligation is to provide the software and maintain it over a period of time. The revenues are recorded over the contract period.

The TRaaS revenues for the quarter amounted to SEK 47.8 million (53.1), a decrease of approximately 10 percent. This is mainly due to the fulfillment and finish of the Oklahoma contract and the short term impact due to COVID-19 on the school zone programs due to school closings. As the schools have partially reopened in March, these programs have resumed enforcement and will contribute in the second quarter to the revenue.

	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Dec 2020	Jan - Dec 2019
<b>TSEK</b>					
System Sales	30,346	42,546	30,346	237,743	229,153
TRaaS: Service & Maintenance	24,585	20,144	24,585	91,162	79,021
TRaaS: Licenses	1,351	165	1,351	3,623	3,468
TRaaS: Managed Services	21,818	32,775	21,818	122,405	94,686
<b>Total Sales</b>	<b>78,100</b>	<b>95,630</b>	<b>78,100</b>	<b>454,933</b>	<b>406,328</b>
Of which TRaaS:	47,754	53,084	47,754	217,190	177,175
TRaaS % of total Sales:	61%	56%	61%	48%	44%

Of the total sales in the first quarter, 61 percent relates to recurring revenues based on Service & Maintenance, License and Managed Services revenue, compared to 56 percent in the first quarter 2020.

	Jan - Mar	Jan - Mar	Jan - Mar	Jan - Dec	Jan - Dec
TSEK	2021	2020	2021	2020	2019
Europe	23,474	19,086	23,474	153,032	188,089
Americas	21,241	31,788	21,241	119,044	103,453
APAC and MEA	33,385	44,756	33,385	182,857	114,786
<b>Total Sales</b>	<b>78,100</b>	<b>95,630</b>	<b>78,100</b>	<b>454,933</b>	<b>406,328</b>

The sales in the quarter have a good spread over the regions. The sales in the region Americas is predominantly dependent on TRaaS Managed Services sales. The regions Europe and APAC & MEA are more dependent on One-off system sales and TRaaS Service and Maintenance sales.

The operating expenses totalled SEK 38.7 million (42.4) including amortisation of intangible fixed assets recognized. Operating expenses are lower, mainly due to lower amortisation of intangible fixed assets in connection with Purchase Price Allocation of the acquisition of Gatso Beheer BV.

The EBITDA amounted to negative SEK 5.5 million (1.0). The operating profit (EBIT) for the quarter amounted to negative SEK 14.1 million (-13.7) and the profit after taxation totalled negative SEK 9.8 million (-15.8). The profit after tax has improved due to positive net financial items related to currency translation effects on cash and loans to the amount of approximately 4 million compared to negative 5 million.

### Personnel

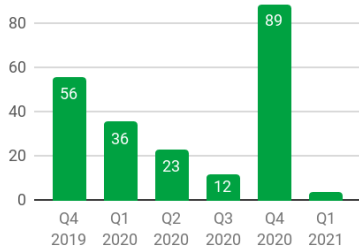
The average number of full-time employees was 238 people (202). The number of employees at the end of the period was 262 compared to 252 at the end of 2020. The increase in employees mainly relates to software development capacity.



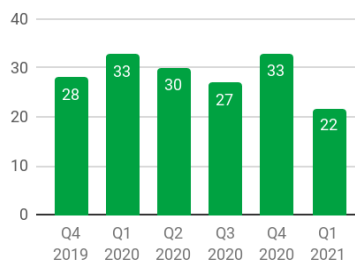
## Business Segments

The two main segments used for internal reporting and managing the different operations are System Sales and Managed Services. TRaaS is recurring revenue from service and maintenance within System Sales and Managed Services.

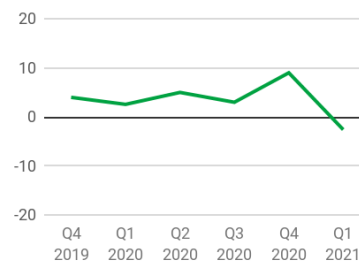
ORDER INTAKE MANAGED SERVICES EXCL  
PROCUREMENT AWARDS (MSEK)



SALES MANAGED SERVICES  
(MSEK)



EBITDA MANAGED SERVICES  
(MSEK)



### Managed Services

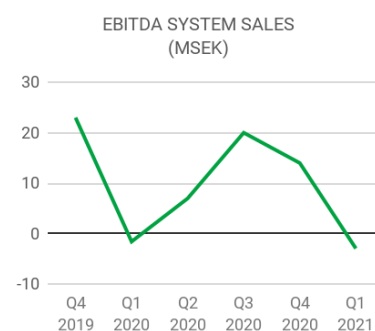
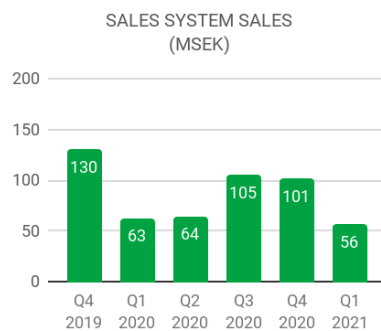
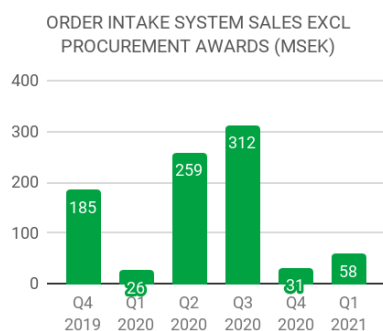
Managed Services sales amounted to SEK 21.8 million (32.8) in the quarter. The segment has incurred an EBITDA of SEK -2.6 million (2.6). Besides the US operation the segment Managed Services also includes Managed Service programs in Germany and the software development department in Amsterdam, which develop the software platforms PULS and Xilium.

The depreciation of this segment, mainly relating to fixed assets in operations, amounted to SEK 3.8 million for the period.

The segment incurred an operating profit (EBIT) of SEK -6.3 million compared to -7.0 million for the same quarter last year.



*Schools have (partially) reopened in March. With that our schoolzone speed programs have also resumed enforcement, protecting the most vulnerable road users: **Children***



## System Sales

The order intake for the segment System Sales amounted to SEK 58.1 million in the quarter. The order intake mainly relates to repeat orders and repairs and calibrations and 13.8 million in purchase orders under the procurement award of SEK 60 million from our Belgium customer. Including the full procurement award the order intake would amount to SEK 104.3 million.

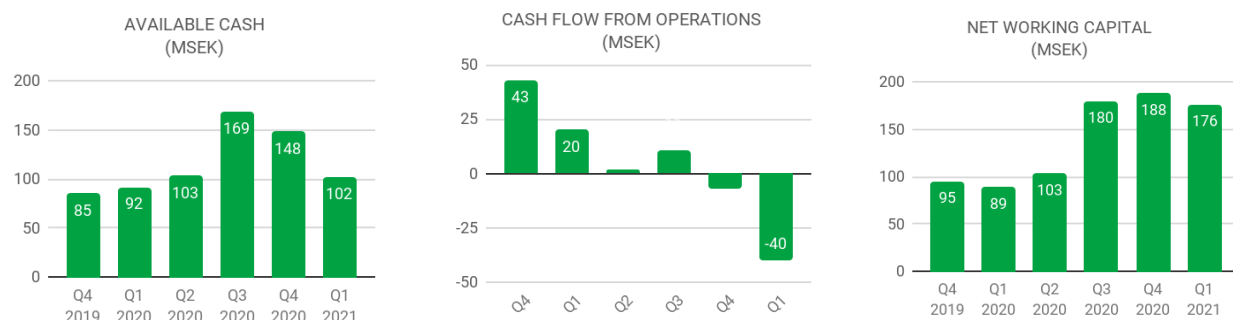
Sales in the segment System Sales relates to one-off system sales and recurring revenue from service and maintenance. In this segment the service and maintenance sales provide a solid income evenly spread throughout the year. The one-off System Sales in this quarter relates mainly to Systems Sales in Middle East and Australia.

Systems Sales amounted to SEK 56.3 million (62.9) in the quarter, of which SEK 25.9 million (20.3) relates to TRaaS recurring revenues.

The segment has incurred an EBITDA of SEK -2.9 million in the quarter compared to SEK -1.6 million in the same quarter of 2020. The operating profit for the quarter amounted to SEK -7.8 million (-6.7).

TSEK	Jan - Mar 2021			Jan - Mar 2020		
	System Sales	Managed Service	Total	System Sales	Managed Service	Total
Total Net sales per business segment	65,493	22,043	87,536	63,634	33,000	96,634
Inter-segment transactions	-9,211	-224	-9,435	-779	-225	-1,004
<b>Total Net Sales</b>	<b>56,282</b>	<b>21,819</b>	<b>78,101</b>	<b>62,855</b>	<b>32,775</b>	<b>95,630</b>
<b>EBITDA</b>	<b>-2,919</b>	<b>-2,575</b>	<b>-5,494</b>	<b>-1,553</b>	<b>2,570</b>	<b>1,017</b>
Depreciation and amortization	-4,879	-3,765	-8,644	-5,186	-9,552	-14,738
<b>Operating Profit</b>	<b>-7,798</b>	<b>-6,340</b>	<b>-14,138</b>	<b>-6,739</b>	<b>-6,982</b>	<b>-13,721</b>
Net financial items			4,284			-5,138
<b>Profit before tax</b>			<b>-9,854</b>			<b>-18,859</b>
Tax			68			3,046
<b>Profit for the period</b>			<b>-9,786</b>			<b>-15,813</b>

## Cash flow and financial position



### Cash and available cash

Cash and cash equivalents at the end of the period totalled SEK 69.3 million (52.4). At the end of the period free available cash amounted to SEK 102.0 million (91.7) taking into account the total amount of available credit facilities.

Not taken into consideration in the free available cash is the remainder of the additional Rabobank financing of SEK 37.5 million. In April 2021 we received the second and third tranche of the Rabobank financing, adding SEK 25 million to the available cash position.

### Cash flow from operating activities

During the quarter Sensys Gatso had a negative cash flow from operating activities of SEK -36.4 million (9.6). The negative operating cash flow is mainly due to building up inventories and work in progress for deliveries to our Saudi customer. The additional Rabobank funding enables the company to manage larger contracts and the related buildup of inventory and work in progress.

### Cash flow from investing activities

The investments in fixed assets for the quarter amounted to SEK 5.1 million (4.0). Of the investments 4.0 million relates to investments in our platforms FLUX, Xilium and PULS.

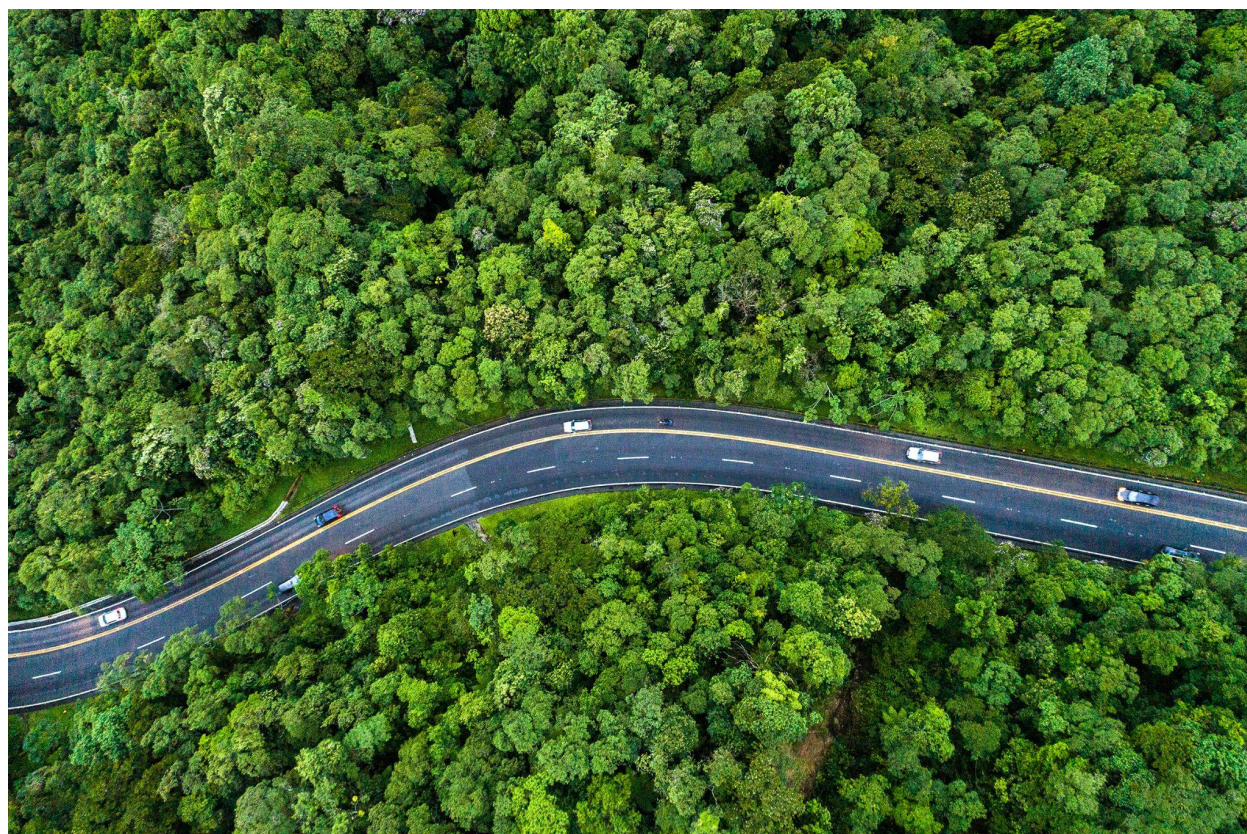
### Financial position

The Group's equity at the end of the period totalled SEK 513.6 million (453.6), producing an equity/assets ratio of 68.1 percent (64.5).

Net interest-bearing debt amounted to SEK 56.0 million (77.0). Due to the implementation of IFRS 16 in 2019 the lease liabilities of operational lease contracts are recorded in the balance sheet as Long-term and short-term lease liabilities. These classifications have an impact on the calculation of Net Interest Bearing Debt. In the calculation of the Adjusted net interest-bearing debt the Lease liabilities are discarded. The Adjusted net interest-bearing debt amounted to SEK 28.8 million (44.4) at the end of the first quarter.



TSEK	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
Lease liabilities	27,142	32,622	28,377	33,449
Bank Loans and Credit facilities	59,066	45,506	51,640	46,090
Shareholder loans	39,116	53,090	38,284	49,836
Cash and bank	-69,349	-54,209	-108,489	-52,373
<b>Net Interest-bearing debt</b>	<b>55,975</b>	<b>77,009</b>	<b>9,812</b>	<b>77,002</b>
-/- Lease liabilities	-27,142	-32,622	-28,377	-33,449
<b>Adjusted Net Interest-bearing debt</b>	<b>28,833</b>	<b>44,387</b>	<b>-18,565</b>	<b>43,553</b>



## Significant events and other information

### Significant events during the quarter

- 19 Jan Sensys Gatso Group appoints Pär Degerman as new CTO
- 21 Jan Sensys Gatso has received a procurement award for red-light and speed enforcement in Belgium worth SEK 60 million
- 26 Feb Sensys Gatso receives an order from Fareco Group worth SEK 6.8 million
- 20 Mar Sensys Gatso Australia receives order for traffic safety systems and services worth SEK 16 million

### Significant events after the quarter

No significant events after the quarter.

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

### Related party transactions

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

### Sustainability

Sensys Gatso solutions promote reduced negative environmental impacts from vehicles. Sensys Gatso solutions not only help save lives by preventing road crashes – our products and services also contribute to the reduction of carbon emissions and lower pollution levels. Emissions from transportation accounts for about 1/5 of global carbon emissions, where road transportation accounts for 72 percent. Lower speeds, however, lead to the reduction of both carbon emissions and the release of pollutants, called NOx particles. Reducing speed limits from, for example, 75mph to 60mph result in a 25 percent reduction in emissions. Read more about how Sensys Gatso solutions promote reduced negative environmental impacts from vehicles in the 2020 Annual Report on page 12-15 available at [www.sensysgatso.com](http://www.sensysgatso.com)



Several global trends continued to favor Sensys Gatso, not the least the world's drive for sustainable cities, reduced environmental impacts from vehicles and the fulfillment of the UN's 2030 sustainable development goals. Making roads safer by changing human 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. Our supply chain is European and the development and production of our systems is in part provided by third party suppliers in Sweden, and partly at our own production facility in Haarlem, the Netherlands. All together we engage approximately 10 employees in Haarlem and another 80 different suppliers in Sweden and the Netherlands. Given our European centric development model, we, as a company, are required to follow EU environmental legislations and regulations, such as WEEE and RoHS. Several global trends continued to favor Sensys Gatso, not the least the world's drive for sustainable cities, reduced environmental impacts from vehicles and the fulfillment of the UN's 2030 sustainable development goals. This is the bigger picture, read our sustainability report in the 2020 Annual report on page 16-20 available at [www.sensysgatso.com](http://www.sensysgatso.com).

### **AGM 2021**

The AGM for 2021 will take place on Tuesday May 11, 2021, in Jönköping. Please, go to [www.sensysgatso.com/](http://www.sensysgatso.com/) for more information about the nomination committee and how to proceed as a shareholder to get an issue handled by the AGM.

### **Audit**

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

### **Invitation to a presentation**

On 27 April at 10 am CET Sensys Gatso Group invites press, analysts, shareholders, and stakeholders to participate in a presentation/audiocast. The company's CEO Ivo Mönnink and CFO Simon Mulder will present the financial results in English. The presentation in connection with this report will be published on the website.

The presentation/audiocast can be joined online or via telephone and will be available on the company's webpage <https://www.sensysgatso.com>

Link to the presentation/audiocast: <https://tv.streamfabriken.com/sensys-gatso-group-q1-2021>

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*This information is information that Sensys Gatso Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08.30 on 27 April 2021.*



## Group figures

### Consolidated statement of comprehensive income

	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Dec 2020	Jan - Dec 2019
<b>TSEK</b>					
<b>Net sales</b>	78,101	95,630	78,101	454,933	406,325
Cost of goods sold	-53,584	-66,964	-53,584	-293,066	-261,278
<b>Gross profit</b>	<b>24,517</b>	<b>28,666</b>	<b>24,517</b>	<b>161,867</b>	<b>145,047</b>
Selling expenses	-16,079	-20,899	-16,079	-72,177	-81,157
Administrative expenses	-9,758	-11,927	-9,758	-48,300	-41,067
Development expenses	-13,709	-9,902	-13,709	-34,080	-47,849
Other operating expenses/income (1)	891	341	891	3,511	634
<b>Operating profit</b>	<b>-14,138</b>	<b>-13,721</b>	<b>-14,138</b>	<b>10,821</b>	<b>-24,392</b>
Net financial items	4,284	-5,138	4,284	-8,345	-3,137
<b>Profit before tax</b>	<b>-9,854</b>	<b>-18,859</b>	<b>-9,854</b>	<b>2,476</b>	<b>-27,529</b>
Tax	68	3,046	68	1,478	12,418
<b>Profit for the period</b>	<b>-9,786</b>	<b>-15,813</b>	<b>-9,786</b>	<b>3,954</b>	<b>-15,111</b>
Profit is attributable to owners of Sensys Gatso Group AB	-8,948	-15,002	-8,948	5,051	-13,386
Profit is attributable to non- controlling interest	-838	-811	-838	-1,097	-1,725
	<b>-9,786</b>	<b>-15,813</b>	<b>-9,786</b>	<b>3,954</b>	<b>-15,111</b>
<b>Other comprehensive income</b>					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	8,862	20,523	8,862	-19,697	9,154
<b>Total other comprehensive income for the period, net after tax</b>	<b>8,862</b>	<b>20,523</b>	<b>8,862</b>	<b>-19,697</b>	<b>9,154</b>
<b>Total comprehensive income for the period</b>	<b>-924</b>	<b>4,710</b>	<b>-924</b>	<b>-15,743</b>	<b>-5,957</b>
Number of shares (thousands)	921,776	860,024	921,776	921,776	860,024
Earnings per share, before and after dilution (SEK)	-0.01	-0.02	-0.01	0.00	-0.02

1) The full year numbers of 2020 includes 3.5MSEK Governmental COVID-19 relief



## Consolidated balance sheet

TSEK	31 Mar 2021	31 Mar 2020	31 Dec 2020	31 Dec 2019
<b>Assets</b>				
Goodwill	249,528	272,549	242,145	257,164
Customer contracts and relations	1,158	6,889	1,298	10,338
Brand	9,644	12,735	9,857	12,738
Product and software development	39,042	32,613	36,229	29,582
Property, plant and equipment	37,786	42,078	38,551	45,253
Fixed assets in operations	48,531	56,042	47,885	56,110
Deferred tax assets	41,231	46,297	39,983	45,315
Other non-current assets	288	342	289	330
Trade and other receivables	72,141	50,022	68,142	76,137
Inventories and work in progress	148,199	102,544	127,318	86,549
Other current assets	37,900	26,941	47,059	36,464
Cash and bank balances	69,349	54,209	108,489	52,373
<b>Total assets</b>	<b>754,797</b>	<b>703,261</b>	<b>767,245</b>	<b>708,353</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	513,635	453,564	514,559	448,854
Long-term Lease liabilities	18,717	22,344	19,043	23,110
Long-term Bank loans	8,318	0	8,783	0
Long-term Liabilities towards shareholders	28,916	42,007	28,246	39,387
Warranty Provision	10,257	10,550	10,026	10,032
Deferred tax liabilities	4,489	8,374	4,703	9,753
Short-term Lease liabilities	8,425	10,278	9,334	10,339
Short-term Bank liabilities	50,748	45,506	42,857	46,090
Short-term liabilities towards shareholders	10,200	11,083	10,038	10,449
Trade and other payables	35,800	33,687	62,417	47,955
Other current interest-free liabilities	65,292	65,868	57,239	62,384
<b>Total shareholders' equity and liabilities</b>	<b>754,797</b>	<b>703,261</b>	<b>767,245</b>	<b>708,353</b>

1) The other current interest-free liabilities of 2020 includes 4.8MSEK Governmental COVID-19 Relief loan

## Consolidated statement of changes in equity

	31 Mar 2021	31 Mar 2020	31 Dec 2021	31 Dec 2020	31 Dec 2019
<b>TSEK</b>					
<b>Beginning of period</b>	<b>514,559</b>	<b>448,854</b>	<b>514,559</b>	<b>448,854</b>	<b>453,689</b>
New share issue	0	0	0	84,475	0
Share issue costs (net after tax effect)	0	0	0	-3,255	0
Other movements	0	0	0	227	1,107
<i>Comprehensive income</i>					
Net profit for the period	-8,948	-15,002	-8,948	5,051	-13,371
Minority interest in subsidiaries	-838	-811	-838	-1,097	-1,725
Other comprehensive income	8,862	20,523	8,862	-19,696	9,154
<b>Total comprehensive income for the period</b>	<b>-924</b>	<b>4,710</b>	<b>-924</b>	<b>-15,742</b>	<b>-4,835</b>
<b>End of period</b>	<b>513,635</b>	<b>453,564</b>	<b>513,635</b>	<b>514,559</b>	<b>448,854</b>

## Cash flow statement

	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Dec 2020	Jan - Dec 2019
<b>TSEK</b>					
<b>Operating profit</b>	<b>-14,138</b>	<b>-13,721</b>	<b>-14,138</b>	<b>10,821</b>	<b>-24,392</b>
Items with no effect on cash flow	12,311	15,370	12,311	48,612	57,561
Financial items	-3,976	-6,463	-3,976	-4,047	-1,817
Tax paid	-50	586	-50	2,296	425
<b>Funds contributing from operating activities</b>	<b>-5,853</b>	<b>-4,228</b>	<b>-5,853</b>	<b>57,682</b>	<b>31,777</b>
Change in working capital	-34,239	13,865	-34,239	-42,216	-35,517
<b>Cash flow from operating activities</b>	<b>-40,092</b>	<b>9,637</b>	<b>-40,092</b>	<b>15,466</b>	<b>-3,740</b>
Cash flow from investing activities	-5,090	-3,985	-5,090	-33,008	-45,005
	<b>-45,182</b>	<b>5,652</b>	<b>-45,182</b>	<b>-17,542</b>	<b>-48,745</b>
<b>Financing activities</b>					
New share issue minus cost	0	0	0	70,965	0
Loan movements (1)	-640	0	-640	16,796	0
Lease payments (IFRS16)	-2,167	-2,745	-2,167	-11,549	-11,689
Repayment/usage of credit facilities	7,891	-585	7,891	-3,233	46,090
Repayment of loan to shareholders	0	0	0	0	-10,199
<b>Change in cash and bank balances</b>	<b>-40,098</b>	<b>2,322</b>	<b>-40,098</b>	<b>55,437</b>	<b>-24,543</b>
Liquid funds at the beginning of the period	108,489	52,372	108,489	52,372	76,607
Translation differences in liquid funds	958	-485	958	680	309
<b>Closing cash and cash equivalents</b>	<b>69,349</b>	<b>54,209</b>	<b>69,349</b>	<b>108,489</b>	<b>52,373</b>

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

## Parent company figures

### Statement of comprehensive income

	Jan - Mar 2021	Jan - Mar 2020	Jan - Mar 2021	Jan - Dec 2020	Jan - Dec 2019
<b>TSEK</b>					
Other sales	4,417	3,569	4,417	11,941	7,981
Cost of goods sold		0		0	0
<b>Gross profit</b>	<b>4,417</b>	<b>3,569</b>	<b>4,417</b>	<b>11,941</b>	<b>7,981</b>
Selling expenses	0	0	0	0	0
Administrative expenses	-5,552	-4,866	-5,552	-17,205	-13,665
Development expenses	0	0	0	0	0
Other operating expenses/income	0	0	0	0	-24
<b>Operating profit</b>	<b>-1,135</b>	<b>-1,297</b>	<b>-1,135</b>	<b>-5,264</b>	<b>-5,708</b>
Net financial items	592	-1,548	592	13,630	10,883
<b>Profit before tax</b>	<b>-543</b>	<b>-2,845</b>	<b>-543</b>	<b>8,366</b>	<b>5,175</b>
Tax	0	0	0	-1,707	-1,121
<b>Profit for the period/Comprehensive income for the period</b>	<b>-543</b>	<b>-2,845</b>	<b>-543</b>	<b>6,659</b>	<b>4,054</b>

	31 Mar	31 Mar	31 Dec	31 Dec
TSEK	2021	2020	2020	2019
Product and software development	21,994	10,542	19,933	6,896
Shares in subsidiaries	413,952	413,952	413,952	413,952
Deferred tax assets	17,714	18,640	17,714	18,640
Receivables from Group	94,423	46,381	64,537	45,118
Other current assets	2,536	2,416	1,511	1,529
Cash and bank balances	30,976	8,890	62,755	12,866
<b>Total assets</b>	<b>581,595</b>	<b>500,821</b>	<b>580,402</b>	<b>499,001</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	554,209	462,301	554,752	465,146
Long-term Bank loans	0	0	0	0
Long-term liabilities towards shareholders	8,441	19,841	8,170	18,489
Short-term Bank liabilities	0	0	0	0
Short-term liabilities towards shareholder	10,200	11,083	10,038	10,449
Trade and other payables	1,424	2,879	1,431	1,412
Trade and other payables from Group	3,698	2,112	2,510	1,331
Other current interest-free liabilities	3,623	2,605	3,501	2,174
<b>Total shareholders' equity and liabilities</b>	<b>581,595</b>	<b>500,821</b>	<b>580,402</b>	<b>499,001</b>

## Statement of changes in shareholders equity

TSEK	31 Mar 2021	31 Mar 2020	31 Mar 2021	31 Dec 2020	31 Dec 2019
<b>Beginning of period</b>	<b>554,752</b>	<b>465,146</b>	<b>554,752</b>	<b>465,146</b>	<b>460,790</b>
New share issue, net	0	0	0	84,475	0
Share issue costs (net after tax effect)	0	0	0	-3,255	0
Other movements	0	0	0	1,500	0
Profit for the period/Comprehensive income for the period	-543	-2,845	-543	6,659	4,054
Stock related remuneration	0	0	0	227	302
<b>End of period</b>	<b>554,209</b>	<b>462,301</b>	<b>554,209</b>	<b>554,752</b>	<b>465,146</b>

The other movements in 2020 relate to additional Parent Company Contribution from the Swedish Subsidiary Sensys Gatso Sweden AB relating to the year 2019.

## The Sensys Gatso share

The number of shares at the end of the period amounted to 921,776,405 (860,024,407). The average number of shares during the period was 921,776,405 (860,024,407).

The table below shows the ten largest shareholders in the Company as per end of March 2021. The family office that founded Gatso, which was acquired by Sensys Traffic AB in 2015, is the company's largest shareholder with 17 percent (BNP). (Source Euroclear).

#	Shareholder	Number of shares	Proportion of share capital/ Votes%
1	BNP PARIBAS SEC SERVICES PARIS	164,428,138	17.8
2	FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	41,979,729	4.5
3	NORDNET PENSIONS FÖRSÄKRING AB	27,756,742	3.0
4	WALL, PER	23,000,000	2.5
5	BERGSTRAND, INGER	20,659,837	2.2
6	Handelsbanken fonder	13,475,504	1.5
7	SEB Investment Management	10,921,738	1.2
8	SWEDBANK FÖRSÄKRING AB	8,796,065	0.9
9	FUTUR PENSION	8,080,826	0.9
10	BNY MELLON SA/NV (FORMER BNY), W8IMY	7,609,224	0.8

#	Country	Proportion of share capital/ Votes%
1	Sweden	76.0
2	Netherlands	17.9
3	Denmark	1.3
4	United States	1.0
5	Belgium	0.9
6	Other	2.9
		<b>100.0</b>



## Quarterly data

### Consolidated statement of income

	2021		2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
<b>Net sales</b>	78,101	134,252	131,595	93,456	95,630	157,997	73,028	96,863	
Cost of goods sold	-53,584	-85,260	-82,399	-58,443	-66,964	-103,374	-48,272	-60,360	
<b>Gross profit</b>	<b>24,517</b>	<b>48,992</b>	<b>49,196</b>	<b>35,013</b>	<b>28,666</b>	<b>54,623</b>	<b>24,756</b>	<b>36,503</b>	
Costs	-38,655	-36,451	-36,268	-35,940	-42,387	-40,726	-42,601	-44,751	
<b>Operating profit</b>	<b>-14,138</b>	<b>12,541</b>	<b>12,928</b>	<b>-927</b>	<b>-13,721</b>	<b>13,897</b>	<b>-17,845</b>	<b>-8,248</b>	
Net financial items	4,284	-884	-4,120	1,797	-5,138	-1,017	-63	-1,594	
<b>Profit before tax</b>	<b>-9,854</b>	<b>11,657</b>	<b>8,808</b>	<b>870</b>	<b>-18,859</b>	<b>12,880</b>	<b>-17,908</b>	<b>-9,842</b>	
Tax	68	-929	-2,892	2,253	3,046	5,532	2,238	1,594	
<b>Profit for the period</b>	<b>-9,786</b>	<b>10,728</b>	<b>5,916</b>	<b>3,123</b>	<b>-15,813</b>	<b>18,412</b>	<b>-15,670</b>	<b>-8,248</b>	

### Key indicators and other information

TSEK	2021		2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	
Operating margin (%)	Neg	9.34	9.82	Neg	Neg	8.80	Neg	Neg	
Gross margin (%)	31.39	36.49	37.38	37.46	29.98	34.57	33.90	37.69	
Profit margin (%)	neg	7.99	4.50	3.34	Neg	11.65	Neg	Neg	
Equity per share (SEK)	0.56	0.56	0.56	0.51	0.53	0.52	0.51	0.52	
Cash flow per share (SEK)	-0.04	-0.01	0.01	0.00	0.02	0.05	-0.03	0.00	
Number of employees	252	252	259	255	270	252	255	231	
No. of outstanding shares (thousands)	921,776	921,776	913,596	860,024	860,024	860,024	860,024	860,024	
Equity/assets ratio (%)	68.05	67.07	65.98	64.34	64.49	63.37	61.41	66.14	
Order intake (SEK thousands)	61,793	120,458	323,701	282,569	61,625	241,194	79,314	141,457	

## Segment data

	2021		2020				2019	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Order intake</b>								
System Sales	58,061	31,458	312,125	259,326	26,017	185,194	73,554	51,157
Managed Services	3,732	89,000	11,576	23,243	35,608	56,000	5,760	90,300
	<b>61,793</b>	<b>120,458</b>	<b>323,701</b>	<b>282,569</b>	<b>61,625</b>	<b>241,194</b>	<b>79,314</b>	<b>141,457</b>

	2021		2020				2019	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Net sales</b>								
System Sales	56,282	100,902	105,093	63,680	62,855	129,705	48,124	72,316
Managed Services	21,819	33,350	26,502	29,776	32,775	28,291	24,904	24,547
	<b>78,101</b>	<b>134,252</b>	<b>131,595</b>	<b>93,456</b>	<b>95,630</b>	<b>157,996</b>	<b>73,028</b>	<b>96,863</b>

	2021		2020				2019	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>Operating Profit (EBITDA)</b>								
System Sales	-2,919	13,978	19,835	7,042	-1,553	22,661	-2,217	1,586
Managed Services	-2,575	9,329	2,964	5,273	2,570	4,411	-574	2,834
	<b>-5,494</b>	<b>23,307</b>	<b>22,799</b>	<b>12,315</b>	<b>1,017</b>	<b>27,072</b>	<b>-2,791</b>	<b>4,420</b>

## Notes and definitions

### Key Indicator definitions

KPI	Definition
Gross margin	Gross profit as a percentage of net sales
Operating profit (EBIT)	Profit for the period before net financial items and tax
Operating margin	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)
Order intake	The sum of purchase orders received in the period
Purchase order	Received order to deliver goods or services
Procurement award	Contract with estimated sales volume against fixed conditions over a period of time without purchase order obligations
Number of employees	The number of employees (fixed and variable) at the end of the period
Average number of employees (FTE)	The number of average full time equivalent employees during a period
Free available cash	Cash and bank balances plus remainder of the credit facilities made available to the company
12M Rolling	Sum of the last 12 months

### General

#### Nature of operations

Sensys Gatso Group develops markets, sells and operates world-leading system solutions and products to improve traffic safety. Our largest product category includes automatic speed and red-light monitoring systems designed to prevent traffic accidents and thereby saving lives and social resources. All products are based on our unique, high precision, target-tracking radars offering high legal certainty. The market for traffic safety systems is a global niche market with healthy underlying growth.

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

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

**Volatility**

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

**Risks and uncertainty**

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

For more information about the group's risks, please refer to note 25 of the 2020 Annual Report. There are not considered to be any significant risks in addition to these.

**Accounting policies**

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

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

The accounting policies adopted are consistent with those of the previous financial year as presented in the annual report for 2020.

For more information about the accounting policies applied and definitions of key indicators, please refer to the annual report issued for 2020, which is available on the Sensys Gatso [website](http://www.sensysgatso.com) [www.sensysgatso.com](http://www.sensysgatso.com)

# Financial calendar

## Upcoming financial events

<b>Calendar</b>	
AGM	11 May 2021
Q2 Interim Report January- June 2021	18 August 2021
Q3 Interim Report January - September 2021	24 November 2021
Q4 Year-End Report January - December 2021	23 February 2022

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## Our Vision

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

## Our Strategy

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

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

## Our long-term financial goals for 2025

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

## 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.