

Sensys Gatso Group AB

Q2 2024

Interim Report January-June 2024

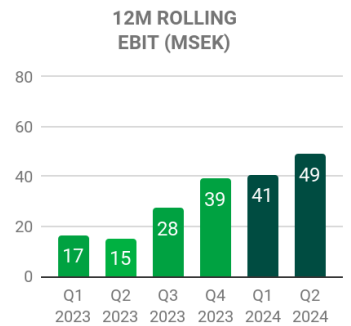
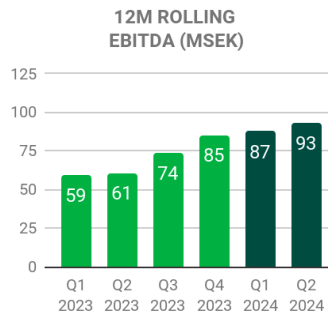
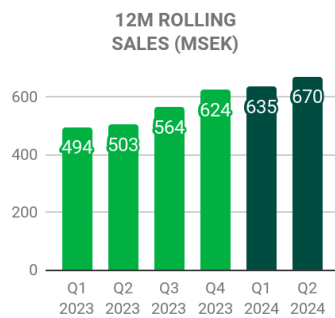
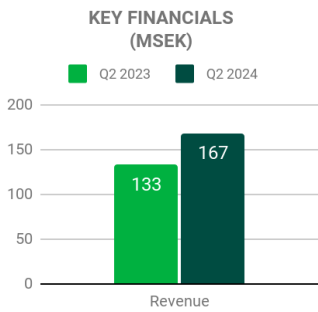


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Comments from the CEO

Delivering on our ambition

We realised a strong order intake this quarter, 37% higher than last year. Our sales team in the USA is making great commercial progress by signing three new contracts, on top of the nine new contracts signed in Q1. Furthermore, the execution of the two large contracts in Sweden and the Netherlands, with a combined contract value of SEK 1.25 billion, is on track to drive revenue for many years to come, starting in Q4 this year. Lastly, new traffic enforcement solutions are technically qualified by our Saudi customer. Altogether, we are on track to meet our 2025 financial ambition.

Order Intake +37%

Order intake and procurement awards during the second quarter came in at MSEK 418 compared to MSEK 306 in Q2 2023, an increase of 37%. Of the total order intake, SEK 276 million, or 61%, is from TRaaS Managed Services contracts in the USA. Part of the order intake this quarter is the signing of our first contract in the Town of Stratford, Connecticut, worth SEK 73 million. This state just recently opened up for Photo Enforcement. Getting our first contract in this state is an important milestone for us. For the first half year, the total order intake, including procurement awards, amounted to SEK 736 million (396).

No less than SEK 551 million, or 75%, came from TRaaS order intake from the US market. With our strengthened US sales team we managed to sign twelve contracts in the first half of 2024, of which five new customers and seven contract renewal and extensions. It's encouraging to see that our stepped-up sales efforts in the crucial US market are clearly visible in the order intake.

Large backlog from home markets

In 2022, we received two large orders in our home markets, Sweden and The Netherlands. The combined value of the two contracts is SEK 1,250 million. The Swedish order of SEK 850 million is in its final development phase. The rollout of this project is now expected to commence in the third quarter and will continue for the next five years. The Dutch order, worth SEK 400 million, has started its rollout and will continue into the first

half of 2025, depending on the acceptance schedule from our customer. Of the combined SEK 1.25 billion contract value, 9% has been delivered to date, the remaining SEK 1.14 billion is still in our backlog.

Revenue is up 26%

Total Revenue for the quarter arrived at SEK 167 million. Compared to SEK 133 million in Q2 2023, this is an increase of 26%. Looking at Revenue by Nature, our System Sales for the quarter arrived at SEK 119 million. Compared to SEK 90 million in Q2 2023, this is an increase of 32%. Our TRaaS revenue for the quarter of SEK 88 million was slightly higher than Q2 2023 at SEK 87 million. This recurring business equates this quarter to 53% of total sales. The TRaaS revenue is primarily driven by our TRaaS Managed Services sales, which was up this quarter by 13% to SEK 59 million (52). Year to date, our TRaaS Managed Services revenue grew by 16% from SEK 102 million in 2023 to SEK 118 million in 2024. The revenue from newly signed contracts in the USA this year is not yet part of this. We expect these new contracts to start contributing by the end of 2024.

Legislative changes in Iowa

As of May 17, 2024 the state of Iowa in the USA enacted legislation that provided guidelines for automated speed enforcement programs. The aim is to bring Iowa legislation in line with other states, mostly regarding permitted locations, maximum fine amounts, and speed thresholds. As communities navigated the changes, some programs were paused between May 17th and late June. We estimate that the pause of the programs will have limited effect on the revenues for 2024 in the US. The changes include the catch up period through the process of restarting the mailing of citations and the timing for payments thereafter. We do not project that the Iowa legislative changes will have an effect on the delivery of services or revenue in future years, other than a temporary pause on the start of the implementation of three new programs in Newton, Granger, and Grinnell. Our US team will continue to work with partner communities to ensure the effectiveness of their

driver safety programs while adhering to the new regulations.

New solutions technically qualified in Saudi

In April this year, we signed a Memorandum of Understanding with our customer Tahakom in the Kingdom of Saudi Arabia. With this MOU, Sensys Gatso will collaborate with Tahakom in multiple initiatives across Saudi Green Initiative, Local Content and the road to Saudi Vision 2030, reinforcing the strong partnership between the two entities that dates back to 2016. Sensys Gatso and Tahakom will provide the Kingdom with next-generation traffic safety solutions that can handle a variety of Smart Mobility features in all environments and weather conditions. Next to the successful in-vehicle solution, Tahakom has now technically qualified Sensys Gatso as a supplier for Fixed Speed and Fixed Redlight solutions, creating the possibility for a more in-depth relationship in the future.

Big on-going projects

The available cash at the end of the quarter came in at SEK 65 million compared to SEK 84 million at the beginning of the year. Financing of big projects such as the Swedish and Dutch Contracts has temporarily increased our investments in working capital. On top we have continued investing in Fixed Assets in operations in the USA as well as in our software platforms. With the roll-out of the projects in Sweden and The Netherlands we expect a gradual improvement of our available cash.

EBITDA up 28%

Our Gross Margin this quarter was 42%, the same as in Q2 2023. This is mainly due to higher margins on system sales from our Saudi customer. At the same time, and as planned, we face lower margins on deliveries of system sales in the initial phase, specifically from the new large contracts in the Netherlands and Sweden.

We typically start the rollout of a new System Sales program with the delivery and installation of systems, followed by acceptance by our customer. Only after customer acceptance, the systems go into operation and the Service and Maintenance part of the contract commences. This is a gradual process over a period of 12 to 18 months. The program will come to full fruition when all new

systems have been installed and are in operation. The overall gross margin of the contract will gradually recoup during this phase. Twelve months rolling, our margin is stable at around 40%.

Our EBITDA for the quarter arrived at SEK 25 million, 28% higher than in Q2 2023 at SEK 19 million. Year to date, the EBITDA arrived at SEK 28.3 million, 37% higher than the first half of 2023 at SEK 20.7 million.

Outlook

Our order book is strong, with a revenue backlog of SEK 1.14 billion from two large contracts in our home markets, Sweden and the Netherlands. Our profitable TRaaS business continues to grow, and our strengthened team in the USA proves able to sustainably grow our topline in this strategic market. On top, we are pleased to see our new ground-breaking roadside platform, FLUX, now launched in our home markets Sweden and The Netherlands. We therefore retain our long-term plan and ambition to, by the end of 2025, grow our net sales to more than SEK 1 billion, of which TRaaS revenue is more than SEK 600 million. We also retain our ambition to increase our EBITDA margin to more than 15% by the end of 2025.

Ivo Mönnink

CEO, Sensys Gatso Group

Financial summary

	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
MSEK				
Revenue	167	133	292	246
Order intake and Procurement Awards	418	306	736	396
Operating profit (EBITDA)	24.6	19.2	28.3	20.7
Operating profit (EBIT)	13.6	5.6	6.7	-3.0
Total Comprehensive income	3.5	27.9	23.2	14.4
Earnings per share, before and after dilution (SEK)	0.83	0.32	0.38	-0.89
Cash flow from operating activities	-44.1	-19.3	10.9	-27.1

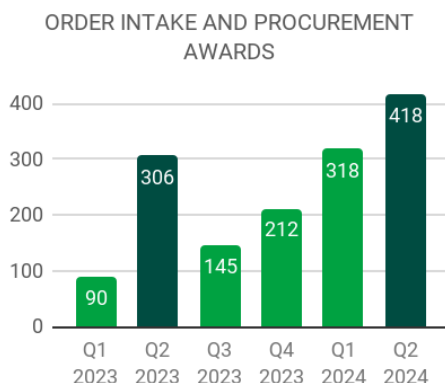
**Share data are recalculated based on the 80:1 reversed share split.*

Financial results Group

Order intake and procurement awards

Order intake and procurement awards during the second quarter totaled MSEK 418 compared to MSEK 306 in Q2 2023. Of the total order intake, MSEK 276 is from new Managed Services contracts in the USA. During the quarter Sensys Gatso Netherlands has secured a contract with the Dutch government for enforcement on highways of average speed worth 84 million.

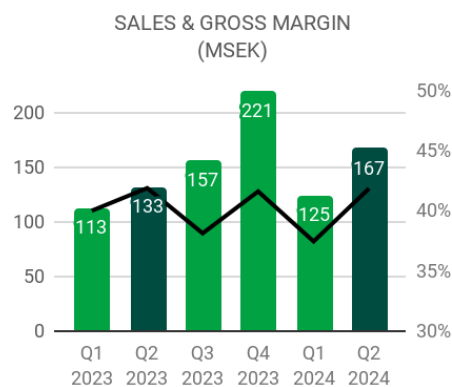
From a half year perspective the order intake amounted to MSEK 736 compared to MSEK 396. The increase in order intake is mainly driven by TRaaS order intake of MSEK 550, mainly from the US in the first and second quarter.



Net Sales and gross margin

Net sales in the quarter amounted to MSEK 167 (133). The gross margin for the quarter was 41.9 percent (41.9).

From a half year perspective the sales amounted to MSEK 292 (246). The increase in sales is mainly driven by increased System sales deliveries on the Dutch project for speed enforcement. The margin for the first half year was approximately 40% compared to 41% in 2023.



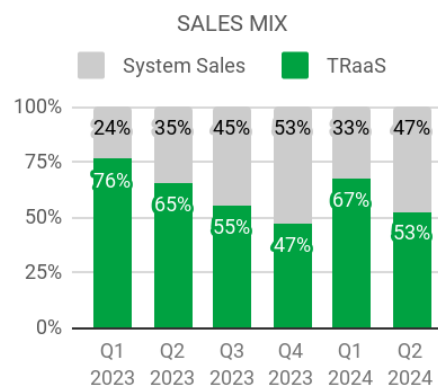
TRaaS Sales

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

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

The TRaaS sales for the quarter of MSEK 88 (87) equates to 53% of total sales. This is mainly driven by the segment Managed Services.

From half year perspective the TRaaS sales amounted to MSEK 172 (173), or 59% (70%) of total sales.



MSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
System Sales	79	46	120	73
TRaaS: Service & Maintenance & Licences	29	34	54	71
TRaaS: Managed Services	59	53	118	101
Total Revenue	167	133	292	246
Of which TRaaS:	88	87	172	173
TRaaS % of total Sales:	53%	65%	59%	70%

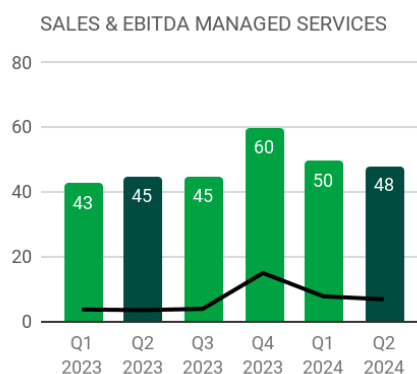
Nature (MSEK)	Segments		Q2 2024
	System Sales	Managed Services	Total
System Sales	79		79
TRaaS: Service & Maintenance & Licences	29		29
TRaaS: Managed Services	11	48	59
	119	48	167

Nature (MSEK)	Segments		Q2 2023
	System Sales	Managed Services	Total
System Sales	46		46
TRaaS: Service & Maintenance & Licences	34		34
TRaaS: Managed Services	8	45	53
	88	45	133

Business segment Managed Services

The revenue for the business segment Managed Services consists of Sensys Gatso USA and several projects in Germany. The revenue of the segment in the quarter amounted to MSEK 48 compared to MSEK 45 million for the same quarter last year. From a half year perspective the sales amounted to MSEK 98 (87) and the EBITDA MSEK 15 (7).

MSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Segment Revenue				
Managed Services	51	46	102	93
Inter-segment transactions	-3	-2	-4	-5
Revenue	48	45	98	87
EBITDA	7	4	15	7
Depreciation and amortisation	-7	-9	-13	-14
Operating Profit	0	-5	2	-7



Business segment System Sales

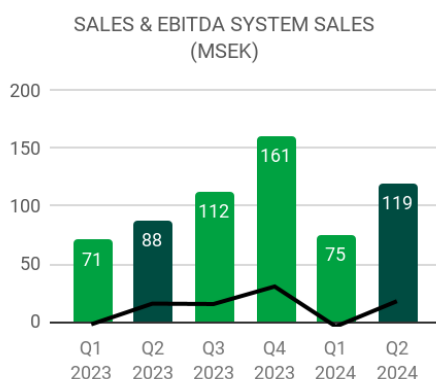
The business segment System Sales, mainly consists of our Dutch, Swedish and Australian operational companies. The revenue of the segment consists of System Sales and TRaaS generated from service and maintenance contracts. Sales amounted to total MSEK 119 compared to MSEK 88 for the same quarter last year. The EBITDA for the segment resulted in a profit of MSEK 17.7 (15.6). The EBITDA of this segment is still impacted by lower margins on deliveries of system sales in the initial phase of a new contract. Once Service and Maintenance commences on the delivered systems, we expect to see an increased gross margin on these projects. From a half year perspective the sales amounted to MSEK 195 (158) and the EBITDA MSEK 14 (13).

MSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Segment Revenue				
System Sales	121	99	210	182
Inter-segment transactions	-2	-11	-15	-23
Revenue	119	88	195	158
EBITDA	18	16	14	13
Depreciation and amortisation	-4	-5	-9	-10
Operating Profit	14	11	5	4

Sales regions

Sales in the European region has remained on a good level with the rollout of mainly the Dutch Tender. The increase in sales in the APAC & MEA region is driven by deliveries to Middle East customers. Revenue from the Americas is lower mainly due to lower LATAM system sales in the quarter compared to the same quarter last year. From a half year perspective the sales amounted to MSEK 292 (246). The increase in sales is mainly driven by increased sales in the APAC and MEA region.

MSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Europe	52	45	97	90
Americas	47	54	97	96
APAC and MEA	68	34	99	60
Total Revenue	167	133	292	246



Operating expenses

The operating expenses for the quarter totaled MSEK 56.7 (49.7), excluding financial items. The increase in expenses is mainly driven by selling expenses. This is related to increased sales efforts in the USA and expenses related to the Intertraffic event in April 2024. The operating expenses for the first half year totaled MSEK 112 (104), excluding financial items.

Profitability

The EBITDA in the quarter amounted to MSEK 24.6 (19.2). The operating profit (EBIT) for the quarter amounted to MSEK 13.6 (5.6). The EBITDA for the first half year amounted to MSEK 28.3 (20.7). The operating profit (EBIT) for the first half year amounted to MSEK 6.7 (-3.0).

MSEK	Q2	Q2	YTD	YTD
	2024	2023	Q2	Q2
Operating profit (EBIT)	13.6	5.6	6.7	-3.0
Depreciation & Amortisation	11.0	13.6	22	24
Operating profit (EBITDA)	24.6	19.2	28.3	20.7
Operating margin (EBITDA %)	14.7	14.5	9.7	8.4

Translation effects

Due to more stable currencies compared to Q2 2023, the impact of currency translation effects is minimal.

Personnel

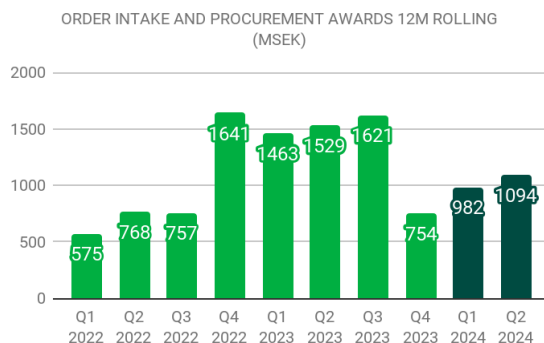
The average number of full-time employees (FTE) was 269 (270). The number of employees at the end of the period was 310 compared to 302 at the end of 2023.

Rolling 12 months

Order intake and Procurement Awards

The 12-month rolling order intake, including procurement awards, amounted to MSEK 1094 compared to MSEK 982 for the previous quarter.

+11%



Net sales

The 12-month rolling net sales has increased compared with previous quarter 12-month rolling numbers. The net sales arrived at MSEK 670 compared to MSEK 635.

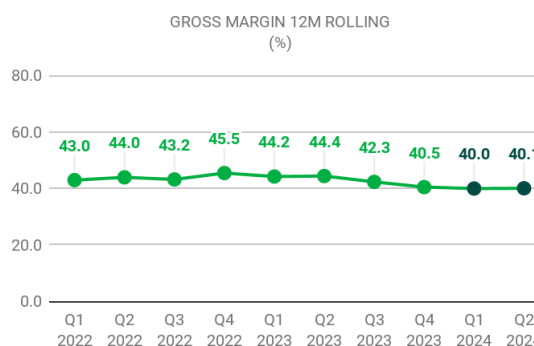
+6%



Gross margin

The 12-month rolling gross margin has remained stable at approximately 40%.

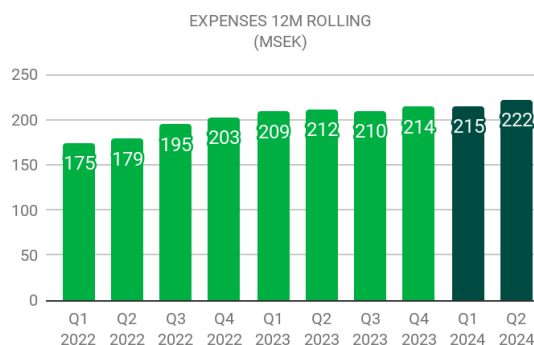
40%



Operating Expenses

The 12-month rolling expenses have been stable, totaling MSEK 222 compared to MSEK 215 in the previous quarter.

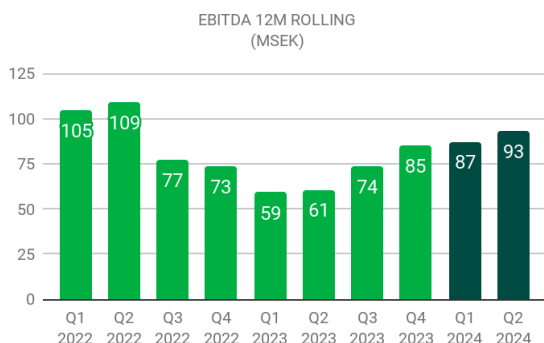
+3%



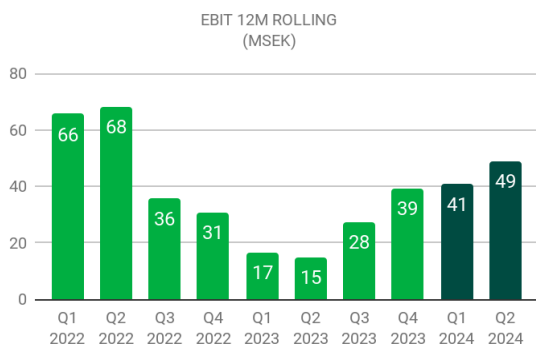
EBITDA & EBIT

The EBITDA for the 12 months rolling amounted to MSEK 93 compared to MSEK 87 at the end of the first quarter. The EBIT for the 12 months rolling amounted to MSEK 49 compared to MSEK 41 at the end of the first quarter, an increase of 20%.

+7%



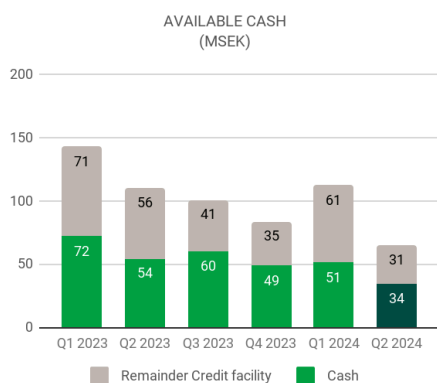
+20%



Cash flow and financial position

Cash and available cash

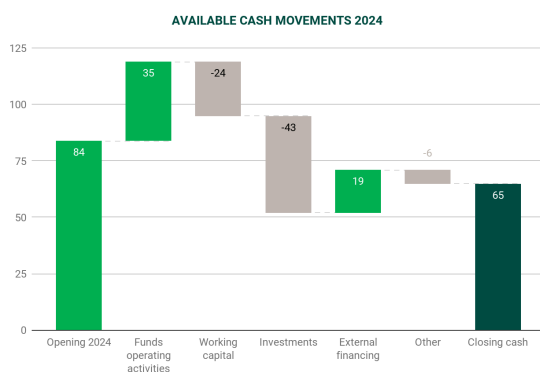
Cash and cash equivalents at the end of the period totaled MSEK 34 (54). At the end of the period, free available cash amounted to MSEK 65 (110), taking into account the total amount of remaining credit facilities amounting to MSEK 31 (56).



Movements in available cash

Year to date, Sensys Gatso realised a positive cash flow from operating activities of MSEK 11 (-27). Free available cash moved from MSEK 84 to MSEK 65.

The main movements in the first half year relate to the building up of working capital, mainly for system sales contracts, to the amount of MSEK 24. At the same time, there have been investments in fixed assets to the amount of MSEK 43.



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

Cash flow from investing activities

The investments for the quarter amounted to MSEK 16 (26).

MSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023
Software platforms FLUX, Xilium and Puls	8	7	16	14
Fixed assets in operations	3	19	19	31
Other intangible and tangible fixed assets	3	1	4	4
Investments in Joint Ventures	2	0	4	0
Total investments	16	26	43	49

Financial position

The Group's equity at the end of the period totaled MSEK 660 (642), producing an equity/assets ratio of 66% (72). The net interest-bearing debt for the quarter ended at MSEK 146 (61). Excluding lease liabilities, we ended the quarter at a net debt amount of MSEK 124 compared to a net cash amount of MSEK 37 last year. The increase in Bank Loans and Credit facilities is driven by the investments in Fixed Assets in Operations during 2023 and 2024 as well as a build-up in inventory for the deliveries on the Dutch Tender mainly.

MSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
Lease liabilities	23	24	22
Bank Loans and Credit facilities	135	68	113
Shareholder loans	23	24	22
Cash and bank	-34	-54	-49
Net Interest-bearing debt	146	61	109
-/- Lease liabilities	-23	-24	-22
Adjusted Net Interest-bearing debt	124	37	87

Significant events and other information

Significant events during the quarter

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

Significant events during the previous quarter

- 21 Mar Sensys Gatso receives red-light TRaaS renewal contract with Village of Orland Park, worth SEK 7.8 million
- 8 Mar Sensys Gatso receives TRaaS contract for traffic safety in Granger, IA, worth SEK 17 million; continues to expand its footprint in Iowa
- 29 Feb Sensys Gatso's partner signs contract for traffic safety solution in Finland, worth estimated SEK 20 million
- 23 Feb Sensys Gatso receives TRaaS Managed Services contract for traffic safety in Newton, IA, worth SEK 100 million
- 20 Feb 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
- 12 Feb Sensys Gatso receives TRaaS contract renewal for automated traffic safety in Waterloo, IA, worth SEK 57 million

- 25 Jan Sensys Gatso receives new TRaaS contract for traffic safety in De Soto, IA worth SEK 22 million; Iowa expansion continues
- 24 Jan Sensys Gatso receives TRaaS contract renewal for automated traffic safety in Lake Zurich, IL, worth SEK 21 million
- 22 Jan Sensys Gatso Group has chosen Kepler Cheuvreux for research coverage, in addition to Carnegie
- 15 Jan Sensys Gatso receives TRaaS contract renewal for automated traffic safety in Muscatine, IA, worth SEK 16 million
- 12 Jan Sensys Gatso's partner receives procurement award for traffic safety solution in Finland, worth estimated SEK 20 million
- 11 Jan Sensys Gatso extends the Pawtucket, Rhode Island TRaaS contract by two years, increasing the contract value by SEK 19 million
- 8 Jan Sensys Gatso receives TRaaS contract for traffic safety in Grinnell (IA) worth SEK 15 million and continues to expand its footprint in Iowa, USA

Significant events after the quarter

- 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

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

Related party transactions

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

Sustainability

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

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

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

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

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

Read more about how Sensys Gatso contributes to the UN's aforementioned goals in the 2023 Annual Report on page 33-34 available at www.sensysgatso.com.

Several global trends continued to favour Sensys Gatso, not the least the world's drive for sustainable cities, reduced environmental impacts from vehicles and the fulfilment of the UN's 2030 sustainable development goals. Making roads safer by changing human behaviour in traffic is

fundamental to our business strategy. Our TRaaS business model supports our customers in the transformation towards sustainable and safe environments. Sensys Gatso develops, produces, markets and sells software driven system solutions and products to improve traffic safety. Our largest product category includes automatic speed and red light monitoring systems designed to prevent traffic accidents and thereby save lives. However, our solutions not only help save lives by preventing road crashes – our products and services also contribute to the reduction of carbon emissions and lower pollution levels. Our customers include police and road authorities globally, as well as, to some extent, private operators contracted by government agencies.

We have a close relationship with our customers and together we find customised solutions for local needs and objectives. Our long term relationship with customers often results in add-on sales over time.



Our supply chain is European and the development and production of our systems is in part provided by third party suppliers in Sweden, and partly at our own production facility in Haarlem, the Netherlands. All together we engage approximately 10 employees in Haarlem and another 80 different suppliers in Sweden and the Netherlands. Given our European centric development model, we, as a company, are required to follow EU environmental legislations and regulations, such as WEEE and RoHS. Several global trends continued to favour Sensys Gatso, not the least the world's drive for sustainable cities, reduced environmental impacts

from vehicles and the fulfilment of the UN's 2030 sustainable development goals. This is the bigger picture, read our sustainability report in the 2023 Annual report on page 32-36 available at www.sensysgatso.com.

Audit

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

Invitation to a presentation

On 23 August at 10 am CET Sensys Gatso Group invites press, analysts, shareholders, and stakeholders to participate in an audiocast. The company's CEO Ivo Mönnink and CFO Simon Mulder will present the financial results in English. The presentation in connection with this report will be published on the website.

The presentation/audiocast can be joined online or via telephone and will be available on the company's webpage:

<https://www.sensysgatso.com>

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

<https://ir.financialhearings.com/sensys-gatso-group-q2-report-2024>

If you wish to participate via teleconference please register on the link below. After registration you will be provided phone numbers and a conference ID to access the conference. You can ask questions verbally via the teleconference.

<https://conference.financialhearings.com/teleconference/?id=50049086>

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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 23 August, 2024.

Upcoming financial events

Calendar

Q3 Interim Report	
January - September 2024	15 November 2024
Q4 Year-End Report	
January - December 2024	28 February 2025

Declaration of the board of directors

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

Jönköping, 23 August 2024

Claes Ödman
Chairman of the Board

Jochem Garritsen
Board member

Pia Hofstedt
Board member

Kerstin Sjöstrand
Board member

Mark Talbot
Board member

Francis Schmeer
Board member

Ivo Mönnink
Chief Executive Officer

Financial Statements and key figures

Key Indicator definitions

KPI	Definition
Gross margin	Gross profit as a percentage of net sales
Operating profit (EBIT)	Profit for the period before net financial items and tax
Operating margin (EBIT)	Operating profit (EBIT) as a percentage of net sales
Operating profit (EBITDA)	Operating profit (EBIT) before depreciation and amortisation
Operating margin (EBITA)	Operating profit (EBITDA) as a percentage of net sales
Net margin	Profit for the period as a percentage of net sales
Return on equity	Profit for the period as a percentage of (average) shareholders' equity
Equity/Assets ratio	Total Shareholders' equity as a percentage of total assets
Earnings per share	Profit for the period divided by the (average) number of outstanding shares
Interest-bearing liabilities	All interest-bearing debts (the sum of on balance lease liabilities, bank loans & credit facilities and shareholder loans)
Adjusted interest-bearing liabilities	Interest-bearing liabilities adjusted for on balance lease liabilities
Net interest-bearing debt	Interest-bearing liabilities less cash and bank balances
Adjusted Net interest-bearing debt	Interest-bearing liabilities adjusted for on balance lease liabilities less cash and bank balances
(Net) Working capital	The balance of current assets (inventory & work in progress, trade receivables, other current assets and cash) less current liabilities (trade payables and other current interest-free liabilities)
Net Operating Working Capital	(Net) Working Capital less cash and borrowings
Order intake	The sum of purchase orders received in the period
Purchase order	Received order to deliver goods or services
Procurement award	Contract with estimated sales volume against fixed conditions over a period of time without purchase order obligations
Number of employees	The number of employees (fixed and variable) at the end of the period
Average number of employees (FTE)	The number of average full time equivalent employees during a period
Free available cash	Cash and bank balances plus remainder of the credit facilities made available to the company
12M Rolling	Sum of the last 12 months

Notes

Nature of operations

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

EBITDA (Earnings before interest, taxes, depreciation and amortisation)

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

Volatility

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

Risks and uncertainty

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

For more information about the group's risks, please refer to note 27 of the 2023 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 2023.

For more information about the accounting policies applied and definitions of key indicators, please refer to the annual report issued for 2023, which is available on the Sensys Gatso website www.sensysgatso.com

TRaaS Revenue description

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

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

TRaaS: Service & Maintenance & Licences

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

services are carried out. Licence revenues relate to software licence fees. The performance obligation is to provide the software and maintain it over a period of time. The revenues are recorded over the contract period.

TRaaS: Managed Services

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

Consolidated statement of comprehensive income

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Revenue	167,449	132,642	292,448	245,875	623,543
Cost of goods sold	-97,363	-77,087	-175,550	-145,025	-371,023
Gross profit	70,086	55,555	116,898	100,850	252,520
Selling expenses	-25,429	-20,721	-48,901	-40,885	-83,971
Administrative expenses	-17,512	-18,129	-36,128	-38,030	-84,359
Development expenses	-13,803	-10,873	-26,931	-25,410	-46,128
Other operating expenses/income	281	-279	1,745	471	1,225
Operating profit	13,623	5,553	6,683	-3,004	39,287
Net financial items	145	1,045	259	-5,931	-14,730
Result Joint Ventures	-689	0	-1,181	0	-1,601
Profit before tax	13,079	6,598	5,761	-8,935	22,956
Tax	-3,490	-2,888	-1,368	-1,284	-10,081
Profit for the period	9,589	3,710	4,393	-10,219	12,875
Profit is attributable to owners of Sensys Gatso Group AB	9,623	3,832	3,736	-10,328	12,185
Profit is attributable to non- controlling interest	-34	-122	657	109	690
Profit for the period	9,589	3,710	4,393	-10,219	12,875
Other comprehensive income					
<i>Items that may be reclassified to profit or loss</i>					
Translation differences	-6,114	24,156	18,844	24,634	-4,146
Total other comprehensive income for the period, net after tax	-6,114	24,156	18,844	24,634	-4,146
Total comprehensive income for the period	3,475	27,866	23,237	14,415	8,729
Number of shares (thousands)*	11,530	11,530	11,530	11,530	11,530
Earnings per share, before and after dilution (SEK)	0.83	0.32	0.38	-0.89	1.12

Consolidated balance sheet

TSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
Goodwill	281,984	291,547	273,420
Customer contracts and relations	0	0	0
Brand	2,707	5,372	3,833
Product and software development	99,313	75,958	84,385
Property, plant and equipment	37,546	36,432	34,836
Fixed assets in operations	101,822	85,571	92,855
Deferred tax assets	35,577	40,349	35,265
Investments in Joint Ventures	11,639	0	8,615
Other non-current assets	206	252	220
Trade and other receivables	165,234	89,814	182,056
Inventories and work in progress	161,059	119,279	100,264
Other current assets	70,518	93,787	99,141
Cash and bank balances	34,387	54,414	48,753
Total assets	1,001,992	892,775	963,643
Shareholders' equity	660,467	642,055	635,656
Long-term Lease liabilities	12,005	13,240	11,815
Long-term Bank loans	57,882	17,712	49,281
Long-term Liabilities towards shareholders	22,718	23,583	22,192
Warranty Provision	14,031	7,585	12,006
Deferred tax liabilities	8,318	1,577	8,071
Short-term Lease liabilities	10,608	10,296	9,998
Short-term Bank liabilities	77,523	50,097	64,070
Short-term liabilities towards shareholders	0	0	0
Trade and other payables	58,296	33,492	54,683
Other current interest-free liabilities	80,144	93,138	95,871
Total shareholders' equity and liabilities	1,001,992	892,775	963,643

Consolidated statement of changes in equity

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Beginning of period	656,205	613,403	635,656	626,068	626,068
New share issue	0	0	0	0	0
Share issue costs (net after tax effect)	0	0	0	0	0
Stock related costs	787	786	1,574	1,572	859
<i>Comprehensive income</i>					
Net profit for the period	9,623	3,832	3,736	-10,328	12,185
Minority interest in subsidiaries	-34	-122	657	109	690
Translation differences	-6,114	24,156	18,844	24,634	-4,146
Total comprehensive income for the period	3,475	27,866	23,237	14,415	8,729
End of period	660,467	642,055	660,467	642,055	635,656

Consolidated cash flow statement

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Operating profit	13,623	5,553	6,683	-3,004	39,287
Items with no effect on cash flow	13,973	13,527	28,180	21,807	46,618
Financial items	-3,446	9,972	4,899	8,142	3,691
Tax paid/received	-3,844	-1,597	-4,483	-4,313	-5,327
Funds contributing from operating activities	20,306	27,455	35,279	22,632	84,269
Change in working capital	-64,427	-46,733	-24,398	-49,714	-102,593
Cash flow from operating activities	-44,121	-19,278	10,881	-27,082	-18,324
Cash flow from investing activities	-15,783	-26,211	-42,880	-49,012	-102,615
Financing activities					
New share issue minus cost	0	0	0	0	0
Loan movements	-5,613	-2,173	-7,717	-4,296	29,004
Lease payments (IFRS16)	-3,006	-3,339	-6,133	-6,437	-13,517
Repayment/usage of credit facilities	51,636	34,602	29,772	41,254	55,227
Repayment of loan to shareholders	0	0	0	0	0
Change in cash and bank balances	-16,887	-16,399	-16,077	-45,573	-50,225
Liquid funds at the beginning of the period	51,165	71,846	48,753	99,718	99,718
Translation differences in liquid funds	109	-1,033	1,711	269	-740
Closing cash and cash equivalents	34,387	54,414	34,387	54,414	48,753

Consolidated Segment report

TSEK	Q2 2024			Q2 2023		
	System Sales	Managed Services	Total	System Sales	Managed Services	Total
Segment Revenue	121,158	51,344	172,502	98,941	46,350	145,291
Inter-segment transactions	-1,859	-3,194	-5,053	-11,116	-1,534	-12,650
Revenue	119,299	48,150	167,449	87,825	44,816	132,641
EBITDA	17,737	6,902	24,639	15,617	3,567	19,184
Depreciation and amortisation	-4,233	-6,783	-11,016	-4,951	-8,680	-13,631
Operating Profit	13,504	119	13,623	10,666	-5,113	5,553
Net financial items			145			1,045
Result Joint Ventures			-689			0
Profit before tax			13,079			6,598
Tax			-3,490			-2,888
Profit for the period			9,589			3,710

Managed Services

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Segment Revenue Managed Services	51,344	46,350	102,153	92,775	202,112
Inter-segment transactions	-3,194	-1,534	-4,366	-5,301	-9,858
Revenue	48,150	44,816	97,787	87,474	192,254
EBITDA	6,902	3,567	14,730	7,326	26,286
Depreciation and amortisation	-6,783	-8,680	-12,816	-13,999	-27,207
Operating Profit	119	-5,113	1,914	-6,673	-921

System Sales

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Segment Revenue System Sales	121,158	98,941	210,033	181,836	462,996
Inter-segment transactions	-1,859	-11,116	-15,372	-23,436	-31,707
Revenue	119,299	87,825	194,661	158,400	431,289
EBITDA	17,737	15,617	13,559	13,336	59,021
Depreciation and amortisation	-4,233	-4,951	-8,789	-9,667	-18,813
Operating Profit	13,504	10,666	4,770	3,669	40,208

Consolidated key indicators

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Operating margin (%)	8.14	4.19	2.29	Neg	6.30
Gross margin (%)	41.86	41.88	39.97	41.02	40.50
Profit margin (%)	5.73	2.80	1.50	-4.16	2.06
Equity per share (SEK)	5,728.25	5,568.56	11,419.53	5,568.56	5,513.06
Cash flow per share (SEK)	-3.83	-1.67	0.94	-2.35	-1.59
Number of employees	310	301	310	301	302
No. of outstanding shares (thousands)	11,530	11,530	11,530	11,530	11,530
Equity/assets ratio (%)	65.92	71.92	67.19	71.92	65.96
Order intake (SEK thousands)	417,617	306,122	735,935	396,092	753,732

Revenue by nature

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
System Sales	79,444	46,091	120,240	73,078	260,357
TRaaS: Service & Maintenance & Licences	28,957	33,770	53,928	71,434	136,871
TRaaS: Managed Services	59,048	52,781	118,280	101,363	226,315
Total Revenue	167,449	132,642	292,448	245,875	623,543
Of which TRaaS:	88,005	86,551	172,208	172,797	363,186
TRaaS % of total Sales:	53%	65%	59%	70%	58%

Consolidated EBITDA

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Operating profit (EBIT)	13,623	5,553	6,683	-3,004	39,287
Depreciation tangible and intangible fixed assets	10,386	11,794	20,360	20,028	40,870
Amortisation of acquired intangible assets	630	1,837	1,246	3,638	5,150
Operating profit (EBITDA)	24,639	19,184	28,289	20,662	85,307
Operating margin (EBITDA %)	14.7	14.5	9.7	8.4	13.7

Parent company statement of comprehensive income

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Revenue	5,035	6,248	10,029	13,215	21,688
Cost of goods sold	0	0	0	0	0
Gross profit	5,035	6,248	10,029	13,215	21,688
					0
Selling expenses	0		0	0	0
Administrative expenses	-8,039	-9,528	-16,360	-19,466	-35,600
Development expenses	0	0	0	0	0
Other operating expenses/income	0	0	0	0	0
Operating profit	-3,004	-3,280	-6,331	-6,251	-13,912
Net financial items	547	1,817	1,473	2,393	10,869
Profit before tax	-2,457	-1,463	-4,858	-3,858	-3,043
Tax	0	0	0	0	0
Profit for the period/Comprehensive income for the period	-2,457	-1,463	-4,858	-3,858	-3,043

Parent company balance sheet

TSEK	30 Jun 2024	30 Jun 2023	31 Dec 2023
Product and software development	66,103	52,105	59,218
Shares in subsidiaries	421,444	421,167	420,163
Deferred tax assets	16,384	16,384	16,384
Receivables from Group	42,301	45,718	51,863
Other current assets	1,969	3,942	3,029
Cash and bank balances	9,412	24,635	16,081
Total assets	557,613	563,951	566,738
Shareholders' equity and liabilities			
Shareholders' equity	553,736	556,919	557,020
Trade and other payables	1,110	2,453	2,128
Trade and other payables from Group	0	0	3,624
Other current interest-free liabilities	2,767	4,579	3,966
Total shareholders' equity and liabilities	557,613	563,951	566,738

Parent company statement of changes in shareholders equity

TSEK	Q2 2024	Q2 2023	YTD Q2 2024	YTD Q2 2023	FY 2023
Beginning of period	555,406	557,598	557,020	559,204	554,017
Profit for the period/Comprehensive income for the period	-2,457	-1,463	-4,858	-3,858	4,503
Stock related remuneration	787	784	1,574	1,573	-1,500
End of period	555,406	556,919	553,736	556,919	557,020

Quarterly data

Consolidated statement of income

TSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue	167,449	124,999	220,694	156,974	132,642	113,233	161,308	95,364
Cost of goods sold	-97,363	-78,187	-128,870	-97,128	-77,087	-67,938	-83,127	-51,172
Gross profit	70,086	46,812	91,824	59,846	55,555	45,295	78,181	44,192
Costs	-56,463	-53,752	-57,787	-51,592	-50,002	-53,852	-55,911	-48,372
Operating profit	13,623	-6,940	34,037	8,254	5,553	-8,557	22,270	-4,180
Net financial items	145	114	-9,891	1,092	1,045	-6,976	-10,077	3,470
Result Joint Ventures	-689	-492	-1,601	0	0	0		
Profit before tax	13,079	-7,318	22,545	9,346	6,598	-15,533	12,193	-710
Tax	-3,490	2,122	-7,393	-1,404	-2,888	1,604	-2,000	-4,382
Profit for the period	9,589	-5,196	15,152	7,942	3,710	-13,929	10,193	-5,092

Consolidated key indicators and other information

TSEK	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Operating margin (%)	8.14	Neg	15.42	5.26	4.19	Neg	13.81	Neg
Gross margin (%)	41.86	37.45	41.61	38.12	41.88	40.00	48.47	46.34
Profit margin (%)	5.73	-4.16	6.87	5.06	2.80	-12.30	6.32	-5.34
Equity per share (SEK)	5,728.25	5,691.28	5,513.06	5,558.22	5,568.56	5,323.75	5,433.67	5,357.31
Cash flow per share (SEK)	-3.83	4.77	0.40	0.36	-1.67	-0.68	0.58	2.52
Number of employees	310	303	302	299	301	294	284	276
No. of outstanding shares (thousands)	11,530	11,530	11,530	11,530	11,530	11,522	11,522	11,522
Equity/assets ratio (%)	65.92	68.53	65.96	68.89	71.92	75.39	75.59	76.20
Order intake (SEK thousands)	417,617	318,318	212,266	145,374	306,122	89,970	1,079,505	53,380

Consolidated segment data

Segment Order intake & Procurement Awards	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Order intake System Sales	142,117	43,518	212,266	123,374	93,122	54,970	952,005	53,380
Order intake Managed Services	275,500	274,800	0	22,000	77,000	35,000	127,500	0
	417,617	318,318	212,266	145,374	170,122	89,970	1,079,505	53,380
Segment Revenue	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
Revenue System Sales	119,299	75,362	160,726	112,163	87,825	70,575	115,097	50,673
Revenue Managed Services	48,150	49,637	59,969	44,811	44,816	42,658	46,211	44,690
	167,449	124,999	220,695	156,974	132,641	113,233	161,308	95,363
Segment profitability	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
EBITDA System Sales	17,737	-4,178	30,423	15,262	15,617	-2,281	26,220	1,878
EBITDA Managed Services	6,902	7,828	15,018	3,942	3,567	3,759	7,425	4,502
	24,639	3,650	45,441	19,204	19,184	1,478	33,645	6,380

The Sensys Gatso share

The number of shares at the end of the period amounted to 11,530,358 (11,522,206). A reversed share split of 1:80 was resolved by the AGM on May 15th 2023. Historical share numbers have been recalculated based on the reversed share split.

The table below shows the ten largest shareholders in the Company as per the end of June, 2024. The family office that founded Gatso, which was acquired by Sensys Traffic AB in 2015, is the company's largest shareholder with 17% (BNP). (Source Euroclear).

#	Shareholder	Number of shares	Proportion of share capital/ Votes%
1	BNP PARIBAS SA PARIS, W8IMY (GC)	2,055,351	17.8
2	Försäkringsaktiebolaget Avanza Pension	537,320	4.7
3	Nordnet Pensionsförsäkring AB	408,803	3.6
4	Futur Pension Försäkringsaktiebolag	340,436	3.0
5	Wall, Per	287,500	2.5
6	Bergstrand, Inger	258,248	2.2
7	Dimensional Fund Advisors	126,283	1.1
8	MELLGREN CLAES	117,442	1.0
9	CACEIS BANK, GERMANY BRANCH, W8IMY	115,000	1.0
10	Hamberg Karl Peter Gudmund	110,000	1.0

#	Country	Proportion of share capital/ Votes%
1	Sweden	73.9
2	Netherlands	17.9
3	USA	1.5
4	Denmark	1.4
5	Ireland	1.2
6	Other	4.2
		100.0

Purpose, Vision and Strategy

Our Purpose

People make mistakes.
 And those mistakes have consequences.
 Dramatic consequences.
 Each day, over 3,500 people die. Not through
 sickness or old age.
 But through traffic crashes.

We battle this each day.
 A battle against overconfidence and acceptance.
 We are all excellent drivers. In our minds.
 Until we actually get behind the wheel and drive.
 A traffic accident? It happens.
 It's part of driving in traffic.

No.
 We refuse to accept this.
 It's our calling to come up with solutions.
 This is why Gatso refused to accept human
 measurement errors.
 And why Sensys fought against the idea that traffic
 victims are just the reality of sharing the road.

A combination of these strengths was clearly
 meant to be. And so Sensys Gatso was born.
 With a joint mission to improve traffic behaviour.
 Through intelligent, effective, and reliable
 enforcement.
 All around the world.

From clear violation recording to sending out the
 fine.
 And from tailor-made products to five star
 maintenance.
 With our unique software at the heart of it all.

This is how we've made traffic enforcement a
 service.
 And how we always create the best solutions for
 our customers.
 Sensys Gatso. Making traffic safer.

Our Vision

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

Our Strategy

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

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

Our long-term financial goals for 2025

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

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