

## TagMaster's latest acquisition adds value and cash flow is strong

### April-June 2024

- Net sales increased during the quarter by 4,8 % to 102,9 MSEK (98,2). The organic and currency adjusted growth amounted to -9,6 %.
- Adjusted EBITDA decreased during the quarter by 25,8 % and amounted to 11,6 MSEK (15,7) corresponding to an adjusted EBITDA margin by 11,3 % (15,9).
- Operating profit was 2,5 MSEK (7,7), corresponding to an operating margin of 2,4 % (7,9).
- Profit/loss for the quarter was 1,2 MSEK (6,3).
- Result per share basic and diluted was 0,08 SEK (0,43).
- Cash flow from operating activities for the period was 15,4 MSEK (5,4).

### January-June 2024

- Net sales increased during the first half year by 4,9% to 201,9 MSEK (192,6). The currency adjusted growth amounted to -12,4 percent.
- Adjusted EBITDA decreased during the first half year by 11,8% to 21,0 MSEK (23,5), corresponding to an adjusted EBITDA margin by 10,3% (12,2).
- Operating profit/loss was 0,7 MSEK (7,8) which correspond to operating margin of 0,3% (4,0).
- Profit/loss for the period was -1,9 MSEK (6,6).
- Result per share, basic and diluted was -0,13 SEK (0,45).
- Cash flow from operating activities for the period was 41,2 MSEK (21,0).

Amounts in TSEK	2024 April-June	2023 April-June	2024 Jan-June	2023 Jan-June	R12M July-June	2023 Full Year
Net sales	102 907	98 165	201 907	192 555	414 062	404 711
Net sales growth, %	4,8	11,6	4,9	15,0	7,9	12,9
Gross margin, %	69,3	71,6	67,8	71,0	67,0	68,5
Adjusted gross margin, %	69,3	71,6	69,1	71,0	69,2	70,1
Adjusted EBITDA	11 615	15 653	20 760	23 533	54 401	57 174
Adjusted EBITDA margin, %	11,3	15,9	10,3	12,2	13,1	14,1
EBITDA	11 615	15 653	17 997	23 533	42 760	48 296
EBITDA margin, %	11,3	15,9	8,9	12,2	10,3	11,9
Equity ratio, %	60,9	63,9	-	-	60,9	60,5
Cash flow from operating activities, MSEK	15,4	5,4	41,2	21,0	48,7	28,5
Net debt/EBITDA, R12M	-	-	-	-	0,4	0,9
Number of employees at end of period	120	113	-	-	120	115

For description and reconciliation of key figures, see pages 19-20.

### About TagMaster

TagMaster is an application oriented technical company developing and selling advanced sensor systems and solutions based on radio, radar, magnetic and camera technologies for demanding environments. TagMaster works in two segments - Segment Europe and Segment USA - with the trademarks TagMaster, Citilog and Sensys Networks - with innovative mobility solutions for increased efficiency, security, safety, comfort and to reduce environmental impact in Smart Cities. TagMaster has subsidiaries in England, France and US and exports mostly to Europe, The Middle East, Asia and North America through a global network of partners and system integrators. TagMaster was founded in 1994 and has its head office in Stockholm. TagMaster is a listed company and the share is traded at Nasdaq First North Premier Growth Market in Stockholm. TagMasters certified adviser (CA) is FNCA.

## Comments by the CEO

**I am pleased to report that, even after just a few quarters, our latest acquisition is already adding value to TagMaster's overall offering. With a very strong performance in the second quarter of the year and a 225 percent increase in sales compared to the same quarter last year, the American radar business (RTMS) is already contributing positively to the group. At the group level, net sales increased by just under 5 percent to SEK 103 million in the second quarter. Some application areas, where demand is characterized by long-term investment decisions, had a slightly lower volume during the quarter compared to the previous year due to market fluctuations and strong comparison figures. The group's EBITDA result amounted to SEK 11.6 SEK, corresponding to an adjusted EBITDA margin of 11.3 percent.**

The development in the second quarter continued to demonstrate that our strategic focus on a combination of organic and acquired growth is the right path to take. Our latest acquisition of the radar business (RTMS) from the American company Image Sensing Systems (ISS) has developed very well in a short period. Through the acquisition, which was completed in the third quarter of 2023, we have strengthened our offering and can deliver both ground-installed sensor solutions and a series of high-performance radar-based sensor solutions for above-ground installation. Already in the final quarter of 2023, the acquisition developed well, which were once again confirmed in the past quarter when RTMS sales grew by 225 percent compared to the second quarter of last year.

Some of TagMaster's application areas, where demand is characterized by long-term investment decisions often at the governmental level, experienced slightly lower volumes during the quarter due to a lag in investments. This resulted in a negative currency-adjusted organic growth for the quarter at the group level and a slightly lower gross margin. However, I want to emphasize that these are temporary business fluctuations, which are normal given that projects such as tunnels, bridges, subway projects, and tram traffic projects are tied to irregular investment cycles. Additionally, the comparison figures from the second quarter of 2023 were strong.

Looking ahead, I can confirm that TagMaster is well-positioned to contribute to solutions for some of the major challenges facing the world's transportation systems. These include solving traffic issues such as congestion in densely populated areas globally, reducing and preventing accidents, and reducing traffic emissions. This will drive demand for our solutions as necessary investment decisions in infrastructure are made across many parts of the world.

Our latest acquisition in the USA, as described above, also positions us better to meet the growing demand for multi-sensor solutions. We see great potential in continuing to develop both new products and our sales in the American market and through our global partner network. During the quarter, we continued to invest in the sales organization and further integrate our operations with the aim of better scaling up our commercial offering.

The group's sales for the second quarter amounted to SEK 103 million, an increase of 4.8 percent compared to the same period in 2023. The quarter's organic turnover change, adjusted for currency effects and acquisitions, was SEK -9.4 million, corresponding to a decrease of 9.6 percent. Costs were slightly higher compared to the second quarter of 2023, partly due to increased market and sales expenses, which were partly temporary, as well as increased salary costs impacting overall expenses.

The Traffic Solutions business amounted to SEK 91.5 million, an increase of approximately 9.3 percent compared to the corresponding quarter in 2023. During the quarter, Traffic Solutions accounted for 89 percent of sales, while Rail Solutions accounted for 11 percent. The positive development of the Traffic Solutions business underscores our strategic focus to invest further in this segment both organically and through acquisitions.

The adjusted gross margin at group level was 69.3 percent (compared to 71.6 percent), with an adjusted EBITDA result of SEK 11.6 million, corresponding to an adjusted EBITDA margin of 11.3 percent. The slightly lower gross margin is a result of the aforementioned application mix during the quarter. Cash flow from operating activities amounted to SEK 15.4 million, and the group's solvency ratio was 60.9 percent at the end of the period.

The effort to reduce working capital, primarily inventory levels that increased during previous component shortage periods, remains a focus. Sequentially, the inventory has decreased by just under 8 percent, and compared to the same quarter last year, it has decreased by just under 4 percent. Compared to the end of the year, it has decreased by 19 percent.

TagMaster is today well positioned in a market with long-term favorable growth opportunities and good profitability, and we are determined to continue making TagMaster a leading company in Intelligent Transport Solutions (ITS).

*Jonas Svensson, CEO*

**TagMaster in brief**

TagMaster develops and delivers solutions for Smart Cities based on advanced sensor technology. These solutions aim to improve traffic flow, reduce emissions, and optimize transport operations, on both road and rail.

**Vision**

We will be the most innovative provider of mobility solutions to Smart Cities.

**Mission**

We will deliver reliable and easy-to-use detection and identification solutions for demanding environments with useful and accurate information.

**Business model**

By combining the various technologies the Group operates with, TagMasters aim is to offer better solutions to increase the efficiency, safety, convenience and to reduce environmental impact within Smart Cities. The technologies are offered as a package with software to create smart technologies and "one-stop-shop solutions". TagMaster takes long-term responsibility for the products and solutions provided, which creates value and stability for TagMasters customers and profitability for TagMaster.

**Financial Targets**

Growth: 20% total growth (organic and acquired)

Adjusted EBITDA: >12%

Cashflow/EBITDA: > 90% (over a period)

**Strategic priorities**

- Commercial strength - drive growth through excel sales performance and commercial digitization.
- Customer-driven innovation – make investments required for leadership within selected technologies, enhanced customer value and lower production costs.
- Constant operational improvements – ensure an efficient and flexible supply chain, further strengthen TagMaster's quality position and continue improvements to reduce costs.
- Expanded product offering – continuously move up in the value chain, from not merely offering products to offering broader systems and solutions for the customer and extending our offering through M&A.

**Financial calendar**

**October 23, 2024:** Interim report third quarter 2024

**February 5, 2025:** Earnings release 2024

This report and previous reports and press releases are found at the company home page [www.tagmaster.com](http://www.tagmaster.com).

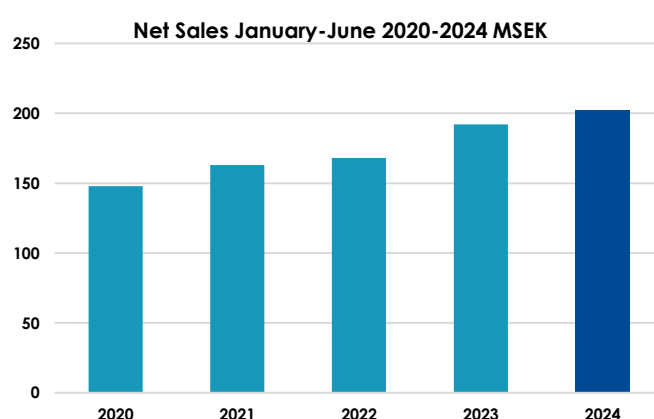
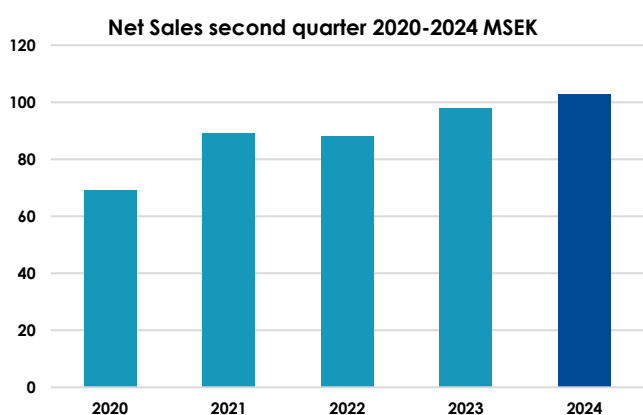
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*This information is information that TagMaster AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8.00 a.m. CET on July 12, 2024.*

## Summary result information

Amounts in TSEK	2024			2023			R12M		
	April-June	April-June	%	July-June	Full Year	%	July-June	Full Year	%
Net sales	102 907	98 165	4,8	414 062	404 711	2,3			
Other revenue	391	1 260	-69,0	1 487	2 676	-44,4			
Gross profit	71 329	70 250	1,5	277 308	277 120	0,1			
Gross margin, %	69,3	71,6	-	67,0	68,5	-			
Adjusted gross profit	71 329	70 250	1,5	286 704	283 753	1,0			
Adjusted gross margin, %	69,3	71,6	-	69,2	70,1	-			
Operating expenses <sup>1</sup>	-60 105	-55 857	7,6	-236 034	-231 499	2,0			
Adjusted EBITDA	11 615	15 653	-25,8	54 401	57 174	-4,8			
Adjusted EBITDA margin, %	11,3	15,9	-	13,1	14,1	-			
Non-recurring items	-	-	-	-11 641	-8 878	31,1			
EBITDA	11 615	15 653	-	42 760	48 296	-11,5			
EBITDA margin, %	11,3	15,9	-	10,3	11,9	-			
Amortisation of other non-current intangible assets <sup>2</sup>	-521	-608	-14,3	-2 496	-2 654	-6,0			
Depreciation	-3 362	-2 401	40,0	-10 268	-9 700	5,9			
Adjusted EBITA	7 732	12 644	-38,8	41 637	44 819	-7,1			
Adjusted EBITA margin, %	7,5	12,9	-	10,1	11,1	-			
EBITA	7 732	12 644	-38,8	29 996	35 942	-16,5			
EBITA margin, %	7,5	12,9	-	7,2	8,9	-			



## Organic change, net sales

Amounts in TSEK	2024		2023		2024		2023	
	April-June	%	April-June	%	Jan-June	%	Jan-June	%
<b>Net sales comparison period previous year</b>	<b>98 165</b>		<b>87 945</b>		<b>192 555</b>		<b>167 459</b>	
Organic change	-9 427	-9,6	5 477	6,2	-23 951	-12,4	15 138	9,0
Change through acquisitions	14 196	14,5	-	-	31 794	16,5	-	-
Exchange rate change	-27	0,0	4 743	5,4	1 509	0,9	9 959	6,0
<b>Total change</b>	<b>4 742</b>	<b>4,8</b>	<b>10 220</b>	<b>11,6</b>	<b>9 352</b>	<b>4,9</b>	<b>25 097</b>	<b>15,0</b>
<b>Net sales</b>	<b>102 907</b>		<b>98 165</b>		<b>201 907</b>		<b>192 555</b>	

For description and reconciliation of key figures, see pages 20-21.

<sup>1</sup> Personnel expenses, other external expenses and other operating expenses

<sup>2</sup> Amortisation of intangible assets attributable to acquisitions is not included in the item

## Segment TagMaster Europe

**TagMaster develops and delivers solutions aimed at improving and streamlining transport and traffic flows. These include smart parking solutions and intelligent transport systems that allow the road networks to be used optimally, alleviate traffic problems and reduce emissions. Other solutions include tolls and security and access control systems. TagMaster is also a leading provider of advanced mobility solutions for rail bound traffic in metropolitan areas.**

The business is conducted in the parent company and in wholly owned subsidiaries in France and UK. Development is centralized and managed by the European CTO. The CFO function is centralized with local accounting functions. Sales and marketing are managed by a centralized sales director and centralized a marketing director.

### Business during the quarter

Sales for the Europe segment amounted to SEK 54.4 million for the second quarter, representing a decrease of 9.6 percent and 9.9 percent currency adjusted, compared to the second quarter of 2023.

The gross margin amounted to 72.0 percent, which is an improvement of 1.3 percentage points compared to the second quarter of 2023. During the quarter, the company's component purchases via the spot market were negligible, and lead times for most of electronic components have normalized. Costs were at a higher level compared to the second quarter of 2023, partly due to increased market and sales expenses, some of which were momentary, and increased salary costs affecting expenses.

Adjusted EBITDA for the second quarter amounted to SEK 2.2 million, corresponding to an adjusted EBITDA margin of 4.0 percent. In the second quarter, Traffic Solutions accounted for 79 percent of sales in the segment, while Rail Solutions accounted for 21 percent.

Some of TagMaster's application areas, where demand is characterized by long-term investment decisions often at the governmental level, experienced slightly lower volumes during the quarter due to delays on the investment side. This has resulted in a negative currency-adjusted organic growth for the segment. However, these are temporary fluctuations in business, which are normal as projects such as tunnels, bridges, subway projects, and tram traffic projects are tied to uneven investment cycles. Furthermore, the comparative figures from the second quarter of 2023 were strong.

During the quarter, TagMaster participated in Intertraffic and Traffex/Parkex exhibition in Coventry. Intertraffic is the world's largest exhibition for Intelligent Transport Systems (ITS), and it is held biennially in Amsterdam.

TagMaster's French subsidiary Citilog during the quarter completed the development of its new software AID (Automatic Incident Detection) with an estimated release in quarter three. The new software includes several groundbreaking modules such as Early Smoke Detection, Wrong Way Detection, and Lane Change Detection, along with several new Deep Learning-based detection modules. Significant portions of both the new and updated modules are now fully AI-driven, enhancing Citilog's solution offering and reaffirming and expanding the company's technology leadership.

During the quarter, Citilog has received orders to deliver its AI- and Deep Learning-driven video-based automatic incident detection solution to projects in England, Germany, and France. Additionally, during the quarter, the Europe segment has secured significant orders for RFID systems for subway systems in India and tram systems in France. TagMaster has also received orders for ANPR (Automatic Number Plate Recognition) systems for parking in Swedish Norrköping, Trondheim in Norway, and Des Moines (Iowa), as well as RFID access systems for another port project in India owned by the Adani Group.

TagMaster's focus on active travel - cycling and pedestrian traffic - within the Infomobility application area continues both in product development and marketing efforts. All of the company's Infomobility products are now IoT-connected and can be powered by solar panels and batteries. During the quarter, deliveries of products like CityRadar, which counts cyclists and pedestrians, continued to multiple cities in France. TagMaster anticipates that most of the markets in Europe will expand their infrastructure investments for this type of urban traffic, and that new business opportunities will open up for the company's new Counting & Classifying products in the UK, France, and across Europe.

Amounts in TSEK	2024 April-June	2023 April-June	Change, %	2024 Jan-June	2023 Jan-June	Change, %
Net Sales	54 449	60 257	-9,6	107 485	123 409	-12,9
Gross profit	39 225	42 772	-8,3	76 365	86 355	-11,6
Gross margin, %	72,0	70,7	-	71,0	70,0	-
Adjusted EBITDA	2 194	9 900	-77,8	4 883	18 364	-73,4
Adjusted EBITDA margin, %	4,0	16,4	-	4,5	14,9	-
Number of employees at end of period	81	78	3,8	81	78	3,8

The effects of accounting for leases under IFRS 16 and capitalization of development expenditure in accordance with IAS 38 are not included in the table above.

## Segment TagMaster USA

**Sensys Networks develops and delivers advanced wireless radar and magnetic sensors as well as a cloud-based software platform known as SNAPS used for analyses of traffic data using embedded AI technology and for monitoring of the sensors and local edge gateways. Sensys Networks offer an "end-to-end solution" that is primarily designed for controlling and optimizing traffic lights, but it is also well suited for road and motorway monitoring, as well as for parking solutions. Sensys Networks is considered a leader in above solutions.**

The business is conducted in the wholly owned subsidiary Sensys Networks Inc with office in Berkeley, California. The operation is managed by the local president reporting to the group CEO. Sensys Networks Inc have a local CTO managing development and operation, a local VP finance and VP sales and marketing, all reporting to the local president.

### Business during the quarter

Sales for the USA segment amounted to SEK 48.5 million for the second quarter, which represents an increase of 28.7 percent and -9.1 percent adjusted for currency and acquisitions compared to the second quarter of 2023.

The adjusted gross margin amounted to 66.3 percent, which is a decrease of 6.7 percentage points compared to the second quarter of 2023. The decreased gross margin is an effect of the recently acquired radar business (RTMS), which has a lower gross margin compared to other parts of the USA segment. For comparable units, the gross margin was 72.2 percent, representing a slight decrease compared to the second quarter of 2023. Our original USA business had slightly lower revenue and results during the quarter compared to the second quarter of 2023, attributed to delayed projects and slightly higher personnel costs.

Adjusted EBITDA for the second quarter amounted to SEK 6.7 million, which corresponds to an adjusted EBITDA margin of 13.7 percent. In the US segment, the Traffic Solutions business accounts for 100 percent of sales.

The radar business (RTMS), acquired from American Image Sensing Systems (ISS) during the third quarter of 2023, has continued to perform well in the second quarter, showing growth of approximately 225 percent compared to the same period in 2023. The addition of the radar business (RTMS) to Sensys Networks' current product and service offerings represents a significant step in the ongoing focus on growth in the American market. With this acquisition, Sensys Networks is better positioned to meet the increasing demand for multi-sensor solutions.

In addition to industry-leading products, the acquisition brings substantial sales expertise and a significant expansion of the distribution network in the USA. As a further step in the growth strategy of the radar business, the USA segment intends to strengthen its position in the Western USA, including California. The intention is also to leverage TagMaster Group's international partner network to significantly increase volumes outside the USA in the medium term.

During the quarter, the USA segment has received significant orders for traffic light detection systems in England, South Africa, and Australia, as well as multiple systems in the USA including California, Missouri, and Colorado. The company has also secured orders for truck parking detection in New Jersey. Additionally, the new radar products have been sold to projects in England and in the USA to projects in Florida and Tennessee.

With the new wireless sensor FlexMag3 EZ-Out, highway operators can achieve precise detection for all applications with minimal lane closures also quickly and easily replace or relocate existing sensors with minimal system downtime. Wireless magnetic sensors excel in detection accuracy, rapid installation, and minimal maintenance needs. FlexMag3 is the smallest sensor designed to withstand extreme conditions and takes only two to five minutes to install.

Amounts in TSEK	2024 April-June	2023 April-June	Change, %	2024 Jan-June	2023 Jan-June	Change, %
Net Sales	48 458	37 638	28,7	94 421	69 146	36,6
Gross profit	32 104	27 476	16,8	60 481	50 304	20,2
Gross margin, %	66,3	73,0	-	64,1	72,8	-
Adjusted gross margin, %	66,3	73,0	-	67,0	72,8	-
Adjusted EBITDA	6 650	3 788	75,6	10 959	1 286	752,2
Adjusted EBITDA margin, %	13,7	10,1	-	11,6	1,9	-
Number of employees at end of period	39	35	11,4	39	35	11,4

The effects of accounting for leases under IFRS 16 and capitalization of development expenditure in accordance with IAS 38 are not included in the table above.

## Consolidated net sales and earnings

### April–June 2024

#### Net sales

Net sales for the quarter amounted to 102,9 (98,2) MSEK, representing an increase of 4,8 percent compared to the corresponding quarter of the previous year. The quarter's organic revenue change – adjusted for currency effects of -27 TSEK and changes due to acquisitions of 14,2 MSEK – amounted to -9,4 MSEK. The organic revenue change was attributed to the group's European segment, where revenue decreased by 6,0 MSEK. The American segment's net sales increase is explained by additional income of 14,2 MSEK attributable to the business combination (RTMS) that was carried out during the third quarter of 2023.

#### Operating profit

The operating profit for the quarter amounted to 2,5 MSEK (7,7), representing a decrease of 5,3 MSEK compared to the corresponding period of the previous year. The decreased operating profit, despite higher net sales, is explained by lower gross margin and higher operating expenses in relation to the net sales. The lower gross margin, 69,3 percent compared to 71,6 percent is primarily explained by changes in the product and customer mix related to the acquisitions of RTMS. The gross margin for the quarter excluding RTMS amounted to 72,1 percent.

#### Adjusted EBITDA

Adjusted EBITDA decreased to 11,6 MSEK (15,7), corresponding to a margin of 11,3 percent (15,9). The decreased margin, as the lower operating profit, is due to a lower gross margin and higher costs.

#### Financial items

Financial items for the quarter amounted to -1,3 MSEK (-1,8). The financial expenses impacting the quarter included interest expenses on liabilities to credit institutions of -1,4 MSEK (-0,5), as well as currency exchange effects related to these liabilities of 0,3 MSEK (0,6). Other financial items affecting the quarter were also currency revaluations of the parent company's loans to and from foreign subsidiaries, amounting to -0,2 MSEK (0,3). The increased interest costs during the quarter were attributable to the loan which was raised to finance the acquisition of RTMS.

#### Tax

The group's tax amounted to -7,0 (278,0) TSEK and pertained to changes in temporary differences and tax revenue based on the French subsidiary Citilog's development expenditure incurred.

#### Profit for the period

Profit for the period amounted to 1,2 (6,3) MSEK. Earnings per share before and after dilution amounted to 0,08 (0,43) SEK.

### January - June 2024

#### Net sales

The first half year net sales amounted to 201,9 MSEK (192,6), representing an increase of 4,9 percent compared to the corresponding period previous year. The organic net sales growth for the year – adjusted for currency effects of 1,5 MSEK and changes due to acquisitions of 31,8 MSEK – amounted to -24,0 MSEK.

#### Operating profit/loss

The first half year operating profit/loss amounted to 0,7 MSEK (7,8), reflecting an decrease of 7,1 MSEK compared to the corresponding period previous year.

The decreased operating profit, despite higher net sales, is explained by lower gross margin. The lower gross margin 67,8 percent compared to 71,0 percent is primarily explained by differences between fair value and book value in the PPA (purchase price allocation) prepared for the acquisitions of RTMS. Adjusted for this effect, the first half year gross margin amounted to 69,1 percent. The underlying decrease is mainly explained by changes in the product and customer mix. The gross margin for the period excluding RTMS amounted to 71,8 percent.

#### Items affecting comparability

In the PPA (purchase price allocation), the inventory included in the acquisition of RTMS has been valued at fair value, impacting the gross profit for the period by -2,8 MSEK.

**Adjusted EBITDA**

Adjusted EBITDA decreased to 20,8 MSEK (23,5), corresponding to a margin of 10,3 percent (12,2). The decreased margin, like the lower operating profit, is due to a lower gross margin and higher costs.

**Financial items**

Financial items for the first half year amounted to -3,3 MSEK (-2,3). The financial expenses impacting the period include interest expenses on liabilities to credit institutions of -3,0 MSEK (-1,1). The revaluation of these liabilities has affected the net financial result by -2,2 MSEK (-0,2). Other financial items affecting the period are primarily revaluations of loans to and from foreign subsidiaries, amounting to 1,9 MSEK (2,2).

**Tax**

The group's tax amounted to 0,7 MSEK (1,2). The tax for the period relates to tax on the parent company's result and changes in temporary differences.

**Profit for the year**

Profit for the period amounted to -1,9 MSEK (6,6). Earnings per share before and after dilution amounted to -0,13 SEK (0,45).

**Post balance sheet events**

No events that are to be regarded as material have occurred between the balance sheet date and the date of submission of the interim report.



## Consolidated balance sheet and cash flow

### Liquidity and cash flow

As of June 30, 2024, the Group's available liquidity amounted to 81,4 (53,5) MSEK, of which overdraft facilities amounted to 24,0 (28,4) MSEK. As of June 30, 2024, the Group's overdraft facility of 20,5 MSEK was utilized by 17,7 (12,2) MSEK, while the overdraft facility in USD of 2,0 MUSD was unutilized.

At the end of the period, the Group's cash and cash equivalents amounted to 57,7 (25,1) MSEK.

### Cash flow April – June 2024

The quarter's cash flow amounted to 12,4 (-0,7) MSEK and was distributed as follows:

- 15,4 (5,4) MSEK from operating activities.
- -0,2 (0,8) MSEK to investment activities.
- -2,8 (-6,9) MSEK to financing activities, involving loan repayments of -5,7 (-4,6) MSEK, change in bank overdraft facilities of 5,5 (-0,3) MSEK and lease liability amortisations of -2,6 (-1,9) MSEK.

### Cash flow January – June 2024

The period cash flow amounted to 31,7 (9,1) MSEK and was distributed as follows:

- 41,2 (21,0) MSEK from operating activities.
- -0,1 (0,5) MSEK to investment activities, 0,2 MSEK was received at the final settlement of the RTMS acquisition
- -9,5 (-12,5) MSEK to financing activities, and are loan repayments of -10,2 (-9,3) MSEK, change in bank overdraft facilities of 5,5 (0,7) MSEK and lease liability amortisations of -4,7 (-3,9) MSEK.

### Investments

During the first half year investments in tangible fixed assets amounted to 0,4 (0,4) MSEK. No investments were made in intangible fixed assets.

### Goodwill and other intangible assets

The Group's carrying amount of goodwill on June 30, 2024, was 119,5 (114,6) MSEK. Other intangible assets amounted to 54,5 (63,3) MSEK and relate to capitalized development expenditure of 14,6 (19,8) MSEK and customer relations of 30,3 (34,3) MSEK and trademark of 9,6 (9,2) MSEK. The decrease of 3,8 MSEK compared to carrying amount of goodwill on December 31, 2023, referred to amortisation at the amount of -12,0 MSEK, translation differences of 8,4 MSEK. During the first quarter a reduction was obtained on the purchase consideration related to the acquisition RTMS. As a result, the purchase price was reallocated, and goodwill was thereby reduced by 0,2 MSEK.

### Right-of-use assets and lease liabilities

The carrying amount of right-of-use assets (lease agreements for premises) amounted to 16,6 (8,7) MSEK. The corresponding leasing liabilities amounted to 16,9 (9,1) MSEK. During the first quarter, the french subsidiaries lease agreement in Bagneux has been prolonged and the lease liability has been revalued by 9,6 MSEK.

The cost of short-term leases for the first half year amounted to 1,5 (1,5) MSEK.

### Other non-current receivables

Other non-current receivables as of June 30, 2024, amounted to 4,0 (3,5) MSEK and consisted to the most part of the French subsidiary Citiogs tax receivables (based on discontinued development costs) that are expected to be paid later than twelve months after the end of the reporting period.

### Deferred tax assets

Deferred tax assets as of June 30, 2024, amounted to 48,9 (45,0) MSEK and mainly referred tax losses carry-forward that have been assigned a value.

### Inventories

Inventories as of June 30, 2024, amounted to 63,8 (78,9) MSEK. Inventory value attributable to RTMS amounted to 5,4 (13,1) MSEK. The decrease in the balance sheet item with adjustment for RTMS amounted to 7,4 MSEK.

**Accounts receivable**

Accounts receivable as of June 30, 2024, amounted to 61,6 (72,7) MSEK, whereof 6,3 (12,7) MSEK was attributable to RTMS. Excluding RTMS, the balance sheet item decreased by 4,7 MSEK.

**Liabilities to credit institutions**

As of June 30, 2024, the Group's liabilities to credit institutions amounted to 63,9 (66,2) MSEK and consist of acquisition loans of 46,2 (54,0) MSEK and additional utilized overdraft facilities of 17,7 (12,2) MSEK. During the first half year, the acquisition loan was repaid by 10,2 MSEK. For the corresponding period previous year, the amortization was 9,3 MSEK. Other changes during the period were currency revaluations of 2,2 MSEK and changes in cash overdraft facilities.

**Equity**

Equity as of June 30, 2024, amounted to 270,5 (259,3) MSEK, corresponding to 18,47 (17,70) SEK per outstanding share. There were no outstanding stock options or convertible programs on June 30, 2024.

**Financial position**

The equity ratio amounted to 60,9 (60,5) percent on June 30, 2024, and equity to 270,5 (259,3) MSEK. Total assets on June 30, 2024, amounted to 444,1 (428,6) MSEK.

## Business combinations

On August 31<sup>st</sup> 2023 TagMaster, through its US subsidiary Sensys Networks, acquired the radar division (RTMS) from Image Sensing Systems (ISS). The purchase price was 51,5 MSEK (4,8 MUSD) on a debt and cash free basis.

The addition of radar operations to Sensys Networks' product and service offering represents a step in the group's focus on growth in the American market.

The entire consideration has been transferred in cash and cash equivalents and the transaction was funded through a combination of new debt facilities and cash at hand. Acquisition-related expenses of 2,2 MSEK have been recognized as other expenses in the income statement.

The assets and liabilities recognized as a result of the acquisition are as follows:

<b>Fair value</b>	<b>TSEK</b>
<i>Non-current assets</i>	
Capitalised development expenditure	7 965
Customer relationships	13 454
Trademark	2 476
Property, plant and equipment	431
<i>Current assets</i>	
Inventories <sup>1</sup>	21 724
<i>Non-current liabilities</i>	
Other provisions	-2 099
<b>Identifiable assets and liabilities, net</b>	<b>43 951</b>
Transferred remuneration	51 215
<b>Goodwill</b>	<b>7 264</b>
<b>Net cash flow related to acquisition of RTMS-division</b>	
Transferred remuneration	51 464
<b>Net cash flow</b>	<b>51 464</b>

<sup>1</sup> Fair value of acquired inventories have been calculated as the dealer price deducted for estimated shipping and selling costs.

Note that the purchase price allocation above is preliminary and can be subject to changes. Goodwill arose on the acquisition, as the transferred remuneration also included amounts related to synergies, revenue increases, development of future markets and the combined workforce of the division. These benefits have not been recognized separately from goodwill because they do not meet the criteria for recognition of identifiable intangible assets.

During 2024 RTMS contributed with revenue of 31,8 MSEK and operating profit of 9,4 MSEK.

## Parent Company

The operations of the parent company TagMaster AB are consistent with the operations of the Group as a whole. Net sales for the first half year amounted to 61,0 (65,0) MSEK, of which invoicing of intra-group services and intra-group sales of goods amounted to 10,8 (15,6) MSEK. As of June 30, 2024, available liquidity amounted to 27,0 (33,0) MSEK, of which the overdraft credit amounted to 24,0 (28,4) MSEK. No significant investments have been made in intangible or tangible fixed assets.

## Other information

### Personnel

At the end of the period, the number of employees was 120 (113).

### Future outlook

The current uncertainty in the world requires a humble attitude towards the immediate future. TagMaster manages the business accordingly, with a focus on long-term growth, cost management and operational efficiency. In the medium term, TagMaster sees the massive investment packages that have been launched in Europe and the USA and which are largely focused on green investments in sustainable transport solutions benefiting the company's business.

TagMaster's growth strategy consists of a combination of growing organically and through acquisitions in existing and adjacent technology areas with the aim of expanding the product and solution offering as well as market presence. TagMaster's data solutions and sensor products are developed with the aim of preventing traffic congestion, reducing transport emissions of pollutants and increasing safety by streamlining existing and future traffic flows. The goal is to be an attractive supplier of data-based real-time information, which is a basic prerequisite for building the Smart Cities of the future.

The group's board and management remain positive about the prospects in the longer term. With greater volume and a wider range that also extends more towards data solutions and software in important growth areas, the company has good long-term growth opportunities.

### Auditor's review

This report has not been reviewed by the company auditor.

### Declaration

The Board of Directors and the CEO assure that the interim report provides a fair overview of the parent company's and the Group's operations, position and results and describes significant risks and uncertainties that the parent company and the companies included in the group face.

## Summary consolidated income statement

Amounts in TSEK	2024 April-June	2023 April-June	2024 Jan-June	2023 Jan-June	2023 Jan-Dec
Net sales	102 907	98 165	201 907	192 555	404 711
Other revenue	391	1 260	677	1 866	2 676
Change in inventories during manufacture and finished goods	380	796	775	1 132	184
Goods for resale, raw materials and consumables	-31 957	-28 712	-65 835	-57 029	-127 774
Other external expenses	-15 118	-13 980	-29 360	-28 827	-59 462
Personnel expenses	-44 860	-41 817	-89 747	-85 924	-170 764
Depreciation of property, plant and equipment and amortisation of intangible assets	-9 134	-7 911	-17 322	-15 751	-32 992
Other operating expenses	-127	-60	-421	-242	-1 273
<b>Operating profit/loss</b>	<b>2 481</b>	<b>7 742</b>	<b>675</b>	<b>7 782</b>	<b>15 304</b>
Financial net	-1 304	-1 758	-3 271	-2 345	-4 610
<b>Profit/loss before tax</b>	<b>1 177</b>	<b>5 984</b>	<b>-2 596</b>	<b>5 437</b>	<b>10 694</b>
Tax	-7	278	665	1 175	2 981
<b>Profit for the period</b>	<b>1 170</b>	<b>6 262</b>	<b>-1 931</b>	<b>6 612</b>	<b>13 675</b>
<b>Net income attributable to:</b>					
Shareholders in the Parent Company	1 170	6 262	-1 931	6 612	13 675
<b>Earnings per share, SEK</b>					
Basic earnings per share	0,08	0,43	-0,13	0,45	0,93
Diluted earnings per share	0,08	0,43	-0,13	0,45	0,93

## Consolidated statement of other comprehensive income

<b>Profit for the period</b>	<b>1 170</b>	<b>6 262</b>	<b>-1 931</b>	<b>6 612</b>	<b>13 675</b>
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences when translating foreign operations	-1 808	13 993	13 150	14 020	-6 593
<i>Items not to be reclassified to the income statement</i>					
Remeasurement of the net pension obligation	-	-	-	-	-36
Tax on the above	-	-	-	-	9
<b>Comprehensive income for the period</b>	<b>-638</b>	<b>20 255</b>	<b>11 219</b>	<b>20 632</b>	<b>7 056</b>
<b>Comprehensive income attributable to:</b>					
Shareholders in the Parent Company	-638	20 255	11 219	20 632	7 056

## Summary consolidated statement of financial position

Amounts in TSEK	2024-06-30	2023-06-30	2023-12-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	173 989	171 983	177 803
Property, plant, and equipment	2 211	2 666	2 610
Right-of-use assets	16 586	5 847	8 653
Other non-current receivables	4 054	5 388	3 544
Deferred tax assets	48 904	45 884	44 962
	<b>245 745</b>	<b>231 768</b>	<b>237 571</b>
<b>Current assets</b>			
Inventories	63 847	66 320	78 887
Trade receivables	61 551	64 969	72 665
Other receivables	15 258	17 077	14 394
Cash and cash equivalents	57 718	46 581	25 059
	<b>198 374</b>	<b>194 948</b>	<b>191 005</b>
<b>TOTAL ASSETS</b>	<b>444 118</b>	<b>426 716</b>	<b>428 577</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	18 309	18 309	18 309
Other contributed capital	241 459	241 459	241 459
Translation reserve	27 916	35 377	14 765
Retained earnings including profit for the period	-17 179	-22 284	-15 248
	<b>270 505</b>	<b>272 861</b>	<b>259 285</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	33 250	-	30 466
Deferred tax liabilities	2 958	2 217	3 427
Other provisions	17 679	9 075	17 608
Lease liabilities	9 140	984	3 813
Other non-current liabilities	1 853	5 086	1 488
	<b>64 879</b>	<b>17 361</b>	<b>56 802</b>
<b>Current liabilities</b>			
Trade payables	16 835	25 116	15 110
Current tax liabilities	2 883	98	0
Liabilities to credit institutions	30 600	40 377	35 726
Other provisions	2 454	4 495	2 397
Lease liabilities	7 731	5 456	5 273
Other liabilities	48 231	60 952	53 984
	<b>108 733</b>	<b>136 494</b>	<b>112 490</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>444 118</b>	<b>426 716</b>	<b>428 577</b>

## Summary consolidated statement of changes in equity

Amounts in TSEK	2024-06-30	2023-06-30	2023-12-31
<b>Opening shareholders' equity</b>	<b>259 285</b>	<b>252 229</b>	<b>252 229</b>
Profit for the period	-1 931	6 612	13 675
Other comprehensive income	13 150	14 020	-6 619
<b>Closing shareholders' equity</b>	<b>270 505</b>	<b>272 861</b>	<b>259 285</b>

Equity attributable to shareholders in the Parent Company.

## Summary consolidated statement of cash flows

Amounts in TSEK	2024 April-June	2023 April-June	2024 Jan-June	2023 Jan-June	2023 Jan-Dec
<b>Operating activities</b>					
Operating profit/loss	2 481	7 742	675	7 782	15 304
Adjustments for non-cash items	9 134	9 280	17 322	16 988	33 261
Interest paid	-1 666	-664	-3 263	-1 471	-4 275
Interest received	390	317	581	317	735
Tax paid	0	0	0	-1 505	-1 505
Tax received	0	0	0	0	1 377
<b>Cash flow from operating activities before changes in working capital</b>	<b>10 339</b>	<b>16 675</b>	<b>15 315</b>	<b>22 111</b>	<b>44 897</b>
Change in inventories	4 880	-8 074	17 589	-13 214	-8 195
Change in operating receivables	2 752	-750	13 263	14 762	5 672
Change in operating liabilities	-2 615	-2 437	-4 929	-2 654	-13 920
<b>Cash flow from operating activities</b>	<b>15 356</b>	<b>5 414</b>	<b>41 238</b>	<b>21 005</b>	<b>28 454</b>
<b>Investing activities</b>					
Acquisition of subsidiaries, less acquired cash and cash equivalents	4	-122	253	-	-51 464
Investments in property, plant and equipment	-179	-	-359	-391	-957
Net of paid-in and repaid deposits	0	906	0	906	918
<b>Cash flow from investing activities</b>	<b>-175</b>	<b>784</b>	<b>-106</b>	<b>515</b>	<b>-51 503</b>
<b>Financing activities</b>					
Borrowings	-	-	-	-	36 473
Repayment of loans	-5 660	-4 642	-10 243	-9 255	-18 810
Change in bank overdraft facilities	5 519	-315	5 453	685	2 374
Lease liabilities	-2 636	-1 892	-4 664	-3 881	-8 073
<b>Cash flow from financing activities</b>	<b>-2 777</b>	<b>-6 849</b>	<b>-9 454</b>	<b>-12 451</b>	<b>11 964</b>
<b>Cash flow for the period</b>	<b>12 404</b>	<b>-651</b>	<b>31 678</b>	<b>9 069</b>	<b>-11 085</b>
Exchange rate differences in cash	-595	1 197	981	1 289	-79
<b>Cash at the beginning of the period</b>	<b>45 908</b>	<b>46 034</b>	<b>25 058</b>	<b>36 223</b>	<b>36 223</b>
<b>Cash at the end of the period</b>	<b>57 717</b>	<b>46 581</b>	<b>57 717</b>	<b>46 581</b>	<b>25 059</b>

## Operating segment revenue and profit

The gross margin and EBITDA are the performance measures that are reported to the highest executive decision-maker and that form the basis for allocating resources and evaluating performance in the Group. Financial income, financial expenses and income tax are managed at Group level.

An analysis of the Group's revenue and results for each reportable operating segment follows below. The effects of recognising leases under IFRS 16 and capitalising development expenses in accordance with IAS 38 have not been allocated to the segments in the table below, included in the central column.

1 January 2024 – 30 June 2024	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
<b>Revenue</b>					
External revenue	107 485	94 421	-	-	201 907
Cross-segment transactions	858	2 718	-	-3 576	0
	<b>108 343</b>	<b>97 139</b>	-	<b>-3 576</b>	<b>201 907</b>
Gross profit	76 365	60 481	-	-	136 846
Items affecting comparability	-	-2 763	-	-	-2 763
Adjusted gross profit	76 365	63 244	-	-	139 610
<b>Adjusted EBITDA</b>	<b>4 883</b>	<b>10 959</b>	<b>4 917</b>	-	<b>20 760</b>
Items affecting comparability	-	-2 763	-	-	-2 763
<b>EBITDA</b>	<b>4 883</b>	<b>8 196</b>	<b>4 917</b>	-	<b>17 997</b>
Depreciations and amortizations	-7 128	-10 194	-	-	-17 322
<b>Operating profit/loss</b>	<b>-2 244</b>	<b>-1 998</b>	<b>4 917</b>	-	<b>675</b>

### Other segment information

Gross margin, %	71,0	64,1	-	-	67,8
Adjusted gross margin, %	71,0	67,0	-	-	69,1
Adjusted EBITDA margin, %	4,5	11,6	-	-	10,3
EBITDA margin, %	4,5	8,7	-	-	8,9
<i>Items affecting comparability:</i>					
Difference between fair value and book value in RTMS PPA	-	-2 763	-	-	-2 763
Number of employees at the end of the period	81	39	-	-	120

1 January 2023 - 30 June 2023	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
<b>Revenue</b>					
External revenue	123 409	69 146	-	-	192 555
Cross-segment transactions	2 272	1 927	-	-4 199	0
	<b>125 682</b>	<b>71 073</b>	-	<b>-4 199</b>	<b>192 555</b>
Gross profit	86 355	50 304	-	-	136 659
<b>Adjusted EBITDA</b>	<b>18 364</b>	<b>1 286</b>	<b>3 883</b>	-	<b>23 533</b>
Items affecting comparability	-	-	-	-	-
<b>EBITDA</b>	<b>18 364</b>	<b>1 286</b>	<b>3 883</b>	-	<b>23 533</b>
Depreciations and amortizations	-6 243	-9 508	-	-	-15 751
<b>Operating profit/loss</b>	<b>12 121</b>	<b>-8 222</b>	<b>3 883</b>	-	<b>7 782</b>

### Other segment information

Gross profit margin, %	70,0	72,8	-	-	71,0
Adjusted EBITDA margin, %	14,9	1,9	-	-	12,2
EBITDA margin, %	14,9	1,9	-	-	12,2
Number of employees at the end of the period	78	35	-	-	113



## Summarized parent company income statement

Amounts in TSEK	2024 Jan-June	2023 Jan-June	2023 Jan-Dec
Net sales	60 956	64 944	115 325
Other operating income	438	1 856	2 446
	<b>61 394</b>	<b>66 800</b>	<b>117 771</b>
Goods for resale and consumables	-23 795	-30 748	-49 172
Other external expenses	-13 056	-11 631	-28 163
Personnel expenses	-15 090	-14 777	-28 279
Depreciation of property, plant and equipment and amortisation of intangible assets	-51	-53	-106
Other operating expenses	2	0	-996
<b>Operating profit/loss</b>	<b>9 404</b>	<b>9 591</b>	<b>11 055</b>
Financial expenses	1 441	-1 556	-2 632
<b>Profit after financial items</b>	<b>10 845</b>	<b>8 035</b>	<b>8 423</b>
Change in untaxed reserves	-	-	-2 189
Tax on net profit for the year	-1 530	-1 650	-1 390
<b>Profit for the period *</b>	<b>9 315</b>	<b>6 385</b>	<b>4 844</b>

\*) Profit for the year accords with comprehensive income for the year.

## Summary parent company balance sheet

Amounts in TSEK	2024-06-30	2023-06-30	2023-12-31
<b>ASSETS</b>			
Intangible assets	18	95	57
Property, plant, and equipment	36	22	7
Financial assets	287 583	287 599	287 583
Inventories	19 369	19 116	25 296
Trade receivables	14 518	10 370	12 259
Receivables from Group companies	42 557	18 179	35 607
Other receivables	8 837	7 516	6 054
Cash and bank balances	2 950	22 135	4 560
<b>TOTAL ASSETS</b>	<b>375 868</b>	<b>365 032</b>	<b>371 423</b>
<b>EQUITY AND LIABILITIES</b>			
Equity	276 699	268 927	267 384
Provisions	1 534	1 611	1 534
Untaxed reserves	7 053	4 864	7 053
Non-current liabilities to credit institutions	33 250	-	30 466
Current liabilities to credit institutions	30 600	40 377	35 726
Trade payables	8 214	12 986	7 475
Current tax liability	2 883	-	-
Liabilities to Group companies	4 286	24 103	9 091
Other liabilities	11 349	12 164	12 694
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>375 868</b>	<b>365 032</b>	<b>371 423</b>

## Notes to the financial statements

### 1. Accounting policies

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated financial statements are prepared in accordance with the EU-approved International Financial Reporting Standards (IFRS). In addition, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Council Recommendation. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities.

The accounting policies and calculation methods applied are in accordance with described in the 2023 Annual Report.

Amendments and interpretations of existing standards that became effective in 2024 have not had any impact on the Group's financial position or the financial statements.

Disclosures in accordance with IAS 34 Interim Financial Reporting are provided both in these notes and elsewhere in the interim report.

### 2. Key estimates and assessments

The preparation of financial reports requires management to make assessments and estimates and to make assumptions that affect the application of the Group's accounting principles. Actual results may deviate from these estimates and judgments. Key sources of uncertainty in estimates are described in note 3 in the 2023 Annual Report, page 53.

### 3. Financial risks and risk management

Through its operations, the Group is exposed to various types of operational and financial risks. TagMaster's significant risks and uncertainties are described in note 4 Financial risks and risk management in the 2023 Annual Report on pages 54–55 and in the Director's report, pages 40–43. The risk assessment is in all material aspects unchanged.

### 4. Transactions with related parties

Related-party transactions refer to transactions in the form of remuneration to senior executives, as stated on page 59 of the 2023 Annual Report. There are no other significant transactions with related parties.

### 5. Fair value of financial instruments

All financial assets and liabilities were valued at amortised cost. During the second quarter 2023 the interest swap, valued at fair value, was closed.

## 6. Breakdown of revenue from contracts with customers

	1 January 2024 – 30 June 2024			1 January 2023 – 30 June 2023		
	TagMaster Europe	TagMaster USA	Total Group	TagMaster Europe	TagMaster USA	Total Group
<b>Geographical region</b>						
Sweden	1 629	0	1 629	1 300	0	1 300
EMEA	61 665	28 895	90 560	74 635	28 366	103 000
Asia Pacific	22 898	4 140	27 038	22 278	4 681	26 958
Americas	21 293	61 386	82 678	25 197	36 099	61 296
<b>Total</b>	<b>107 485</b>	<b>94 421</b>	<b>201 907</b>	<b>123 409</b>	<b>69 145</b>	<b>192 555</b>
<b>Customer category</b>						
Traffic Solutions	79 520	94 421	173 942	90 975	69 145	160 120
Rail Solutions	27 965	-	27 965	32 435	-	32 435
<b>Total</b>	<b>107 485</b>	<b>94 421</b>	<b>201 907</b>	<b>123 409</b>	<b>69 145</b>	<b>192 555</b>
<b>Time of revenue recognition</b>						
At a particular time	89 663	92 020	181 683	97 253	65 878	163 131
Over time	17 822	2 402	20 224	26 155	3 267	29 422
<b>Total</b>	<b>107 485</b>	<b>94 421</b>	<b>201 907</b>	<b>123 409</b>	<b>69 145</b>	<b>192 555</b>

## 7. Intangible non-current assets

	Goodwill	Goodwill associated with assets and liabilities	Capitalized development expenditure	Customer relationships	Trademarks	Total Group
<b>At 1 January 2024</b>						
Cost of acquisition, opening balance	97 690	16 862	74 707	76 130	9 339	274 728
Accumulated amortization	-	-	-54 942	-41 866	-117	-96 925
<b>Carrying amount</b>	<b>97 690</b>	<b>16 862</b>	<b>19 765</b>	<b>34 264</b>	<b>9 222</b>	<b>177 803</b>
<b>1 January-30 June 2024</b>						
Carrying amount, opening balance	97 690	16 862	19 765	34 264	9 222	177 803
Business combinations	-	-253	-	-	-	-253
Amortization for the period	-	-	-5 987	-5 799	-169	-11 954
Translation difference for the period	4 548	630	831	1 854	530	8 393
<b>Carrying amount</b>	<b>102 238</b>	<b>17 239</b>	<b>14 609</b>	<b>30 319</b>	<b>9 583</b>	<b>173 989</b>
<b>At 30 June 2024</b>						
Cost	102 238	17 239	78 074	80 341	9 869	287 761
Accumulated amortization	-	-	-63 465	-50 021	-286	-113 772
<b>Carrying amount</b>	<b>102 238</b>	<b>17 239</b>	<b>14 609</b>	<b>30 320</b>	<b>9 583</b>	<b>173 989</b>

## Group key ratios

Amounts in SEK th. unless otherwise specified

Result	2024	2024	2023	2023	2023	2023	R12M	Full Year
	April-June	Jan-March	Oct-Dec	July-Sept	April-June	Jan-March	July-June	2023
Net sales	102 907	99 000	125 260	86 896	98 165	94 390	414 062	404 711
Net sales growth, %	4,8	4,9	19,7	0,4	11,6	18,7	7,9	12,9
Organic net sales change, %	-9,6	-14,5	2,5	-4,1	6,2	12,9	-6,3	3,4
Gross profit	71 329	65 517	76 914	63 547	70 250	66 409	277 308	277 120
Gross margin, %	69,3	66,2	61,4	73,1	71,6	70,4	67,0	68,5
Adjusted gross margin, %	69,3	69,0	66,7	73,1	71,6	70,4	69,2	70,1
Adjusted EBITDA	11 615	9 144	22 662	10 979	15 653	7 879	54 401	57 174
Adjusted EBITDA margin, %	11,3	9,2	18,1	12,6	15,9	8,3	13,1	14,1
EBITDA	11 615	6 381	16 029	8 734	15 653	7 879	42 760	48 296
EBITDA margin, %	11,3	6,4	12,8	10,1	15,9	8,3	10,3	11,9
Adjusted EBITA	7 732	6 557	19 692	7 793	12 644	4 890	41 637	44 819
Adjusted EBITA margin, %	7,5	6,6	15,7	9,0	12,9	5,2	10,1	11,1
EBITA	7 732	3 794	13 059	5 548	12 644	4 890	29 996	35 942
EBITA margin %	7,5	3,8	10,4	6,4	12,9	5,2	7,2	8,9
Operating profit	2 481	-1 806	7 305	218	7 742	39	8 197	15 304
Operating margin, %	2,4	-1,8	5,8	0,3	7,9	0,0	2,0	3,8
Profit/loss before tax	1 177	-3 773	5 899	-641	5 984	-548	2 662	10 694
Net profit for the period	1 170	-3 101	6 845	219	6 262	349	5 133	13 675
Earnings per share before dilution, SEK <sup>1</sup>	0,08	-0,21	0,47	0,01	0,43	0,02	0,35	0,93
Earnings per share after dilution, SEK <sup>1</sup>	0,08	-0,21	0,47	0,01	0,43	0,02	0,35	0,93

### Financial position

Equity	270 505	271 144	259 285	269 826	272 861	252 606	270 505	259 285
Average equity	270 825	265 214	264 555	271 343	262 733	252 418	271 683	255 757
Equity ratio, %	60,9	60,6	60,5	59,9	63,9	61,5	60,9	60,5
Net debt (-) receivable	23 002	35 457	50 220	50 631	235	6 192	23 002	50 220
Return on equity, %	0,4	-1,2	2,6	0,1	2,4	0,1	1,9	5,3

### Share data

Net sales per share, SEK	7,03	6,76	8,55	5,93	6,70	6,44	28,27	27,63
Equity per share, SEK	18,47	18,51	17,70	18,42	18,63	17,25	18,47	17,70
Market price on closing day, SEK	20,00	23,30	23,30	18,10	13,95	14,25	20,00	23,30
Number of shares at end of period	14 648	14 648	14 648	14 648	14 648	14 648	14 648	14 648
Average number of shares, thousands <sup>1</sup>	14 648	14 648	14 648	14 648	14 648	14 648	14 648	14 648

### Personnel information

Sales per employee	865	850	1 071	749	854	793	3 524	3 401
Average number of employees	119	117	117	116	115	119	118	119
Number of employees at end of period	120	118	115	118	113	117	120	115

<sup>1</sup>Number of shares, basic and diluted, is the same as there are no options or convertibles outstanding that may give rise to dilution.

Key ratios	Definition/calculation	Purpose
Gross profit	Net sales minus costs of goods and services sold.	The key ratio is used in other calculations.
Gross margin	Net sales less costs of goods and services sold (gross profit) as a percentage of net sales.	The gross margin is used to measure production profitability.
Adjusted gross profit	Gross profit adjusted for items affecting comparability.	The key ratio is used in other calculations.
Adjusted gross margin	Net sales less costs of goods and services sold (adjusted gross profit) as a percentage of net sales.	The gross margin is used to measure production profitability in on-going operations.
Operating margin	Operating profit (EBIT) after depreciation, amortisation and impairments as a percentage of net sales.	Operating margin is used to measure operating profitability.
EBITDA	Operating profit (EBIT) before depreciation, amortisation and impairments.	EBITDA together with EBIT provides an overall picture of profit generated from operating activities.
Items affecting comparability	Income and expenses that are not expected to appear on a regular basis and impact comparability between periods	The key ratio is used in other calculations.
Adjusted EBITDA	EBITDA adjusted for items affecting comparability	The key ratio provides an overall picture of profit generated from operating activities.
EBITA	Operating Profit before depreciation, amortisation of goodwill and depreciation, amortisation of other intangible assets that arose in conjunction with company acquisitions.	EBITA provides an overall picture of profit generated from operating activities.
Organic change	Change in net sales during the current period, excluding acquisitions and currency effects, in relation to net sales for the corresponding period of the preceding year. Net sales from acquired companies are included in the calculation of organic change as of the first day of the first month which falls 12 months after the date of acquisition	The key ratio provides a picture of the business's self-generated growth.
Equity ratio	Equity as a percentage of the balance sheet total.	The key ratio indicates the proportion of assets financed by equity. Assets not financed by equity are financed by loans.
Return on equity	Profit for the year after tax attributable to the parent company's shareholders divided by average equity.	The key ratio shows the return the owners receive on their invested capital.
Average equity	Average equity is calculated as the average of the opening and closing balances.	The key ratio is used in other calculations.
Average number of employees	The total of number of employees per month divided by the number of months in the period.	The key ratio is used in other calculations.
Sales per employee	Sales divided by average number of employees.	The key ratio is used to assess the efficiency of a company.
Earnings per share, SEK	Profit for the period attributable to the parent company's shareholders divided by the average number of shares.	Earnings per share is used to determine the value of the company's outstanding shares.
Average number of shares	Weighted average number of shares at the end of the period.	The key ratio is used in other calculations.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	The key ratio is used to track the company's indebtedness.
Net debt/EBITDA	Net debt at the end of the period divided by EBITDA, adjusted for rolling twelve months.	Net debt/EBITDA provides an estimate of the company's ability to reduce its debt. It represents the number of years it would take to pay the debt if net debt and EBITDA are kept constant, without taking account of cash flows relating to interest, tax and investments.

## Financial performance measures not defined in accordance with IFRS

TagMaster presents certain financial performance measures in the interim report that are not defined in accordance with IFRS or the Annual Accounts Act. The company considers that these measures provide valuable additional information to investors and the company's management as they enable evaluation of the company's performance. Since not all companies calculate financial performance measures in the same way, these are not always comparable with performance measures used by other companies. These financial performance measures should therefore not be seen as a substitute for measures defined in accordance with IFRS. Measures that are not defined in accordance with IFRS and reconciliation of the measures are presented below.

		2024	2023	R12M	2023
		Jan-June	Jan-June	July-June	Jan-Dec
<b>A</b>	Net sales	201 907	192 555	414 062	404 711
	Change in inventories during manufacture and finished goods	775	1 132	-174	184
	Goods for resale, raw materials and consumables	-65 835	-57 029	-136 580	-127 774
<b>B</b>	<b>Gross profit</b>	136 846	136 659	277 308	277 120
	Items affecting comparability	2 763	0	9 396	6 633
<b>B.1</b>	<b>Adjusted gross profit</b>	139 610	136 659	286 704	283 753
<b>C</b>	Operating profit (EBIT)	675	7 782	8 197	15 304
	Amortisation of intangible assets related to acquisitions	-10 914	-9 753	-21 799	-20 638
<b>D</b>	EBITA	11 589	17 535	29 996	35 942
	Depreciation of other intangible assets	-1 041	-1 199	-2 496	-2 654
	Depreciation of property, plant and equipment	-5 367	-4 799	-10 268	-9 700
<b>E</b>	<b>EBITDA</b>	17 997	23 533	42 760	48 296
	Items affecting comparability	-	-	2 245	2 245
	Total items affecting comparability	2 763	-	11 641	8 878
<b>E</b>	<b>Adjusted EBITDA</b>	20 760	23 533	54 401	57 174
<b>D.1</b>	<b>Adjusted EBITA</b>	14 352	17 535	41 637	44 820
<b>(B/A)</b>	<b>Gross profit margin, %</b>	67,8	71,0	67,0	68,5
<b>(B.1/A)</b>	<b>Adjusted gross profit margin, %</b>	69,1	71,0	69,2	70,1
<b>(C/A)</b>	<b>EBIT margin, %</b>	0,3	4,0	2,0	3,8
<b>(D.1/A)</b>	<b>Adjusted EBITA margin, %</b>	7,1	9,1	10,1	11,1
<b>(D/A)</b>	<b>EBITA margin, %</b>	5,7	9,1	7,2	8,9
<b>(E/A)</b>	<b>EBITDA margin, %</b>	8,9	12,2	10,3	11,9
<b>(F/A)</b>	<b>Adjusted EBITDA margin, %</b>	10,3	12,2	13,1	14,1
<b>Return on equity, %</b>					
		2024	2023	R12M	2023
		Jan-June	Jan-June	July-June	Jan-Dec
<b>(A)</b>	Net profit for the period	-1 931	6 612	5 133	13 675
<b>(B)</b>	Opening equity for the period	259 285	252 229	272 861	252 229
<b>(C)</b>	Closing equity for the period	270 505	272 861	270 505	259 285
<b>D</b>	<b>Average equity</b>	264 895	262 545	271 683	255 757
<b>(A)/(D)</b>	<b>Return on equity, %</b>	-0,7	2,5	1,9	5,3
<b>Equity ratio, %</b>					
		2024-06-30	2023-06-30	2024-06-30	2023-12-31
<b>(A)</b>	Equity	270 505	272 861	270 505	259 285
<b>(B)</b>	Balance sheet total	444 118	426 716	444 118	428 577
<b>(A/B)</b>	<b>Equity ratio, %</b>	60,9	63,9	60,9	60,5
<b>Net debt</b>					
		2024-06-30	2023-06-30	2024-06-30	2023-12-31
	Liabilities to credit institutions	63 850	40 377	63 850	66 192
	Lease liabilities	16 871	6 439	16 871	9 087
	Cash	-57 718	-46 581	-57 718	-25 059
<b>(A)</b>	<b>Net debt (-) receivable</b>	23 002	235	23 002	50 220
<b>(A)/(E)</b>	<b>Net debt/adjusted EBITDA, multiple (rolling 12 m)</b>	-	-	0,4	0,9