

Strong cash flow in a pending market

July-September 2024

- Net sales decreased during the quarter by 2,4 % to 84,8 MSEK (86,9). The organic and currency adjusted growth amounted to -17,3%.
- Adjusted EBITDA decreased during the quarter by 94,7% and amounted to 0,6 MSEK (11,0) corresponding to an adjusted EBITDA margin by 0,7 % (12,6).
- Operating profit was -6,6 MSEK (0,2), corresponding to an operating margin of -7,8 % (0,3).
- Profit/loss for the quarter was -7,5 MSEK (0,2).
- Result per share basic and diluted was -0,51 SEK (0,01).
- Cash flow from operating activities for the period was 6,4 MSEK (4,1).

January-September 2024

- Net sales increased during the nine-month period by 2,6% to 286,7 MSEK (279,5). The currency adjusted growth amounted to -14,0 percent.
- Adjusted EBITDA decreased during the period by 38,2% to 21,3 MSEK (34,5), corresponding to an adjusted EBITDA margin by 7,4% (12,3).
- Operating profit/loss was -5,9 MSEK (8,0) which correspond to operating margin of -2,0% (2,8).
- Profit/loss for the period was -9,4 MSEK (6,8).
- Result per share, basic and diluted was -0,64 SEK (0,47).
- Cash flow from operating activities for the period was 47,6 MSEK (25,1).

Amounts in TSEK	2024 July-Sept	2023 July-Sept	2024 Jan-Sept	2023 Jan-Sept	R12M Oct-Sept	2023 Full Year
Net sales	84 812	86 896	286 718	279 451	411 978	404 711
Net sales growth, %	-2,4	0,4	2,6	10,0	7,3	12,9
Gross margin, %	66,9	73,1	67,5	71,6	65,7	68,5
Adjusted gross margin, %	66,9	75,7	68,5	72,4	67,4	70,1
Adjusted EBITDA	583	10 979	21 343	34 512	44 006	57 174
Adjusted EBITDA margin, %	0,7	12,6	7,4	12,3	10,7	14,1
EBITDA	583	8 734	18 579	32 266	34 609	48 296
EBITDA margin, %	0,7	10,1	6,5	11,5	8,4	11,9
Equity ratio, %	61,4	59,9	-	-	61,4	60,5
Cash flow from operating activities, MSEK	6,4	4,1	47,6	25,1	19,3	28,5
Net debt/EBITDA, R12M	-	-	-	-	0,4	0,9
Number of employees at end of period	122	118	-	-	122	115

For description and reconciliation of key figures, see pages 22-23.

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

The third quarter of the year was, as expected, affected by the weaker demand situation that we have observed over the past nine months, primarily for our European segment. Demand is characterized by long-term investment decisions, often at the governmental level and is impacted by the weaker economy in several geographic markets, and means that our customers postpone their investments decision, mainly in our case the United Kingdom. I assess that the downturn is temporary, and at the same time, I can confirm that despite the downturn, we are maintaining our market share. We also show strength by reporting a good positive cash flow and resilient gross margin during the period.

Looking ahead, I can state 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 problems such as congestion in densely populated areas around the world, increasing traffic safety and preventing accidents, as well as reducing emissions from traffic. This means that demand for our solutions will increase as necessary decisions on infrastructure investments are made across large parts of the world.

Our leading technical expertise in all relevant technologies in the field makes us well positioned to meet the growing demand for multi-sensor solutions. We therefore see great potential in continuing to develop both new products and our sales, both in the U.S. 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.

To leverage our leading technical expertise and thereby drive organic growth, significant investments are being made in product development. During the third quarter, the investment in product development amounted to approximately 15 percent of the group's revenue.

We are already seeing how AI tools have helped us streamline our development work and thereby improve our products and solutions, primarily through support in coding and software development. We also greatly benefit from AI in strengthening and optimizing our sales and marketing efforts. Many of our products have been AI-based for many years, allowing us to quickly take advantage of the advancements happening in the AI field.

Our latest acquisition of the radar business (RTMS) from the U.S. company Image Sensing Systems (ISS) has developed very well in a short time. Through the acquisition, which was completed during the third quarter of 2023, we have strengthened our offering and can now provide both sensor solutions for ground installations and a series of high-performance radar-based sensor solutions for above-ground installations. Already during the final quarter of 2023, the acquisition performed well, which was again confirmed during the past quarter when RTMS sales grew by approximately 170 percent compared to the same period last year. Our Parking and access business has also continued to develop well during the quarter.

The group's sales for the third quarter amounted to SEK 84.8 million, a decrease of 2.4 percent compared to the same period in 2023. The organic revenue change for the quarter, adjusted for currency effects and acquisitions, was SEK -15.0 million, corresponding to a decrease of 17.3 percent. Costs were at the same level as in the third quarter 2023.

Our Traffic Solutions business amounted to SEK 76.9 million, a marginal decrease of approximately 1 percent compared to the same quarter in 2023. During the quarter, Traffic Solutions accounted for 91 percent of sales, while Rail Solutions accounted for 9 percent. We continued our strategic focus during the quarter by further investing in the Traffic Solutions business, which includes both organic growth and growth through acquisitions.

The adjusted gross margin at group level was 66.9 percent (73.1 percent), with an adjusted EBITDA result of SEK 0.6 million, corresponding to an adjusted EBITDA margin of 0.7 percent. Cash flow from operating activities amounted to SEK 6.4 million, and the group's solvency ratio was 61.4 percent at the end of the period.

The focus on reducing working capital, primarily inventory levels that increased during the previous component shortage, remains strong. Sequentially, inventory has decreased by just over 6 percent, and compared to the same quarter last year, it has decreased by over 34 percent, and by 24 percent compared to the end of the year.

TagMaster is currently well positioned in a market with strong long-term growth prospects and good profitability, and we are committed to continuing to make TagMaster a leading company in Intelligent Transportation 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

February 5, 2025:	Earnings release 2024
March 27, 2025:	Annual Report 2024 available on web site
April 24, 2025:	Annual general meeting, Kista
April 24, 2025:	Interim report first quarter 2025
July 18, 2025:	Interim report second quarter 2025
October 23, 2025:	Interim report third quarter 2025
February 5, 2026:	Earnings release 2025

This report and previous reports and press releases are found at the company home page www.tagmaster.com.

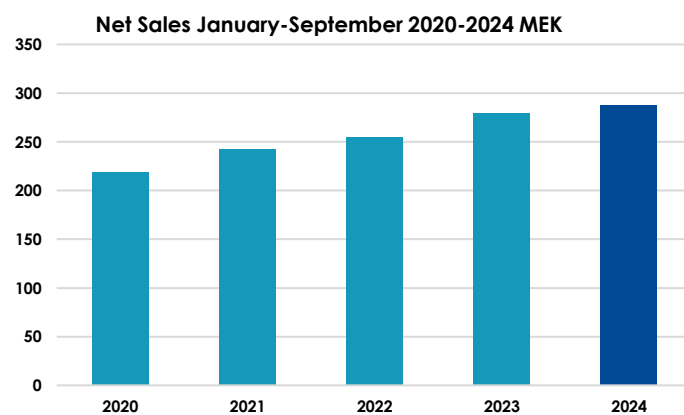
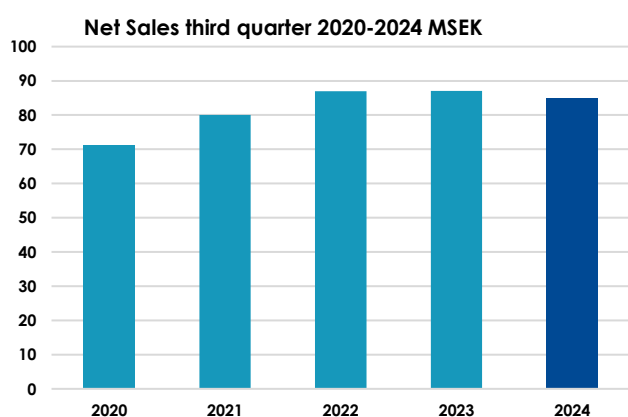
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Summary result information

Amounts in TSEK	2024 July-Sept	2023 July-Sept	%	R12M Oct-Sept	2023 Full Year	%
Net sales	84 812	86 896	-2,4	411 978	404 711	1,8
Other revenue	500	738	-32,3	1 248	2 676	-53,4
Gross profit	56 704	63 547	-10,8	270 464	277 120	-2,4
Gross margin, %	66,9	73,1	-	65,7	68,5	-
Adjusted gross profit	56 704	65 792	-13,8	277 615	283 753	-2,2
Adjusted gross margin, %	66,9	75,7	-	67,4	70,1	-
Operating expenses ¹	-56 621	-55 551	1,9	-237 103	-231 499	2,4
Adjusted EBITDA	583	10 979	-94,7	44 006	57 174	-23,0
Adjusted EBITDA margin, %	0,7	12,6	-	10,7	14,1	-
Non-recurring items	-	-2 245	-	-9 396	-8 878	5,8
EBITDA	583	8 734	-	34 609	48 296	-28,3
EBITDA margin, %	0,7	10,1	-	8,4	11,9	-
Amortisation of other non-current intangible assets ²	-532	-627	-15,2	-2 401	-2 654	-9,5
Depreciation	-2 647	-2 558	3,5	-10 357	-9 700	6,8
Adjusted EBITA	-2 596	7 793	-133,3	31 248	44 819	-30,3
Adjusted EBITA margin, %	-3,1	9,0	-	7,6	11,1	-
EBITA	-2 596	5 549	-146,8	21 852	35 942	-39,2
EBITA margin, %	-3,1	6,4	-	5,3	8,9	-



Organic change, net sales

Amounts in TSEK	2024 July-Sept	%	2023 July-Sept	%	2024 Jan-Sept	%	2023 Jan-Sept	%
Net sales comparison period previous year	86 896		86 543		279 451		254 002	
Organic change	-15 047	-17,3	-3 550	-4,1	-39 029	-14,0	9 781	3,9
Change through acquisitions	15 144	17,4	1 514	1,7	46 938	16,8	1 514	-
Exchange rate change	-2 181	-2,5	2 389	2,8	-642	-0,1	14 155	5,6
Total change	-2 084	-2,4	353	0,4	7 267	2,6	25 450	10,0
Net sales	84 812		86 896		286 718		279 451	

For description and reconciliation of key figures, see pages 22-23.

¹ Personnel expenses, other external expenses and other operating expenses

² 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 for the third quarter amounted to SEK 37.8 million, which is a decrease of 28.5 percent and 26.4 percent when adjusted for currency, compared to the same period in 2023.

The gross margin was 74.6 percent, reflecting an improvement of 2.2 percentage points compared to the third quarter of 2023. During the quarter, lead times for the majority of electronic components have normalized. Costs were slightly higher compared to the third quarter of 2023 due to increased salary expenses related to a larger sales team.

Adjusted EBITDA for the third quarter was SEK -6.2 million, corresponding to an adjusted EBITDA margin of -16.3 percent. Traffic Solutions accounted for 79 percent of sales in the segment during the third quarter, while Rail Solutions represented 21 percent.

Some of TagMaster's application areas, characterized by demand driven by long-term investment decisions often at the governmental level, experienced lower volumes during the quarter due to delays in investments. This led to a negative currency-adjusted organic growth for the segment. However, these are temporary fluctuations in business, which are normal since projects such as tunnels, bridges, subway projects, and tram traffic projects are linked to uneven investment cycles. TagMaster assesses that the decline is of a temporary nature.

During the quarter, TagMaster participated in the ITS World Congress in Dubai. The ITS World Congress is one of the world's largest trade fairs for Intelligent Transportation Systems (ITS), held annually and alternating between Asia, Europe, and the USA.

TagMaster's French subsidiary, Citilog, launched its new software AID (Automatic Incident Detection) during the quarter. This 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. A significant portion of both the new and updated modules are now fully AI-driven, enhancing Citilog's solution offerings and confirming and expanding the company's technological leadership.

During the quarter, Citilog received orders to deliver its AI- and Deep Learning-powered video-based automatic incident detection solution for projects in Switzerland and France. Additionally, the Europe segment secured major orders for RFID systems for subway systems in Thailand, Colombia, and the USA, as well as tram systems in Spain. TagMaster also received orders for RFID access systems for a port project in Neom City, which is Saudi Arabia's new futuristic city powered 100 percent by renewable energy, and for a large residential/commercial project in Bangkok.

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

Amounts in TSEK	2024 July-Sept	2023 July-Sept	Change, %	2024 Jan-Sept	2023 Jan-Sept	Change, %
Net Sales	37 791	52 879	-28,5	145 276	176 288	-17,6
Gross profit	28 182	38 309	-26,4	104 888	124 666	-15,9
Gross margin, %	74,6	72,4	-	72,2	70,7	-
Adjusted gross margin, %	74,6	72,4	-	72,2	70,7	-
Adjusted EBITDA	-6 177	7 581	-181,5	-971	26 246	-103,7
Adjusted EBITDA margin, %	-16,3	14,3	-	-0,7	14,9	-
Number of employees at end of period	83	79	5,1	83	79	5,1

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 for the third quarter amounted to SEK 47.0 million, representing an increase of 38.2 percent and a decrease of 3.1 percent when adjusted for currency and acquisitions compared to the same period in 2023.

The adjusted gross margin was 60.7 percent, a decrease of 13.4 percentage points compared to the third quarter of 2023. The decline in gross margin is a result of the recently acquired radar business (RTMS), which has a lower gross margin than the other parts of the USA segment. For comparable units, the gross margin was 64.1 percent, which is a decrease compared to the third quarter of 2023; the remaining margin reduction is explained by changes in product and customer mix.

Adjusted EBITDA for the third quarter was SEK 4.4 million, corresponding to an adjusted EBITDA margin of 9.4 percent.

In the US segment, the Traffic Solutions business accounts for 100 percent of sales.

The radar business (RTMS) acquired in the third quarter of 2023 from American Image Sensing Systems (ISS) continued to perform well during the quarter, with growth of approximately 170 percent compared to the same period in 2023. The addition of the radar business (RTMS) to Sensys Networks' product and service offerings marks an important step in the ongoing focus on growth in the American market. With this acquisition, Sensys Networks is better positioned to meet the growing demand for multi-sensor solutions.

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

During the quarter, TagMaster participated in ITS California in San Francisco. Additionally, the USA segment secured major orders for traffic light detection systems in England, South Africa, Australia, and Saudi Arabia, as well as several systems in the USA, including New Jersey, California, and Michigan. Furthermore, the new radar products have been sold for projects in England and in the USA, including projects in Florida.

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

Amounts in TSEK	2024 July-Sept	2023 July-Sept	Change, %	2024 Jan-Sept	2023 Jan-Sept	Change, %
Net Sales	47 021	34 017	38,2	141 442	103 163	37,1
Gross profit	28 522	25 238	13,0	88 662	75 540	17,4
Gross margin, %	60,7	74,2	-	62,7	73,2	-
Adjusted gross margin, %	60,7	80,8	-	64,6	75,4	-
Adjusted EBITDA	4 430	1 227	261,1	15 067	2 214	580,5
Adjusted EBITDA margin, %	9,4	3,6	-	10,7	2,1	-
Number of employees at end of period	39	39	0,0	39	39	0,0

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

July–September 2024

Net sales

Net sales for the quarter amounted to 84,8 (86,9) MSEK, representing an decrease of 2,4 percent compared to the corresponding quarter of the previous year. The quarter's organic revenue change – adjusted for currency effects of -2,2 MSEK and changes due to acquisitions of 15,1 MSEK – amounted to -15,0 MSEK. The organic revenue change was attributed to the group's European segment, where revenue decreased by 14,0 MSEK. The American segment's net sales increase is explained by additional income of 15,1 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 -6,6 MSEK (0,2), representing a decrease of 6,8 MSEK compared to the corresponding period of the previous year. The decreased operating profit is explained by lower net sales, lower gross margin and higher operating expenses. The lower gross margin, 66,9 percent compared to 73,1 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 69,8 percent.

Adjusted EBITDA

Adjusted EBITDA decreased to 0,6 MSEK (11,0), corresponding to a margin of 0,7 percent (12,6). 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 -0,4 MSEK (-0,9). The financial expenses impacting the quarter included interest expenses on liabilities to credit institutions of -1,2 MSEK (-1,0), as well as currency exchange effects related to these liabilities of 1,7 MSEK (-0,2). Other financial items affecting the quarter were also currency revaluations of the parent company's loans to and from foreign subsidiaries, amounting to -0,9 MSEK (0,2). 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 -527,0 (860,0) TSEK and was attributable to current tax and 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 -7,5 (0,2) MSEK. Earnings per share before and after dilution amounted to -0,51 (0,01) SEK.

January - September 2024

Net sales

The sales for the nine-month period amounted to 286,7 MSEK (279,5), representing an increase of 2,6 percent compared to the corresponding period previous year. The organic net sales growth for the year – adjusted for currency effects of -0,6 MSEK and changes due to acquisitions of 46,9 MSEK – amounted to -39,0 MSEK.

Operating profit/loss

Operating profit/loss for the period amounted to -5,9 MSEK (8,0), reflecting an decrease of 13,9 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 67,5 percent compared to 71,6 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 68,5 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 71,2 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 21,3 MSEK (34,5), corresponding to a margin of 7,4 percent (12,3). The decreased margin, like the lower operating profit, is due to a lower gross margin and higher costs.

Financial items

Financial items for the period amounted to -3,6 MSEK (-3,2). The financial expenses impacting the period include interest expenses on liabilities to credit institutions of -4,2 MSEK (-2,2). The revaluation of these liabilities has affected the net financial result by -0,5 MSEK (-0,7). Other financial items affecting the period are primarily revaluations of loans to and from foreign subsidiaries, amounting to 1,0 MSEK (0,1).

Tax

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

Profit for the year

Profit for the period amounted to -9,4 MSEK (6,8). Earnings per share before and after dilution amounted to -0,64 SEK (0,47).

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 September 30, 2024, the Group's available liquidity amounted to 79,4 (53,5) MSEK, of which overdraft facilities amounted to 30,1 (28,4) MSEK. As of September 30, 2024, the Group's overdraft facility of 20,5 MSEK was utilized by 9,8 (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 48,5 (25,1) MSEK.

Cash flow July – September 2024

The quarter's cash flow amounted to -7,9 (-23,6) MSEK and was distributed as follows:

- 6,4 (4,1) MSEK from operating activities.
- -0,2 (-51,9) MSEK to investment activities.
- -14,0 (-24,2) MSEK to financing activities, involving loan repayments of -3,9 (-4,7) MSEK, change in bank overdraft facilities of -7,9 (-5,4) MSEK and lease liability amortisations of -2,2 (-2,2) MSEK.

Cash flow January – September 2024

The period cash flow amounted to 23,8 (-14,6) MSEK and was distributed as follows:

- 47,6 (25,1) MSEK from operating activities.
- -0,3 (-51,4) MSEK to investment activities. 0,2 MSEK was received at the final settlement of the RTMS acquisition
- -23,5 (-11,7) MSEK to financing activities), and are loan repayments of -14,2 (-14,0) MSEK, change in bank overdraft facilities of -2,4 (-4,7) MSEK and lease liability amortisations of -6,9 (-6,1) MSEK.

Investments

During the nine-month period investments in tangible fixed assets amounted to 0,6 (0,8) MSEK. No investments were made in intangible fixed assets.

Goodwill and other intangible assets

The Group's carrying amount of goodwill on September 30, 2024, was 116,7 (114,6) MSEK. Other intangible assets amounted to 47,8 (63,3) MSEK and relate to capitalized development expenditure of 12,7 (19,8) MSEK and customer relations of 26,1 (34,3) MSEK and trademark of 9,0 (9,2) MSEK. The decrease of 13,3 MSEK compared to carrying amount of goodwill on December 31, 2023, referred to amortisation at the amount of -16,5 MSEK, translation differences of 3,4 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 14,4 (8,7) MSEK. The corresponding leasing liabilities amounted to 14,7 (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 nine-month period amounted to 1,5 (2,3) MSEK.

Other non-current receivables

Other non-current receivables as of September 30, 2024, amounted to 4,2 (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 September 30, 2024, amounted to 46,3 (45,0) MSEK and mainly referred tax losses carry-forward that have been assigned a value.

Inventories

Inventories as of September 30, 2024, amounted to 59,8 (78,9) MSEK. Inventory value attributable to RTMS amounted to 5,2 (13,1) MSEK. The decrease in the balance sheet item with adjustment for RTMS amounted to 11,2 MSEK.

Accounts receivable

Accounts receivable as of September 30, 2024, amounted to 61,0 (72,7) MSEK, whereof 8,0 (12,7) MSEK was attributable to RTMS. Excluding RTMS, the balance sheet item decreased by 7,0 MSEK.

Liabilities to credit institutions

As of September 30, 2024, the Group's liabilities to credit institutions amounted to 50,2 (66,2) MSEK and consist of acquisition loans of 40,4 (54,0) MSEK and additional utilized overdraft facilities of 9,8 (12,2) MSEK. During the nine-month period, the acquisition loan was repaid by 14,2 MSEK. For the corresponding period previous year, the amortization was 14,0 MSEK.

Equity

Equity as of September 30, 2024, amounted to 254,4 (259,3) MSEK, corresponding to 17,37 (17,70) SEK per outstanding share. There were no outstanding stock options or convertible programs on September 30, 2024.

Financial position

The equity ratio amounted to 61,4 (60,5) percent on September 30, 2024, and equity to 254,4 (259,3) MSEK. Total assets on September 30, 2024, amounted to 414,6 (428,6) MSEK.

Comparative figures regarding the balance sheet refer to 2023-12-31. For the cash flow and income statement comparative figures refer to 2023-09-30.

Business combinations

On August 31st 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:

Fair value	TSEK
<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 ¹	21 724
<i>Non-current liabilities</i>	
Other provisions	-2 099
Identifiable assets and liabilities, net	43 951
Transferred remuneration	51 215
Goodwill	7 264
Net cash flow related to acquisition of RTMS-division	
Transferred remuneration	51 215
Net cash flow	51 215

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

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 46,9 MSEK and operating profit of 15,2 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 nine-month period amounted to 78,9 (90,0) MSEK, of which invoicing of intra-group services and intra-group sales of goods amounted to 13,9 (20,7) MSEK. As of September 30, 2024, available liquidity amounted to 33,9 (33,0) MSEK, of which the overdraft credit amounted to 30,9 (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 122 (118).

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 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, as well as describes significant risks and uncertainties faced by the parent company and the companies within the group.

Kista October 23, 2024

Jonas Svensson

Chief Executive Officer

Auditors report

This is a translation of the Swedish original. For any interpretation the Swedish version prevails

Tagmaster AB (publ). reg. no. 556487-4534

Introduction

We have reviewed the condensed interim report of Tagmaster AB (publ) as of 30 September 2024 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 23 October 2024

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorized Public Accountant

Summary consolidated income statement

Amounts in TSEK	2024 July-Sept	2023 July-Sept	2024 Jan-Sept	2023 Jan-Sept	2023 Jan-Dec
Net sales	84 812	86 896	286 718	279 451	404 711
Other revenue	500	738	1 177	2 605	2 676
Change in inventories during manufacture and finished goods	241	773	1 016	1 905	184
Goods for resale, raw materials and consumables	-28 349	-24 121	-94 184	-81 150	-127 774
Other external expenses	-13 532	-14 721	-42 892	-43 548	-59 462
Personnel expenses	-42 418	-40 483	-132 164	-126 407	-170 764
Depreciation of property, plant and equipment and amortisation of intangible assets	-7 201	-8 517	-24 523	-24 267	-32 992
Other operating expenses	-671	-347	-1 092	-589	-1 273
Operating profit/loss	-6 618	218	-5 944	7 999	15 304
Financial net	-337	-859	-3 607	-3 204	-4 610
Profit/loss before tax	-6 955	-641	-9 551	4 795	10 694
Tax	-527	860	138	2 035	2 981
Profit for the period	-7 482	219	-9 413	6 830	13 675
Net income attributable to:					
Shareholders in the Parent Company	-7 482	219	-9 413	6 830	13 675
Earnings per share, SEK					
Basic earnings per share	-0,51	0,01	-0,64	0,47	0,93
Diluted earnings per share	-0,51	0,01	-0,64	0,47	0,93

Consolidated statement of other comprehensive income

Profit for the period	-7 482	219	-9 413	6 830	13 675
<i>Items that may be reclassified to profit or loss</i>					
Exchange differences when translating foreign operations	-8 618	-3 254	4 532	10 767	-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
Comprehensive income for the period	-16 100	-3 035	-4 880	17 597	7 056
Comprehensive income attributable to:					
Shareholders in the Parent Company	-16 100	-3 035	-4 880	17 597	7 056

Summary consolidated statement of financial position

Amounts in TSEK	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Non-current assets			
Intangible assets	1 64 462	194 573	177 803
Property, plant, and equipment	1 985	3 194	2 610
Right-of-use assets	14 412	5 603	8 653
Other non-current receivables	4 228	3 543	3 544
Deferred tax assets	46 311	47 814	44 962
	231 398	254 727	237 571
Current assets			
Inventories	59 779	91 119	78 887
Trade receivables	60 952	64 571	72 665
Other receivables	13 989	17 333	14 394
Cash and cash equivalents	48 471	22 603	25 059
	183 192	195 626	191 005
TOTAL ASSETS	414 590	450 353	428 577
SHAREHOLDERS' EQUITY			
Share capital	18 309	18 309	18 309
Other contributed capital	241 459	241 459	241 459
Translation reserve	19 298	32 124	14 765
Retained earnings including profit for the period	-24 660	-22 066	-15 248
	254 406	269 826	259 285
Non-current liabilities			
Liabilities to credit institutions	26 067	34 520	30 466
Deferred tax liabilities	2 252	3 639	3 427
Other provisions	16 902	9 680	17 608
Lease liabilities	6 896	1 761	3 813
Other non-current liabilities	1 705	4 915	1 488
	53 821	54 515	56 802
Current liabilities			
Trade payables	19 727	22 389	15 110
Current tax liabilities	0	98	0
Liabilities to credit institutions	24 087	32 564	35 726
Other provisions	2 454	4 495	2 397
Lease liabilities	7 815	4 388	5 273
Other liabilities	52 281	62 077	53 984
	106 363	126 012	112 490
TOTAL EQUITY AND LIABILITIES	414 590	450 353	428 577

Summary consolidated statement of changes in equity

Amounts in TSEK	2024-09-30	2023-09-30	2023-12-31
Opening shareholders' equity	259 285	252 229	252 229
Profit for the period	-9 413	6 830	13 675
Other comprehensive income	4 532	10 767	-6 619
Closing shareholders' equity	254 405	269 826	259 285

Equity attributable to shareholders in the Parent Company.

Summary consolidated statement of cash flows

Amounts in TSEK	2024 July-Sept	2023 July-Sept	2024 Jan-Sept	2023 Jan-Sept	2023 Jan-Dec
Operating activities					
Operating profit/loss	-6 618	218	-5 944	7 999	15 304
Adjustments for non-cash items	7 201	10 721	24 523	27 709	33 261
Interest paid	-1 436	-985	-4 699	-2 456	-4 275
Interest received	394	267	975	584	735
Tax paid	0	0	0	-1 505	-1 505
Tax received	0	1 377	0	1 377	1 377
Cash flow from operating activities before changes in working capital	-459	11 598	14 855	33 708	44 897
Change in inventories	2 712	-2 757	20 301	-15 971	-8 195
Change in operating receivables	-1 732	-426	11 531	14 336	5 672
Change in operating liabilities	5 884	-4 305	954	-6 959	-13 920
Cash flow from operating activities	6 405	4 110	47 641	25 114	28 454
Investing activities					
Acquisition of subsidiaries, less acquired cash and cash equivalents	-	-51 464	253	-51 464	-51 464
Investments in property, plant and equipment	-235	-450	-594	-841	-957
Net of paid-in and repaid deposits	-	-	-	906	918
Cash flow from investing activities	-235	-51 914	-341	-51 399	-51 503
Financing activities					
Borrowings	-	36 473	-	36 473	36 473
Repayment of loans	-3 944	-4 729	-14 187	-13 984	-18 810
Change in bank overdraft facilities	-7 890	-5 402	-2 437	-4 717	2 374
Lease liabilities	-2 217	-2 171	-6 881	-6 052	-8 073
Cash flow from financing activities	-14 051	24 171	-23 505	11 720	11 964
Cash flow for the period	-7 881	-23 633	23 795	-14 565	-11 085
Exchange rate differences in cash	-1 365	-345	-384	944	-79
Cash at the beginning of the period	57 717	46 581	25 059	36 223	36 223
Cash at the end of the period	48 471	22 603	48 471	22 602	25 059

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 September 2024	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
Revenue					
External revenue	145 276	141 442	-	-	286 718
Cross-segment transactions	1 401	3 317	-	-4 718	0
	146 677	144 759	-	-4 718	286 718
Gross profit	104 888	88 662	-	-	193 550
Items affecting comparability	-	-2 763	-	-	-2 763
Adjusted gross profit	104 888	91 425	-	-	196 313
Adjusted EBITDA	-971	15 067	7 248	-	21 343
Items affecting comparability	-	-2 763	-	-	-2 763
EBITDA	-971	12 304	7 248	-	18 579
Depreciations and amortizations	-14 329	-10 194	-	-	-24 523
Operating profit/loss	-15 300	2 110	7 248	-	-5 944
Other segment information					
Gross margin, %	72,2	62,7	-	-	67,5
Adjusted gross margin, %	72,2	64,6	-	-	68,5
Adjusted EBITDA margin, %	-0,7	10,7	-	-	7,4
EBITDA margin, %	-0,7	8,7	-	-	6,5
<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	83	39	-	-	122
1 January 2023 - 31 September 2023	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
Revenue					
External revenue	176 288	103 163	-	-	279 451
Cross-segment transactions	2 892	2 690	-	-5 581	0
	179 180	105 853	-	-5 581	279 451
Gross profit	124 666	75 540	-	-	200 206
Items affecting comparability	-	-2 245	-	-	-2 245
Adjusted gross profit	124 666	77 785	-	-	202 451
Adjusted EBITDA	26 246	2 214	6 051	-	34 512
Items affecting comparability	-	-2 245	-	-	-2 245
EBITDA	26 246	-31	6 051	-	32 267
Depreciations and amortizations	-9 596	-14 671	-	-	-24 267
Operating profit/loss	16 650	-14 702	6 051	-	7 999
Other segment information					
Gross profit margin, %	70,7	73,2	-	-	71,6
Adjusted gross profit margin, %	70,7	75,4	-	-	72,4
Adjusted EBITDA margin, %	14,9	2,1	-	-	12,3
EBITDA margin, %	14,9	0,0	-	-	11,5
<i>Items affecting comparability:</i>					
Acquisition-related expenses	-	-2 245	-	-	-2 245
Number of employees at the end of the period	79	39	-	-	118

Summarized parent company income statement

Amounts in TSEK	2024 Jan-Sept	2023 Jan-Sept	2023 Jan-Dec
Net sales	78 863	90 025	115 325
Other operating income	926	2 444	2 446
	79 789	92 469	117 771
Goods for resale and consumables	-30 773	-40 145	-49 172
Other external expenses	-19 103	-16 987	-28 163
Personnel expenses	-21 790	-20 816	-28 279
Depreciation of property, plant and equipment and amortisation of intangible assets	-72	-79	-106
Other operating expenses	-1 057	-4	-996
Operating profit/loss	6 994	14 438	11 055
Financial expenses	1 665	-2 622	-2 632
Profit after financial items	8 659	11 816	8 423
Change in untaxed reserves	-	-	-2 189
Tax on net profit for the year	-1 700	-2 350	-1 390
Profit for the period *	6 959	9 466	4 844

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

Summary parent company balance sheet

Amounts in TSEK	2024-09-30	2023-09-30	2023-12-31
ASSETS			
Intangible assets	0	76	57
Property, plant, and equipment	33	15	7
Financial assets	287 583	287 599	287 583
Inventories	19 787	19 620	25 296
Trade receivables	12 491	11 612	12 259
Receivables from Group companies	43 132	46 837	35 607
Other receivables	5 602	5 886	6 054
Cash and bank balances	3 024	4 697	4 560
TOTAL ASSETS	371 652	376 342	371 423
EQUITY AND LIABILITIES			
Equity	274 343	272 008	267 384
Provisions	1 534	1 611	1 534
Untaxed reserves	7 053	4 864	7 053
Non-current liabilities to credit institutions	26 067	34 520	30 466
Current liabilities to credit institutions	24 087	32 564	35 726
Trade payables	8 314	10 639	7 475
Liabilities to Group companies	19 206	6 623	9 091
Other liabilities	11 048	13 513	12 694
TOTAL EQUITY AND LIABILITIES	371 652	376 342	371 423

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 September 2024			1 January 2023 – 30 September 2023		
	TagMaster Europe	TagMaster USA	Total Group	TagMaster Europe	TagMaster USA	Total Group
Geographical region						
Sweden	2 221	0	2 221	1 731	0	1 731
EMEA	87 225	48 567	135 792	107 688	42 670	150 358
Asia Pacific	26 857	7 862	34 719	29 781	7 094	36 876
Americas	28 973	85 014	113 987	37 087	53 399	90 486
Total	145 276	141 442	286 718	176 288	103 163	279 451
Customer category						
Traffic Solutions	109 382	141 442	250 824	135 259	103 163	238 422
Rail Solutions	35 895	-	35 895	41 029	-	41 029
Total	145 276	141 442	286 718	176 288	103 163	279 451
Time of revenue recognition						
At a particular time	135 217	137 926	273 143	166 731	98 112	264 843
Over time	10 059	3 516	13 575	9 557	5 051	14 608
Total	145 276	141 442	286 718	176 288	103 163	279 451

7. Intangible non-current assets

	Goodwill	Goodwill associated with assets and liabilities	Capitalized development expenditure	Customer relationships	Trademarks	Total Group
At 1 January 2024						
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
Carrying amount	97 690	16 862	19 765	34 264	9 222	177 803
1 January-30 September 2024						
Carrying amount, opening balance	97 690	16 862	19 765	34 264	9 222	177 803
Business combinations	-	-252	-	-	-	-252
Amortization for the period	-	-	-7 572	-8 674	-262	-16 509
Translation difference for the period	2 151	227	481	513	48	3 420
Carrying amount	99 841	16 837	12 674	26 103	9 007	164 462
At 30 September 2024						
Cost	99 841	16 837	75 980	76 563	9 386	278 607
Accumulated amortization	-	-	-63 306	-50 460	-379	-114 145
Carrying amount	99 841	16 837	12 674	26 103	9 007	164 462

Group key ratios

Amounts in SEK th. unless otherwise specified

Result	2024 July-Sept	2024 April-June	2024 Jan-March	2023 Oct-Dec	2023 July-Sept	R12M Oct-Sept	Full Year 2023
Net sales	84 812	102 907	99 000	125 260	86 896	411 978	404 711
Net sales growth, %	-2,4	4,8	4,9	19,7	0,4	7,3	12,9
Organic net sales change, %	-17,3	-9,6	-14,5	2,5	-4,1	-9,3	3,4
Gross profit	56 704	71 329	65 517	76 914	63 547	270 464	277 120
Gross margin, %	66,9	69,3	66,2	61,4	73,1	65,7	68,5
Adjusted gross margin, %	66,9	69,3	69,0	66,7	73,1	67,4	70,1
Adjusted EBITDA	583	11 615	9 144	22 662	10 979	44 006	57 174
Adjusted EBITDA margin, %	0,7	11,3	9,2	18,1	12,6	10,7	14,1
EBITDA	583	11 615	6 381	16 029	8 734	34 609	48 296
EBITDA margin, %	0,7	11,3	6,4	12,8	10,1	8,4	11,9
Adjusted EBITA	-2 596	7 732	6 557	19 692	7 793	31 248	44 819
Adjusted EBITA margin, %	-3,1	7,5	6,6	15,7	9,0	7,6	11,1
EBITA	-2 596	7 732	3 794	13 059	5 548	21 852	35 942
EBITA margin %	-3,1	7,5	3,8	10,4	6,4	5,3	8,9
Operating profit	-6 618	2 481	-1 806	7 305	218	1 361	15 304
Operating margin, %	-7,8	2,4	-1,8	5,8	0,3	0,3	3,8
Profit/loss before tax	-6 955	1 177	-3 773	5 899	-641	-3 652	10 694
Net profit for the period	-7 482	1 170	-3 101	6 845	219	-2 567	13 675
Earnings per share before dilution, SEK	-0,51	0,08	-0,21	0,47	0,01	-0,18	0,93
Earnings per share after dilution, SEK	-0,51	0,08	-0,21	0,47	0,01	-0,18	0,93

Financial position

Equity	254 406	270 505	271 144	259 285	269 826	254 406	259 285
Average equity	262 455	270 825	265 214	264 555	271 343	262 116	255 757
Equity ratio, %	61,4	60,9	60,6	60,5	59,9	61,4	60,5
Net debt (-) receivable	16 394	23 002	35 457	50 220	50 631	16 394	50 220
Return on equity, %	-2,9	0,4	-1,2	2,6	0,1	-1,0	5,3

Share data

Net sales per share, SEK	5,79	7,03	6,76	8,55	5,93	28,13	27,63
Equity per share, SEK	17,37	18,47	18,51	17,70	18,42	17,37	17,70
Market price on closing day, SEK	15,60	20,00	23,30	23,30	18,10	15,60	23,30
Number of shares at end of period	14 648	14 648	14 648	14 648	14 648	14 648	14 648
Average number of shares, thousands	14 648	14 648	14 648	14 648	14 648	14 648	14 648

Personnel information

Sales per employee	701	865	850	1 071	749	3 469	3 401
Average number of employees	121	119	117	117	116	119	119
Number of employees at end of period	122	120	118	115	118	122	115

¹Number 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 Jan-Sept	2023 Jan-Sept	R12M Oct-Sept	2023 Jan-Dec
A	Net sales	286 718	279 451	411 978	404 711
	Change in inventories during manufacture and finished goods	1 016	1 905	-706	184
	Goods for resale, raw materials and consumables	-94 184	-81 150	-140 808	-127 774
B	Gross profit	193 550	200 206	270 464	277 120
	Items affecting comparability	2 763	2 245	7 151	6 633
B.1	Adjusted gross profit	196 313	202 451	277 615	283 753
C	Operating profit (EBIT)	-5 944	7 999	1 361	15 304
	Amortisation of intangible assets related to acquisitions	-14 936	-15 084	-20 490	-20 638
D	EBITA	8 992	23 083	21 852	35 942
	Depreciation of other intangible assets	-1 573	-1 826	-2 401	-2 654
	Depreciation of property, plant and equipment	-8 014	-7 357	-10 357	-9 700
E	EBITDA	18 579	32 266	34 609	48 296
	Items affecting comparability	-	-	2 245	2 245
	Total items affecting comparability	2 763	2 245	9 396	8 878
E	Adjusted EBITDA	21 343	34 511	44 006	57 174
D.1	Adjusted EBITA	11 756	25 328	31 248	44 820
(B/A)	Gross profit margin, %	67,5	71,6	65,7	68,5
(B.1/A)	Adjusted gross profit margin, %	68,5	72,4	67,4	70,1
(C/A)	EBIT margin, %	-2,1	2,9	0,3	3,8
(D.1/A)	Adjusted EBITA margin, %	4,1	9,1	7,6	11,1
(D/A)	EBITA margin, %	3,1	8,3	5,3	8,9
(E/A)	EBITDA margin, %	6,5	11,5	8,4	11,9
(F/A)	Adjusted EBITDA margin, %	7,4	12,3	10,7	14,1

Return on equity, %

		2024 Jan-Sept	2023 Jan-Sept	R12M Oct-Sept	2023 Jan-Dec
(A)	Net profit for the period	-9 413	6 830	-2 567	13 675
(B)	Opening equity for the period	259 285	252 229	269 826	252 229
(C)	Closing equity for the period	254 406	269 826	254 406	259 285
D	Average equity	256 845	261 027	262 116	255 757
(A)/(D)	Return on equity, %	-3,7	2,6	-1,0	5,3

Equity ratio, %

		2024-09-30	2023-09-30	2024-09-30	2023-12-31
(A)	Equity	254 406	269 826	254 406	259 285
(B)	Balance sheet total	414 590	450 353	414 590	428 577
(A/B)	Equity ratio, %	61,4	59,9	61,4	60,5

Net debt

		2024-09-30	2023-09-30	2024-09-30	2023-12-31
	Liabilities to credit institutions	50 154	67 084	50 154	66 192
	Lease liabilities	14 711	6 149	14 711	9 087
	Cash	-48 471	-22 603	-48 471	-25 059
(A)	Net debt (-) receivable	16 394	50 631	16 394	50 220
(A)/(E)	Net debt/adjusted EBITDA, multiple (rolling 12 m)	-	-	0,4	0,9