TagMaster

ANNUAL REPORT
2025

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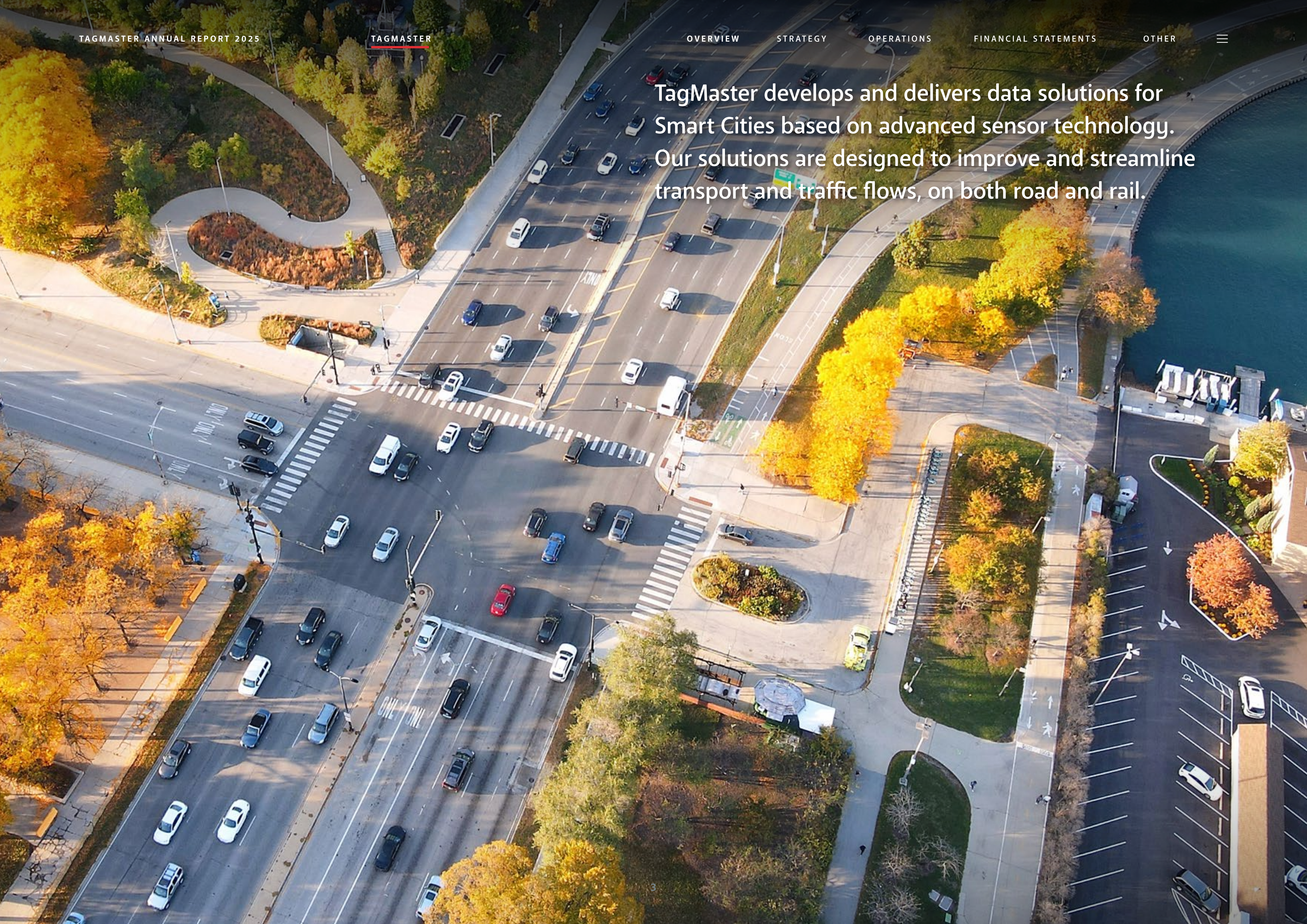


TagMaster develops and delivers data solutions for Smart Cities based on advanced sensor technology. Our solutions are designed to improve and streamline transport and traffic flows, on both road and rail.

An international growth company that digitises traffic flows

TagMaster is a global player that develops solutions to digitise traffic flows. Our vision is to be the most innovative provider of intelligent transport solutions (ITS) to metropolitan areas worldwide. The Company operates in a large, expanding market and has grown at an average annual rate of 21 per cent over the past thirteen years.

What TagMaster does

TagMaster develops and sells data solutions that, via a digitalised information flow, aim to improve, rationalise and increase safety in transport and traffic flows, on both road and rail. The solutions are built on leading expertise in, and in combination with, relevant sensor technologies with the aim of preventing congestion in traffic, reducing emissions from transport and improving safety by streamlining existing traffic flows, facilitating the development of efficient traffic flows and detecting traffic incidents.

Why are TagMaster's solutions needed?

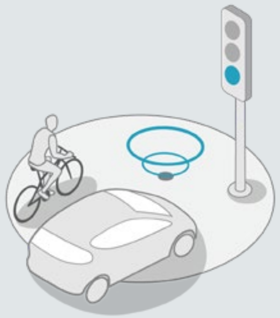
Cities and densely populated areas worldwide are facing major challenges. These include rapid growth, a rising population, pressure for urban development, and consequently new transport needs, rising traffic volumes and requirements for transitioning of the transport systems of today. These megatrends, along with greater public investment in existing and new infrastructure, combined with rapid digitalisation, are increasingly focusing on smart solutions. Solutions that employ technology to make traffic flows easier, safer, more efficient and lessen climate impact.

What is TagMaster?

TagMaster is one of the world's leading suppliers of advanced solutions in two areas: Traffic Solutions and Rail Solutions. Via a total of nine acquisitions since 2015 and organic growth, TagMaster has developed into a leading international player, with operations and customer relationships worldwide. The Group is headquartered in Kista, Greater Stockholm, and has a presence in the UK, France and the USA via subsidiaries. At year-end, the TagMaster Group had a total of 151 employees and more than 850 partners in over 45 countries.

OUR PRODUCTS AND SOLUTIONS

TRAFFIC SOLUTIONS – ITS (Intelligent Transport Systems)



TRAFFIC MANAGEMENT/INFOMOBILITY

- Traffic light control
- Adaptive signalling control
- Ramp monitoring
- Smart App – virtual detection
- Incident detection
- Red light and speeding offences
- Traffic counting – and vehicle classification
- Cyclist and pedestrian detection
- Traffic statistics
- Short-term parking systems
- Weather detection sensors

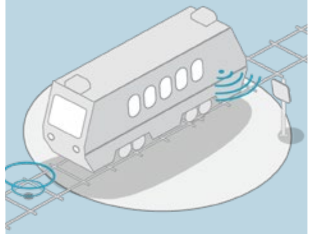
Radar, magnetic sensors, AI (DL) camera, loop

PARKING/ACCESS/ SECURITY

- Access control for vehicles
- Vehicle identification (security access)
- Parking information system
- Electronic road tolling systems (free-flow, congestion charging)

RFID scanners, antennas, tags, ANPR camera

RAIL SOLUTIONS



RFID RAIL

- Rolling stock positioning
- Selective door opening/ platform positioning
- Automatic speed control
- Priority control at level crossings
- Tram control

RFID scanners, tags and NRE solutions

VISION

We will be the most innovative provider of ITS solutions for Smart Cities.

MISSION

We provide reliable and easy-to-use detection and identification solutions for demanding environments, with fit-for-purpose and accurate information.

COMPANY

SEK 483 million
in sales

45 countries
have implemented TagMaster solutions

9
acquisitions

EMPLOYEES

151
employees

Around 80%
of our development engineers work in software development

7 countries
with local TagMaster offices on four continents

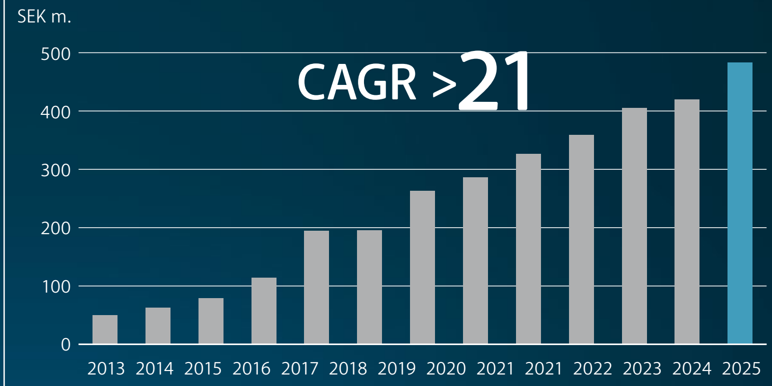
MILESTONES

>1,600
tunnel systems in operation

>600,000
magnetic sensors installed

>6 million
RFID tags sold

NET SALES 2013–2025



Good growth, improved gross margins and breakthrough in traffic detection

TagMaster performed relatively well in 2025, with growth, higher gross margins and increased profitability. This was achieved despite the fact that the whole year was dominated by great uncertainty in the world and consequently a wait-and-see attitude in parts of the market in which the Group operates. The positive outcome partly arose through the Company's latest acquisition, the Spanish company Quercus, which since December 2024 has boosted TagMaster's B2B business and, with good growth, offsets the focus on the government sector in the rest of the business.

Breakthrough in traffic detection

In 2025, TagMaster made an important breakthrough in traffic detection when the Group's US subsidiary Sensys Networks presented its new MultiSens Intersection multi-sensor platform at the ITS World Congress in Atlanta in August. The platform combines video, AI and wireless magnetic sensors, for the first time, in a single traffic signal control and traffic analysis platform. The system delivers video, AI real-time analysis, for example at intersections, while wireless sensors in the roadway detect approaching vehicles. Together, this creates seamless and highly accurate traffic detection.

Incident management system prevented tragedy

In June, French subsidiary Citilog's automated incident management system helped to bring about a positive outcome from a potentially serious incident in the Vuache tunnel, France. In the first place, the incident management system identified a stationary lorry, prompting the operator to immediately close the tunnel. Five minutes later the lorry caught fire, but by then the tunnel had already been closed, no other vehicles were involved and the emergency services were able quickly to evacuate the driver and extinguish the fire. Thanks to the early warning provided by automatic incident detection system, the tunnel was closed before the fire broke out and as a result a situation was averted that could have become very serious.

NET SALES

SEK 483 m.

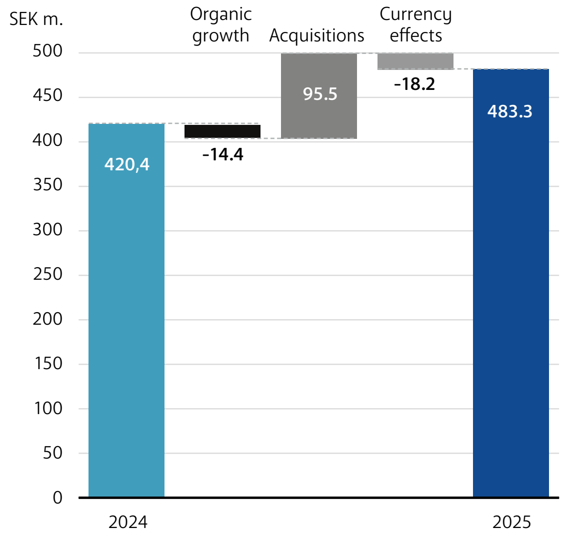
GROSS MARGIN

69.8 %

ADJUSTED EBITDA

SEK 79 m.

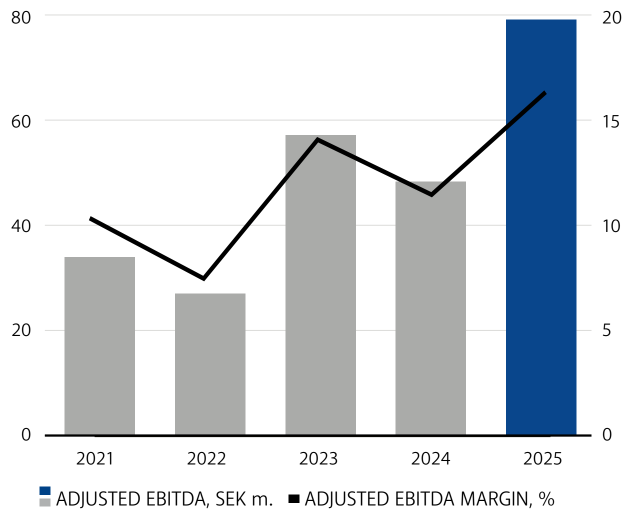
SALES GROWTH



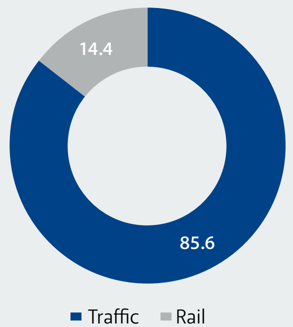
FINANCIAL KEY PERFORMANCE INDICATORS

	Full year 2025	Full year 2024	Full year 2023
Net sales, SEK thousands	483,292	420,445	404,711
Growth in net sales, %	14.9	3.9	12.9
Gross margin, %	69.8	68.3	68.5
Adjusted gross margin, %	69.8	68.9	70.1
Adjusted EBITDA, SEK th.	79,505	48,300	57,174
Adjusted EBITDA margin, %	16.4	11.5	14.1
EBITA, SEK th.	62,560	30,011	35,942
EBITA margin, %	12.9	7.1	8.9
Equity ratio, %	55.3	51.4	60.5
Cash flow from operating activities, SEK M.	58.7	58.6	28.4
Net debt/adjusted EBITDA, multiple (rolling 12-months)	0.9	2.4	0.9
Diluted earnings per share, SEK	1.54	0.32	0.93
Number of employees at end of period	151	168	115

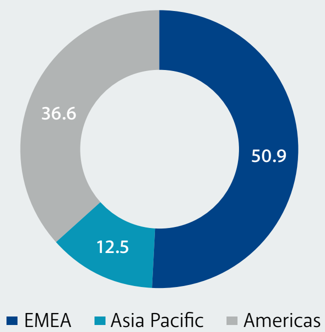
ADJUSTED EBITDA, SEK M. AND ADJUSTED EBITDA MARGIN, %



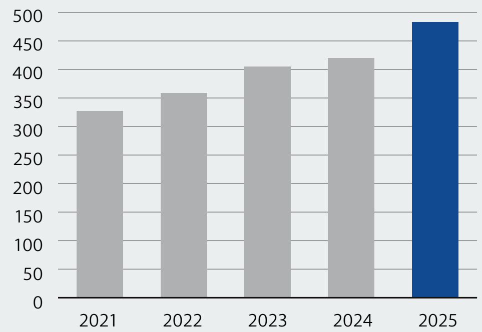
SALES BY BUSINESS AREA, %



SALES BY GEOGRAPHICAL REGION, %



NET REVENUE, SEK M.



Stable profitable growth in an uncertain world

To sum up 2025, TagMaster is stronger than before, despite a world dominated by huge uncertainty, sluggish decision making processes and restraint in government investment. We have delivered profitable growth over the full year, while taking important steps towards a more balanced business. The higher share of B2B business reduces our vulnerability to fluctuations in government orders and provides more stable foundations for continued growth. All in all, this confirms that TagMaster is a stable and profitable growth company, even when market conditions are challenging.

Sales for the full year 2025 totalled SEK 483.3 million with adjusted EBITDA of SEK 79.1 million, representing an adjusted EBITDA margin of 16.4 per cent. We both improved gross margin and increased profitability compared to the previous year and ended the year in a strong financial position.

I am proud that we have been able to deliver these results at a time that in many ways should be difficult for us. Demand for our solutions depends on long-term investment decisions and is therefore to a great extent affected by the uncertainty in the global economy that dominated the year as a whole. It is for that very reason that I see 2025 as clear evidence that our strategy and our way of building the company work even when conditions are less in our favour.

A balanced business that builds resilience

Our activities extend over different geographies, customer segments and solution areas, making us less vulnerable to temporary fluctuations in individual markets. The combination of Traffic Solutions, with a rising share of B2B business, and Rail Solutions provides us with a stable base income while allowing us to participate in larger projects when the readiness to invest improves.

A key contributor to our performance was the acquisition of Quercus Technologies, which was concluded at year-end 2024. In 2025, Quercus made positive contributions to growth, profitability and balance in the business. The acquisition has strengthened our offering in parking and access digitalisation, broadened our customer base and made us less dependent on government decisions with long lead times. To me, this serves as a good example of how our acquisition strategy, allied with organic growth, works in practice.

Innovation with AI First strategy

Innovation forms a key element of TagMaster's business and is vital to continued growth and profitability. But innovation and development are never a goal in itself. To us, the point of innovation is to solve real problems and create real value for our customers and society at large.

During the year, we continued to invest systematically in product development, with a particular focus on software, AI and data-driven solutions. Our explicit AI First strategy is today an integral part of the organisation as a whole, filtering through to every level of the Company – development activities, internal processes and marketing. With a strong development team and leading edge expertise in AI, image analysis and sensor technologies, we are well positioned to find solutions to our customers' problems.

During the year, our investments in product development totalled around 15 per cent of sales. This investment, based on the work of 50 development engineers, of whom around 30 focus on onward development of AI-based video solutions, allows us to develop industry-leading solutions.

Our MultiSens Intersection multi-sensor platform, launched during the year, is a clear example of how our technological breadth opens up new opportunities. By combining video, AI and wireless sensors into a common platform, we are consolidating our position in traffic detection and intelligent transport systems and meeting a clear demand for more comprehensive and data-driven solutions.

Technology that makes a difference

During the year, our automatic incident detection system helped prevent a serious incident in the Vuache tunnel, France. Thanks to early detection, the operator was able to close tunnel before a fire broke out, effectively averting a situation that could have had very serious consequences. To me, this is strong evidence of the benefit to society our solutions create. Our products and systems for digitalisation of traffic flows not only help create safer traffic environments, more efficient traffic flows, reduced environmental impact but also, in some cases, save lives.

Our point of departure is always that technology is ultimately about people, and our solutions can make a life changing difference. It is a responsibility we take very seriously.

“Our products and systems for digitalisation of traffic flows not only help create safer traffic environments, more efficient traffic flows, reduced environmental impact but also, in some cases, save lives.”

Profitable growth with discipline

In 2025, as in previous years, we maintained a clear focus on cost control and operational efficiency in parallel with innovation and growth. A Groupwide efficiency programme has been implemented and is now delivering enduring cost savings of more than

"In this uncertain world, we are strongly positioned with our offering addressing some of the very biggest challenges that face the transport systems of the world – challenges that have to be addressed."

SEK 12 million annually. We also continued the work of reducing working capital and strengthening cash flow.

The increasingly large share of software and databased solutions in our offering are part of the reason for improved gross margins and increased scalability. Together with our outsourced production model and clear priorities, this is establishing conditions favouring continued profitable growth.

However, in addition to generating better efficiency, profitability and growth in our existing business, we continue to actively seek out potential acquisition targets in the markets where we operate. First and foremost, we look at complementary acquisitions in the markets where we are already established, or at players with technological solutions that complement ours.

Over the past ten years, we have completed a total of nine acquisitions and have integrated the companies concerned into the Group. We have developed a successful acquisition and integration model and part of our continued growth will be through acquisitions. With greater financial and operational capacity, a broader and even more innovative offering, combined with geographical expansion, we can gain greater market share in a rapidly growing market.

Looking ahead

Uncertainty in the world around us persists and we enter 2026 with a realistic view of the challenges ahead. At the same time, the long-term drivers of our business are strong, including urbanisation, increased demands for road safety, digitalisation and streamlining of infrastructure and traffic flows, and the need to reduce the climate impact of the transport sector.

In this world, we are strongly positioned with our offering addressing some of the very biggest challenges that face the transport systems of the world – challenges that have to be addressed.

This, alongside our strong balance sheet, high equity ratio, a broader and more data-driven offering and a proven acquisition strategy, gives me great confidence going forward. Our focus remains steady– to continue to develop TagMaster step by step as a stable, growing, innovative and profitable technology company in intelligent transport systems.

I would like to conclude by extending my most sincere thanks to all the employees of the TagMaster Group for your commitment and professionalism during the year. I would also like to thank our customers, partners and shareholders for your continued trust.

Jonas Svensson, CEO

Four reasons for investing in TagMaster

TagMaster strives to deliver good, sustainable value growth for the Company's investors, and to make a positive contribution on behalf of customers, employees, suppliers and other stakeholders. By focusing on innovation and organic growth alongside an active acquisition strategy, TagMaster is well placed to continue its growth journey.

1 PROFITABLE GROWTH WITH STRONG MARGIN GROWTH

Strong and profitable growth since 2013

Annual sales growth
+21 %

Gross margin growth
+16
percentage points

2 OPPORTUNITIES FOR GROWTH, BOTH ORGANICALLY AND VIA ACQUISITIONS

Acquisition-driven growth

Estimated market growth
>5 %

Number of acquisitions since 2015
9

3 LEADING-EDGE KNOWLEDGE OF SENSOR TECHNOLOGIES AND SOFTWARE SOLUTIONS

Leading position in relevant sensor technologies

R&D of sales
14%

Development engineers
>33%
of all employees

4 PRODUCTS AND SOLUTIONS FOR MORE EFFICIENT AND MORE SUSTAINABLE TRAFFIC FLOWS

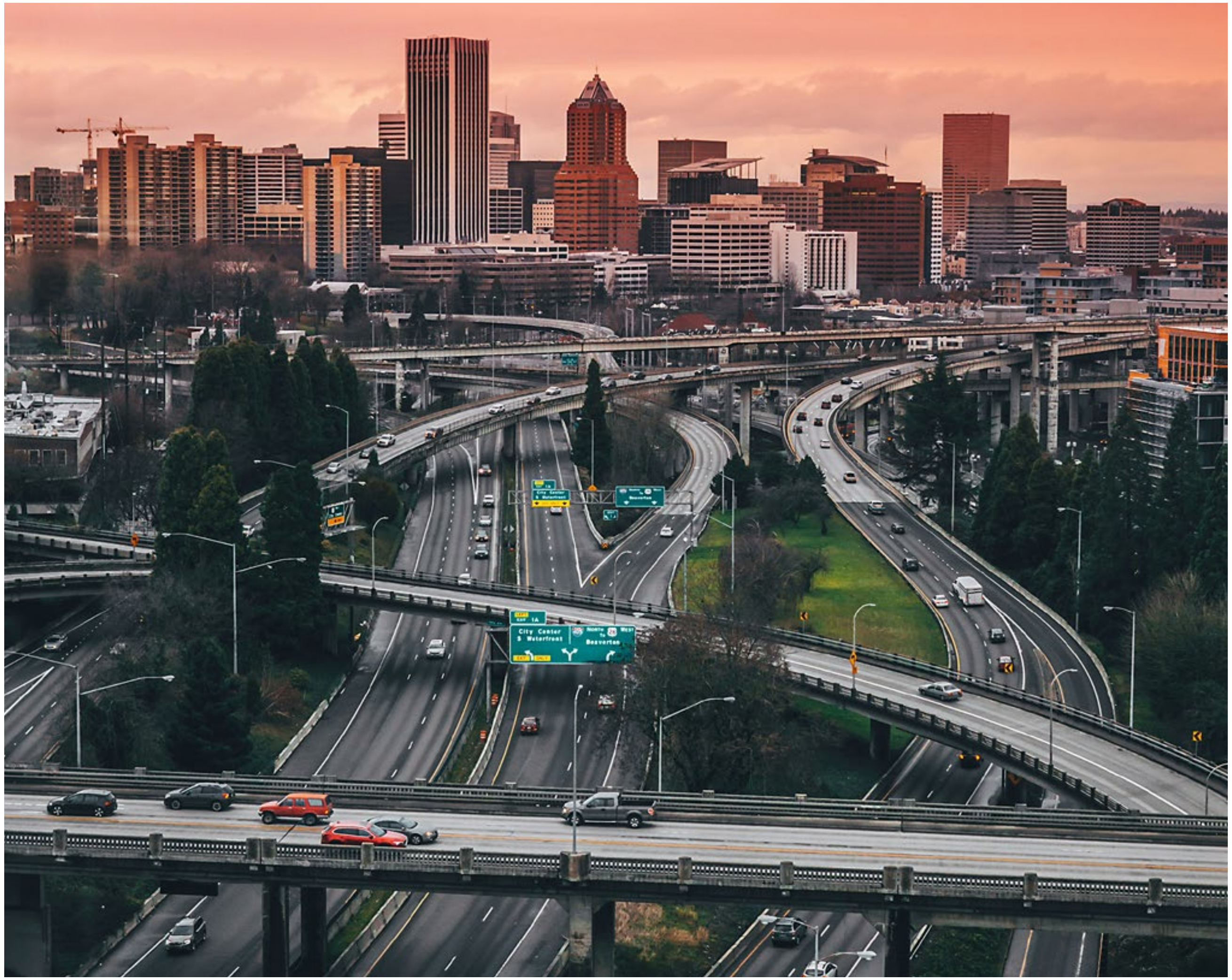
Urbanisation, population growth and the transition to a sustainable transport system are driving market investments

Emissions
15 %
of total emissions are from road transport

Costs of traffic congestion
>110
billion/year in the EU

Large, fragmented market and high potential for growth

TagMaster operates in a large and expanding global market. In 2024, the strategically addressable market for the Company's solutions in streamlining and monitoring traffic, transport, parking and automatic detection of traffic incidents was approximately USD 1.2 billion, according to Grand View Research and in-house calculations. As a result, TagMaster's present share of this fragmented market is small, but offers major potential for growth both organically and via acquisitions.



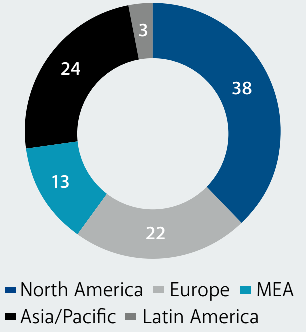
The market is driven by three key global challenges: the need for greater efficiency in existing traffic and transport systems, improved road safety and lower emissions.

This means that Intelligent Transport Systems (ITS) are an important part of the digitalisation process and the transformation of the world's transport system. The total global market for ITS solutions is valued by Grand View Research at just under USD 31 billion in 2024, of which TagMaster's solutions for digitalising traffic flows address a market of around USD 1.2 billion.

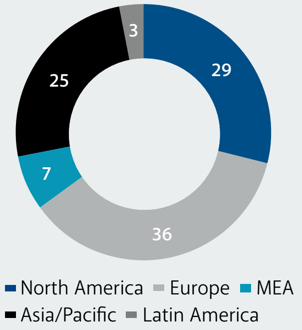
Geographically, the markets in North America and the EMEA, where most of TagMaster's operations are focused, are the most dominant, with a combined share of just over 70 per cent. However, some Asian markets with large populations and rapid urbanisation, along with Australia, where TagMaster has a growing presence, are also expanding fast.

A multitude of players are active in the market, including technology companies, transport service providers, infrastructure companies, parking facility of various kinds, governments and public authorities. The main trends in the ITS solutions market are the deployment of automated traffic management systems with integrated AI-based software designed to increase capacity and improve performance.

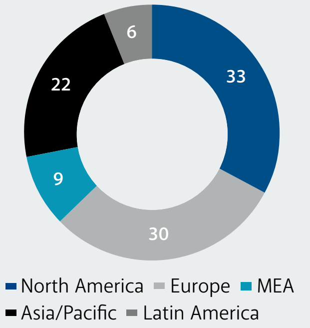
ITS (INTELLIGENT TRANSPORT SYSTEMS) MARKET, REGIONAL BREAKDOWN, %



TRAFFIC MANAGEMENT MARKET, REGIONAL BREAKDOWN, %



PARKING MANAGEMENT MARKET, REGIONAL BREAKDOWN, %



Essential rationalisation

The background to the efforts being made to transform transport systems and make them more efficient are some of the challenges that the world is facing – and has to address. The point is that road congestion costs huge amounts of money, both roads and railways are ageing and inadequate in many parts of the world. Also, road transport accounts for more than 15 per cent of total world carbon dioxide emissions. In addition, road accidents cause a large number of fatalities, serious injuries and human suffering every year, at great cost to society.

Traffic also has a negative impact on air quality locally and the climate globally. According to the World Resources Institute, around 60 percent of the people of the world live in cities where air quality is below WHO safety standards.

TagMaster's market and competitors

TagMaster operates in this market, with leading-edge technical expertise in the areas of Traffic Solutions and Rail Solutions. In Traffic Solutions, the Group offers solutions in the Traffic Management and Parking/Access-Security/Tolling submarkets, both of which are part of the ITS market. In Rail Solutions, TagMaster concentrates on signalling and automated train management systems for more efficient operations, above all in metro and tram services.

Globally, several operators are active in the ITS market for sensor solutions.

In wireless magnetic sensor-based solutions, TagMaster is a world leader via its US subsidiary Sensys Networks. It has a long history of being the first-choice technology option where inductive loop systems are up for replacement. Wireless magnetic sensors provide the best accuracy at the lowest cost.

TagMaster is also, via its French subsidiary Citilog, a leader in automatic traffic incident detection solutions in tunnels and on bridges and roads.

In addition, via its Spanish subsidiary, TagMaster has a strong offering in parking access, management and administration of parking solutions, and security.

TagMaster's main competitors in the international market consist partly of small specialist companies and partly of divisions or subsidiaries of major corporate groups. Competitors operate not only in several European countries but also in the USA and Asia.

At present, TagMaster sells in many markets worldwide, with the focus on the UK, France, Spain and Germany in Europe and in the USA in North America, as well as in Australia and the Gulf countries.

To sum up, TagMaster operates in a fragmented market with small operators that are both geographically widely spread and numerous. This offers good opportunities for market consolidation through acquisitions.

GLOBAL TRANSPORT CHALLENGES

Congestion

Traffic congestion costs the US economy more than USD 120 billion a year.*

Safety & Security

Road traffic accidents lead to 18.2 deaths per 100,000 inhabitants and cost an average of 3% of some countries GDP.*

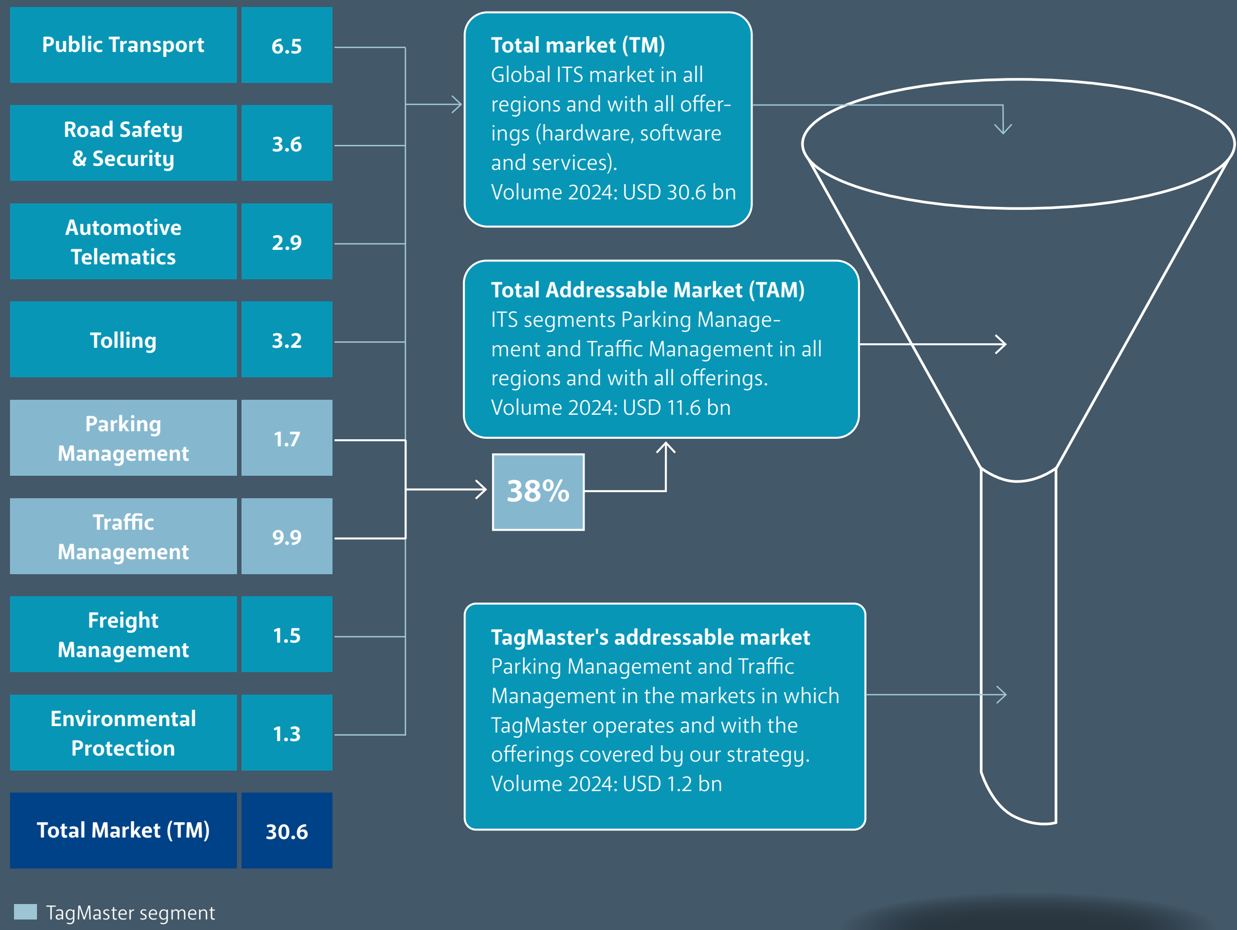
Environment

Road transport emits around 2.5 kg of CO_2 per litre of fuel and accounts for 15% of all emissions.

Source: "Intelligent Transportation System Market with COVID-19 Impact Analysis: Global Forecast to 2025" report. www.marketsandmarkets.com

MARKET VOLUME AND DEVELOPMENT IN INTELLIGENT TRANSPORTATION SYSTEMS (ITS)

The total ITS market was valued at USD 31 billion in 2024.* TagMaster segments account for approximately 38% (USD 11.6 billion) and TagMaster's total addressable market (TAM) is approximately USD 1.2 billion.



* ITS market - Volume in 2024 and Compound Annual Growth Rate (CAGR) 2025–2030.
Source: Grand View Research.

AI-driven innovation, leading technology expertise and acquisitions to boost growth

TagMaster's strategy aims to grow through innovation, leading technology expertise and complementary acquisitions to increase volumes and so gain greater market shares in a major global market. Combined with a strong business focus and outsourced production, this creates conditions favouring profitable growth. The Group works according to an explicit AI First strategy, which sees AI as a key driver for both software and product development, as well as in marketing and sales.

TagMaster is positioned as a leading player in delivering solutions that digitalise traffic flows and in that way help to meet the challenges facing the world's transport systems.

In the Rail Solutions area, TagMaster's solutions focus on making public transport in metropolitan areas more efficient and increasing the attractiveness of public transport. In Traffic Solutions, solutions are designed to improve efficiency in existing traffic flows and facilitate the development of climate-smart traffic flows through digitalisation.

VALUE CREATION STRATEGY – STRATEGIC PRIORITIES

1 Commercial strength
(Drivers of growth)

Drive growth by developing sales performance and digitalising sales processes.

2 Customer-driven innovation

Make the investments required for leadership in selected technologies and improve customer value through lower production costs and higher functionality.

3 Constant operational improvements
(Conditions for growth)

Ensure an efficient, flexible supply chain and further enhance TagMaster's product quality with continuous improvements to reduce costs.

4 Expanded product offering

Continuously improve product margins by offering more broadly-based systems and solutions and by expanding our offering through acquisitions.

AI First strategy to boost competitiveness

TagMaster sees AI as an engine for development activities in terms of innovation, internal efficiency and marketing. The Group has adopted an explicit AI First strategy where AI is at the heart of product and solution development, decision-making and organisational structure.

TagMaster has built up strong AI expertise over many years, particularly in deep-learning for traffic and monitoring solutions, and today has more than 30 developers working on AI and image analysis. In product development, modern deep-learning models are used to improve performance in areas such as incident detection and vehicle identification, where TagMaster's big data sets provide an important competitive advantage.

In-house, AI tools are used to streamline coding, documentation and development processes. One aim is that every developer should have access to at least one AI agent to maximise productivity.

TagMaster also uses AI widely in marketing and sales to generate leads, improve writing quality, create content and drive more data-driven campaigns with clear volume targets for new contacts and business opportunities.

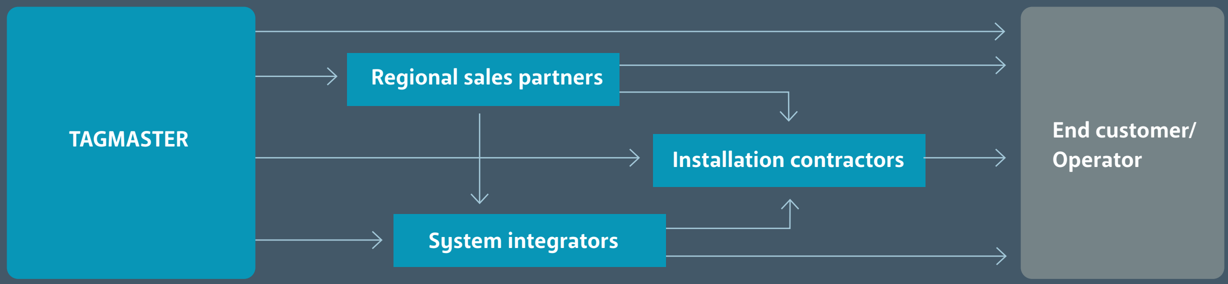
To summarise, TagMaster integrates AI in a deep and structured way to drive innovation, increase product value and create long-term competitiveness.

Leading-edge technology expertise and outsourcing

At TagMaster, innovation is key. The Group has leading technology expertise in all relevant sensor technologies such as RFID, ANPR, radar, video, wireless sensors and in computer vision. New, advanced solutions are developed by combining these different technologies and adding more intelligence locally in the sensors, with edge analysis.

The newly developed MultiSens Intersection multi-sensor platform, from US subsidiary Sensys Networks, is an example of development here. The platform is an important breakthrough in traffic detection, as it combines video, AI and wireless magnetic sensors

SALES CHANNELS



Indirect sales, 80–85% • Direct sales, 15–20% • Recurring customers, >80%

CUSTOMER GROUPS & APPLICATIONS

CUSTOMER GROUPS		APPLICATIONS
Public B2G	• Cities & regions • Transport authorities • Tunnel operators	• Traffic light control • Data collection • Traffic information • Ramp monitoring • Incident detection
Private B2B	• Road operators • Car park operators • System for traffic offences	• Tolls • Parking access • Car park guidance • Speeding and red light offences

for the first time in a single platform for traffic signal control and traffic analysis. Unlike traditional single-sensor solutions, the system processes detection data from multiple types of sensors, improving performance in traffic signals and contributing to safer and more efficient traffic solutions.

Development of new solutions and sensor products is an important driver in the Group's continued growth. In 2025, TagMaster allocated the equivalent of 15 per cent of sales to development.

All production is outsourced, in Europe concentrated within Sweden and Spain for higher efficiency and quality, and reduced climate impact. In addition, all traffic detection equipment from the US subsidiary Sensys Networks has been produced locally in the USA since 2022, providing Buy American status in the US market.

Business model and customers

TagMaster's business is primarily based on a transaction model in which the Company develops, sells and delivers hardware and

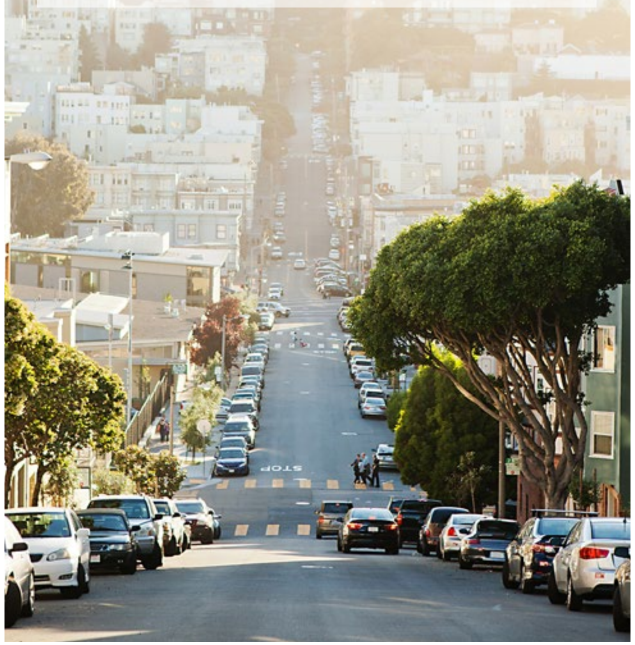
TARGETS AND OUTCOMES

LONG-TERM FINANCIAL TARGETS

- Growth >20% total growth (organic and acquired)
- Adjusted EBITDA >12%
- Cash flow/adjusted EBITDA >85 % over three-year period

OUTCOME 2025

- 14.9 % total growth (organic and acquired)
- Adjusted EBITDA >16,4%
- Cash flow/adjusted EBITDA >75 % over three-year period



ACQUISITION CRITERIA

- Complementary technologies
- Strong go-to-market capability
- Value-creating software expertise
- Future engines for growth
- Contribution to EBITDA margin within 12–18 months

software. A high proportion, 70–80 per cent, of customers are recurring customers, which creates a stable base income.

TagMaster's customers consist primarily of integrators – major technology companies – who, on behalf of traffic authorities, cities, central governments, parking facility owners and road and rail operators, provide various kinds of complex traffic and parking solutions. In some segments, the Group also works directly with the end customer in its sales processes.

In the case of Rail Solutions, customers consist of a small number of major participants in the rail industry such as Alstom, Hitachi, Stadler, CAF and Siemens Mobility.

The Rail Solutions business is dominated by large-scale transactions with long decision cycles. As a result, revenue is volatile and varies over time. This is balanced to some extent by the Traffic Solutions business, which is ongoing, with smaller volumes and recurring orders from long-term customers.

Strategy for continued growth

The Group will continue its growth journey by continuing to develop it commercial strength, and via continuous efficiency measures, customer-driven product development, continuous operational enhancements and expansion of the product offering through strategic acquisitions, to gain access to complementary and in-depth technologies, expertise and a larger market. The aim is to become a bigger player in the market, to increase volumes, both organically and via acquisitions.

TagMaster is gradually gaining in commercial strength via an initiative to create a common sales management system focusing on developing and improving Group-wide sales processes and cross-selling. The Group consistently screens out products and solutions that are no longer profitable, and invests in new ones to increase margins.

Clear model for acquisitions

TagMaster is a group consisting of nine previously independent companies that have gradually created a group with three application segments. The Group has a clear, tried-and-tested acquisition strategy and a highly-developed process for identifying and integrating new acquisitions.

The market is fragmented and so there are many potential acquisition candidates for market consolidation or integrating into a larger ecosystem. TagMaster is continuously looking for possible candidates to strengthen its offering of products and technologies and to expand its market presence.

Acquired companies are integrated into the Group using a clearly-defined model. The activities of the companies acquired are initially reviewed in order to scale down costs, screen out unprofitable products and focus on the parts of the business that are scalable. Work then concentrates on working with other companies in the Group to increase sales and jointly develop innovative solutions, in order to achieve robust, long-term growth with good profitability.

OUR SUSTAINABILITY GOALS

A strategy in line with the UN Sustainable Development Goals

Employee commitment is a key prerequisite for TagMaster's continued development. It plays a part both in strengthening the Group's corporate culture and in underpinning innovation and long-term performance. In an organisation consisting of several acquired companies, common values are particularly important in creating coordination and a coherent strategic direction.

TagMaster operates with a clear, long-term purpose: to provide technological solutions that address three of the most critical challenges in transport systems:

• Congestion • Pollution • Accidents

Through this work, the Company actively contributes to several of the UN Sustainable Development Goals. Particular focus is on Goal 9 – Sustainable Industry, Innovation and Infrastructure and Goal 11 - Sustainable Cities and Communities. The combination of these goals is regarded as constituting a strategically important platform that clearly sets TagMaster's offering and working methodology apart.

With solid expertise and long experience in intelligent transport systems, TagMaster has established a strong position to enable significant progress in the transition towards more sustainable and efficient societal systems. The Company sees this as a key aspect of its long-term value creation.

Digitalisation of traffic flows in cities, motorways and tunnels

Traffic Solutions is TagMaster's largest solution area, accounting for around 86 per cent of sales in 2025. TagMaster's solutions centre on digitalising traffic flows for example in cities, on motorways and in tunnels. Based on AI-powered sensor technology allied with advanced cloud-based software, TagMaster's smart solutions boost efficiency and traffic safety.

In Traffic Solutions, TagMaster operates in the following application areas:
- Traffic Management
- Parking/Access/Security/Tolling

TagMaster's solutions enable traffic operators and commercial operators to install, for example, incident detection and management systems for traffic in tunnels, on bridges and on motorways. TagMaster also provides traffic light control systems for smoother traffic flows, smart digital parking solutions and intelligent transport systems that enable optimal operation of road networks. Other solutions include systems for road tolls, safety and access control.

The trend is towards complex solutions and applications, with edge analysis, AI and deep learning playing an ever more important role. In such solutions, data collected via sensors of various kinds are analysed to create a comprehensive basis for decisions on, for example, how traffic flows can be optimised or how infrastructure should be developed. The data also provide a framework for charges that are levied for parking, tolls etc.

Via nine acquisitions over the past ten years, TagMaster has extended the depth, breadth and comprehensiveness of its know-how in the technologies that the Group uses, and today offers leading technical expertise.

Application area – Traffic Management

In Traffic Management, TagMaster offers advanced solutions for traffic management and infomobility, with the aim of optimising traffic flows, increasing road safety and improving accessibility in both urban and regional traffic environments. Solutions include traffic signal control and activation, adaptive signal control, and measurement of traffic flows on major routes. Ramp management, incident management and collection of traffic statistics create better conditions for a stable and efficient traffic system, even under high load.

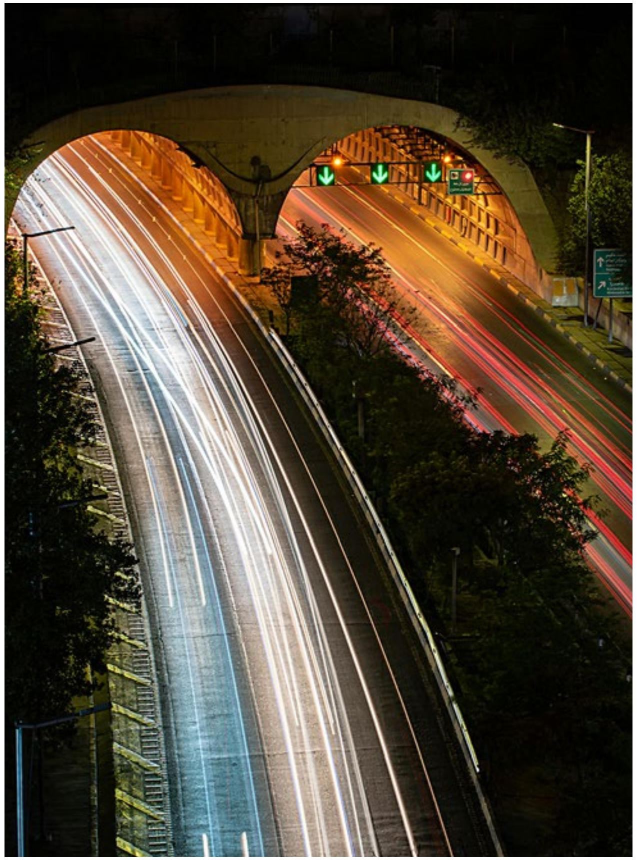
TagMaster also provides solutions for vehicle, cyclist and pedestrian detection, helping to increase safety and supporting the development and optimisation of different modes of transport and active mobility. Use of smart application-based detection, combined with advanced sensor technology, enables data to be collected and analysed in real time.

TagMaster's technology platform is based on a combination of magnetic sensors, deep learning video solutions and radar-based systems. The scope of the technology offers high reliability and flexibility and enables solutions to be customised to specific needs and local conditions.

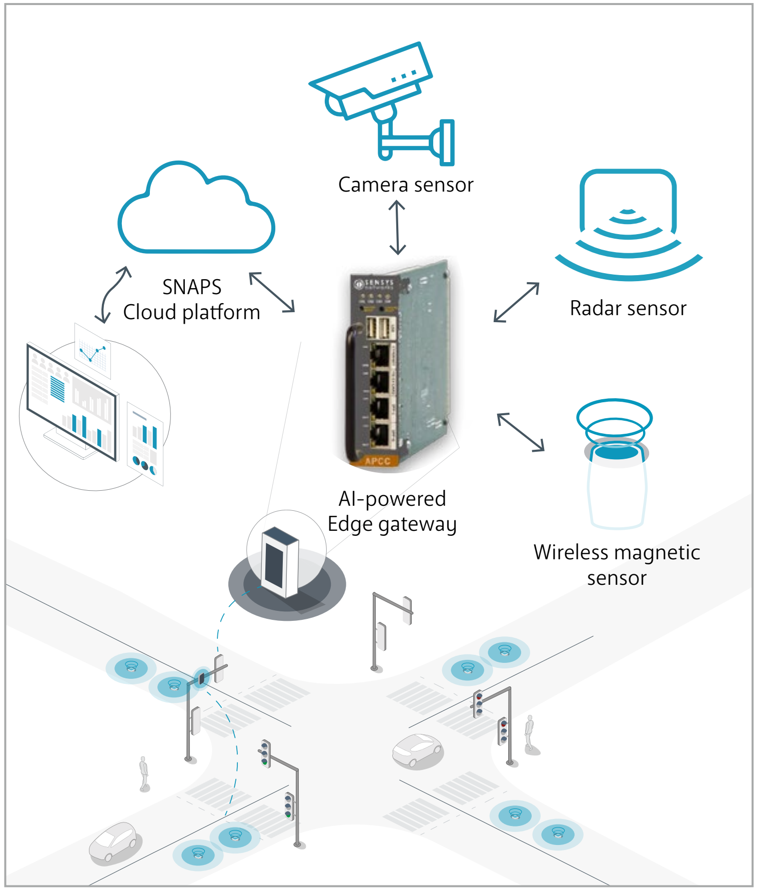
All in all, TagMaster's Traffic Management solutions make it possible to increase traffic safety, improve accessibility and reduce environmental impact by means of more efficient traffic flows and better resource utilisation. At the same time, the solutions help to lower operating and maintenance costs for public actors at local, regional and national level.

Customers for these solutions consist of major partners, integrators and contractors of various kinds, many of which are technology companies working on behalf of road operators. Some sales are also made directly to municipalities and local authorities, especially in the UK and France.

The application area, TagMaster's largest, accounted for around 50 per cent of TagMaster's total revenue in 2025.



NEXT GENERATION AI-POWERED MULTISENSOR PLATFORM



AI-powered detection systems creating smarter, greener and less congested cities

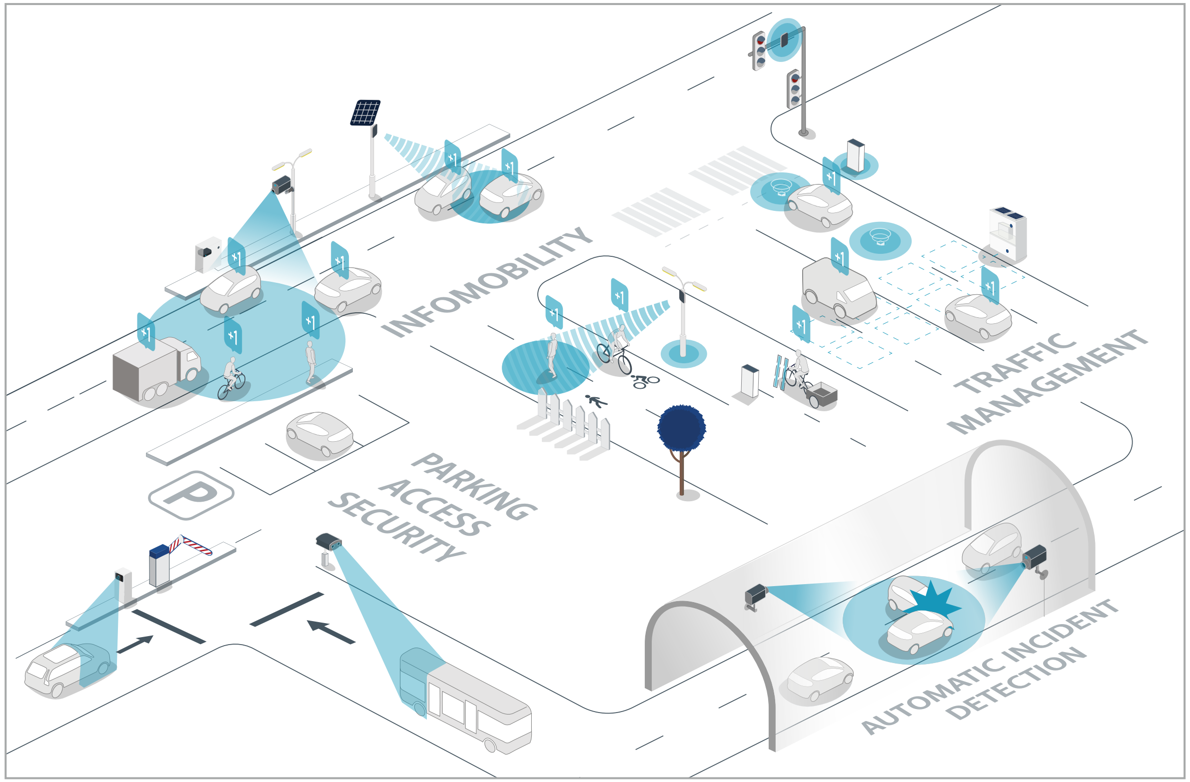
An AI-powered edge gateway for communication between the sensor devices and the SNAPS cloud-based platform.

TagMaster's technology can lower emissions by around 300 kilos of CO_2 per vehicle annually.

Third-party applications

- Traffic signal control
- Traffic statistics
- Travel information
- Congestion and pricing in toll lanes
- Accessible parking

TRAFFIC SOLUTIONS, APPLICATION AREAS



TagMaster – an important part of everyday life via intelligent transport systems (ITS)
Intelligent Transport Solutions (ITS) rely on suitable sensor technologies to manage a digitalised flow of information to meet challenges in transport infrastructure, making it safer, more efficient in use, more eco-friendly and less costly to maintain for operators and public authorities at different levels.

Application area – Parking/Access/Security/Tolling

TagMaster offers flexible and cost-effective solutions for clients such as parking facility owners and professional parking facility operators. Such systems include solutions where parking barriers and ticket machines are replaced by ANPR cameras and/or RFID scanners that register entry and exit. The Group's Spanish subsidiary Quercus develops and manufactures advanced video system solutions for parking access and parking information systems that optimise efficiency in parking facilities and improve the parking experience.

Smoothly operating parking systems are one key to efficient transport systems.

TagMaster also offers magnetic-based and radar-based wireless sensors that automatically detect vehicles and are used in lorry parking and outdoor parking facilities. They are also used with electric car charging points to build systems that identify real-time availability.

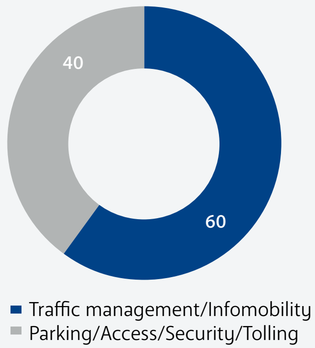
Road tolls have traditionally been used to finance and maintain transport infrastructure, but also to reduce congestion and air pollution. TagMaster offers automatic digital identification of vehicles via RFID and ANPR sensor technology within ETC (electronic tolling collection) systems for maximum flexibility.

TagMaster also provides magnetic and radar-based wireless sensors that detect vehicles automatically, and that can be used to direct drivers into dedicated priority lanes in response to any build-up of tailbacks at different times around the clock.

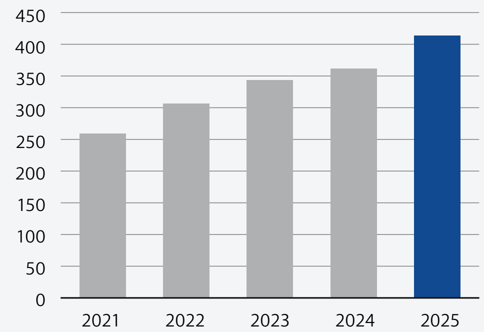
Another solution provided by TagMaster is security systems that can be used, for example, in areas where access by unauthorised vehicles is a sensitive issue, such as port, industrial or military zones.

In the application area, sales mainly go indirectly to integrators and installation contractors, but now also via commercial operators. In 2025, sales accounted for around 35 per cent of TagMaster's total revenue.

TRAFFIC SOLUTIONS, APPLICATION AREAS, %



REVENUE, TRAFFIC SOLUTIONS, SEK m.



OUR SUSTAINABILITY GOALS: GOAL 9

Our investment in energy-efficient sensor systems, where a majority of the solutions can be powered by solar energy, directly contributes to the transition towards more sustainable and resource-efficient transport systems.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Case – the Lion Rock Tunnel, Hong Kong

TagMaster delivering next generation incident management system to Hong Kong's central tunnel

In 2025, TagMaster was commissioned to deliver the latest generation of its video-based automated incident management system for Hong Kong's Lion Rock Tunnel. The system comprises a total of 46 cameras and is the first project to be based on the new version of the Group's French subsidiary Citilog's system, offering direct, in-camera deep learning-based analysis, or edge-based detection. The system enables real-time detection of traffic incidents at the same time as collecting traffic data and supporting overall tunnel traffic management.

The Lion Rock Tunnel functions as an important transport link between Kowloon and Sha Tin in Hong Kong's New Territories. Ever since it was opened, the tunnel, consisting of two separate tunnel tubes around 1.4 kilometres long, has served as a key part of the region's transport infrastructure. The project is part of a comprehensive programme to modernise the tunnel's traffic management and monitoring system, with the aim of further improving safety, accessibility and efficiency.

TagMaster was selected through its local partner Parking Systems Ltd following extensive assessments of various video detection providers. TagMaster was selected in recognition of, for example, the Company's long experience of tunnel installations and the system's ability to integrate smoothly with existing traffic management systems.

With the edge-based technology, data is analysed directly in the camera, reducing the need for server hardware and simplifying installation. The solution allows incidents to be detected and dealt with more quickly, improving both safety and the flow of traffic in one of Hong Kong's busiest tunnels.

The is a strategically important project, as Hong Kong is continuously investing in modernising its transport infrastructure to meet increasing traffic volumes and high standards of safety and reliability. TagMaster's incident management system enables the operator to detect and manage incidents faster, improving traffic flow while optimising the operation and maintenance of the tunnel system.

Tunnel with video-based incident management system.

Case - Arena Milano, Italy

Intelligent parking system for new multi-use Olympic arena in Milan

Ahead of the opening of the Arena Milano on 9 January 2026, TagMaster's Spanish subsidiary Quercus Technologies delivered an advanced intelligent parking system for the arena's car park. The solution was put to the test when the stadium was opened to the public for a trial event prior to the Winter Olympics. The solution ensures efficient traffic management and a smooth parking experience for the up to 16,000 visitors that the stadium can accommodate at concerts, sporting events and international events, such as the Winter Olympics and the Milano Cortina Paralympics.

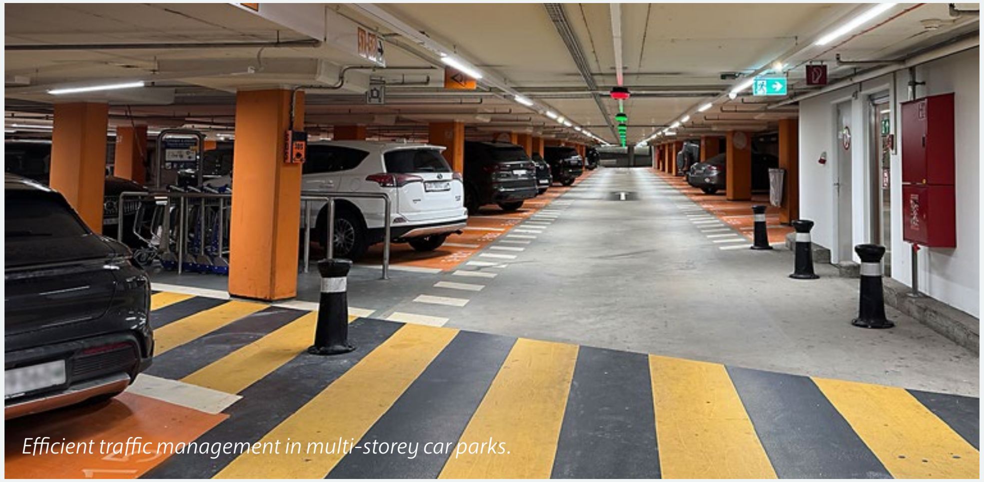
The system incorporates 615 camera sensors with AI-based detection. The sensors record occupancy levels, scan licence plates and document each parking space in real time. SmartLPR cameras are stationed at entrances and exits for automatic vehicle identification, while digital information signs guide visitors to available spaces. In addition, visitors can go to user-friendly kiosks to easily locate the vehicle they have parked. All information is processed via the Quercus software platform, which gives the operator a complete overview of the car park and its 2,802 parking spaces.

The intelligent solution optimises traffic flow and reduces the time needed to find a parking space, a particularly important consideration during major events with high levels of traffic. It also improves safety and operational efficiency via access to real-time data and a detailed overview of vehicle movements.

Arena Milano, one of the most modern stadiums in Europe, is an important addition to the city's infrastructure. With its iconic design, powerful technical infrastructure and fully intelligent parking system, Arena Milano is one of Europe's most innovative venues and one of the most significant lasting legacies of Milano Cortina 2026.

TagMaster's intelligent parking system underpins an efficient, safe and future-proof parking solution that meets the rigorous demands of international event venues.

PalaItalia – Olympic Stadium 2026, in Milan, Italy.



Efficient traffic management in multi-storey car parks.

Case – Motorway infrastructure in Florida, USA

Radar-based detection improves road safety and accessibility in Tampa Bay

TagMaster's US subsidiary Sensys Networks has modernised traffic monitoring on behalf of the Florida Department of Transportation (FDOT) in the Tampa Bay region via the latest generation of radar-based detection technology, RTMS Echo. The solution has bolstered monitoring, data collection and real-time management of traffic flows in one of the fastest growing states in the USA.

Florida today is the third most populous state in the USA, with more than 23 million inhabitants, with strong population growth over the past decade. To cope with increased traffic volumes, the state is continuously investing in Intelligent Transportation System (ITS) and infrastructure projects to bring down congestion and improve safety in the road network.

One priority project is to upgrade existing Microwave Vehicle Detection System (MVDS) installations in FDOT District 7, which includes the Tampa Bay area. Working closely with FDOT and Transcore, FDOT's ITS maintenance provider, Sensys Networks conducted extensive field testing and technical assessments comparing RTMS Echo to the existing technology.

After several months of testing and analysis, FDOT chose to replace the systems at 305 detection sites , representing about half of all installations in the region, with RTMS Echo. The choice was based on clear technical and operational benefits.

This modernisation has enabled FDOT to improve its real-time traffic monitoring and data-driven traffic management capabilities. The result is better road safety, increased accessibility and better management of traffic flows in the Tampa Bay region. RTMS Echo thus serves as a key component of Florida's long-term strategy to reduce congestion and address infrastructure challenges arising from rapid population growth.

RTMS Echo – radar-based detection technology installed in Tampa, Florida, USA.

Advance mobility solutions for rail-bound traffic in metropolitan areas

In Rail Solutions, TagMaster operates primarily in signalling and automated train management systems primarily serving metro trains and trams. With leading technological know-how in the sector, TagMaster is at the forefront as a provider of advanced mobility solutions for rail-bound traffic in metropolitan areas worldwide. Solutions allow the operator to use its existing track network more efficiently through more frequent services, while minimising the risk of accidents.

TagMaster's systems in the solutions area are deployed in a wide range of applications to improve the efficiency, reliability, safety and punctuality of public mass transit systems, such as tram networks, light rail vehicles and metro systems.

Every minute, hundreds of thousands of readings are made via TagMaster's RFID sensors in metro systems, tram systems and other rail-bound transport solutions worldwide. The data collected form the basis of safe, punctual and sustainable public transport.

Leading providers of rail signalling systems use TagMaster's RFID solutions for large-scale, innovative signalling systems, as well as for installation of communications-based train control (CBTC) systems.

TagMaster's train management system is based on sensor products with a high degree of built-in functionality and edge analysis. TagMaster's proprietary algorithms for critical applications such as positioning, axle counting and door opening have created a strong position in signalling systems for metro and tram networks.

With a view to intensifying the innovation and development in Rail Solutions, the Group has a Centre of Excellence in France.

Customers and sales

Rail Solutions customers consist for the most part of global signalling system manufacturers such as Alstom, Hitachi, Stadler

and Siemens Mobility, along with regional and local integrators for tram projects.

The business model for Rail Solutions is based on establishing, via "design-in" solutions, deep relationships with customers, and conducting joint development projects for integration into the system solutions.

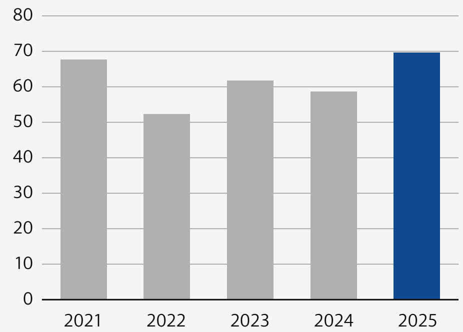
Sales in Rail Solutions are highly project-bound. Every business transaction is large and complex and requires a large measure of knowledge sharing between TagMaster and the customer. To fully realise the benefits of the technology, TagMaster's technicians are in direct contact with the customer's engineers, and in some cases sales require technical adaptation or minor development.

The trend is towards more customers outsourcing their technology development, as in the car industry. TagMaster's expertise fits well with the demands that will continue to be placed on external system partners in the future.

The Rail Solutions business is dominated by large-scale transactions with long decision cycles. As a result, revenue is volatile and varies over time. This is balanced by the Traffic Solutions business, which is continuous, with smaller volumes and recurring orders from long-term customers.

In 2025, sales by Rail Solutions accounted for around 15 per cent of TagMaster's total revenue.

SALES, RAIL SOLUTIONS, SEK M.



APPLICATIONS	APPLICATION AREAS
Positioning	Metro trains
Selective door opening/ platform doors	Metro trains, trams, commuter trains
Service priorities	Trams
Automatic speed control	Metro trains, trams
Passenger information	Metro trains, trams
Tramway crossing safety systems	Trams

OUR SUSTAINABILITY GOALS: GOAL 11

11 SUSTAINABLE CITIES AND COMMUNITIES

Efficient public transport is a key factor in making traffic flows more efficient and relieving congestion in the road network.

Case – Metro Line 6, Madrid, Spain

Position data for Madrid's first driverless metro line

In 2025, TagMaster received an order to supply signalling equipment for the groundbreaking project to transform Line 6 of Madrid's metro network into the city's first fully driverless metro line. The system is critical to the project, as vehicle positioning data are essential for driverless operation.

TagMaster's contribution to the project consists of RFID scanners installed along the metro line, together with tags fitted to the trains. The system delivers position data to the Urbalis CBTC signalling system, enabling the transition from semi-automatic (GoA2) to fully driverless operation (GoA4).

It enables the optimal braking profile to be calculated, ensuring comfortable operation and, at the same time, optimising track utilisation. The metro line also has platform doors, which make greater demands as to the precision of stopping points, which TagMaster's system guarantees.

Line 6 is a 23.5-kilometre circle line with 28 stations. It is the busiest in the Madrid metro network, with almost 400,000 passengers daily. The upgrade to fully automated operation will not only improve the travelling experience for passengers, but also improve energy efficiency and enlarge the capacity of the metro system.

Metro de Madrid, which is overseeing the project, selected TagMaster's system as the critical support for the Urbalis CBTC signalling system via the integrator following extensive evaluation of different solutions.


Madrid city centre metro

Engaging employees for innovation and good performance

TagMaster operates in a goal-focused way, with strong values, to create a dynamic corporate culture that drives innovation and performance. These values filter through to every level of the organisation and are crucial as the Group is an organisation of nine previously independent companies based in five different countries.

Our six core values are key to our corporate culture, how the organisation works both internally and externally, and the Company's approach in day-to-day operations.

At any company such as TagMaster, which consists of several acquired businesses and where success is based on innovation, these core values are vital in creating the conditions for employee commitment. Our core values form the basis for maintaining and underpinning a healthy corporate culture.

At year-end 2025, the Group had 151 employees.

Organisation

TagMaster's organisational structure is based on the various functions in the Group:

- Sales
- Development
- Operations
- Administration

In each country of operations, a local administrative function handles tasks requiring country-specific know-how. Such tasks include accounting for taxes and charges, legal financial reporting, and management of personnel-related matters.

Stronger organisation through acquisitions

To leverage the complementary expertise of the companies acquired, we focus intensively on integration and implementation

CORE VALUES

RESULT-ORIENTED

We value sustainable results, performance over formality, measurable targets and collaboration to achieve our financial goals.

COMMITTED

We are passionate about what we do and grow best when we do a good job. We are leading the way forward without preconceived ideas and with a sense of urgency.

PROFESSIONAL

We are professional in recognising the importance of good industry knowledge, leading by example and through humility in the way we work.

CUSTOMER-FOCUSED

We know that our own success depends on that of our customers and we are dedicated to driving efficiency, productivity and quality for all our customers.

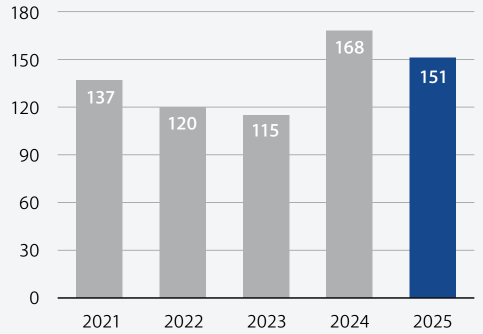
INNOVATIVE

We focus closely on investing in innovation to meet the ever-changing needs of our customers and focus on creating sustainable solutions.

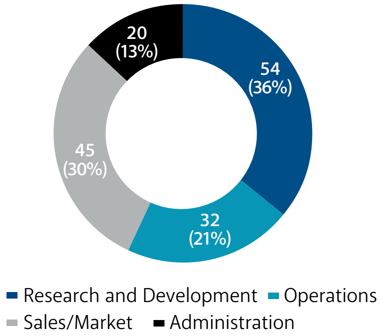
ENTREPRENEURIAL

We are confident that we have what it takes to achieve our ambitious vision. We allow ourselves to dream big, try out new things and keep pushing forward.

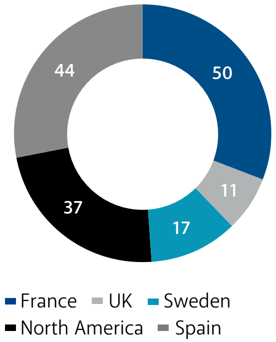
NUMBER OF EMPLOYEES AT YEAR-END



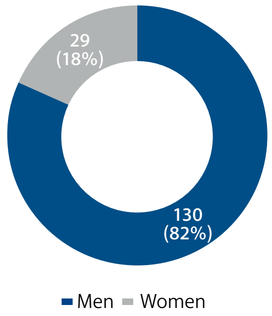
EMPLOYEES BY FUNCTION AT YEAR-END



AVERAGE NUMBER OF EMPLOYEES BY COUNTRY



AVERAGE DISTRIBUTION, MEN/WOMEN



of shared processes. In this work, the emphasis is on TagMaster's core values and the importance of shared processes and values in all functions, despite cultural and geographical differences.

Integration of employees and continued implementation of TagMaster's core values, and thus a strengthened shared corporate culture, are focused on closely on an ongoing basis in all functions and companies in the Group.

Strong development activities

Development activities in Europe are to a large extent integrated and performed under the direction of the Group's CTO. TagMaster's development personnel are based in Sweden, France and Spain.

Product development is conducted via a product management process shared by all companies in the Group. The US part of the business, Sensys Networks, has its own CTO and its development activities are performed in Berkeley, California.

Because development activities and innovation are crucial to the Group's success, a relatively large share of sales is dedicated to development. In 2025, 15 per cent of total sales was invested in development. Of the Group's more than 50 development engineers, around 80 per cent work on software development, with around 30 dedicated to developing solutions based on AI and visual data analysis. As a result of this development work, products and solutions are becoming increasingly digitalised, and practically all sensor products can be connected in cloud solutions.

Development activities involve, for example, combining the various sensor technologies that TagMaster employs, in order to develop advanced sensor products and data solutions that contribute to the necessary transitioning of the world's transport system, and at the same time increase efficiency, safety and cost efficiency for customers.

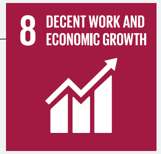
Joint sales force bringing stronger commercial focus

TagMaster is striving for a tighter commercial focus throughout the Group. To that end, the Company has established a joint sales force for parts of its European offering and Sensys Networks in the USA to enable the Group to serve the market with a stronger joint offering.

The Company's commercial resources are also growing through investment in a structured Group-wide sales management system focusing on developing sales performances and digitalising sales processes. Automated marketing has been integrated across all the Company's units to strengthen and underpin the Company's various value propositions, with the use of AI in-house as a resource.

OUR SUSTAINABILITY GOALS: GOAL 8

Our dedicated employees are key to driving innovation and creating long-term growth.



Employees worldwide

Maëlle Martinez, R&D Project Manager, based in Paris, France

You've been an R&D Project Manager since 2022. What are your main duties and responsibilities?
I've been in my current role for more than four years and I'm responsible for overseeing in-house R&D projects from planning to implementation. This means coordinating the product development team to ensure on-time deliveries. It also involves providing technical guidance to developers so that our solutions meet both specifications and high quality requirements. The role's dynamic and continuously evolving, depending on the nature and technological challenges of the projects.

What are the biggest challenges you face in your work?
One of my challenges is to adapt as the projects unfold, especially when they require in-depth technological analysis, while meeting delivery deadlines and maintaining high quality. This is particularly challenging in a technologically fast-changing industry, where new innovations and requirements are constantly emerging.

What is the greatest strength of TagMaster's offering when you bring together expertise in different sensor technologies?
Our greatest strength is our ability to meet customer needs, even in complex or challenging environments, by developing robust, field-adapted systems. By combining different sensor technologies and technical expertise, we can deliver solutions that are both reliable and efficient.

What's the best thing about working in the TagMaster Group and how do you see the future?
It's being able to work with leading-edge technologies and turn innovative ideas into real solutions. The technological discussions and co-operation within the team are highly motivating. Looking ahead, I can see great opportunities to further enhance our offering by integrating more artificial intelligence and continuing to develop adaptive solutions that meet the needs of the future.

Terry Stanoch, Director of Sales – East Region, based in Cleveland, Ohio, USA

You've been in your current role for approximately ten months. What are your main duties and responsibilities?
I'm responsible for sales in the eastern USA, covering 23 US states, Washington DC, five Canadian provinces and Puerto Rico. A key part of my role is to work closely with our ten partners in the region to drive profitable growth and ensure they provide the best possible support to our customers. I also meet with industry stakeholders and end customers to show how our products can solve their needs in the field of traffic and transportation.

What do you regard as the biggest challenge in your work?
Educating the market about our extensive portfolio of products and solutions and highlighting the benefits they bring to motorways and junctions. The ITS market has become increasingly competitive, with many different detection solutions. This is making it crucial to ensure that we are party to the dialogue when customers make their investment decisions.

How does cross-selling within the TagMaster Group work in your market?
Cross-selling is a clear strength. It renders our offering more attractive. By offering multiple solutions, I can identify more business opportunities with clients and take a more comprehensive approach to meeting their needs. To customers, this makes it more attractive to come to us for a complete solution rather than a single product.

Which deal are you most proud of, and what makes it important?
I am especially proud of the deal with Florida DOT District 7 in Tampa, Florida, which is described in more detail in another part of this publication. Through a number of meetings with both the integrator, Transcore, and the customer, I was able to show how our RTMS Echo solution was a better option than their existing supplier. The deal is strategically important because it puts us in a strong position to eventually replace an additional more than 300 units, creating significant future business opportunities.

Carlos Diana, Global Sales & Marketing Director, based in Reus, Spain

You've been at Quercus for twelve years and the Company's been part of the TagMaster group for just over a year. What does your role involve and how has the acquisition affected the business?
My main responsibility is to drive profitable growth. This means heading the global sales organisation, defining our go-to-market strategy, securing our margins, nurturing key customers and ensuring that product development aligns with market demand. Being part of TagMaster has brought increased financial stability and greater international reach. It has also strengthened corporate governance. In addition, it's boosted our credibility regarding major, long-term projects where financial strength is crucial.

What's the biggest strength of TagMaster's offering when you meet potential customers?
Our greatest strength, without question, is our combination of specialised technology companies operating under a common umbrella. Each company is focused on its niche, but can co-operate as needed. Customers appreciate that we are not only technologically agile, but also have the strength and stability of a listed corporate group. This inspires both flexibility and trust.

How does cross-selling within the Group, in specific terms, strengthen your market position?
We work closely with other companies in the Group by sharing contacts and developing joint business opportunities. For example, we are introducing our outdoor car park guidance solutions to other companies in the Group. Also, several other companies in the Group are actively promoting our LPR technology in their markets. This enables us to offer more integrated and all-inclusive solutions, reinforcing our position especially in larger and more complex projects where customers are looking for stable, long-term partners.

What is your vision, going forward?
My vision is for us to continue leading the parking market in a focused and profitable way, prioritising segments where we have a clear technological lead and strong credentials. At Group level, we also have scope to grow via selective acquisitions that round out the portfolio and stimulate cross-selling. With the right focus and execution, I see no reason why we couldn't build a technology group with a turnover of a hundred million euros and a strong position in parking and traffic solutions.

Share information and shareholders

TagMaster's class B shares are listed and traded on the Nasdaq First North Premier Growth Market. The share was first listed on 3 July 2000. TagMaster's Certified Adviser is FNCA Sweden. The share price on 30 December 2025 was SEK 17.60 and the Company's market capitalisation SEK 257,796 thousand.

Share capital

On 31 December 2025, the Company's share capital amounted to SEK 18,309,408.55, represented by 14,647,526 shares with a quotient value of SEK 1.25.

According to TagMaster's Articles of Association, the share capital shall be no less than SEK 5,000,000 and no more than SEK 20,000,000, represented by no less than 100,000,000 shares and no more than 400,000,000 shares. Shares may be issued in two classes, class A and class B. Each class A share carries an entitlement to ten (10) votes at the Annual General Meeting and each class B share one (1) vote. All shares have equal rights to a portion of the Company's profit and assets.

Dividend policy

The size of future dividends will be determined by the Company's future performance, financial position, capital requirements and cash flows. The Board of Directors of TagMaster does not believe that a cash dividend to shareholders will be considered in the near future.

Shareholders

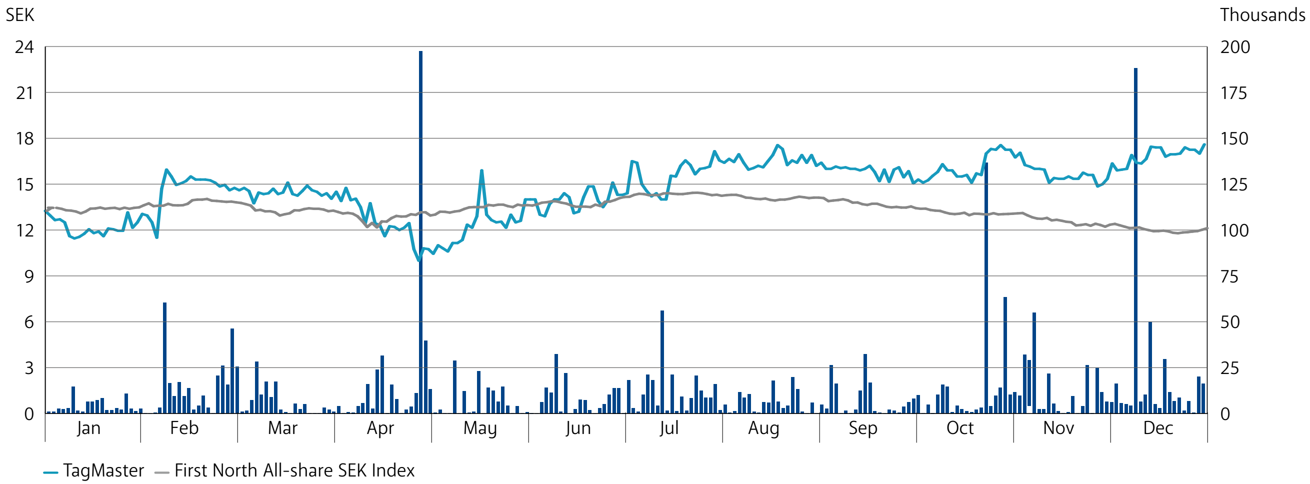
The total number of shareholders on 31 December 2025 was 1,933, compared to 2,151 a year earlier. The 10 largest shareholders together held 74.6 per cent of the share capital and the same share of the votes.

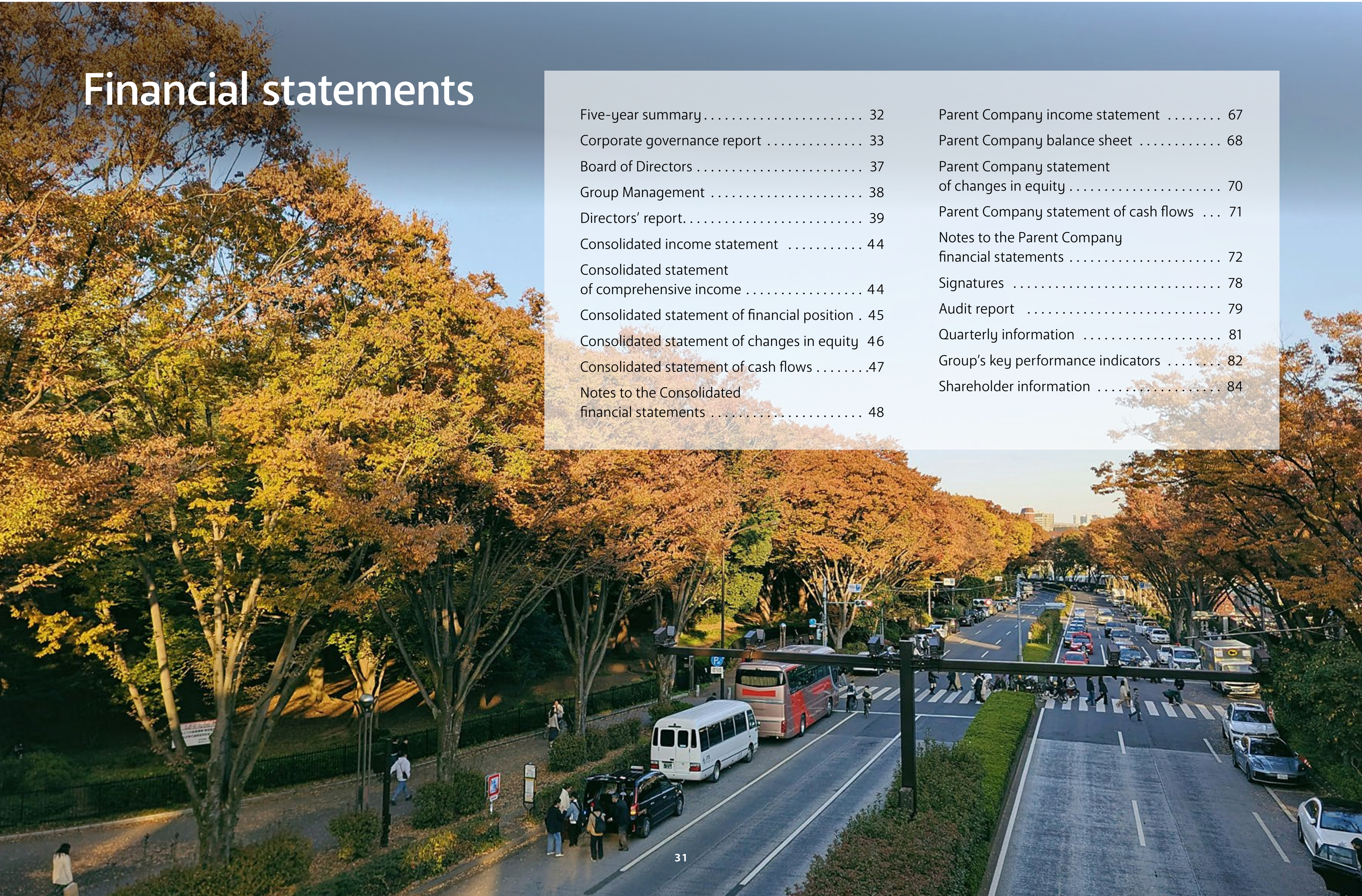
Company's largest shareholders

Shareholder	No. of class B shares	Capital, %	Votes, %
Anders Bladh (Ribbskottet AB)	2,570,342	17.55	17.55
Gert Sviberg, including company	2,129,115	14.54	14.54
Tomas Brunberg, including company	1,500,000	10.24	10.24
Hamilton/Lewenhaupt families	1,263,081	8.62	8.62
Christian Kock	1,146,022	7.82	7.82
Eiffel Investment Group SAS	652,636	4.46	4.46
Mikael Aronowitsch	627,062	4.28	4.28
Avanza Pension	443,550	3.03	3.03
Nordnet Pensionsförsäkring	356,935	2.44	2.44
Gunvald Berger	232,278	1.59	1.59
Jonas Svensson	220,012	1.50	1.50
Ulf Carlson	166,741	1.14	1.14
Per Anders Thorsell	115,876	0.79	0.79
Anders Larsson	108,707	0.74	0.74
Konsult AB Vintertullen	75,000	0.51	0.51
Total for 15 largest shareholders	**11,607,357**	**79.24**	**79.24**
Others	3,040,169	20.76	20.76
Total	**14,647,526**	**100.00**	**100.00**

Source: Monitor by Modular Finance AB. Compiled and processed data from Euroclear, Morningstar and Finansinspektionen (the Swedish Financial Supervisory Authority) and others.

SHARE PRICE MOVEMENTS IN 2025





Financial statements

Five-year summary

Income statement, SEK thousands	2025	2024	2023	2022	2021
Net sales	483,292	420,445	404,711	358,603	326,886
Change in inventories during manufacture and finished goods	188	-34	184	3,338	832
Other operating income	5,080	3,280	2,676	3,532	9,382
Operating expenses	-409,510	-375,391	-350,395	-338,503	-303,142
Adjusted EBITDA	**79,050**	**48,300**	**57,174**	**26,970**	**33,958**
Items affecting comparability	-4,159	-5,370	-8,878	-3,806	150
Depreciation, amortisation and impairment	-44,189	-32,626	-32,992	-30,269	-24,538
Operating profit/loss	**30,702**	**10,304**	**15,304**	**-7,105**	**9,570**
Net financial items	-778	-7,285	-4,610	-4,712	-2,823
Profit/loss before tax	**29,924**	**3,019**	**10,694**	**-11,817**	**6,747**
Tax	-7,378	1,643	2,981	35,971	-889
Net profit/loss for the year	**22,546**	**4,663**	**13,675**	**24,154**	**5,858**

Balance sheet, SEK thousands	2025	2024	2023	2022	2021
Intangible non-current assets	195,343	251,015	177,803	174,106	176,178
Property, plant and equipment	3,351	3,820	2,610	3,038	3,031
Right-of-use assets	22,177	18,286	8,653	8,656	11,605
Non-current financial assets	48,401	59,655	48,506	47,579	6,550
Inventories	55,725	68,708	78,887	50,753	36,570
Current receivables	110,874	108,316	87,059	93,575	79,942
Cash and bank balances	41,155	46,891	25,059	36,223	53,520
Total assets	**477,025**	**556,693**	**428,577**	**413,930**	**367,396**
Equity	263,744	286,251	259,285	252,229	199,937
Liabilities to credit institutions	74,201	125,200	66,192	48,282	52,358
Non-current liabilities	37,879	41,805	26,336	20,308	36,718
Current liabilities	101,202	103,436	76,764	93,111	78,383
Total equity and liabilities	**477,025**	**556,693**	**428,577**	**413,930**	**367,396**

Cash flow, SEK thousands	2025	2024	2023	2022	2021
Cash flow before changes in working capital	74,044	38,403	44,897	18,294	33,540
Cash flow from change in working capital	-15,379	20,236	-16,443	-24,979	-7,295
Cash flow from operating activities	**58,665**	**58,639**	**28,454**	**-6,685**	**26,245**
Cash flow from investing activities	-3,246	-64,607	-51,503	-1,280	-33,599
Cash flow from financing activities	-56,436	26,095	11,964	-15,044	4,946
Cash flow for the period	**-1,017**	**20,127**	**-11,086**	**-23,009**	**-2,408**

Key performance indicators	2025	2024	2023	2022	2021
Net sales, SEK thousands	483,292	420,445	404,711	358,603	326,886
Growth in net sales, %	14.9	3.9	12.9	9.7	14.1
Gross margin, %	69.8	68.3	68.5	68.3	68.4
Adjusted EBITDA margin, %	16.4	11.5	14.1	7.5	10.4
EBITDA margin, %	15.5	10.2	11.9	6.5	10.4
EBITA margin, %	12.9	7.1	8.9	3.3	7.6
Operating margin, %	6.4	2.5	3.8	-2.0	2.9
Equity ratio, %	55.3	51.4	60.5	60.9	54.4
Return on equity, %	8.2	1.7	5.3	10.7	3.1
Basic earnings per share[1, 2], SEK	1.54	0.32	0.93	1.65	0.40
Diluted earnings per share[1, 2], SEK	1.54	0.32	0.93	1.65	0.40
Average number of shares, thousands[1]	14,648	14,468	14,648	14,648	14,648
Number of shares at end of period, thousands	14,648	14,648	14,648	14,648	14,648
Market price on closing day, SEK	17.60	13.25	23.30	10.95	24.90
Market price on closing day, SEK[1]	17.60	13.25	23.30	10.95	24.90
Average number of employees	159	122	119	127	145

1) Adjusted retroactively for the 1-for-25 share consolidation (effected in 2021).

2) The number of shares, basic and diluted, is the same since there are no options or convertibles outstanding that may give rise to dilution.

Corporate governance report 2025

TagMaster is a Swedish public limited company with shares listed on Nasdaq First North Premier Growth Market since 1 March 2021. This report is presented by TagMaster AB's Board of Directors and does not form part of the formal annual report documents.

The TagMaster Group's governance is subject to both external regulations and internal governance documents. External regulations include the Swedish Companies Act, the Swedish Annual Accounts Act, the regulations of Nasdaq First North Growth Markets and other applicable laws and regulations. Internal governance documents include the Company's Articles of Association as adopted by the Annual General Meeting, the Rules of Procedure of the Board of Directors and the Board's Instructions to the Chief Executive Officer (CEO). Since listing on the First North Growth Market Premier, the Company has applied the Swedish Code of Corporate Governance (the "Code"). The Code is based on the "comply or explain" principle, in which companies applying the Code may deviate from individual rules, but in such cases must provide an explanation for the deviation.

Annual General Meeting

Shareholder influence in TagMaster is exercised through the Annual General Meeting, which is the Company's highest decision-making body. The right of shareholders to resolve upon TagMaster's affairs is exercised at the Annual General Meeting or, where appropriate, at an Extraordinary General Meeting. The Annual General Meeting resolves upon:

- adoption of the annual report
- appropriation of the Company's profit or loss
- discharge from liability of the members of the Board of Directors and the Chief Executive Officer
- election of Board members and auditors
- fees to the Board of Directors and auditors
- principles for appointing a nomination committee and instructions to the nomination committee
- introduction of long-term incentive schemes
- authorisation for the Board of Directors to resolve upon the issue of shares, warrants and/or convertibles
- other important issues

Shareholders

At year-end 2025, TagMaster AB had 14,647,526 class B shares in issue, according to the share register maintained by Euroclear Sweden AB. Shares may be issued in two classes, class A and class B. Each class A share carries an entitlement of ten (10) votes at the Annual General Meeting and each class B share an entitlement to one (1) vote. All shares have an equal right to a share in the Company's profit and assets. All shares issued are class B.

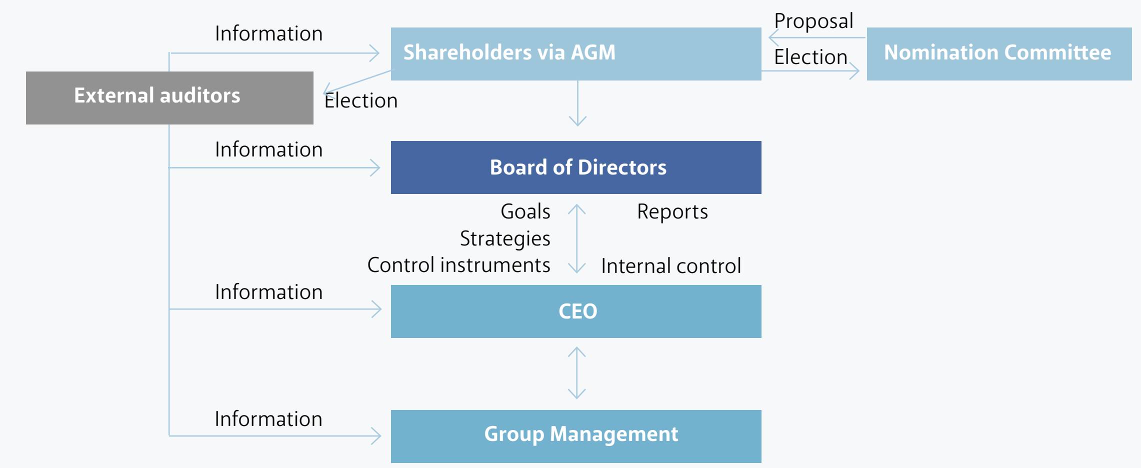
The total number of shareholders on 31 December was 1,993. Shareholders whose holding of shares and voting rights exceeded 10 per cent are listed on page 30.

Shareholder	No. of class B shares	Capital, %	Votes, %
Ribbskottet AB	2,570,342	17.6	17.6
Gert Sviberg, including company	2, 129,115	14.5	14.5
Tomas Brunberg, including company	1,500,000	10.2	10.2

Annual General Meeting 2025

The 2025 Annual General Meeting (AGM) was held on 24 April 2025. Shareholders were able to exercise their voting rights at the meet-

TagMaster – corporate governance model



ing through physical participation, postal voting or proxy voting. Approximately 47 per cent of the shares were represented through physical participation. Bernt Ingman, Chairman of the Board, was elected Chairman of the meeting.

The following principal decisions were approved by the meeting (full minutes are available on TagMaster's website, at www.tagmaster.se)

- Adoption of the income statement and statement of financial position for the 2024 financial year and appropriation of profit or loss.
- Granting of discharge to the members of the Board of Directors and the CEO from liability to the Company.
- Determination of the remuneration to the Board of Directors and the auditor.
- Re-election of regular Board members Bernt Ingman, Gert Sviberg, Juan Vallejo and election of Marie Ygge.
- Re-election of Bernt Ingman as Chairman of the Board.
- Re-election of the auditing firm Öhrlings PricewaterhouseCoopers AB as the Company's auditor.
- Adoption of principles for the appointment of the Nomination Committee and instructions for that committee.
- Authorisation for the Board of Directors to resolve upon the issue of shares, warrants and/or convertibles.

Annual General Meeting 2026

TagMaster's Annual General Meeting for the 2025 financial year will be held in Kista, Greater Stockholm, on 27 April 2026. For further information, see page 84 of the Annual Report. Information is also available on the TagMaster website, at www.tagmaster.com.

Nomination Committee

The Nomination Committee represents the Company's shareholders, nominates Board members and auditors and proposes their fees. In accordance with a resolution at the 2025 AGM, TagMaster's Nomination Committee shall consist of five members. The Nomination Committee shall consist of one representative of each of the four largest, in terms of votes, shareholders who wish to participate in the Nomination Committee, plus the Board Chairman.

Nomination Committee for the 2026 Annual General Meeting

The composition of the Nomination Committee was announced via a press release issued on 23 October 2025. The press release is also available on TagMaster's website. This year's Nomination Committee comprises the following members:

- Anders Bladh, Chairman, and thus the largest shareholder in terms of votes, via related company holding (Ribbskottet AB)
- Gert Sviberg, Board member, represents his own and related companies' holdings
- Didrik Hamilton, representative of the Hamilton/Lewenhaupt grouping
- Tomas Brunberg, via related company holding
- Bernt Ingman, Chairman of the TagMaster Board.

All members except Gert Sviberg and Anders Bladh are independent in relation to the Company, its management and the largest shareholder in terms of votes.

Prior to the 2026 AGM, the Nomination Committee had met on 5 occasions at the time this Annual Report was issued. The Chairman of the Board reported to the Nomination Committee on the annual assessment of the performance of the Board members. The Board Chairman also provided information on the Board's work during the year.

Board of Directors

The Board of Directors has overall responsibility for TagMaster's organisation and management and is the Company's highest decision-making body after the Annual General Meeting. The Board's responsibilities are governed by the Swedish Companies Act, the Swedish Annual Accounts Act and TagMaster's Articles of Association. The work of the Board is also clearly defined annually in the Board's Rules of Procedure, which are reviewed and re-adopted each year at the Board's statutory meeting after the AGM. The rules of procedure govern *inter alia* Board practices, functions and the distribution of work between the Board members and the CEO. The Board Chairman has a specifically defined responsibility towards the other members of the Board. At the statutory meeting of the Board, the Board also establishes instructions for the CEO.

Composition of the Board

According to the Articles of Association, the Board of Directors shall consist of no less than three and no more than seven members, with no more than three deputies. The members of the Board are elected annually at the AGM for the period until the end of the next AGM.

TagMaster's Board currently consists of four regular members.

Independence of the Board of Directors

Three of the four members of the Board are independent of the Company's major shareholders. Board member Gert Sviberg is regarded as a major shareholder, with an ownership stake (direct and indirect) of more than 10 per cent, and is therefore not independent. All Board members are independent of the Company and its management. The Code's requirement for the majority of the members elected at the AGM to be independent of TagMaster and its management, and for no less than two of them to be independent of the major shareholders, is thus fulfilled.

Work of the Board in 2025

According to the Board's rules of procedure, no less than four Board meetings must be held each year. Over the year, the Board held nine regular meetings, two meetings *per capsulam* and one statutory meeting.

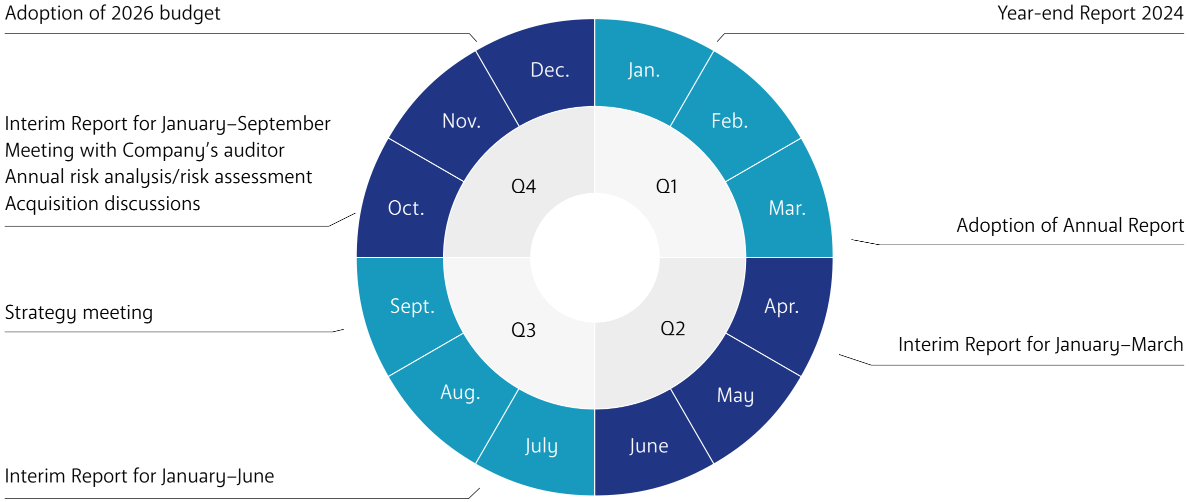
Regular meetings are held according to a calendar established annually. Standing items addressed at Board meetings include the CEO's briefing and quarterly financial report, as well as the outlook for the quarters ahead. In addition to these day-to-day issues, the following areas are covered: risk, strategy and acquisition issues, budget, adoption of the financial statements and annual report, and the auditor's debriefing.

Information on Board members

	Position	Independence from the Company and management/owners	Number Shares	Board fees as per AGM resolution, SEK thousands
Bernt Ingman	Chairman	Yes/Yes	16,000	300
Marie Ygge	Board member	Yes/Yes	1,000	150
Gert Sviberg	Board member	Yes/No	2,129,115	150
Juan Vallejo	Board member	Yes/Yes	–	150
Total				**750**

For further information on the members of the Board of Directors, see page 54 and Note 8 in the Annual Report.

Board's work in 2025 – Key events



Apart from Gert Sviberg, who was prevented from attending one meeting, all Board members were present, physically or digitally, at all Board meetings during the year. The CEO participated in a reporting capacity in all the meetings of the Board.

As no specific committees have been set up, all areas were dealt with by the Board as a whole.

Board evaluation

In 2025, the Board of Directors and the work of the Board was evaluated via a Board survey. In the survey, the Board members, individually and anonymously, rated statements regarding the Board as a whole, the Chairman of the Board, the CEO's work in the Board and their own performance. The evaluation aims to identify the effectiveness of the Board and addresses focus areas and whether there are any needs for specific competences or changes in working methods. The evaluation formed the basis for proposals for the Board of Directors and remuneration levels. In addition, the Nomination Committee interviewed all Board members.

In view of the Company's operations, stage of development and other circumstances, the evaluation shows that the Board considers that its composition is appropriate and characterised by diversity and breadth in terms of the members' competence, experience, background and commitment.

Furthermore, within the scope of its regular activities, the Board assessed the work of the CEO during the year on an ongoing basis.

Proposals for the 2026 AGM

The Nomination Committee's proposals for the 2026 AGM are available on the Company's website, at www.tagmaster.com.

Auditor

The auditor is appointed by the AGM and presents an audit report regarding its audit of the annual accounts, accounting records and consolidated accounts, as well as of the administration of TagMaster by the Board of Directors and the CEO. The auditor also performs a general review of the nine-month report. At least once a year, the Company's auditor meets with the Board of Directors without the CEO and other members of management being present. At the 2025 AGM, the registered auditing firm Öhrlings PricewaterhouseCoopers AB was elected.

TagMaster's fees to the auditors are disclosed in the Annual Report, Note 7, Remuneration to auditors.

SEK thousands	Fee/salary	Variable remuneration	Pension expense	Other benefits
CEO, Jonas Svensson	2,987	988	766	–
Other senior executives (6)	9,557	520	671	177
Total	**13,294**	**1,508**	**1,437**	**177**

CEO and other senior executives

The CEO reports to the Board of Directors and is responsible for day-to-day management of the Group's operations in accordance with applicable law and the Board's guidelines and instructions. The CEO provides the Board with the necessary information for its work both before and between Board meetings.

The CEO in turn appoints the other members of the Group Management. The CEO and other members of Group Management are presented on page 38. The members of Group Management are responsible for implementing the strategy in their particular areas. Group Management meetings are held regularly.

Remuneration to the CEO and other senior executives

The Board has decided that pertinent issues regarding remuneration of senior executives shall be addressed by the Board as a whole. The current remuneration levels and other terms of employment for the CEO and other senior executives have been determined by the Board. The table below shows the remuneration of the CEO and other senior executives for the 2025 financial year.

The CEO has a notice period of six months in the event of voluntary resignation. Should employment be terminated by the Company, a notice period of 12 months applies. Agreements regarding pensions, including health insurance benefits, are for the most part defined-contribution and are structured in accordance with the levels, practices and collective agreements in force in the country where the executive is employed.

At the time of presentation of the Annual Report, no outstanding share or share-related incentive plans are in force.

Internal control over financial reporting

The Board of Directors has overall responsibility for internal control over financial reporting. The essential elements of TagMaster's internal control structure are control environment, risk assessment, control activities and monitoring.

Control environment

TagMaster's control environment consists of the values and ethics that the Board, CEO and Group Management communicate and operate from, as well as the Group's organisational structure, leadership, responsibilities and powers.

Day-to-day financial reporting is decentralised and performed primarily in the Group's subsidiaries. The central finance function is responsible for monitoring the financial reporting of subsidiaries and for external financial reporting. Responsibilities and powers are defined in the attestation instructions, manuals, guidelines and policy documents. These include the Articles of Association, the rules of procedure for the work of the Board of Directors, instructions for the division of tasks between the CEO and the Board of Directors, the information and insider policy and instructions for financial reporting. These guidelines, together with laws and external regulations, form what is known as the control environment.
The relevance and timeliness of these instructions are reviewed by the Board on an ongoing basis.

Risk assessment

The Board of Directors assesses the Group's risks on an ongoing basis. The aim is to identify market or operational events that may lead to changes in the valuation of assets and liabilities. Another important aspect of the risk assessment is to take note of changes in accounting rules and ensure that such changes are reflected correctly in the financial reporting. The CFO is responsible for preparing the Board's assessments and for operationally monitoring the risks identified. For further information regarding risk assessment, see Note 4, Financial risks and risk management on pages 50–51 of the Annual Report.

Control activities

The control structures have been designed to address the risks that the Board and management deem material to the business and financial reporting. TagMaster's control structure consists of an organisation with clear roles that enable effective and appropriate division of tasks and responsibilities, as well as instructions and specific control activities for timely detection or prevention of the risk of reporting errors. Control activities include:

- clear decision-making processes and authorisation scheme for key decisions (e.g. on purchases, contracts, new product development and acquisitions)
- monthly profit and loss and cash flow analyses with deviation monitoring against budget and forecasts
- monthly risk assessments for overdue trade receivables.

Monitoring

Control activities are monitored on an ongoing basis to ensure that risks have been adequately taken into account and addressed. Monitoring to ensure the effectiveness of internal control over financial reporting is performed by the Board of Directors, the CEO and Group Management.

In addition, TagMaster's external auditor reports to the Board the auditor's findings from the audit of the internal control environment.

Evaluation of the special audit function

In view of TagMaster's size and operations, the Board has determined that there is no need for a special audit function. The reason for this position is that the existing organisation and control structure are deemed sufficient to enable efficient operations, to identify risks in financial reporting and to ensure compliance with applicable laws and regulations. The need for a special audit function is assessed annually by the Board.

Auditor's opinion on the corporate governance report

To the Annual General Meeting of TagMaster AB (publ), Corp. ID No. 556487-4534.

Tasks and responsibilities

The Board of Directors is responsible for the 2025 corporate governance report on pages 33–36, and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

Focus and scope of the review

Our review was conducted in accordance with FAR's recommendation RevR 16 Auditor's Review of the Corporate Governance Report. This means that our audit of the corporate governance report has a different focus and is significantly lesser in scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides a reasonable basis for our opinions.

Opinion

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, section 6, second paragraph, items 2–6 of the Swedish Annual Accounts Act and Section 7, second paragraph, of Chapter 31 of the same Act are consistent with the annual accounts and consolidated accounts and comply with the Swedish Annual Accounts Act.

Stockholm on the date shown by our electronic signature
Öhrlings PricewaterhouseCoopers AB

Mr Aleksander Lyckow
Authorised Public Accountant

Board of Directors

Bernt Ingman

Chairman since 2021

Born: 1954

Shareholding: 16,000 shares

Education: Master of Science in Business and Economics. Management training CEDEP/INSEAD, Fontainebleau

Previously worked for: Husqvarna, Munters, Gunnebo and Doro; Chairman of Micro Systemation AB, Beijer Ref AB and SBC Sveriges Bostadsrätt-Centrum AB

Other Board appointments: Chairman of Pricer AB, Chairman of Handelsbanken's local Kista branch Board member, Embracer Group AB

Marie Ygge

Board member since 2025

Born: 1958

Shareholding: 1,000 shares

Education: Mining engineer, specialising in materials engineering, KTH Royal Institute of Technology Stockholm

Previously worked for: IBM, Microsoft, AS3, Ygge Consulting, Board member SOS Alarm

Other board appointments: Alcadon Group,
TCO Development

Gert Sviberg

Board member since 2012

Born: 1967

Shareholding: 2,129,115 shares

Education: Marine engineer

Owns several companies and works as a property developer

Other Board appointments: Viking Line

Juan Vallejo

Board member since 2019

Born: 1957

Shareholding: 0 shares

Education: Master of Science in Engineering, KTH Royal Institute of Technology, Stockholm

Previously worked for: Imtech, Niscayah and Securitas

Other Board appointments: Elajo Invest AB, Fingerprint Cards AB, Mercuri International Group AB, Next Safety Group AB and Indoor Energy Group Nordic AB (Chairman)

Group Management

Jonas Svensson

President and Chief Executive Officer

Born: 1962

Employee since: 2012

Shareholding: 220,012 shares

Education: Master of Science in Business and Economics, Lund University

Previously worked for: Kinetico Inc. Smarteq Wireless, American Express, SEB and Siemens

Margaretha Narström

Chief Financial Officer

Born: 1967

Employee since: 2016

Shareholding: 20,736 shares

Education: Master of Science in Business and Economics, Karlstad University

Previously worked for: Deloitte, JM and the Swedish Tax Agency

Johan Franzén

Chief Technology Officer

Born: 1971

Employee since: 2005

Shareholding: 16,000 shares

Education: Master of Science in Engineering, Chalmers University of Technology, Gothenburg

Previously worked for: Ericsson and Optillion

Brian Fuller

President Sensys Networks Inc.

Born: 1968

Employee since: 2005 (Sensys Networks Inc.)

Shareholding: 0 shares

Education: B.Sc. in Electrical Engineering, Pennsylvania State University

Previously worked for: GoDigital Networks, Extreme Networks Inc., InnoMedia Inc., Lucent Technologies Inc.

Directors' report 2025

Operations

TagMaster and subsidiaries ("the Group" or "TagMaster") is an application-led technology company that develops and sells advanced sensor systems and solutions based on radio, radar, wireless magnetic sensor systems and camera technologies for demanding environments. Sensor technologies are offered in combination with advanced software as a full range IoT platform for creating smarter traffic solutions. TagMaster operates in two business areas, Traffic Solutions and Rail Solutions, under the brands TagMaster, Sensys Networks, Citilog, Quercus and RTMS. It offers innovative ITS solutions for increased efficiency, safety and convenience, and for reduced environmental impact in Smart Cities. TagMaster exports mainly to Europe, North America, the Middle East and Asia through a global network of partners and system integrators.

Product development

The development team uses common digital platforms for collaboration, management, consolidation and monitoring. A harmonised IT environment ensures that work can be performed efficiently irrespective of geographical location. Development resources are continuously redistributed across different product areas to accord with the Group's strategy for growth and profitability.

During the year, the focus was on continuous development and integration of AI-based functions into both products and development processes. Acquisitions have further developed the Group's expertise in visual data analysis and advanced AI. Development is performed via in-house resources with only marginal use of external consultants in technology development.

Development activities have focused on strengthening the core offering and introducing new features based on AI and edge analytics. During the year, further development took place on a new AI-driven multisensor platform for integrated management of magnetic sensors, radar and camera technology. Other Improvements included further development work on incident detection systems, vehicle classification and traffic data analysis, next generation ANPR solutions and advanced parking systems. Work continued on developing software platforms for collecting, consolidating and analysing traffic data, as well as for mobile installation and maintenance applications.

Significant events during the year

During the financial year, French subsidiary Citilog confirmed an order for its video-based automated incident management system for the North East Link tunnel project in Melbourne, Australia. TagMaster's software manages a large number of cameras in the tunnels and the deal has an order value of approximately EUR 800,000 – about SEK 8.6 million – which was booked in the fourth quarter. The North East Link is a tunnel project scheduled for completion in 2028. The project comprises 6.5 kilometres of twin tunnels connecting the Watsonia and Bulleen districts. The project seeks to significantly improve transport links in central Melbourne. The tunnels will take 15,000 lorries off local roads every day and reduce journey times by up to 35 minutes.

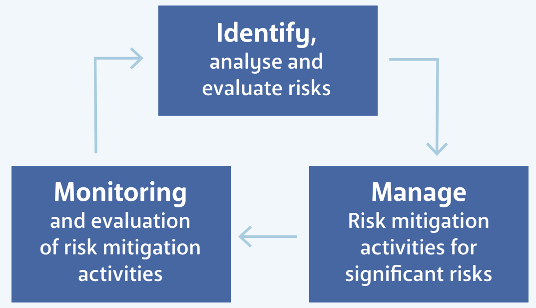
Expected future developments

The current uncertainty in the world around us, with escalation in the situation regarding global trade tariffs, demands humility in facing the immediate future. TagMaster is managing its business accordingly, focusing on long-term growth, cost management and operational efficiency. The Group continues to concentrate on what it can control and is taking action to defend its market position and increase profitability.

TagMaster's growth strategy focuses on growing organically and via acquisitions in existing and related technology areas in order to expand the Company's offering of products and solutions, and its market presence. TagMaster's data solutions and sensor products are developed with the aim of preventing congestion in traffic, improving safety by streamlining existing and future traffic flows, and of reducing emissions from transport. The goal is to serve as an attractive supplier of data-based real-time information, which is one of the basic conditions on which the Smart Cities of the future can be built.

The Group's Board and management remain positive about the longer-term outlook. With greater volume and a broader range that also extends more towards data solutions and software in important growth areas, the Company identifies good long-term opportunities for growth.

Risk management process



Risks and risk management

All business activities involve risk, which is a natural part of operating an enterprise. The purpose of risk management is not to avoid risks but to ensure that strategies are in place to manage the risks to which TagMaster's business is exposed. The risk management process aims to identify, assess and manage business-critical risks.

The Board is ultimately responsible for ensuring that an effective risk management process is implemented. The CEO and CFO are responsible for providing the Board with documents containing material for the annual identification and assessment of risks. The documents are based on information from the employees, above all in the Group's management team, who have operational responsibility for day-to-day risk management in each area.

Risks from world events	Description	Management
Crises	Crises include all those arising from world events that are beyond TagMaster's control and are difficult to predict, such as wars, terrorist attacks, cyber attacks, pandemics, extreme weather events and environmental disasters.	The risk that future crises may have a significant negative impact on the Group is managed by ensuring that operations are organised in a way that can be quickly adapted to new and unexpected circumstances. This is done by maintaining a high level of preparedness with a focus on employees, customers, business partners, cost control and cash flow.
The general economy and world events	The outlook on world events and the world economy may affect customers' propensity to invest, as well as demand, and so may impact the Group's sales and profitability. (Lower profitability may weaken TagMaster's ability to implement our strategy to invest in organic growth and acquisitions).	TagMaster addresses these risks by operating in several different geographical markets and in two different business areas, Rail and Traffic. This means that any decline in one business area and/or geographical market may be partly offset by an increase in sales in another.

Operational risks	Description	Management
Competition	Both minor and major enterprises are active in several areas of technology, including RFID, ANPR, radar and wireless magnetic sensor systems, where there is considerable competition. Technology is developing at a rapid pace, and the major operators can make substantial investments and introduce new, competing technology. Also, new companies with new technology and low prices may become established in the field and make TagMaster less competitive.	To meet growing competition in technology, and to come up with competitive products for the future, development activities have been augmented and rationalised in Kista and at the Group's other development units in Stevenage, Toulouse, Grenoble, Berkeley, Reus and Paris.
Customers and partners	The Group has numerous major and minor partners in more than 45 countries. These partners consist of distributors, resellers and integrators. In 2025, TagMaster's largest partner accounted for around five per cent of total sales, with the five largest partners together representing around 20 per cent. The loss of a significant partner may thus have major consequences to the Group.	Because the Group has grown both organically and through acquisitions, TagMaster has opportunities to compensate for any losses via new and existing partners in our new domestic markets. Working with our partners, we are continuously developing our product offering to successfully satisfy the future needs of both existing and potential new customers.
Supply chain	The Group's production and logistics are for the most part outsourced, giving great flexibility in the production flow, in terms of both capacity and costs. However, subcontractors are dependent on deliveries in accordance with agreed requirements, in terms, for example, of quality and delivery times. Incorrect or failed deliveries and capacity shortages may cause disruptions in the supply chain, which may in turn lead to lost sales for TagMaster.	To manage the risk of shortages of components and other inputs causing disruption in the production flow, a dedicated team follows a systematic process to plan and optimise purchases. Efforts to assure the supply of components are coordinated and performed in co-operation with subcontractors.
Employees	Failure to recruit, develop and retain employees and senior executives with the right skills may result in TagMaster underperforming and failing to achieve its set strategic objectives.	TagMaster strongly focuses on integrating and implementing its core values in order to strengthen the Group's shared corporate culture. The Group's ability to attract and retain qualified and motivated staff is considered good, as TagMaster offers market-level remuneration in a business with attractive and challenging technology and an international market presence.
Personal dependency	Personal dependency – where a small number of employees have knowledge and skills that are critical to the business – may pose a risk of disruption to the business in the event of, for example, illness, or if key individuals choose to leave the Group.	Measures taken to prevent any negative effects of personal dependency include the following: – Introduction and documentation of Group-wide processes and procedures, – Mapping of employees' competency levels in business-critical systems – Activities to promote knowledge transfer between different functions and units within the Group.

Operational risks	Description	Management
Product liability	The possibility of claims being brought due to product malfunction or any of the Group's products causing unexpected damage cannot be ruled out. If any such costs exceed the level of insurance cover, this may have consequences in terms of the Group's financial situation.	To prevent product malfunction or other damage, our customers are given clear information via product specifications and data sheets. Our products undergo testing, and procedures are in place to ensure that the products comply with relevant specifications. Should any defects or damage nevertheless occur, TagMaster has insurance in place to cover the costs.
Intellectual property rights (IPR)	The Group is exposed to the risk of failing to develop, capitalise on, improve and protect the Group's intellectual property rights, including product innovations and brands.	To manage the risk of infringement and plagiarism of the Group's products, the Group has a number of its own patents, either approved or pending, for a number of main markets. The patents refer to some of the core features of our products and the name TagMaster is a registered trademark. Management of patents is the responsibility of the Group's CTO.
Acquisitions and integration	One element of the Group's strategy is to focus actively on company and business acquisitions. Strategic acquisitions will be part of our future growth strategy. However, there is no guarantee that we will identify suitable acquisition targets. Neither are there any guarantees that the financing necessary for any future acquisition candidates can be obtained. The process of acquisition involves risk. The acquired company's relationships with customers, suppliers and key personnel may be adversely affected. Another risk is that integration processes may be more costly or more time-consuming than expected, and that anticipated synergies do not materialise at all, or do so only in part.	To manage this risk, acquisitions undergo a well-proven acquisition process involving Board and management from the start. Any potential acquisition targets are assessed on the basis of financial, technical and commercial factors. In particular, the potential of the candidates to strengthen the Group's product portfolio and any possible synergies are taken into account. After new businesses are taken over, they are incorporated and integrated into the Group via a structured process.
IT and cyber security	Unauthorised access to the Group's IT systems may result in loss of sensitive data and in business disruptions.	TagMaster has a decentralised IT environment, which reduces the risk of major operational disruptions and data breaches. The Group focuses on increasing IT security on an ongoing basis, and security arrangements including a password policy and multifactor authorisation are implemented.

Regulatory compliance	Description	Management
Regulatory compliance	Non-compliance may lead to financial losses and regulatory sanctions.	TagMaster monitors developments in laws, regulations and practices in the areas that are most material to the Group, and consults experts in tax legislation and other legal areas when it is considered necessary. To ensure good compliance with the First North Growth Market's rules and for guidance on MAR-related issues, we consult our Certified Advisor, FNCA.

Reporting risks	Description	Management
Reporting risks	The risk that an official report in the form of an interim or annual report does not present a true and fair view of TagMaster's operations, results and financial position.	The Group's financial reports are prepared in accordance with applicable legislation and accounting standards. To ensure that the financial reporting from all entities is reliable, consistent and in accordance with applicable accounting standards, Group-wide governing documents are applied and updated on a regular basis. Control activities are integrated into the accounting and financial reporting processes. Profit and loss and liquidity analyses with deviation monitoring against budget and forecasts are carried out regularly by the CEO and the Group finance function.

Financial risks	Description	Management
Currency risk	This is the risk of the Group's financial performance and equity being adversely affected due to changes in exchange rates. The Group is exposed to two types of currency risk: transaction exposure and translation exposure. Transaction exposure concerns currency risk attributable to the Group's payment flows in foreign currency. Translation exposure is the risk to which the Group is exposed on translation of the income statements and balance sheets of the foreign subsidiaries into the Group's presentation currency (SEK).	Price clauses are included in sales agreements to reduce the risk of adverse effect on the Group's financial performance and position due to currency fluctuations. To the same end, every effort is made to achieve a balance between the selling currency and buying currency.
Interest rate risk	The Group's interest rate risk is primarily associated with interest-bearing liabilities.	In order to make informed decisions regarding interest rate risk management, analyses are regularly performed to identify and assess potential interest rate risks and their impact on financial performance.
Credit risk	The risk that one of TagMaster's counterparties in a financial instrument is unable to fulfil its obligations, thereby causing a financial loss. The risk that customers fail to meet their credit obligations represents the major share of TagMaster's counterparty risk.	Procedures are in place to check and monitor the financial situation of new and existing customers in order to manage the risk of bad debt. Customer credit insurance covers most customers, and if the credit rating is not considered sufficiently high, payment in advance is required before delivery.
Liquidity risk	Liquidity risk is the risk of TagMaster not being able to fully meet its payment obligations as they fall due, or only being able to do so with financing on highly unfavourable terms.	The Group is always striving to improve its liquidity and has overdraft facilities in place to offset liquidity risk.

For further information regarding the Group's financial risks, see Note 4 on pages 50–51.

Multi-year overview

Group (SEK th.)	2025	2024	2023	2022	2021
Net sales	483,292	420,445	404,711	358,603	326,886
Operating income	30,702	10,304	15,304	-7,105	9,570
Profit/loss after financial items	29,924	3,019	10,694	-11,817	6,747
Balance sheet total	477,025	556,693	428,577	413,930	367,396
Equity ratio (%)	55.3	51.4	60.5	60.9	54.5
Average number of employees	159	124	119	127	145

Sales and profit

Sales for the year were higher than last year at SEK 483.3 million (420.4), an increase of 14.9 per cent. Of total sales, European operations generated SEK 316.4 million (220.2). The USA business accounted for SEK 166.9 million (200.2), of which SEK 99.7 million was attributable to the Quercus business acquired in the fourth quarter. Sales in the business area Rail Solutions in the European business area amounted to SEK 69.6 million (58.7).

Cash flow and financial position

At 31 December 2025, available liquidity was SEK 68.6 million (68.0), including bank overdraft facilities of SEK 27.5 million (21,1). The equity ratio at the end of the period was 55.3 per cent (51.4). Cash flow from operating activities for the financial year amounted to SEK 58.7 million (58.6).

Trade receivables totalled SEK 91.0 million (92.0) while trade payables came to SEK 23.2 million (33.3). Inventories were recorded at SEK 55.7 million (62.6).

Multi-year overview

Parent Company (SEK th.)	2025	2024	2023	2022	2021
Net sales	107,925	113,762	115,325	92,990	84,975
Operating income	12,625	12,568	11,055	7,014	11,162
Profit/loss after financial items	-17,200	11,099	8,423	3,108	9,501
Balance sheet total	401,494	465,022	371,423	337,684	343,225
Equity ratio (%)	62.6	60.7	72.0	77.7	76.0
Average number of employees	17	17	17	16	17

Parent Company

Parent Company sales totalled SEK 107.9 million (113.8). Operating profit for the period totalled SEK 12.6 million (12.6) with a loss after tax of SEK -23.8 million (7.7). Sales and operating profit for the year included invoicing of intra-Group services and intra-Group sales of goods of SEK 4.9 million (5.7) and SEK 11.4 million (13.6) respectively. The Parent Company had an average of 17 (17) employees.

Personnel

The average number of employees was 159 (124), with women representing 18 per cent (19). At year-end, the Company had 151 (168) employees.

Shareholders

TagMaster AB (publ.) Corp. ID No. 556487-4534, registered office in Stockholm, is a listed company with its shares traded on the Nasdaq First North Premier Growth Market in Stockholm. TagMaster's Certified Advisor is FNCA. The number of TagMaster shareholders on 31 December 2025 was 2,018 (2,151). At year-end, the following shareholders held more than 10 per cent of the shares in the Company:

Shareholder

	No. of class B shares	Capital, %	Votes, %
Ribbskottet AB	2,570,342	17.6	17.6
Gert Sviberg, including company	2,129,115	14.5	14.5
Tomas Brunberg, including company	1,500,000	10.2	10.2

Allocation of unappropriated profit

(Amounts in SEK)

Proposed allocation of the Company's profit	
The following unappropriated profit is available for allocation by the AGM:	
Retained earnings	85,124,747
Share premium reserve	171,454,976
Net profit/loss for the year	-23,812,966
Total	**232,766,757**
The Board of Directors proposes:	
To be carried forward	232,766,757
Total	**232,766,757**

Consolidated income statement

Amounts in SEK th.	Note	2025	2024
Net sales	6	483,292	420,445
Other income	9	5,080	3,280
Change in inventories during manufacture and finished goods		188	-34
Goods for resale, raw materials and consumables	12	-146,215	-133,316
Other external expenses	7, 12	-62,448	-60,851
Personnel expenses	8, 12	-199,520	-184,536
Depreciation of property, plant and equipment and amortisation of intangible assets		-44,189	-32,626
Other operating expenses	9	-5,486	-2,058
Operating profit/loss		**30,702**	**10,304**
Financial income	10	8,878	2,300
Financial expenses	10	-9,656	-9,585
Profit/loss before tax		**29,924**	**3,019**
Tax expense for the year	11	-7,378	1,643
Net profit/loss for the year		**22,546**	**4,663**
Net profit/loss attributable to:			
Shareholders in the Parent Company		22,546	4,663
Earnings per share, SEK	13		
Basic earnings per share[1]		1.54	0.32
Diluted earnings per share[1]		1.54	0.32

1 The number of shares, basic and diluted, is the same since there are no options or convertibles outstanding that may give rise to dilution.

Consolidated statement of comprehensive income

Amounts in SEK th.	Note	2025	2024
Net profit/loss for the year		22,546	4,663
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences in translation of foreign operations		-45,219	21,789
Items not to be reclassified to the income statement:			
Re-measurement of the net pension obligation	25	224	694
Tax on the above		-58	-179
Comprehensive income for the year		**-22,507**	**26,967**
Comprehensive income for the year attributable to:			
Shareholders in the Parent Company		-22,507	26,967

Consolidated statement of financial position

Amounts in SEK th.	Note	31/12/2025	31/12/2024
ASSETS			
Non-current assets			
Intangible assets	14	195,343	251,015
Property, plant and equipment	15	3,351	3,820
Right-of-use assets	16	22,177	18,286
Other long-term receivables	17	4,035	3,744
Deferred tax assets	18	44,366	55,911
Total Non-current assets		**269,271**	**332,777**
Current assets			
Inventories	19	55,725	62,588
Trade receivables	20	90,999	91,925
Other receivables	21	19,875	22,511
Cash and cash equivalents	22	41,155	46,891
Total current assets		**207,754**	**223,915**
TOTAL ASSETS		**477,025**	**556,693**

Amounts in SEK th.	Note	31/12/2025	31/12/2024
SHAREHOLDERS' EQUITY	23		
Share capital		18,309	18,309
Other contributed capital		241,459	241,459
Translation reserve		-8,665	36,554
Retained earnings including profit/loss for the year		12,641	-10,071
Total equity attributable to shareholders in the Parent Company		**263,744**	**286,251**
Non-current liabilities			
Liabilities to credit institutions	24	37,811	65,067
Deferred tax liabilities	18	3,371	2,196
Provisions for post-employment benefits	25	5,550	5,663
Other provisions	26	11,864	13,109
Other financial liabilities	27	–	4,317
Contingent additional purchase considerations	28	–	6,041
Lease liabilities	16	14,397	8,542
Other non-current liabilities	29	2,697	1,938
Total non-current liabilities		**75,689**	**106,872**
Current liabilities			
Trade payables		23,175	33,280
Liabilities		165	
Liabilities to credit institutions	24	36,390	60,133
Other provisions	26	–	747
Other financial liabilities	27	4,824	3,791
Contingent additional purchase considerations	28	10,818	3,481
Lease liabilities	16	7,934	10,087
Other liabilities	31	54,286	52,051
Total Current liabilities		**137,592**	**163,569**
TOTAL EQUITY AND LIABILITIES		**477,025**	**556,693**

Consolidated statement of changes in equity

Amounts in SEK th.	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/ loss for the year	Total equity
Opening balance, 1 January 2024	**18,309**	**241,459**	**14,765**	**-15,248**	**259,285**
Net profit/loss for the year	–	–	–	4,663	4,663
Other comprehensive income	–	–	21,789	514	22,303
Total comprehensive income	**–**	**–**	**21,789**	**5,177**	**26,966**
Closing balance, 31 December 2024	**18,309**	**241,459**	**36,554**	**-10,071**	**286,251**
Opening balance, 1 January 2025	**18,309**	**241,459**	**36,554**	**-10,071**	**286,251**
Net profit/loss for the year	–	–	–	22,546	22,546
Other comprehensive income	–	–	-45,219	166	-45,053
Total comprehensive income	–	–	**-45,219**	**22,712**	**-22,507**
Closing balance, 31 December 2025	**18,309**	**241,459**	**-8,665**	**12,641**	**263,744**

Equity attributable to shareholders in the Parent Company.

Consolidated statement of cash flows

Amounts in SEK th.	Note	2025	2024
Operating activities			
Operating profit/loss		30,702	10,304
Adjustments for non-cash items	34	49,402	32,626
Interest paid		-7,048	-6,352
Interest received		858	1,229
Tax paid		-1,293	-1,353
Tax received	11	1,423	1,949
Cash flow from operating activities before changes in working capital		**74,044**	**38,403**
Change in inventories		-1,240	27,252
Change in operating receivables		-9,055	-790
Change in operating liabilities		-5,084	-6,226
Cash flow from operating activities		**58,665**	**58,639**
Investing activities			
Acquisition of operations	33	–	-63,733
Investments in property, plant and equipment	15	-1,659	-874
Deposits paid		-1,587	–
Deposits refunded		–	–
Cash flow from investing activities		**-3,246**	**-64,607**

Amounts in SEK th.	Note	2025	2024
Financing activities	34		
Borrowings		–	45,577
Amortisation of loans		-36,003	-18,380
Change in bank overdraft facilities		-7,018	8,127
Amortisation of lease liabilities		-9,762	-9,229
Amortisation of other financial liabilities		-3,653	–
Cash flow from financing activities		**-56,436**	**26,095**
Cash flow for the period		**-1,017**	**20,127**
Exchange rate differences in cash and cash equivalents		-4,719	1,710
Cash and cash equivalents at start of year		**46,891**	**25,059**
Cash and cash equivalents at year-end	22	**41,155**	**46,891**

Notes to the Consolidated financial statements

Amounts in SEK th. unless otherwise specified

Note 1 • General

TagMaster AB (publ.), Corp. ID No. 556487-4534, registered office in Stockholm, Sweden. The address of the Company's head office is Kronborgsgränd 11, SE-164 46 Kista, Sweden.

In this report, TagMaster AB (publ.) is referred to either by its full name or as the Parent Company. The Parent Company and its subsidiaries are referred to as TagMaster, the TagMaster Group or the Group.

All amounts are stated in thousands of Swedish kronor (SEK th.), unless otherwise indicated. Figures in parentheses refer to the preceding year.

TagMaster develops and sells advanced sensor systems and solutions based on radio, radar, wireless magnetic sensor systems and camera technologies for demanding environments. TagMaster operates in two segments – Segment Europe and Segment USA – under the TagMaster and Sensys Networks brands. The Company offers innovative mobility solutions to increase efficiency, safety and convenience, and to reduce environmental impact in Smart Cities. TagMaster has subsidiaries in the UK, France, Spain and the USA, and exports mainly to Europe, the Middle East, Asia and North America through a global network of partners and system integrators.

TagMaster AB (publ.) is a listed company with its shares traded on the Nasdaq First North Premier Growth Market in Stockholm. TagMaster's Certified Advisor (CA) is FNCA Sweden.

The Annual Report and Consolidated financial statements were approved for publication on the date indicated in the Board of Directors' electronic signature. The Consolidated and Parent Company income statements and balance sheets will be presented for approval at the Company's Annual General Meeting to be held on 27 April 2026.

Note 2 • Summary of significant accounting policies

This note describes the significant accounting principles applied in the preparation of these consolidated financial statements, where not described in other notes.

Basis of preparation of the financial statements

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU. The Group also applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Council Recommendation RFR 1, Supplementary Accounting Rules for Groups.

Cost method of accounting

In the consolidated financial statements, items have been measured at cost, except with regard to certain financial instruments measured at fair value.

New IFRS not yet applied

IFRS 18 Presentation and Disclosure in Financial Statements is applicable for annual periods beginning on or after 1 January 2027. The standard will replace IAS 1 Presentation of Financial Statements and will introduce new requirements that will help to provide comparability of performance reporting and provide users with more relevant information and transparency. IFRS 18 will not affect the recognition or measurement of items in the financial statements, i.e. will have no impact on net profit. In 2026, management will start assessing the potential impact of application of the new standard.

None of the other IFRS or IFRIC interpretations that have not yet come into effect are expected to have material impact on the consolidated financial statements.

Consolidated financial statements

The consolidated financial statements comprise the Parent Company TagMaster AB and the companies over which the Parent Company has a controlling influence. A controlling influence exists when the Group is exposed to, or is entitled to, variable returns from its involvement in an entity and may use its influence over the entity to influence the size of its returns. A controlling influence normally exists where the Parent Company holds, directly or indirectly, shares representing more than 50 per cent of the voting rights.

Subsidiaries are included in the consolidated financial statements from the time of acquisition until the time when the Parent Company no longer has a controlling influence over the subsidiary. The accounting policies for subsidiaries have been adjusted, where necessary, to comply with the Group's accounting policies. All intra-Group transactions, balances and unrealised gains and losses attributable to intra-Group transactions have been eliminated in the preparation of the consolidated financial statements.

Segment reporting

Operating segments are reported in a way that is consistent with the internal reporting made to the highest executive decision-maker. At TagMaster, the CEO is the highest executive decision-maker. For further information regarding the Group's segment reporting, see Note 5.

Foreign currency

Items included in the financial statements of the various units in the Group are recognised in the currency used in the primary economic environment in which each entity mainly operates (functional currency). In the consolidated financial statements, all amounts are translated to Swedish kronor (SEK), which is the Parent Company's functional currency and reporting currency.

Transactions denominated in foreign currency are translated in each unit into the unit's functional currency at the exchange rates prevailing on the date of the transaction. At each balance sheet date, monetary items in foreign currency are translated at the closing rate. Non-monetary items, measured at fair value in a foreign currency, are translated at the exchange rate on the date on which the fair value was determined. Non-monetary items, which are measured at historical cost in a foreign currency, are not translated.

Exchange rate differences are recognised in the income statement for the period in which they arise.

When preparing consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated into Swedish kronor at the closing rate. Income and expense items are translated at the average rate for the period. Any translation differences arising are recognised in other comprehensive income and transferred to the Group's translation reserve. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of those activities and are translated at the closing rate.

Revenue from contracts with customers

The accounting policies applying specifically to the Group's revenue from contracts with customers are described in Note 6.

Tax

The tax expense consists of the sum of current tax and deferred tax.

Current tax is calculated on the taxable profit for the period. Taxable profit differs from the recognised profit or loss in the income statement when it has been adjusted for non-taxable income and non-deductible expenses, as well as for income and expenses that are taxable or deductible in other periods. The Group's current tax liability is calculated according to the tax rates applying on the balance sheet date.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and the tax base used in the calculation of taxable profit or loss. Deferred tax is reported in accordance with the balance sheet method. As a principle, deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences insofar as it is likely that the amounts can used against future taxable profits. Deferred tax liabilities and tax assets are not recognised if the temporary difference is attributable to goodwill or if it arises as a result of a transaction that constitutes the initial recognition of an asset or liability (that is not a business combination) and that, at the time of the transaction, affects neither recognised nor tax profit or loss.

A deferred tax liability is recognised for taxable temporary differences attributable to investments in subsidiaries, except where the Group can control the time of reversal of the temporary differences and where it is likely that such a reversal will not take place in the foreseeable future. The deferred tax

Note 2, continued

assets attributable to deductible temporary differences in such investments are recognised only insofar as it likely that the amounts can be used against future taxable profits and it is probable that such use will take place in the foreseeable future.

The carrying amount of deferred tax assets is examined at each closing date and reduced insofar that it is no longer likely that sufficient taxable profits will be available to be used, in whole or in part, against the deferred tax asset.

Deferred tax is calculated at the rates expected to apply for the period in which the asset is recovered or the liability is settled, based on the tax rates (and tax laws) that have been enacted or announced at the balance sheet date.

Deferred tax assets and liabilities are offset when they relate to income tax charged by the same authority and when the Group intends to settle the tax with a net amount.

Current and deferred tax is recognised as an expense or income in the income statement, except where the tax is attributable to transactions recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or directly in equity.

Leases

The Group assesses whether a contract is or contains a lease at the beginning of the agreement. Basically, all of the Group's identified leases relate to rental premises. The Group recognises a right of use and a corresponding lease liability for all leases in which the Group is lessee. However, this does not apply to short-term leases (defined as leases with a term of 12 months or less) or to leases where the underlying asset is of a low value. For such leases, the Group recognises lease payments as an operating expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments not made at the start date, discounted at the implicit interest rate of the lease. If this interest rate cannot be easily determined, the Group uses the marginal borrowing rate. The marginal borrowing rate is the interest rate that a lessee would have to pay for loan financing over a corresponding period, and with appropriate collateral, for the use of an asset in a similar economic environment.

Options are included in the lease term only if the exercise of an option for extension is considered reasonably certain, or if the exercise of a termination option is considered not to be reasonably certain. Lease payments included in the measurement of the lease liability include:

- fixed lease payments (including in-substance fixed payments) less any benefits,
- variable lease payments that are linked to an index or rate, initially measured using an index or rate at the date of initiation.

After initial recognition, the lease liability is measured by increasing the carrying amount to reflect the interest rate on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Amortisation of rights of use is applied over the estimated useful life or over the agreed lease term, whichever is shorter.

Variable lease payments that are not linked to an index or rate are not included in the measurement of the lease liability and the right of use. Such lease payments are recognised as an expense in the period in which they are incurred, and are reported on the line Other external expenses in the consolidated income statement.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components from lease components and instead to recognise each lease component and associated non-lease components as a single lease component. The Group has chosen to apply this to rental premises.

Business combinations

Business combinations are recognised using the acquisition method. The consideration paid for the business combination is measured at fair value at the time of acquisition. This is calculated as the sum, at the time of acquisition, of the fair values of the assets paid, liabilities incurred or assumed and equity interests issued, in exchange for control of the acquired business. Acquisition-related expenses are recognised in the income statement when they arise.

The consideration paid also includes the fair value at the time of acquisition of the assets or liabilities resulting from an agreed contingent purchase consideration.

The identifiable assets acquired and liabilities assumed are recognised at fair value at the date of acquisition, with a few exceptions.

In the case of business combinations where the sum of the consideration paid, any non-controlling interest, and fair value at the time of acquisition of previous shareholdings exceeds fair value at the date of acquisition of identifiable acquired net assets, the difference is recognised as goodwill in the statement of financial position. If the difference is negative, it is recognised as a gain on a low-price acquisition directly in income after a review of the difference.

Goodwill

Goodwill arising in the preparation of consolidated financial statements is the difference between cost and the Group's share of the fair value of an acquired subsidiary's identifiable assets and liabilities at the date of acquisition. At the acquisition date, goodwill is recognised at cost, and after the initial recognition date it is measured at cost less any accumulated impairment losses. When testing for any impairment, goodwill is allocated to the smallest cash-generating units that is expected to benefit from the acquisition. Any impairment loss is recognised immediately as an expense and is not reversed.

Intangible assets

Internally generated intangible assets – Capitalised product development expenditure

Internally generated intangible assets arising from the Group's product development are recognised only if the following conditions are met:

- it is technically possible to complete the intangible asset and use or sell it,
- the entity's intention is to complete the intangible asset and to use or sell it,
- conditions apply to using or selling the intangible asset,
- the entity shows how the intangible asset will generate likely future economic benefits,
- adequate technical, economic and other resources are available to complete the development and to use or sell the intangible asset
- expenditure attributable to the intangible asset during its development can be reliably calculated.

If it is not possible to recognise an internally generated intangible asset, development expenses are recognised as an expense in the period in which they are incurred.

Acquisition as part of a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill when they meet the definition of an intangible asset and their fair values can be reliably calculated. The cost of such intangible assets is their fair value at the time of acquisition.

Note 14 describes the Group's amortisation methods and useful lives applied with regard to intangible assets.

Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and any impairment losses.

The cost consists of the purchase price, i.e. expenses that are directly attributable to the asset. All other costs of repairs, maintenance and additional expenses are recognised in the income statement in the period in which they are incurred.

The carrying amount for a property, plant and equipment asset is derecognised from the balance sheet on retirement or disposal, or when no future economic benefits are expected from the use or retirement/disposal of the asset. Any gain or loss arising from the retirement or disposal of the asset, consisting of the difference between any net revenue from the disposal and its carrying amount, is recognised in profit or loss in the period when the asset is derecognised from the balance sheet.

Impairment losses on property, plant and equipment and intangible assets

At every balance sheet date, the Group analyses the carrying amounts for property, plant and equipment and intangible assets to determine whether there is any indication that such assets have decreased in value. If this is the case, the recoverable amount of the asset is calculated in order to determine the amount of any impairment loss. Where it is not possible to calculate the recoverable amount of an individual asset, the Group calculates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indeterminable useful lives and intangible assets not yet ready for use are tested annually for impairment, or when there is an indication of loss of value. The recoverable amount is fair value less selling expenses or value in use, whichever is the higher. When calculating value in use, the estimated future cash flow is discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks associated with the asset.

Note 2, continued

If the recoverable amount of an asset (or cash-generating unit) is determined at a value lower than the carrying amount, the carrying amount of the asset (or cash-generating unit) is written down to the recoverable amount. Any impairment loss is recognised immediately in the income statement.

When an impairment loss is then reversed, the carrying amount of the asset (the cash-generating unit) increases to the re-measured recoverable amount, but the increased carrying amount must not exceed the carrying amount that would have been determined if no impairment loss had been made on the asset (the cash-generating unit) in previous years. Any reversal of an impairment loss is recognised directly in profit or loss. Impairment losses on goodwill or other intangible assets with an indeterminable useful life are not reversed.

Inventories

Inventories are valued at the lower of cost or net realisable value. Cost consists of direct product costs, direct salaries and attributable indirect production costs (based on normal production capacity). To determine the cost weighted average prices have been used. Net realisable value is the estimated selling price less the estimated costs of completion and the estimated costs necessary to achieve a sale.

Trade receivables

Trade receivables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method, less any provision for impairment. For further information regarding the Group's accounting policies on trade receivables, see Note 20.

Provisions

Provisions are recognised when the Group has an existing obligation (legal or constructive) as a result of a past event, when it is likely that an outflow of resources will be required to settle the obligation and when a reliable estimate of the amount can be made. The amount allocated is the best estimate of the amount required to settle the existing obligation at the balance sheet date, taking into account the risks and uncertainties associated with the obligation. When a provision is calculated by estimating the payments expected to be required to settle the obligation, the recognised carrying amount is calculated as the present value of those payments.

Employee benefits

Employee benefits in the form of salaries, bonuses, paid leave, paid sick leave etc. and pensions are recognised as they are earned. With regard to pensions and other post-employment benefits, these are classified as defined-contribution or defined-benefit pension plans. The Group operates defined-contribution and defined-benefit pension plans.

Defined-contribution plans

In the case of defined-contribution plans, the Group pays defined contributions to a separate independent legal entity and has no obligation to pay additional fees. Expenses are charged against the Group's profit as the benefits are vested, which normally coincides with the time when premiums are paid.

Defined-benefit plans

The liability or asset recognised in the balance sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period. The defined-benefit pension obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined-benefit obligation is determined by discounting estimated future cash flows at the interest rate for high-grade corporate bonds issued in the same currency in which the benefits will be paid with maturities comparable to that of the pension obligation in question. This expense is included in personnel costs in the income statement.

Re-measurement gains and losses resulting from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income during the period in which they arise. They are included in the retained earnings in the statement of changes in equity and on the balance sheet. Expenses relating to service in previous periods are recognised directly in the income statement.

For further information regarding the Group's pensions, see Note 25.

Financial instruments

The accounting policies applying specifically to the Group's financial instruments are described in Note 30.

Note 3 • Key sources of uncertainty in estimates

The key assumptions about the future and other important sources of uncertainty in estimates at the balance sheet date that involve a significant risk of material adjustments in carrying amounts for assets and liabilities during the following financial year are described in the following notes:

- Note 14 – Intangible assets
- Note 18 – Deferred tax assets and deferred tax liabilities
- Note 25 – Provisions for post-employment benefits
- Note 33 – Business combination

Important assessments in application of the Group's accounting policies

Note 14, Intangible non-current assets, describes the key assessments, other than those consisting of estimates (see above), that have been made by management in application of the Group's accounting policies and that have the most significant effect on the carrying amounts in the financial statements.

Note 4 • Financial risks and risk management

Financial risks may primarily be divided into the following categories: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

Market risks

Currency risk

This is the risk of the Group's financial performance and equity being adversely affected due to changes in exchange rates.

The Group is exposed to two types of currency risk: transaction exposure and translation exposure.

Transaction exposure concerns currency risk attributable to the Group's payment flows in foreign currency. Approximately 96 per cent (95) of the Group's sales in 2025 were transacted in a currency other than SEK. Of total external purchases (goods for resale and other external costs), approximately 75 per cent (66) were transacted in a foreign currency. Price clauses are included in sales agreements to reduce the risk of adverse effect on the Group's financial performance and position due to currency fluctuations. To the same end, every effort is made to achieve a balance between the selling currency and buying currency.

The biggest single currency risk in terms of income is associated with the USD and EUR loans raised for the acquisition of Sensys Networks Inc., RTMS and Quercus. If on the balance sheet date, the Swedish krona had weakened/strengthened by 10 per cent against the US dollar and the euro, all other variables remaining constant, recalculation of the loan would have had an impact of increasing/ decreasing pre-tax income for the year by SEK 5,385 thousand (7,931).

Translation exposure is the risk to which the Group is exposed on translation of the income statements and balance sheets of the foreign subsidiaries into the Group's presentation currency (SEK).

Fluctuations in exchange rates therefore have an impact on the Group's income when the income statements of these subsidiaries are translated into Swedish kronor.

In the event of a change of 10 per cent for the currency during the year, all other variables remaining constant, recalculation of the income statements of the subsidiaries would have the following impact on the Group's income, on an annualised basis, as follows:

	+/-10%	
Currency	2025	2024
EUR	489	137
GBP	624	2,079
USD	1,064	1,959

Income in 2025 for the Company translated from GBP to SEK was negative in the financial year, indicating that strengthening of the currency would have negative impact on the Group's income.

Note 4, continued

To manage this risk with regard to the financial statements of the subsidiaries translated to a currency other than SEK, the loans that financed part of the acquisition were raised in USD and EUR. Hedge accounting was not used, and so translation differences attributable to the acquisition loan are recognised within the Group's net financial items.

Interest rate risk
The Group's interest rate risk is primarily associated with interest-bearing liabilities. the balance sheet date, interest-bearing liabilities linked to acquisition loans totalled SEK 54,851 thousand (85,855). The interest rate on the portion of the loan raised in USD is SOFR (the Secured Overnight Financing Rate) plus a margin of between 2.4 and 3.3 percentage points, based on the metric Net debt divided by consolidated EBITDA (operating profit excluding depreciation and amortisation). The interest rate for the part of the loan raised in SEK as part of the financing for the acquisition of Citilog S.A.S. is STIBOR plus a margin of between 2.0 and 3.0 percentage points, based on the metric Net debt divided by consolidated EBITDA (operating profit excluding depreciation and amortisation). The interest rate for the part of the loan raised in EUR in connection with the acquisition of Quercus is SOFR (the Secured Overnight Financing Rate) plus a margin of between 2.4 and 3.3 percentage points, based on the metric Net debt divided by consolidated EBITDA (operating profit excluding depreciation and amortisation). For further information regarding terms and conditions of loans, see Note 24.

	Change	Profit/loss before tax
Interest	-/+ 1 %	+/- SEK 0.7 m.

A one percentage point change in the interest rate, all other variables remaining constant during the financial year, would increase or decrease the Group's profit before tax by SEK 0.7 million.

Credit risk
Historically, the Group's credit losses have been low. However, the Group serves customers in several countries with differing payment cultures. This has led to longer terms of payment and thus higher credit risk. Procedures are in place to check and monitor the financial situation of new and existing customers in order to manage the risk of bad debt. Customer credit insurance covers most customers, and if the credit rating is not considered sufficiently high, payment in advance is required before delivery. For further information, including age analysis of outstanding trade receivables, see Note 20.

Concentration risk
Concentration risk refers to the vulnerability inherent in the concentration of exposures to a limited number of customers, partners, industries, sectors or geographical areas.

As the Group has a number of customers that represent a significant proportion of the Group's net sales, concentration risk applies. However, the Group's growth, both organically and through acquisitions, has created opportunities to compensate for any losses through new and existing partners. The Group therefore considers that the concentration risk associated with these key customers is limited. Trade receivables are not concentrated within a specific geographical area.

Liquidity risk
The Group is always striving to improve its liquidity and has overdraft facilities in place to offset liquidity risk. At 31 December 2025, available liquidity was SEK 68,633 thousand (68,020), including bank overdraft facilities of SEK 27,478 thousand (21,129). The acquisition loan is subject to financial commitments – covenants – which the Group is obliged to meet on a quarterly basis. The covenants by which TagMaster is measured are:

- Equity ratio
- Net debt in relation to consolidated EBITDA (rolling 12 months)

TagMaster comfortably met the objectives for these KPIs.

The liquidity available is deemed sufficient to meet the Group's currently known future commitments. Further capital injections may, however, be necessary if we are to achieve the Group's growth ambitions through acquisitions. The table below illustrates the Group's financial liabilities, classified by relevant maturities based on the remaining time to maturity on the balance sheet date, until the contractual date of maturity. The amounts are undiscounted and include interest payments. Variable interest flows with future interest-rate setting days are based on interest rates and margins prevailing at year-end. Cash flows in foreign currency are translated to Swedish kronor at the rates on the balance sheet date.

	Maturity date			
31 December 2025	**Within 3 mths**	**Between 3 mths and 1 year**	**Between 2 and 5 years**	**Total**
Liabilities to credit institutions	21,056	19,366	39,504	79,926
Other financial liabilities	–	15,642	–	15,642
Trade payables and other liabilities	37,114	4,194	–	41,308
Leases	2,483	7,448	20,428	30,358
Total	**60,653**	**46,650**	**59,932**	**167,234**

	Maturity date			
31 December 2024	**Within 3 mths**	**Between 3 mths and 1 year**	**Between 2 and 5 years**	**Total**
Liabilities to credit institutions	26,270	25,465	67,041	118,776
Other financial liabilities	–	7,616	12,783	20,399
Trade payables and other liabilities	42,783	3,440	–	46,223
Leases	2,591	7,797	8,778	19,166
Total	**71,644**	**44,318**	**88,602**	**204,564**

For more information on classification of the effects of financial assets and liabilities on income, see Note 10.

Note 5 • Segment reporting

An operating segment is part of an entity that conducts business activities from which it can receive revenue and incur costs, the operating results of which are regularly reviewed by the entity's highest executive decision-maker, and for which independent financial information is available. The Company's reporting of operating segments is consistent with internal reporting to the highest executive decision-maker. The highest executive decision-maker is the function that assesses the operating segments' performance and decides on the allocation of resources. At TagMaster, the CEO is the highest executive decision-maker.

The Group's operations consist mainly of developing and supplying hardware and software based on advanced sensor technology in RFID (Radio Frequency Identification) Radar, ANPR (Automatic Number Plate Recognition) and Wireless Magnetic Sensor Systems. Internal follow-up of operations is performed per geographical region by the Group's highest executive decision maker. The Group's operating segments are thus TagMaster Europe and TagMaster USA.

The effects of recognition of leases under IFRS 16 and capitalisation of development expenditure under IAS 38 are not allocated to the segments in internal accounting. In the table below, these items are shown in the Central column. Otherwise, the results for the

Note 5, continued

segments are recognised according to the same accounting policies as for the Group.

Gross profit margins, EBITDA and EBITDA adjusted for items affecting comparability (Adjusted EBITDA) are the performance metrics 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. The difference between the total of the segments' EBITDA and the Group's operating income is attributable to amortisation and depreciation totalling SEK 44.2 million (32.6) on intangible assets and property, plant and equipment. The difference between the total of the segments' operating income and the Group's profit before tax is attributable to financial income of SEK 8.9 million (2.3) and financial expenses of SEK 9.7 million (9.6).

Working capital is defined as the total of inventories, trade receivables and other receivables, less trade payables and other payables.

Cross-segment transactions are performed on standard commercial terms and intra-Group profits are eliminated.

No individual customer represents more than 10 per cent of net sales.

Geographical information

The Group operates primarily in Sweden, the United Kingdom, France, Spain and the United States. Information on revenue from external customers is based on where our Group companies are located.

	Revenue from external customers		Non-current assets	
	2025	2024	2025	2024
Sweden	91,618	94,485	2,507	3,827
United Kingdom	23,260	26,806	24,368	27,977
France	103,727	96,099	34,142	52,070
Spain	99,698	7,342	76,076	85,338
United States	164,989	195,713	83,778	103,910
Group	**483,292**	**420,445**	**220,271**	**273,122**

2025	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
Revenue					
External revenue	316,431	166,861	–	–	483,292
Cross-segment transactions	6,128	1,806	–	-7,934	–
	322,559	**168,667**	**–**	**-7,934**	**483,292**
Gross profit	**220,120**	**117,145**	**–**	**–**	**337,265**
Adjusted EBITDA	**43,942**	**25,346**	**9,762**	**–**	**79,050**
Items affecting comparability	-4,159	–	–	–	-4,159
EBITDA	**39,783**	**25,346**	**9,762**	**–**	**74,890**
Depreciation of property, plant and equipment and amortisation of intangible assets	-29,381	-14,808	–	–	-44,189
Operating profit/loss	**10,402**	**10,538**	**9,762**	**–**	**30,702**
Financial income	–	–	8,878	–	8,878
Financial expenses	–	–	-9,656	–	-9,656
Profit/loss before tax	10,402	10,538	8,984	–	29,924
Tax	–	–	-7,378	–	-7,378
Working capital	52,626	36,512	–	–	89,138
Investments in intangible assets	–	–	–	–	–
Investments in property, plant and equipment	775	884	–	–	1,659
Other segment information					
Gross margin, %	69.6	70.2	–	–	69.8
Adjusted EBITDA margin, %	13.9	15.2	–	–	16.4
EBITDA margin, %	12.6	15.2	–	–	15.5
Items affecting comparability:					
Restructuring costs	-4,159	–	–	–	-4,159
Number of employees at year-end	116	35	–	–	151

2024	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
Revenue					
External revenue	220,205	200,240	–	–	420,445
Cross-segment transactions	3,891	3,760	–	-7,651	–
	224,096	**204,000**		**-7,651**	**420,445**
Gross profit	**160,561**	**126,535**	**–**	**–**	**287,095**
Items affecting comparability	–	-2,763	–	–	-2,763
Adjusted gross profit	160,561	129,298	–	–	289,859
Adjusted EBITDA	**13,076**	**25,525**	**9,698**	**–**	**48,300**
Items affecting comparability	-2,607	-2,763	–	–	-5,370
EBITDA	**10,469**	**22,762**	**9,698**	**–**	**42,930**
Depreciation of property, plant and equipment and amortisation of intangible assets	-22,432	-10,194	–	–	-32,626
Operating profit/loss	**-11,397**	**12,568**	**9,698**	**–**	**10,304**
Financial income	–	–	2,300	–	2,300
Financial expenses	–	–	-9,585	–	-9,585
Profit/loss before tax	-2,255	5,274	–	–	3,019
Tax	–	–	1,643	–	1,643
Working capital	50,075	41,618	–	–	91,693
Investments in intangible assets	–	–	–	–	–
Investments in property, plant and equipment	251	623	–	–	874
Other segment information					
Gross margin, %	72.9	63.2	–	–	68.3
Adjusted gross margin, %	72.9	64.6	–	–	68.9
Adjusted EBITDA margin, %	5.9	12.7	–	–	11.5
EBITDA margin, %	5.0	11.4	–	–	10.5
Items affecting comparability:					
Difference between fair value and book value, acquisition analysis RTMS	–	-2,763	–	–	-2,763
Acquisition-related expenses	-566	–	–	–	-566
Restructuring costs	-2,041	–	–	–	-2,041
Number of employees at year-end	128	40	–	–	168

Note 6 • Revenue from contracts with customers

Revenue is recognised at an amount that reflects expected remuneration and remuneration to which the entity is entitled for the transfer of goods and services to customers. TagMaster recognises revenue when the Group transfers control of a product or service to a customer.

Under the terms of a very limited number of the Group's contracts, the customer has a right of return. In such cases, the transaction price thus includes what IFRS 15 refers to as variable remuneration. Variable remuneration is recognised only to the extent that it is highly likely that a material part of the revenue will not need to be reversed in the future. Since, on the basis of historical data, it is not considered likely that a material portion of the revenue resulting from sales to customers with a right of return will need to be reversed, no liability for returns is recognised.

TagMaster mainly sells hardware and software, accompanied by related services such as customisation and technical support, to customers. In some contracts with customers, several different products and services are included, while in others software and technical support are sold separately. Where the contracts contain several performance obligations, the transaction price is allocated to each separate performance obligation, based on their individual sales price.

If recognised revenue exceeds the payment for a performance obligation, a contractual asset is recognised, and if the payment exceeds recognised income from a performance obligation, a contractual liability is recognised. TagMaster normally operates on the basis of 30–60 days as payment terms on invoices issued.

In all material respects, the Group does not expect to have any contracts where the time between the handover of the goods or services to the customer and the payment from the customer exceeds one year. As a result, the Group does not adjust the transaction price for the effects of a significant financing component.

A description of the Group's performance obligations follows below.

	1 January 2025 – 31 December 2025			1 January 2024 – 31 December 2024		
Breakdown of revenue from contracts with customers	**TagMaster Europe**	**TagMaster USA**	**Total Group**	**TagMaster Europe**	**TagMaster USA**	**Total Group**
Geographical region[1]						
Sweden	8,048	–	8,048	3,194	–	3,194
EMEA	190,966	46,774	237,740	133,288	66,881	200,170
Asia Pacific	52,623	7,953	60,576	39,709	11,586	51,295
Americas	64,795	112,134	176,929	44,014	121,773	165,787
Total	**316,431**	**166,861**	**483,292**	**220,205**	**200,240**	**420,445**
Business area						
Traffic Solutions	246,802	166,861	413,663	161,543	200,240	361,782
Rail Solutions	69,629	–	69,629	58,663	–	58,663
Total	**316,431**	**166,861**	**483,292**	**220,205**	**200,240**	**420,445**
Time of revenue recognition						
At a particular time	301,942	161,519	463,461	205,354	195,540	400,894
Over time	14,489	5,342	19,831	14,851	4,700	19,551
Total	**316,431**	**166,861**	**483,292**	**220,205**	**200,240**	**420,445**

1 Geographical region where the customer is based.

Hardware and pre-installed software

TagMaster sells hardware based on advanced sensor technology in RFID (Radio Frequency Identification) Radar, ANPR (Automatic Number Plate Recognition) and Wireless Magnetic Sensor Systems. Hardware is sold together with pre-installed software. The hardware is not considered functional without the pre-installed software. Hardware and pre-installed software (the package) are therefore considered together to form a separate performance obligation. The customer can use the software as of the point when the hardware is delivered to the customer. Revenue from the sale of hardware and software is recognised at the time when control of the goods is transferred to the customer, which normally occurs when the risk has been transferred to the customer, based on the shipping terms applied. Over time, minor software updates may become available. Since these are not considered to be critical to the product's function, the assessment of the time at which the control of hardware and software has been transferred to the customer is not affected.

Payment from the customer is normally received in arrears, and TagMaster therefore recognises a contractual asset from the sale of hardware with pre-installed software. Any hardware customisations are not considered to be a separate identifiable performance obligation. The revenue is thus recognised at the time when control of the product is transferred to the customer. Sales of hardware also include a standard warranty where TagMaster guarantees that the hardware sold will function in accordance with the specification agreed. The Group therefore recognises warranties in accordance with IAS 37, see section on "Provisions" in Note 2 for policies applied and Note 26 for further information.

Software

TagMaster sells software. The software is sold to customers separately from other goods and services, and although minor software updates become available over time they are not considered critical to the software's function. Sale of software is therefore regarded as a separate performance obligation, where revenue from the sale of software is recognised at the time when control is transferred to the customer, which is normally when TagMaster makes the software available to the customer. Payment from the customer is normally received in arrears, and TagMaster therefore recognises a contractual asset as of the sale of software.

Technical support

Technical support is provided online or over the phone when and where needed during the contract period. The use of technical support does not vary significantly between different months, and the customer pays the same amount regardless of the number of times the service is used. Revenue from technical support is recognised on a straight-line basis over the contract period, usually two years. Payment from the customer is received in advance, and TagMaster therefore normally recognises a contractual liability from the sale of technical support.

Note 6, continued

Breakdown of revenue from contracts with customers

Contract balances

Group	31/12/2025	31/12/2024
Trade receivables	90,999	91,925
Advance payments from customers	-3,198	-4,039
Contract liabilities	-9,350	-9,326
Contract assets	–	–

Contract liabilities consist of prepaid income for technical support and installation services.

Transaction price allocated to outstanding performance obligations

Group	31/12/2025	31/12/2024
Less than one year from balance sheet date	6,685	7,388
More than one year but less than five years from balance sheet date	2,664	1,938
More than five years from balance sheet date	–	–

Change in contract liabilities for the year

Group	31/12/2025	31/12/2024
Opening balance	9,326	7,170
Added during the year	21,244	21,826
Recognised as revenue during the year	-19,831	-19,551
Translation reserve for the year	-1,390	-119
Closing balance	**9,350**	**9,326**

Note 7 • Remuneration to auditors

Fees and expenses	2025	2024
Key Audit Partner		
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	1,906	2,037
Total	**1,906**	**2,037**
Others		
Audit assignment	969	741
Other services	52	117
	1,021	**858**
Total	**2,927**	**2,895**

"Audit assignment" consists of statutory auditing of the annual accounts, consolidated accounts and accounting records, as well as of the administration by the Board of Directors and the CEO.

Note 8 • Employees, personnel expenses and fees to Board members

	2025		2024	
Average number of employees	Number of employees	Of whom, men	Number of employees	Of whom, men
Parent Company				
Sweden	17	12	17	12
Subsidiaries				
United Kingdom	11	10	15	14
France	50	39	49	38
Spain	44	37	4	3
United States	37	32	39	33
Total, subsidiaries	**142**	**118**	**107**	**88**
Total, Group	**159**	**130**	**124**	**100**

	2025		2024	
Gender distribution, senior executives	Women	Men	Women	Men
Board of Directors	1	3	1	3
CEO and other Company management	1	5	1	5

Breakdown of salaries and other remuneration per senior executives and other employees	Board, CEO and other senior executives		Others		Total	
SEK th.	2025	2024	2025	2024	2025	2024
Parent Company	7,576	7,167	11,631	11,528	19,207	18,695
Subsidiaries	7,403	6,047	126,326	117,034	133,729	123,081
Total, Group	**14,979**	**13,214**	**137,957**	**128,562**	**152,936**	**141,776**

	Salaries and other remuneration		Social security contributions		(of which, pension expenses)	
	2025	2024	2025	2024	2025	2024
Parent Company	19,207	18,695	10,751	10,536	3,677	3,602
Subsidiaries	133,729	123,081	33,307	29,909	3,638	4,138
Total, Group	**152,936**	**141,776**	**44,058**	**40,445**	**7,315**	**7,740**

Note 8, continued

Remuneration to the Board, CEO and other senior executives SEK th.	2025				2024			
	Fee/ salary	Variable remu-neration	Pension expense	Other	Fee/ salary	Variable remu-neration	Pension expense	Other
Bernt Ingman Chairman	300	–	–	–	280	–	–	–
Gert Sviberg Board member	150	–	–	–	140	–	–	–
Juan Vallejo Board member	150	–	–	–	140	–	–	–
Marie Ygge Board member	150	–	–	–	–	–	–	–
Liselott Lading Board member	–	–	–	–	140	–	–	–
CEO Jonas Svensson	2,987	988	766	–	3,108	600	768	–
Other senior execu-tives (6)	9,557	520	671	177	7,942	158	651	–
Total	**13,294**	**1,508**	**1,437**	**177**	**11,750**	**758**	**1,420**	**–**

The CEO has a notice period of six months in the event of voluntary resignation. Should employment be terminated by the Company, a notice period of 12 months applies.

Note 9 • Other income and operating expenses

Other income	2025	2024
Exchange rate differences	4,123	2,905
Other	957	375
Total	**5,080**	**3,280**

Other operating expenses	2025	2024
Exchange rate differences	-4,833	-1,716
Other	-653	-342
Total	**-5,486**	**-2,058**

Note 10 • Result from financial items

Financial income	2025	2024
Exchange rate gain on liabilities to credit institutions	7,236	46
Exchange gains on non-current liabilities to subsidiaries	784	1,002
Exchange gain on additional purchase consideration	–	60
Other interest income	858	1,191
Total	**8,878**	**2,300**

Financial expenses	2025	2024
Interest expenses	-6,353	-5,714
Exchange rate losses on liabilities to credit institutions	–	-3,244
Interest rate option and purchase consideration	-1,848	–
Interest expenses, lease liabilities	-586	-467
Net interest, pensions	-166	-160
Other financial expenses	-703	–
Total	**-9,656**	**-9,585**

During the financial year, the option and additional purchase consideration relating to the acquisition of Quercus were recalculated, as the expected settlement date was brought forward compared to the previous assessment. As a result of the re-measurement, SEK -1.8 million was charged to net financial items. With the exception of the re-measurement of the additional purchase consideration, all interest income and interest expenses are attributable items that are measured at amortised cost.

Note 11 • Tax expense for the year

	2025	2024
Current tax	-2,380	-1,078
Deferred tax	-4,998	2,721
Total	**-7,378**	**1,643**
Theoretical tax		
Pre-tax profit recognised	29,924	3,019
Tax at current rate, 20.6% (20.6)	-6,164	-622

Note 11, continued

Reconciliation of tax recognised	2025	2024
Effect of overseas tax rate	-253	-304
Tax effect of non-deductible expenses	-3,510	-245
Effect of non-taxable income	468	2
Effect of other adjustments to profit on consolidation	-1	-6
Effect of tax loss carry-forwards not assigned a value	-3,632	-1,442
Effect of previously utilised loss carry-forwards not assigned a value	5,238	2,912
Effect of previous year's tax loss carry-forwards assigned a value	4,150	586
Effect of re-measurement of previously valued loss carry-forwards	-4,150	-13,505
Re-measurement of deductible temporary differences	–	13,707
Other[1]	476	560
Total	**-7,378**	**1,643**

Deferred tax assets attributable to TagMaster France's loss carry-forwards from previous years have been re-measured, resulting in a deferred tax expense of SEK 4.2 million. In addition, tax assets relating to tax loss carry-forwards of SEK 4.2 million attributable to the subsidiary Citilog have been capitalised.

1) Tax revenue of SEK 476 thousand (560), in accordance with tax rules in France, based on development expenditure incurred.

Note 12 • Material income statement items

The note describes items that because of their nature are presented separately to provide a better understanding of the Group's performance. At TagMaster, material income statement items are items affecting comparability included in the Group's financial metrics but not defined as in IFRS.

	2025	2024	Recognised in income statement as:
Restructuring costs, TagMaster EU	3,493	1,987	Personnel expenses
Restructuring costs, TagMaster EU	666	54	Other external expenses
Difference between fair value and book value, acquisition analysis Quercus	–	2,763	Goods for resale, raw materials and consumables
Acquisition-related expenses	–	566	Other external expenses
Total	**4,159**	**5,370**	

Acquisition-related costs in 2024 referring to the acquisition of Quercus SEK 0 thousand (2,763) are attributable to TagMaster USA and the remaining SEK 4,159 thousand (2 607) is attributable to TagMaster Europe.

Note 13 • Earnings per share

	2025	2024
Earnings per share, basic and diluted		
Carrying amount attributable to shareholders in the Parent Company, SEK th.	22,546	4,663
Gain/loss from calculation of earnings per share, SEK th.	22,546	4,663
Average number of shares outstanding, basic and diluted, thousands	14,648	14,648
Earnings per share, basic and diluted, SEK	**1.54**	**0.32**

Note 14 • Intangible non-current assets

	Goodwill	Goodwill associated with assets and liabilities	Capitalised development expenditure	Customer relationships	Trademarks	Total Group
At 1 January 2024						
Cost	97,690	16,862	74,707	76,130	9,339	274,728
Accumulated amortisation	–	–	-54,942	-41,866	-117	-96,925
Carrying amount	**97,690**	**16,862**	**19,765**	**34,264**	**9,222**	**177,803**
1 January – 31 December 2024						
Carrying amount, opening balance	97,690	16,862	19,765	34,264	9,222	177,803
Business combinations	36,320	-253	16,275	29,636	–	81,978
Amortisation for the year	–	–	-9,465	-11,989	-349	-21,802
Translation difference for the year	7,415	1,004	1,115	2,632	871	13,037
Carrying amount	**141,425**	**17,613**	**27,690**	**54,543**	**9,744**	**251,015**
At 31 December 2024						
Cost	141,425	17,613	89,383	112,738	10,228	386,091
Accumulated amortisation	–	–	-61,690	-58,195	-484	-135,073
Carrying amount	**141,425**	**17,613**	**27,690**	**54,543**	**9,744**	**251,015**
1 January – 31 December 2025						
Carrying amount, opening balance	141,425	17,613	27,690	54,543	9,744	251,016
Business combinations	2,742	–	–	–	–	2,742
Amortisation for the year	–	–	-7,993	-14,918	-324	-23,235
Impairment losses for the year	–	-9,828	–	–	–	-9,828
Translation difference for the year	-15,097	-1,583	-2,104	-4,996	-1,571	-25,351
Carrying amount	**129,070**	**6,202**	**17,593**	**34,629**	**7,849**	**195,343**
At 31 December 2025						
Cost	129,070	6,202	86,909	97,790	8,557	328,528
Accumulated amortisation	–	–	-69,313	-63,161	-708	-133,182
Carrying amount	**129,070**	**6,202**	**17,593**	**34,629**	**7,849**	**195,343**

Note 14, continued

Amortisation methods and useful lives

Goodwill
Goodwill, an asset with an indeterminable useful life, is recognised at fair value at the time of acquisition and subsequently at cost less any accumulated impairment losses.

Capitalised development expenditure – internally generated
Development of new technology platforms is capitalised on an ongoing basis over the development period. Applications based on existing technology platforms, such as RFID, radar, ANPR cameras and wireless magnetic sensor systems, are treated as modifications of the core products. Modifications of technology platforms for various sensor applications are not capitalised.

After initial recognition, internally generated intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Capitalised development expenditure is amortised on a straight-line basis over the useful life. The estimated useful life is 5 or 7 years. Estimated useful lives and amortisation methods are reviewed at least at the end of each financial year, and the effect of any changes in assessments is reported prospectively.

Research expenditure is expensed in the period in which it is incurred. Development costs in 2025 not meeting the Group's criteria for capitalisation totalled SEK 73,862 thousand (72,245), including personnel costs of SEK 70,826 thousand (69,277).

Acquisition as part of a business combination
After initial recognition, intangible assets acquired in a business combination are recognised at cost less accumulated amortisation and any accumulated impairment losses in the same way as for separately acquired intangible assets. Acquired intangible assets are amortised on a straight-line basis over their estimated useful life. Useful lives are determined as follows:

Customer relationships .... 7 years
Capitalised product development expenditure............................5–7 years
Trademarks ....7 years or indeterminate

Trademarks that are deemed to be an asset with an indeterminable useful life are recognised at fair value at the time of acquisition and subsequently at cost less any accumulated impairment losses.

Carrying amounts and remaining amortisation periods for significant intangible assets
At the end of December 2025, capitalised product development expenditure arising from the acquisition of Citilog amounted to SEK 920 thousand, with a remaining amortisation period of 3 months. The carrying amount for the balance sheet item attributable to Sensys System Inc.'s acquisition of RTMS was SEK 4,536 thousand. The remaining amortisation period at the end of the 2025 financial year was 4 years and 8 months. In the case of customer relationships with a carrying amount of SEK 10,890 thousand, of which RTMS accounted for SEK 7,656 thousand, the remaining amortisation periods were 5 months and 4 years and 8 months, respectively. Capitalised development expenditure attributable to the acquisition of Quercus amounted to SEK 6,728 thousand with a remaining amortisation period of 3 years and 11 months. The remaining amortisation period for customer relationships with a carrying amount of SEK 23,523 thousand was 5 years and 11 months.

Impairment testing for goodwill and other intangible assets with an indefinite useful life and related key estimates and assessments

Goodwill and other intangible assets with an indeterminable useful life, acquired via business combinations, have been allocated to two cash-generating units (CGUs) as shown below. The cash-generating units are TagMaster's segments.

Impairment testing	31/12/2025	31/12/2024
Europe	85,511	99,565
USA[1]	56,202	67,176
	141,713	**166,741**

1) Of which, acquired brand valued at SEK 6,441 thousand (7,698)

Goodwill and other intangible assets with an indeterminable useful life are tested for impairment every year, or more often if there is any indication of impairment. When testing for any impairment, the value of such assets is allocated to the smallest cash-generating units that are expected to benefit from the acquisition. Any impairment loss is recognised immediately as an expense and is not reversed.

Calculation of the recoverable amount is based on estimated future cash flows before tax, in turn based on budgets and forecasts approved by management. The cash flow forecasts are calculated using an assessment of an expected rate of growth and increase in the EBITDA margin, based on the budget for the following year and forecasts and expectations for the next four years. Estimated values in use are most sensitive to changes in assumptions as to rate of growth, gross margin, EBITDA margin and discount rate. The assumptions used are based on past experience and anticipated developments in the market. The cash flow forecasts for years 2–5 are based on an annual growth rate of 7 per cent. The growth rate does not exceed the long-term growth rate indicated by sector reports for the markets in which the particular cash-generating unit operates. No annual growth rate has been assumed for cash flows beyond the five-year period.

The discount rate used in calculation of the recoverable amount is 11 per cent in both Europe and the USA. The required rate of return has been established against the background of the Group's present capital structure, and reflects the risks applying to the different operating segments. According to impairment tests performed, there was no impairment of goodwill or other intangible assets with an indeterminable useful life on 31 December 2025. Sensitivity analyses have been drawn up separately for each cash-generating unit. An increase of two percentage points in the discount rate, a decrease of two percentage points in the gross margin or a decrease of two percentage points in the assumed rate of growth, would not in itself lead to any impairment for any of the cash-generating units at 31 December 2025.

Calculating value in use requires management to make estimates as to important assumptions, such as future revenue, profit margins, investment levels and discount rate. The assumptions are produced by Management and reviewed by the Board of Directors.

Important assessments in application of the Group's accounting policies – capitalisation of development expenditure

Any intangible asset arising from development is recognised as an asset on the balance sheet only if all conditions described on page 49 under the heading "Intangible assets" are satisfied: The criteria for Internally generated intangible assets – Capitalised product development expenditure are satisfied. In every development project, the Group's Product Strategy Board (PSB), which includes the Group's CEO, CTO and Sales Director, decides on an ongoing basis as to whether the conditions exist for selling the finished product and whether the technical competence and financial resources exist to complete the project.

Based on the positions adopted by PSB, Group Management makes a judgement as to whether the necessary technological knowledge and financial strength exist to turn the capitalised intangible assets into marketable products. The market for future products is anticipated to be the same as currently for the Group's products.

Note 15 • Property, plant and equipment

	Properties and leasehold improvements	Equipment, tools, fixtures and fittings	Total Group
At 1 January 2024			
Cost	1,690	12,354	14,044
Accumulated depreciation	-1,690	9,744	-11,434
Carrying amount	**0**	**2,610**	**2,610**
1 January – 31 December 2024			
Carrying amount, opening balance	0	2,610	2,610
Purchases	–	874	874
Taken over at acquisition	–	2,515	2,515
Depreciation for the year	–	-2,333	-2,333
Translation difference for the year	–	153	153
Carrying amount	**0**	**3,820**	**3,820**
At 31 December 2024			
Cost	1,690	13,931	15,621
Accumulated depreciation	-1,690	-10,111	-11,801
Carrying amount	**0**	**3,820**	**3,820**
1 January – 31 December 2025			
Carrying amount, opening balance	0	3,820	3,820
Purchases	465	1,194	1,659
Depreciation for the year	-22	-1,789	-1,811
Translation difference for the year	-10	-307	-317
Carrying amount	**433**	**2,918**	**3,351**
At 31 December 2025			
Cost	1,423	16,141	17,564
Accumulated depreciation	-990	-13,223	-14,213
Carrying amount	**433**	**2,918**	**3,351**

Depreciation of property, plant and equipment is expensed so that the cost of the asset, less the estimated residual value at the end of its useful life, where appropriate, is written off on a straight-line basis over the asset's estimated useful life. Depreciation begins when the asset can be placed in service. Useful lives are determined as follows:

Equipment . . . . 5 years
Leasehold improvements . . Over length of the contract
Estimated useful lives, residual values and depreciation methods are reviewed no less than at the end of each accounting period, and the effect of any changes in estimates is recognised prospectively.

Note 16 • Leases

The Group's lease commitments consist principally of leases for its premises in Kista, Paris, Berkeley and Reus.

	31/12/2025	31/12/2024
Cost, opening balance	53,684	33,761
Taken over at acquisition	–	2,058
New leases	10,556	–
Terminated leases	-28,906	–
Re-measurement	10,526	15,889
Translation difference for the year	-3,608	1,976
Cost, closing balance	**42,252**	**53,684**
Amortisation, opening balance	-35,398	-25,108
Amortisation for the year	-9,315	-9,124
Terminated leases	22,697	–
Translation difference for the year	1,941	-1,166
Accumulated amortisation, closing balance	**-20,075**	**-35,398**
Carrying amount	**22,177**	**18,286**
Right-of-use assets:		
Office premises	21,652	18,286
Cars	525	–
Total	**22,177**	**18,286**

Shown below are the amounts recognised as lease liability, as well as the change in the liability for the year.

	31/12/2025	31/12/2024
Opening balance	18,629	9,086
New liabilities – new leases	9,891	3,990
Taken over at acquisition	–	2,068
Re-measurements	3,944	12,218
Interest	586	466
Payments	-9,762	-9,229
Translation difference for the year	-957	30
Closing balance	**22,331**	**18,629**
Of which, current liabilities	7,934	10,087
Of which, non-current liabilities	14,397	8,542

Note 16, continued

The present value of future lease fees is recognised as non-current liabilities falling due for payment as follows:

	31/12/2025	31/12/2024
More than 1 year but less than 2 years from the balance sheet date	6,409	6,346
Between 2 and 5 years from the balance sheet date	7,988	2,196
Total	**14,397**	**8,542**

Future payment obligations in foreign currency are translated to Swedish kronor at the rates on the balance sheet date.

For TagMaster Europe, the average marginal borrowing rate was 2.62 per cent, 5.30 per cent and 5.44 per cent. The corresponding rate for TagMaster USA was 4.37 per cent.

The cost of short-term leases totalled SEK 2,134 thousand (2,113) for the full year. Total costs of leasing low-value assets were minor. Total cash flow for leases was SEK 11.7 million (12.0).

Note 17 • Other long-term receivables

	31/12/2025	31/12/2024
Rent deposits	2,044	631
Non-current portion of tax asset related to capitalised development expenditure incurred	1,991	2,653
Receivable relating to the sale of shares in subsidiaries	–	459
Total	**4,035**	**3,744**

During the financial year, new information emerged regarding receivables attributable to Quercus' sale of the shares in Quercus Tecnologia LTD (Brasil), which led to an impairment totalling SEK 2.7 million. The re-measurement has resulted in a corresponding increase in goodwill.

Rent deposits	31/12/2025	31/12/2024
Opening balance	631	393
Deposits paid	1,587	–
Taken over at acquisition	–	241
Translation difference for the year	-174	-3
Closing balance	**2,044**	**631**

Note 18 • Deferred tax assets and deferred tax liabilities

	Tax loss carry-forwards	Defined benefit plans	Intangible non-current assets	Untaxed reserves	Other assets and liabilities	Total
Opening balance, 01/01/2025	49,396	749	-542	-1,884	5,996	53,715
Used during the year	-3,718	–	–	–	–	-3,718
Re-measurement of claim for tax loss carry-forwards	-4,150	–	–	–	–	-4,150
Capitalisation of claim for tax loss carry-forwards	4,150	–	–	–	–	4,150
Recognised via the income statement (temporary differences)	–	-677	-16	-847	260	-1,280
Total recognised via the income statement	**-3,718**	**-677**	**-16**	**-847**	**260**	**-4,998**
Recognised via other comprehensive income		-58				-58
Translation difference for the year	-5,524	-23	-1,310	–	-807	-7,664
Closing balance, 31/12/2025	**40,153**	**-8**	**-1,868**	**-2,731**	**5,449**	**40,995**
Net recognition of deferred tax attributable to subsidiaries Sensys Networks Inc., Citilog and Quercus Technologies S.L.	-8,999	–	9,048	–	-49	–
Total	**31,154**	**-8**	**7,180**	**-2,731**	**5,400**	**40,995**
Opening balance, 01/01/2024	51,515	-50	-9,769	-1,453	1,292	41,535
Used during the year	-6,708	–	–	–	–	- 6,708
Re-measurement of claim for tax loss carry-forwards	-13,505	–	–	–	–	-13,505
Change via acquisition[1]	9,329	–	-9,329	–	–	–
Capitalisation of claim for temporary differences	–	–	13,707	–	–	13,707
Recognised via the income statement (temporary differences)	–	657	4,377	-431	4,624	9,227
Total recognised via the income statement	**-10,884**	**657**	**8,755**	**-431**	**4,624**	**2,721**

1) Deferred taxes related to Quercus Technologies S.L.
In the Consolidated statement of financial position, the items have been recognised net.

Note 18, continued

	Tax loss carry-forwards	Defined-benefit plans	Intangible non-current assets	Untaxed reserves	Other assets and liabilities	Total
Recognised via other comprehensive income	–	180	–	–	–	180
Taken over at acquisition	5,295	–	–	–	–	5,295
Translation difference for the year	3,470	-38	472	–	80	3,984
Closing balance, 31/12/2024	**49,396**	**749**	**-542**	**-1,884**	**5,996**	**53,715**
Net recognition of deferred tax attributable to subsidiaries Sensys Networks Inc., Citilog S.A.S. and Quercus Technologies S.L.	-15,213	–	15,684	–	-471	–
Total	**34,183**	**749**	**15,142**	**-1,884**	**5,525**	**53,715**

Deferred tax assets and deferred tax liabilities

SEK th.	31/12/2025	31/12/2024
Deferred tax assets	44,366	55,911
Deferred tax liabilities	-3,371	-2,196
Total	**40,995**	**53,715**

The deferred tax asset refers to a tax loss carry-forward, most of which has been assigned a value. The tax loss carry-forwards attributable to the European operations total approximately SEK 269.2 million (263.5). None of the loss carry-forwards has a time limit. Of the European loss carry-forwards, SEK 20.0 million (14.5) has been capitalised. Tax loss carry-forwards attributable to operations in the USA amount to approximately SEK 98.5 million (120.4), of which SEK 98.5 million (120.4) has been capitalised. The item Other includes temporary differences attributable to inventories, leases and warranty provisions. Deferred tax assets and tax liabilities attributable to leases totalled SEK 2,623 thousand and SEK 2,616 thousand, respectively. Deferred tax assets attributable to TagMaster France's previous years' loss carry-forwards have been re-measured, resulting in a deferred tax expense of SEK -4.2 million.

In addition, tax assets relating to tax loss carry-forwards of SEK 4.2 million attributable to the subsidiary Citilog have been capitalised.

Key estimates and assessments – valuation of tax loss carry-forwards

Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognised only to the extent that they are likely to be utilised. Material assessments are required to estimate future tax surpluses and when these will occur. The measurement of loss carry-forwards and the Group's ability to utilise loss carry-forwards are based on management's estimates of future taxable income in the subsidiaries.

Note 19 • Inventories

	31/12/2025	31/12/2024
Raw materials and consumables	23,392	29,820
Goods in production	3,202	3,180
Finished products and goods for resale	29,131	29,588
Total	**55,725**	**62,588**

Of which, impairment loss: SEK 5,533 thousand (3,720). Obsolescence and impairment recognised as an expense during the year totalled SEK 1,813 thousand (176).

Note 20 • Trade receivables

	31/12/2025	31/12/2024
Trade receivables	93,411	96,680
Provision for doubtful trade receivables	-2,412	-4,755
Total	**90,999**	**91,925**

Trade receivables are amounts attributable to customers in respect of goods or services sold that are transacted within operating activities. Trade receivables generally fall due for payment within 30–60 days, and, on that basis, all trade receivables have been classified as current assets. Trade receivables are recognised initially at the transaction price. The Group holds trade receivables in order to collect contractual cash flows and therefore measures them at amortised cost using the effective interest method on the next accounting occasion.

Provision for doubtful trade receivables is made when it is not considered likely that payment will be made. The assessment is based on ageing and historical credit losses. Historically, TagMaster's credit losses have been low. Against that background, no ongoing provisions are made for expected credit losses based on historical data and other judgements based on experience.

At 31 December 2025, the Group had SEK 2.0 million of outstanding insured trade receivables.

No individual customer accounted for more than 10 per cent of net sales, either in 2025 or in 2024.

For further information regarding measurement and classification, see Note 30.

Age analysis	31/12/2025	31/12/2024
Not yet due	57,801	70,012
1–30 days	23,810	17,678
31–60 days	5,154	3,007
61–90 days	1,656	963
More than 90 days	4,991	5,020
Provision for doubtful trade receivables	-2,413	-4,755
Total	**90,999**	**91,925**

Note 21 • Other receivables

	31/12/2025	31/12/2024
Tax assets	1,164	2,885
VAT receivable	3,161	3,119
Advance payments to suppliers	8,658	1,796
Other receivables	497	415
Receivable relating to the sale of shares in subsidiaries[1]	–	1,802
Prepaid rent	674	926
Insurance prepayments	1,247	1,156
Other prepayments	4,474	4,293
Total	**19,875**	**16,391**

For information on valuation and classification, see Note 30.

1) For further information, see Note 17.

Note 22 • Cash and cash equivalents

Cash and cash equivalents in the statement of financial position and the statement of cash flows include cash and bank balances.

	31/12/2025	31/12/2024
Cash and cash equivalents	41,155	46,891
Overdraft facilities granted	40,818	41,487
Utilised portion of overdraft facilities	-13,340	-20,358
Available liquidity	**68,633**	**68,020**

Note 23 • Equity

	A shares	B shares	Total number of shares registered
Number, 31/12/2025	**–**	**14,647,526**	**14,647,526**

The quotient value per share is SEK 1.25. Other contributed capital is capital provided by TagMaster's shareholders.

SEK th.	31/12/2025	31/12/2024
Exchange rate differences in equity		
Opening balance	36,554	14,765
Change for the year in translation of foreign subsidiaries	-45,219	21,789
Closing balance	**-8,665**	**36,554**

SEK th.	31/12/2025	31/12/2024
Re-measurements of the net pension obligation		
Opening balance	1,807	1,113
Re-measurement for the year	224	694
Translation difference for the year	-106	–
Closing balance	**1,925**	**1,807**
Deferred tax on the above	-525	-467
Translation difference for the year	28	–
Recognised in equity	**1,428**	**1,340**

Note 24 • Liabilities to credit institutions

	31/12/2025	31/12/2024
Non-current portion of acquisition loan	33,592	58,577
Current portion of acquisition loan	21,259	27,278
Total, acquisition loan	**54,851**	**85,855**
Non-current portion of other liabilities to credit institutions	4,227	7,524
Current portion of other liabilities to credit institutions	3,117	12,497
Total other liabilities to credit institutions	**7,344**	**20,021**
Overdraft facility utilised	13,340	20,358
Loan acquisition expenses	-1,334	-1,034
Total liabilities to credit institutions	**74,201**	**125,200**

	31/12/2025	31/12/2024
Current portion of acquisition loan	21,259	27,278
Current portion of other liabilities to credit institutions	3,117	12,497
Overdraft facility utilised	13,340	20,358
Loan acquisition expenses	-1,334	–
Total current liabilities to credit institutions	**36,382**	**60,133**

The acquisition loan consists of partly of a bank loan of SEK 28 million (Facility B), which was raised as part of the finance for the acquisition of Citilog S.A.S. The loan matures over five years with straight-line amortisation. The interest rate is STIBOR plus a margin of between 2.0 and 3.0 percentage points, determined by the metric Net debt divided by consolidated EBITDA. The acquisition loan also includes a loan facility of USD 3.5 million (Facility C), which is part of the financing for Sensys Networks acquisition of the assets and liabilities of RTMS. Facility C matures over five years with straight-line amortisation. The interest rate for Facility C is SOFR plus a margin of between 2.4 and 3.3 percentage points, determined by the metric Net debt divided by consolidated EBITDA. As part of the financing for the acquisition of Quercus Technologies S.L., a EUR 4.0 million acquisition loan (Facility D) was raised in 2024. Facility D matures over four years with the first amortisation due on 30 June 2025. The interest rate for Facility D is SOFR plus a margin of between 2.4 and 3.3 percentage points, determined by the metric Net debt divided by consolidated EBITDA.

At 31 December 2025, the remaining loan acquisition costs, spread over the term of the loan, was SEK 1,334 thousand (1,494). The non-current portion of the liability matures as follows:

	31/12/2025	31/12/2024
More than 1 year but less than 2 years from the balance sheet date	23,419	25,770
Between 2 and 5 years from the balance sheet date	14,400	40,331
Total	**37,819**	**66,101**

For information on valuation and classification, see Note 30.

Information regarding remaining term to maturity and undiscounted amounts, including interest payments, see Note 4.

Note 25 • Provisions for post-employment benefits

The Group operates defined-benefit pension plans for employees in France. The plan is called a "Retirement indemnity plan" and is unfunded. The retirement indemnity plan entitles employees who have been employed by TagMaster for more than two or five years to a lump-sum payment at retirement. The size of the lump-sum payment is determined by several factors such as seniority, salary at the time of retirement and position within the Company. This benefit is a statutory benefit, the form of which is described in more detail in collective agreements arranged by the parties. Potential disputes between employer and employee are settled by a court of law. Payments are made directly through TagMaster as they arise. The plan is open to new members and benefits are vested in the plan.

Change in long-term pension obligations	31/12/2025	31/12/2024
Opening balance	**5,663**	**4,738**
Administrative costs	354	320
Interest expenses	166	160
Expenses/income (–) regarding service in previous years and losses/gains (–) from settlements	-77	–
Actuarial gains/losses		
– Financial assumptions	-343	80
– Demographic assumptions	3	3
– Experience-based adjustments	122	194
Translation difference for the year	-338	168
Closing balance	**5,550**	**5,663**

Actuarial assumptions
The principal actuarial assumptions at 31 December 2025 were as follows:

	France
Discount rate, %	3.75
Salary increases, %	2.5
Retirement age	62–65

Life expectancy
The mortality table used in France is the latest published by INSEE.

Assumptions as to life expectancy, expressed as remaining years of life for a person retiring at an appropriate retirement age are not material, since under the plan in France a lump sum payment is received by the person at the time of retirement.

Significant estimates and assessments – Assumptions in the calculation of the obligations

Because provisions for post-employment benefits concern obligations that will be settled in the future, assumptions must be made in order to calculate such obligations. The calculations are performed by actuaries. The calculations are based on assumptions as to economic variables, such as discount rate and salary increases, as well as demographic variables such as life expectancy. As a result, these assumptions are subject to critical estimates and assessments.

Assumptions and sensitivity analysis
The sensitivity of the obligation to changes in assumptions is shown in the table below, which illustrates the effect of a specific change, in SEK thousands. The obligation decreases where a minus (-) sign is shown and increases where a plus (+) sign is shown.

SEK thousands	31/12/2025	31/12/2024
Discount rate, +0.5%-point	-271	-312
Discount rate, -0.5%-point	294	339
Salary increase, +1.0% point	614	706
Salary increase, -1.0% point	-533	-608

Because under the plan a lump sum is paid at the time of retirement, the obligation is not sensitive to changes in the mortality table.

The above sensitivity analysis is based on the premise that one assumption is changed while the others remain constant. In reality, such a scenario is unlikely, as some assumptions may be correlated. The sensitivity analysis for the significant actuarial assumptions for the plans is based on the same methodology as for determining the present value of the obligation as recognised on the balance sheet (the Projected United Credit Method, PUCM). The methodology and choice of assumptions for the sensitivity analysis are unchanged from previous years. The sensitivity analyses have been determined against the background of possible changes in every individual assumption at the time of measurement and do not necessarily represent the actual effect of any change in assumption.

Note 26 • Other provisions

	31/12/2025	31/12/2024
Warranty provisions	11,864	13,109
Total non-current portion	**11,864**	**13,109**
Warranty provisions – current portion	–	747
Total current portion	**11,864**	**747**
Total provisions	**11,864**	**13,856**

Warranty provisions	31/12/2025	31/12/2024
Opening balance	13,856	15,267
Provision for the year	3,652	6,444
Settlement for the year	-2,318	-6,311
Reversal for the year	-1,870	-2,436
Translation difference for the year	-1,456	891
Closing balance	**11,864**	**13,856**

A provision for warranties is recognised when the underlying products are sold. The provision is based on historical data and conceivable outcomes related to specific warranty cases.

Note 27 • Other financial liabilities

As part of the consideration paid for the acquisition of Quercus, approximately EUR 0.45 million will be paid in 2026, through a call-put option. The option to acquire 7.5 per cent of the shares in Quercus has been recognised as a financial liability at the time of acquisition. The nominal amount is SEK 4.8 million (EUR 445,9 thousand). The option is measured at the present value of the expected future payments. During the financial year, the option was re-measured, as the expected settlement date was brought forward compared to the previous assessment.

	31/12/2025	31/12/2024
Option	–	4,317
Total non-current portion	**–**	**4,317**

	31/12/2025	31/12/2024
Loans to owners	–	3,791
Options	4,824	–
Total current portion	**4,824**	**3,791**
Total other financial liabilities	**4,824**	**8,108**

At 31 December 2025, Montauk Investments held 7.5 per cent of the shares in Quercus Technologies.

Note 28 • Contingent additional purchase considerations

The contingent additional consideration is attributable to the acquisition of Qurecus.

The liability is measured at fair value. The nominal amount is SEK 10.8 million (EUR 1.0 million). Contingent purchase considerations from acquisitions are measured at fair value, according to level 3.

During the financial year, the additional purchase consideration was re-measured, as the expected settlement date was brought forward compared to the previous assessment.

Additional purchase consideration	31/12/2025	31/12/2024
Opening balance	9,522	0
Additional purchase consideration	–	9,482
Re-measurement of interest on debt	1,893	86
Translation difference for the year	-597	-46
Closing balance	**10,818**	**9,522**

Note 29 • Other non-current liabilities

	31/12/2025	31/12/2024
Contractual liability	2,697	1,938
Total	**2,697**	**1,938**

The income to which the contractual liability relates will be recognised in more than one year but less than five years from the balance sheet date.

The Group does not have any liabilities with maturities later than five years from the balance sheet date.

For information on measurement and classification, see Note 30.

Note 30 • Financial assets and liabilities

Recognition in and derecognition from the statement of financial position

A financial asset or financial liability is recognised in the statement of financial position when the company becomes a party under the contractual terms of the instrument. A receivable is recognised when the company has performed and there is a contractual obligation for the counterparty to pay, even if the invoice has not yet been sent. Trade receivables are recognised in the statement of financial position when an invoice has been sent. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised when an invoice has been received. A financial asset is derecognised from the statement of financial position when the rights in the contract are realised, mature or the company loses control of them. The same applies to part of a financial asset. A financial liability is derecognised from the statement of financial position when the obligation in the contract is fulfilled or otherwise extinguished. The same applies to part of a financial liability. No financial assets and liabilities are offset in the statement of financial position, as conditions for set-off have not been fulfilled. Acquisitions and disposals of financial assets are recognised on the trade date. The trade date is the day on which the company undertakes to acquire or dispose of the asset.

Classification and measurement

Financial assets are classified on the basis of the business model within which the asset is managed and the nature of the cash flow. If the financial asset is held within the framework of a business model whose objective is to collect contractual cash flows, and the agreed terms of the financial asset give rise at specified times to cash flows that are only payments of principal and interest on the outstanding principal, the asset is recognised at amortised cost. This business model is classified as "hold to collect".

If the financial asset is held in a business model whose objective can be achieved both by collecting contractual cash flows and selling financial assets, and the agreed terms of the financial asset give rise at specified times to cash flows that consist only of payments of principal and interest on the outstanding principal, the asset is recognised at fair value through other comprehensive income.

This business model is classified as "hold to collect and sell".

In all other business models where the purpose is speculation or holding for trading or where the nature of the cash flow excludes other business models, assets are recognised at fair value via the income statement. This business model is classified as "other".

For all financial assets except derivative instruments, TagMaster uses the "hold to collect" business model, which means that the assets are recognised at amortised cost. TagMaster applies the "other" business model to derivative instruments, which means that they are measured at fair value through profit or loss.

The classification of financial liabilities is not based on the same approach as for financial assets. Financial liabilities are either measured at fair value through profit or loss or at amortised cost.

Financial liabilities are measured at fair value through profit or loss when they meet the definition of a financial instrument held for trading, if they are irrevocably identified as such at initial recognition or if they are derivatives. Contingent purchase considerations and derivative instruments are measured at fair value via the income statement. Other financial liabilities are recognised at amortised cost.

Amortised cost and the effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition less principal, plus the accumulated amortisation, using the effective interest method, of any difference between the principal and the outstanding principal, adjusted for any impairment losses. The gross recognised carrying amount of a financial asset is the amortised cost of the financial asset before adjustments for any loss reserve.

Note 30, continued

2025					
	Financial assets measured at fair value	Financial assets measured at amortised cost	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Carrying amount
Other long-term receivables	–	2,044	–	–	2,044
Trade receivables	–	90,999	–	–	90,999
Other receivables	–	497	–	–	497
Cash and cash equivalents	–	41,155	–	–	41,155
Liabilities to credit institutions	–	–	–	-74,201	-74,201
Trade payables	–	–	–	-23,175	-23,175
Other financial liabilities	–	–	–	-4,824	-4,824
Contingent additional purchase considerations	–	–	-10,818	–	-10,818
Other liabilities	–	–	–	-18,133	-18,133

2024					
	Financial assets measured at fair value	Financial assets measured at amortised cost	Financial liabilities measured at fair value	Financial liabilities measured at amortised cost	Carrying amount
Other long-term receivables	–	631	–	–	631
Trade receivables	–	91,925	–	–	91,925
Other receivables	–	2,217	–	–	2,217
Cash and cash equivalents	–	46,891	–	–	46,891
Liabilities to credit institutions	–	–	–	-125,200	-125,200
Trade payables	–	–	–	-33,280	-33,280
Other financial liabilities	–	–	–	-8,108	-8,108
Contingent additional purchase considerations	–	–	-9,522	–	-9,522
Other liabilities	–	–	–	-12,943	-12,943

Fair value of financial instruments

Information on how fair value has been determined for financial instruments measured at fair value in the statement of financial position is provided below. The breakdown of how fair value is determined is made on the basis of the following three levels.
Level 1: according to prices quoted on an active market for the same instrument.
Level 2: based on directly or indirectly observable market data not included in Level 1.
Level 3: based on inputs that are not observable on the market.

Derivative instruments with a positive value are regularly measured at fair value, where fair value is determined according to level 2. The Group has no other financial assets that are regularly measured at fair value. Liabilities that are regularly measured at fair value are derivative instruments with a negative fair value, where fair value is determined according to level 2, and contingent purchase considerations, where fair value is determined according to level 3. There were no transfers between level 1 and level 2 for regular measurements at fair value during the year. For financial assets and other financial liabilities, the carrying amounts are considered to be a good approximation of the fair values as a result of the maturity and/or fixed interest rate being less than three months, which means that a discount based on current market conditions is not expected to have a material effect.

Contingent purchase considerations from acquisitions are measured at fair value, according to level 3. A contingent purchase consideration has arisen following the acquisition of Quercus. A discounted cash flow method was used to determine the present value of the expected future economic benefits that will be lost to the Group at acquisition. The significant unobservable data used in the calculation are risk-adjusted discount rate and probability-adjusted expected cash flow. TagMaster has used a discount rate of 10 per cent and an expected cash flow of EUR 1 thousand in the model. The contingent purchase consideration is the only instrument that is measured at fair value in level 3.

Note 31 • Other liabilities

	31/12/2025	31/12/2024
Advance payments from customers	2,315	4,039
VAT and other tax-related items	2,169	2,495
Total current liabilities	2,808	2,450
Personnel-related expenses	24,984	25,186
Other accrued expenses	13,836	9,503
Contractual liability	6,685	7,388
Accrued sales commission payments	1,489	990
Total	**54,286**	**52,051**

For information on measurement and classification, see Note 30.

Note 32 • Pledged assets

	31/12/2025	31/12/2024
Corporate mortgages	21,800	21,800
Total	**21,800**	**21,800**

Note 33 • Business combinations

On 28 November 2024, TagMaster acquired 92.5 per cent of the shares in Quercus Technologies S.L (Quercus), of Spain.

Quercus develops and manufactures advanced digital solutions based on video analytics for the parking industry. The company is headquartered in Reus, Spain, and has installations in more than 100 countries worldwide. Through the acquisition, TagMaster strengthens its offering in parking access, management and administration of parking solutions, and security. At the same time, the Company is increasing its sales to business-to-business (B2B) customers, supplementing the Group's current business, which is predominantly targeted at the government sector.

The purchase consideration when the deal was closed was EUR 5.5 million. In addition, approximately EUR 0.45 million for the remaining 7.5 per cent of the shares will be paid (call-put option). The option has been recognised as a financial liability at acquisition and the acquisition recognised as if TagMaster has control over 100 percent of the shares. Finally, a performance-based bonus (earn-out) totalling no more than EUR 1.0 million will be paid, based on the performance of the business. The acquisition is a cash-only transaction financed with own funds and a new bank loan facility of EUR 4.0 million.

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

Fair value	Fair value
Non-current assets	
Capitalised development expenditure	16,275
Customer relationships	29,636
Other long-term receivables	5,225
Property, plant and equipment	2,045
Current assets	
Inventories	13,522
Trade receivables	13,006
Total current receivables	1,865
Cash and cash equivalents	2,740
Non-current liabilities	
Liabilities to credit institutions	-7,821
Other financial liabilities	-3,525
Current liabilities	
Liabilities to credit institutions	-12,566
Trade payables	-14,385
Total current liabilities	-4,555
Identifiable assets and liabilities, net	**41,462**
Consideration transferred	66,726
Option to acquire shares owned by Montauk Investment S.L (representing 7.5 per cent of the shares)[3]	4,316
Additional purchase consideration[1]	9,482
Goodwill	**39,062**
Net cash flow at acquisition of Quercus	
Consideration transferred	66,726
Less: Cash and cash equivalents acquired	-2,740
Net cash flow	**63,986**

1) Recognised at present value, at time of acquisition, of estimated future payments

The consolidated surplus value attributable to capitalised development expenditure totals SEK 9.2 million with an estimated useful life of 5 years. For customer relationships with a consolidated value of SEK 29.6 million, the useful life is estimated at 7 years. Future annual amortisation for these two items thus amounts to SEK 6.0 million.

No element of the goodwill arising through the acquisition is expected to be tax deductible. On 31 December, deferred tax attributable to surplus values in connection with the acquisition totalled approximately SEK 7.6 million. In the acquisition analysis, a corresponding amount is recognised as a deferred tax asset attributable to tax loss carry-forwards. In the consolidated statement of financial position, these two items are recognised net.

The consideration transferred also included amounts related to expected synergies, increased revenue, development of future markets and the combined workforce of the business. These benefits have not been recognised separately from goodwill because they do not meet the criteria for recognition of identified intangible assets.

In the 2025 financial year Quercus contributed SEK 95.4 million in net sales and SEK 15.3 million in operating profit.

Key estimates and assessments – business combinations

On the acquisition of businesses, all identified balance sheet items are measured at fair value. This also requires identification of any intangible assets of various types to be measured at fair value. The first step must be to identify which intangible fixed assets may have a value, such as customer relationships, trademarks and advanced technology. Quoted prices are not normally available for the assets and liabilities to be measured, so different measurement techniques have to be applied. These measurement techniques are based on a number of different assumptions such as future cash flows, growth rate for revenue items, gross and EBITDA margins, tax rates and discount factors. Measurements of this kind include a large number of assessments, all of which must be carefully reviewed, calculated and analysed. This also means that a preliminary measurement may need to be performed and then adjusted. All acquisition costings are subject to final adjustment no later than one year after the acquisition date.

Note 34 • Statement of cash flows

The statement of cash flows is prepared using the indirect method. The recognised cash flow includes only transactions involving inward or outward payments. This means that there may be deviations from changes in individual items in the balance sheet.

Non-cash items	2025	2024
Depreciation/ amortisation	44,189	32,626
Provisions and accrued expenses	5,213	–
Total	**49,402**	**32,626**

Changes in liabilities attributable to financing activities	Liabilities to credit institutions	Liabilities arising from leases	Other financial liabilities	Other non-current liabilities	Total
Opening balance, 01/01/2025	125,200	18,629	17,629	1,938	163,396
Cash flow for the year 2025					
Change in bank overdraft facilities	-7,018	–	–	–	-7,018
Amortisation of liabilities	-36,003	-9,762	-3,653	–	-49,418
Non-cash items					
Re-measurements	–	4,530	2,669	–	7,199
New leases	–	9,891	–	–	9,891
Accrued loan acquisition expenses	160	–	–	–	160
Attributable to operating activities	–	–	–	1,122	1,122
Exchange rate differences	-8,138	-957	-1,003	-363	-10,461
Closing balance, 31/12/2025	**74,201**	**22,331**	**15,642**	**2,697**	**114,871**

Changes in liabilities attributable to financing activities	Liabilities to credit institutions	Liabilities arising from leases	Other financial liabilities	Other non-current liabilities	Total
Opening balance, 01/01/2024	66,192	9,086	–	1,488	76,766
Cash flow for the year 2024					
Borrowings	45,577	–	–	–	45,577
Change in bank overdraft facilities	8,127	–	–	–	8,127
Amortisation of liabilities	-18,380	-9,229	–	–	-27,609
Non-cash items					
Items related to the acquisition of Quercus	–	–	13,798	–	13,798
Taken over at acquisition	20,387	2,068	3,525	–	25,980
Re-measurements	–	12,684	–	–	12,684
New leases	–	3,990	–	–	3,990
Accrued loan acquisition expenses	215	–	–	–	215
Attributable to operating activities	–	–	–	297	297
Exchange rate differences	3,082	30	306	153	3,571
Closing balance, 31/12/2024	**125,200**	**18,629**	**17,629**	**1,938**	**163,396**

Note 35 • Exchange rates used in the financial statements

The table shows the exchange rates used in translation of financial statements from the foreign subsidiaries that prepare their financial statements in a currency other than that used for presentation of the Consolidated financial statements (SEK). The exchanges rates have been obtained from Riksbanken, Sweden's central bank.

	Average rate		Rate on balance sheet date	
Currency code	**2025**	**2024**	**2025**	**2024**
EUR	11.0677	11.4321	10.818	11.4865
GBP	12.9216	13.5045	12,4174	13.8475
USD	9.8191	10.5613	9.2013	10.9981

Note 36 • Related-party transactions

Following TagMaster's acquisition of 92.5 per cent of the shares in Quercus, the previous owner, through its holding in Montauk Investments S.L.U., holds 7.5 per cent of the shares in the acquired company. In addition, after the transaction, the former owner had in 2025 a role in Group management and is therefore considered a related party as defined in IAS 24. At 31 December 2025, transactions with the previous owner have been accounted for as follows:

- Additional purchase consideration recognised in TagMaster AB: SEK 10.8 million (EUR 1.0 million)
- Option to acquire 7.5 per cent of the shares in Quercus recognised as a current liability in TagMaster AB: SEK 4.8 million (EUR 445.9 thousand)

Other related-party transactions in the form of remuneration to senior executives are described in Note 8.

Note 37 • Post balance sheet events

No events that are to be regarded as material have occurred between the balance sheet date and the date of signing of the Annual Report.

Parent Company income statement

Amounts in SEK th.	Note	2025	2024
Operating income etc.			
Net sales	P2	107,925	113,762
Other operating income	P7	2,964	2,903
Total operating income		**110,889**	**116,665**
Operating expenses			
Goods for resale		-38,508	-42,677
Other external expenses	P4, P6	-24,956	-30,949
Personnel expenses	P5	-30,053	-29,236
Depreciation/amortisation of property, plant, and equipment and intangible non-current assets	P12, P13	-14	-75
Other operating expenses	P7	-4,733	-1,160
Total operating expenses		**-98,264**	**-104,097**
Operating profit/loss		**12,625**	**12,568**
Result from financial investments			
Result from shares in Group companies	P8	-32,771	3,386
Other interest income and similar items	P9	10,398	4,043
Interest expenses and similar items	P10	-7,452	-8,899
Total financial items		**-29,825**	**-1,469**
Profit/loss after financial items		**-17,200**	**11,099**
Appropriations			
To tax allocation reserve		-4,113	-2,092
Profit/loss before tax		**-21,313**	**9,007**
Tax on net profit for the year	P11	-2,498	-1,288
Net profit/loss for the year		**-23,811**	**7,719**

Parent Company balance sheet

SEK th.	Note	31/12/2025	31/12/2024
ASSETS			
Non-current assets			
Equipment, tools, fixtures and fittings	P13	16	30
Non-current financial assets			
Participations in Group companies	P14	335,152	368,349
Receivables from Group companies	P15	11,915	23,118
Deferred tax assets	P16	366	322
Total non-current assets		**347,449**	**391,819**
Current assets			
Inventories etc.			
Finished products and goods for resale		13,393	11,281
Total current assets		**13,393**	**11,281**
Current receivables			
Trade receivables	P17	11,383	17,065
Receivables from Group companies		17,053	21,422
Other receivables	P18	8,229	9,141
Prepayments and accrued income	P19	3,159	2,790
Total current liabilities		**39,824**	**44,298**
Cash and bank balances		**827**	**11,505**
Total current assets		**54,044**	**73,204**
TOTAL ASSETS		**401,493**	**465,022**

Parent Company balance sheet, continued

SEK th.	Note	31/12/2025	31/12/2024
EQUITY AND LIABILITIES			
Equity			
Restricted equity	P20		
Share capital		18,309	18,309
Statutory reserve		216	216
Total equity		**18,525**	**18,525**
Unrestricted equity			
Share premium reserve		171,454	171,454
Retained earnings		85,122	77,404
Net profit/loss for the year		-23,811	7,719
Total unrestricted equity		**232,765**	**256,577**
Total equity		**251,290**	**275,103**
Untaxed reserves		**13,258**	**9,145**
Provisions			
Other provisions	P21	12,595	11,087
Total provisions		**12,595**	**11,087**

Amounts in SEK th.	Note	31/12/2025	31/12/2024
Non-current liabilities			
Liabilities to credit institutions	P22	33,592	57,543
Other financial liabilities	P23	4,824	4,317
Non-current liabilities to Group companies	P25	10	10
Total non-current liabilities		**38,426**	**61,870**
Current liabilities			
Liabilities to credit institutions	P22	33,265	47,636
Trade payables		6,751	8,158
Liabilities to Group companies		32,676	39,197
Current tax liability		165	–
Other liabilities	P26	2,875	3,406
Accruals and deferred income	P27	10,192	9,421
Total current liabilities		**85,924**	**107,818**
TOTAL EQUITY AND LIABILITIES		**401,493**	**465,022**

Parent Company statement of changes in equity

SEK th.	Share capital	Statutory reserve	Share premium reserve	Retained earnings, incl. profit for the year	Total equity
Amount at start of year, 01/01/2024	**18,309**	**216**	**171,454**	**77,405**	**267,384**
Net profit/loss for the year	–	–	–	7,719	7,719
Amount at year-end, 31/12/2024	**18,309**	**216**	**171,454**	**85,124**	**275,103**
Amount at start of year, 01/01/2025	**18,309**	**216**	**171,454**	**85,124**	**275,103**
Net profit/loss for the year	–	–	–	-23,811	-23,811
Amount at year-end, 31/12/2025	**18,309**	**216**	**171,454**	**61,313**	**251,290**

Parent Company statement of cash flows

SEK th.	Note	2025	2024
Operating activities			
Operating profit/loss		12,625	12,568
Adjustments for non-cash items	P29	225	75
Interest received		97	115
Interest paid		-5,400	-5,385
Tax paid		-1,293	-1,756
Cash flow from operating activities before changes in working capital		**6,254**	**5,617**
Cash flow from changes in working capital			
Change in inventories		-2,112	7,895
Change in operating receivables		6,594	15,315
Change in operating liabilities		-352	1,608
Cash flow from operating activities		**10,384**	**30,435**
Investing activities			
Acquisitions of subsidiaries		–	-67,298
Investments in property, plant and equipment		–	-41
Amortisation of long-term receivables from Group companies		9,151	–
Lending to subsidiaries		-1,197	4,828
Cash flow from investing activities		**7,954**	**-62,511**
Financing activities	P29		
New financial liabilities		–	45,577
Amortisation of financial liabilities		-24,227	-18,070
Change in bank overdraft facilities		-7,018	8,127
Dividends from subsidiaries		2,229	3,387
Cash flow from financing activities		**-29,016**	**39,021**
Cash flow for the year		-10,678	6,945
Cash and cash equivalents at start of year		11,505	4,560
Cash and cash equivalents at year-end		**827**	**11,505**

Notes to the Parent Company financial statements

Amounts in SEK th. unless otherwise specified

Note P1 • Parent Company accounting policies

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Council Recommendation RFR 2 Accounting for Legal Entities. Statements regarding listed companies issued by the Swedish Financial Reporting Council are also applied. According to RFR 2, the Parent Company is required, in the annual accounts for the legal entity, to apply all IFRS standards adopted by the EU and statements, as far as is possible under the provisions of the Swedish Annual Accounts Act and taking into account the relationship between revenue reporting and taxation. The recommendation specifies the exceptions and additions to be made to IFRS.

The differences between the Group's and the Parent Company's accounting policies are set out below. The stated accounting policies for the Parent Company have been applied consistently to all periods presented in the Parent Company's financial statements.

Classification and formats

The Parent Company's income statement and balance sheet are prepared according to the scheme set out in the Swedish Annual Accounts Act. The main departure from IAS 1 Presentation of Financial Statements, which is used in the preparation of the consolidated financial statements, is regarding presenting financial income and expenses, non-current assets, equity and provisions reported under a separate heading.

Capitalised development expenditure

The Parent Company applies the exemption allowed in RFR 2, according to which development expenditure that under IAS 38 is to be recognised as an asset on the balance sheet can be expensed. The Parent Company applies the cost accounting model for proprietary intangible non-current assets.

Subsidiaries

Participations in subsidiaries are recognised at cost, which includes any transaction expenses directly attributable to the acquisition of the participations. Dividends from subsidiaries are recognised as revenue when the right to receive dividends is deemed certain and can be reliably calculated.

Financial instruments

The Parent Company applies the exemption in RFR 2, and the rules on financial instruments in IFRS 9 are therefore not applied in the Parent Company as a legal entity. In the Parent Company, non-current financial assets are measured at cost less any impairment, and financial current assets according to the principle of lower of cost or market.

Leases

The Parent Company applies the exemption in RFR 2, and the rules on leases in IFRS 16 are therefore not applied in the Parent Company as a legal entity. In the Parent Company, lease payments are recognised as an expense on a straight-line basis over the term of the lease, unless a different systematic approach better reflects the economic benefit to the user over time. This applies even if the payments are distributed differently. Right of use and lease liability are therefore not recognised in the balance sheet.

Shareholder contributions

Shareholder contributions paid are recognised by the donor as an increase under the heading Participations in Group companies. Shareholder contributions are recognised by the recipient directly against unrestricted equity.

Note P2 • Breakdown of net sales

Geographical market	2025	2024
EMEA	56,418	63,269
Asia Pacific	17,394	17,416
Americas	34,113	33,077
Total	**107,925**	**113,762**

Customer category	2025	2024
Traffic	42,668	64,677
Rail	48,950	29,808
Total	**91,618**	**94,485**
Intra-Group sales of goods	11,382	13,558
Intra-Group services	4,925	5,719
Total	**107,925**	**113,762**

The timing of revenue recognition is at a specific point in time.

For further information on revenue from contracts with customers, see Note 6 to the Consolidated financial statements.

Note P3 • Intra-Group purchases and sales

	2025	2024
Proportion of sales, Group companies, %	15.1	20.4
Proportion of purchases, Group companies, %	6.5	14.9

Note P4 • Remuneration to auditors

Fees and expenses	2025	2024
Öhrlings PricewaterhouseCoopers AB		
Audit assignment	920	705
Total	**920**	**705**

Note P5 • Employees, personnel expenses and fees to Board members

Average number of employees	2025 Number of employees	2025 Of whom, men	2024 Number of employees	2024 Of whom, men
Sweden	17	12	17	12

Gender distribution, senior executives	2025 Women	2025 Men	2024 Women	2024 Men
Board of Directors	1	3	1	3
CEO and other Company management	1	2	1	2

Breakdown of salaries and other remuneration per senior executives/ other employees, SEK th.	2025	2024
Board, CEO and other senior executives	7,576	7,167
Others	11,631	11,528
Total	**19,207**	**18,695**

Salaries, other remuneration and social welfare costs	Salaries and other remuneration 2025	Salaries and other remuneration 2024
Salaries and other remuneration	19,207	18,695
Social welfare costs	10,751	10,536
(of which, pension expenses)	3,677	3,602

For further information concerning employees, personnel expenses and fees to Board members, see Note 8, Notes to the Consolidated financial statements.

Note P6 • Lease fees

	31/12/2025	31/12/2024
Leases, including rent for premises	1,501	1,591
Lease fees, cost for the year	131	127
The remaining lease fees fall due as follows:		
Less than one year	1,529	1,196
More than one year but less than five years	1,535	2,251
Total	**3,064**	**3,447**

The most important leases relate to premises in Kista.

Note P7 • Other income and operating expenses

Other operating income	2025	2024
Exchange rate differences	2,964	2,903
Total	**2,964**	**2,903**
Other operating expenses		
Exchange rate differences	-4,733	-836
Other	–	-324
Total	**-4,733**	**-1,160**

Note P8 • Income from participations in subsidiaries

	2025	2024
Dividends from participations in subsidiaries	2,229	3,386
Impairment of participations in subsidiaries	-35,000	–
Total	**-32,771**	**3,386**

Note P9 • Other interest income and similar items

	2025	2024
Interest income, Group companies	2,281	2,925
Exchange rate gain on liabilities to credit institutions	7,236	46
Exchange gain on additional purchase consideration	–	60
Other interest income	97	10
Exchange rate gains on current receivables from subsidiaries	784	1,002
Total	**10,398**	**4,043**

Note P10 • Interest expenses and similar items

Financial expenses	2025	2024
Interest expenses	-5,993	-5,601
Exchange rate loss on liabilities to credit institutions	–	-2,749
Interest expenses, Group companies	-1,459	-549
Total	**-7,452**	**-8,899**

Note P11 • Tax on net profit for the year

	2025	2024
Current tax	-2,542	-1,293
Deferred tax	44	5
Total	**-2,498**	**-1,288**
Theoretical tax		
Pre-tax profit recognised	-21,313	9,007
Tax at current rate, 20.6%	4,390	-1,855
Reconciliation of tax recognised		
Tax effect of non-deductible expenses	-7,355	-99
Effect of non-taxable income	460	699
Other	7	-33
Total	**-2,498**	**-1,288**

Note P12 • Other intangible non-current assets

	31/12/2025	31/12/2024
Cost, opening balance	387	387
Accumulated costs, closing balance	**387**	**387**
Amortisation, opening balance	-387	-328
Amortisation for the year	–	-59
Accumulated amortisation, closing balance	**-387**	**-387**
Carrying amount	**0**	**0**

Note P13 • Equipment

Equipment, tools, fixtures and fittings	31/12/2025	31/12/2024
Cost, opening balance	3,449	3,408
Purchases	–	41
Accumulated costs, closing balance	**3,449**	**3,449**
Depreciation, opening balance	-3,419	-3,401
Depreciation for the year	-14	-18
Accumulated depreciation, closing balance	**-3,433**	**-3,419**
Carrying amount	**16**	**30**

Note P14 • Participations in Group companies

	31/12/2025	31/12/2024
Cost, opening balance	368,349	287,266
Capitalised acquisition expenses	1,803	81,083
Accumulated costs, closing balance	**370,152**	**368,349**
Impairment	-35,000	–
Carrying amount	**335,152**	**368,349**

For further information regarding the acquisition of Quercus Technologies S.L., see Note 33 to the Consolidated financial statements.

Parent Company Company	Corp. ID No.	Reg. office	Number	Share of capital, %	Carrying amount 31/12/2025	 31/12/2024
TagMaster Incentive AB	559005-4374	Stockholm	50,000	100%	60	60
TagMaster UK Limited (CitySync)	03791347	Stevenage	15,000	100%	32,112	67,112
SA Balogh International	380 591 933	Clichy	151,949	100%	12,609	12,609
Sensys Networks Inc.	C2435981	Berkeley	100	100%	164,466	164,466
Citilog S.A.S.	412 472 912	Paris	724,130	100%	43,019	43,019
Quercus Technologies S.L.	B83848796	Reus	945,645	92.5%	82,886	81,083
					335,152	**368,349**

Balogh International Company	Corp. ID No.	Reg. office	Number	Share of capital, %
TagMaster France SA (SA Balogh)	582 061 073	Paris	31,941	100

Quercus Technologies S.L. Company	Corp. ID No.	Reg. office	Number	Share of capital, %
Quercus Chile, S.P.A.	767751567	Santiago		100%

Note P15 • Receivables from Group companies

	31/12/2025	31/12/2024
Opening balance	23,118	30,467
Repayment	-9,151	–
Lending	1,195	–
Reclassification, current portion	–	-10,250
Translation difference for the year	-3,247	2,902
Closing balance	**11,915**	**23,118**

Note P16 • Deferred tax assets

Deferred tax assets	31/12/2025	31/12/2024
Opening balance	322	316
Change in claim for temporary differences	44	6
Closing balance	**366**	**322**

Temporary differences occur in the following items:

	Deferred tax asset	
	31/12/2025	31/12/2024
Warranty provisions	366	322
Carrying amount	**366**	**322**

Note P17 • Trade receivables

	31/12/2025	31/12/2024
Trade receivables	11,383	17,065
Provision for doubtful trade receivables	–	–
Total	**11,383**	**17,065**

	31/12/2025	31/12/2024
Not yet due	8,060	15,732
1–30 days	2,253	960
31–60 days	406	279
61–90 days	64	0
More than 90 days	600	94
Provision for doubtful trade receivables	–	–
Total	**11,383**	**17,065**

For further information regarding trade receivables, see Note 20 to the Consolidated financial statements.

In 2025, the largest customer accounted for approximately 21 per cent (32) of external sales. The second largest customer accounted for 17 per cent (15) of external sales.

Note P18 • Other receivables

	31/12/2025	31/12/2024
Tax assets	–	1,085
Advance payments to suppliers	6,120	6,120
VAT receivable	2,047	1,913
Other receivables	62	23
Total	**8,229**	**9,141**

Note P19 • Prepayments and accrued income

	31/12/2025	31/12/2024
Prepaid rent	358	246
Insurance prepayments	420	417
Other prepayments	2,381	2,127
Total	**3,159**	**2,790**

Note P20 • Equity

See Note 23 for more information on the Parent Company's share capital.

Note P21 • Provisions

Warranty provisions	31/12/2025	31/12/2024
Carrying amount, opening balance	1,565	1,534
Provision for the year	1,046	731
Reversal for the year	-834	-700
Carrying amount	**1,777**	**1,565**
Additional purchase consideration, Quercus		
Carrying amount, opening balance	9,522	–
Added at the time of acquisition	–	9,482
Interest	–	86
Re-measurement (capitalised acquisition costs)	1,893	–
Translation difference for the year	**-597**	**-46**
Carrying amount	**10,818**	**9,522**
Total	**12,595**	**11,087**

Note P22 • Liabilities to credit institutions

	31/12/2025	31/12/2024
Non-current portion of acquisition loan	33,592	58,577
Current portion of acquisition loan	21,259	27,278
Total, acquisition loan	**54,851**	**85,855**
Overdraft facility utilised	13,340	20,358
Loan acquisition expenses	-1,334	-1,034
Total liabilities to credit institutions	**66,857**	**105,179**

The non-current portion of the liability matures as follows:

	31/12/2025	31/12/2024
More than 1 year but less than 2 years from the balance sheet date	20,259	22,737
Between 2 and 5 years from the balance sheet date	13,333	35,841
Total	**33,592**	**58,577**

The acquisition loan consists of partly of a bank loan of SEK 28.0 million (Facility B), which was raised as part of the finance for the acquisition of Citilog S.A.S. The loan matures over five years with straight-line amortisation. The interest rate is STIBOR plus a margin of between 2.0 and 3.0 percentage points, determined by the metric Net debt divided by consolidated EBITDA. The acquisition loan also includes a loan facility of USD 3.5 million (Facility C), which is part of the financing for Sensys Networks' acquisition of the assets and liabilities of RTMS. Facility C matures over five years with straight-line amortisation. The interest rate for Facility C is SOFR plus a margin of between 2.4 and 3.3 percentage points, determined by the metric Net debt divided by consolidated EBITDA. As part of the financing for the acquisition of Quercus Technologies S.L., a EUR 4.0 million acquisition loan (Facility D) was raised in 2024. Facility D matures over four years with the first amortisation due on 30 June 2025. The interest rate for Facility D is SOFR plus a margin of between 2.4 and 3.3 percentage points, determined by the metric Net debt divided by consolidated EBITDA.

At 31 December 2025, the remaining loan acquisition costs, to be spread over the term of the loan, totalled SEK 1,334 thousand (1,494).

Note P23 • Other financial liabilities

As part of the consideration paid for the acquisition of Quercus, approximately EUR 0.45 million will be paid in 2026, through a call-put option. The option to acquire 7.5 per cent of the shares in Quercus has been recognised as a financial liability at the time of acquisition.
The nominal amount is SEK 4.8 million (EUR 445,9 thousand). The option is measured at the present value of the expected future payments.

	31/12/2025	31/12/2024
Option	4,824	4,317
Total	**4,824**	**4,317**

Note P24 • Bank overdraft facilities

The Parent Company has an overdraft facility of SEK 30.0 million and EUR 1 million granted, equivalent to SEK 40.8 million. At 31 December 2025, SEK 13.3 million had been utilised, indicating that SEK 27.5 million was unutilised and available.

	31/12/2025	31/12/2024
Cash and cash equivalents	827	11,505
Overdraft facilities granted	40,818	41,487
Utilised portion of overdraft facilities	-13,340	-20,358
Available liquidity	**28,305**	**32,634**

Note P25 • Liabilities to Group companies

	31/12/2025	31/12/2024
Opening balance	10	10
Closing balance	**10**	**10**

Note P26 • Other liabilities

	31/12/2025	31/12/2024
Advance payments from customers	1,513	2,049
VAT and other tax-related items	1,362	1,357
Total	**2,875**	**3,406**

Note P27 • Accruals and deferred income

	31/12/2025	31/12/2024
Personnel-related expenses	5,375	5,734
Other accrued expenses	3,328	2,696
Accrued sales commission payments	1,489	990
Total	**10,192**	**9,421**

Note P28 • Pledged assets and contingent liabilities

	31/12/2025	31/12/2024
Assets pledged for liabilities to credit institutions		
Corporate mortgages	21,800	21,800
Total	**21,800**	**21,800**

Note P29 • Statement of cash flows

Non-cash items	31/12/2025	31/12/2024
Depreciation/amortisation	14	75
Provisions	211	–
Total	**225**	**75**

Changes in liabilities attributable to financing activities

Liabilities to credit institutions	31/12/2025	31/12/2024
Opening balance	105,179	66,192
Cash flow for the year		
Borrowings	–	45,577
Change in bank overdraft facilities	-7,018	8,127
Amortisation of liabilities	-24,227	-18,070
Non-cash items		
Accrued loan acquisition expenses	159	215
Exchange rate differences	-7,236	3,138
Closing balance	**66,857**	**105,179**

Note P30 • Appropriation of profits

(Amounts in SEK)
Proposed allocation of the Company's profit

The following unappropriated profit is available for allocation by the AGM:	
Retained earnings	85,124,747
Share premium reserve	171,454,976
Net profit/loss for the year	-23,812,966
	232,766,757

The Board of Directors proposes:	
To be carried forward	232,766,757
	232,766,757

Signatures

Kista, on the date shown by our electronic signature

Bernt Ingman
Chairman

Marie Ygge

Gert Sviberg

Juan Vallejo

Jonas Svensson
Chief Executive Officer

Our audit report was issued on the date indicated by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Mr Aleksander Lyckow
Authorised Public Accountant

Audit report

To the Annual General Meeting of TagMaster AB (publl), Corp. ID No. 556487-4534

REPORT ON THE ANNUAL REPORT AND THE CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of TagMaster AB for the year 2025. The annual accounts and consolidated accounts of the company are included on pages 39-78 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company as of 31 December 2025 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2025 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for opinions

We conducted our audit in accordance with InterWe conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under these standards are further described in the section Auditor's responsibilities. We are independent in relation to the parent company and the group in accordance with generally accepted auditing standards in Sweden and otherwise have fulfilled our ethical responsibilities in accordance with these requirements.

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-38 and 81-86. The Board of Directors and the CEO are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the chief executive officer (CEO)

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

In their preparation of the annual report and consolidated accounts, the board of directors and the CEO are responsible for the assessment of the company's and the group's ability to continue operations. They disclose, where appropriate, information on conditions that may affect the ability to continue as a going concern and to use the going concern basis of accounting. However, the going concern basis of accounting is not used if the board of directors and CEO intend to liquidate the company, discontinue operations, or do not have a realistic alternative to either of these actions.

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of TagMaster AB for the year 2025 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in accordance with this is described in greater detail in the section Auditor's responsibilities. We are independent in relation to the parent company and the group in accordance with generally accepted auditing standards in Sweden and otherwise have fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the chief executive officer (CEO)

The board of directors is responsible for the proposed appropriation of the company's profit or loss. Dividend proposals include an assessment of whether the dividend is justifiable considering the demands that the nature, scope, and risks of the company's and the group's operations place on the amount of the parent company's and the group's equity, consolidation requirements, liquidity and financial position in general.

The board of directors is responsible for the organisation of the company and the management of its affairs. Among other things, this includes continuously assessing the company's and the group's financial position and ensuring that the company's organisation is designed such that controls of accounting records, asset management and the company's financial circumstances in general are performed in a satisfactory manner. The CEO must take charge of the day-to-day management in accordance with the board's guidelines and directives, including taking the necessary measures to ensure that the company's accounting records are complete according to law and that asset management is conducted satisfactorily.

Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Stockholm on the date shown by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Aleksander Lyckow
Authorised Public Accountant

Quarterly information

SEK th.	2025 Oct.–Dec.	2025 July–Sept.	2025 Apr.–June.	2025 Jan.–Mar.	2024 Oct.–Dec.	2024 July–Sept.	2024 Apr.–June.	2024 Jan.–Mar.
Net sales	143,696	112,381	127,172	100,044	133,727	84,812	102,907	99,000
Growth in net sales, %	7.5	32.5	23.6	1.1	6.8	-2.4	4.8	4.9
Change in organic net sales, %	-0.7	0.1	-0.8	-20.5	1.4	-17.3	-9.6	-14.5
Gross profit	104,340	78,257	86,283	68,386	93,545	56,704	71,329	65,517
Gross margin, %	72.6	69.6	67.8	68.4	70.0	66.9	69.3	66.2
Adjusted gross margin, %	72.6	69.6	67.8	68.4	70.0	66.9	69.3	69.0
Adjusted EBITDA	40,776	18,605	21,800	-2,131	26,957	583	11,615	9,144
Adjusted EBITDA margin, %	28.4	16.6	17.1	-2.1	20.2	0.7	11.3	9.2
EBITDA	40,776	18,146	18,100	-2,131	24,351	583	11,615	6,381
EBITDA margin, %	28.4	16.1	14.2	-2.1	18.2	0.7	11.3	6.4
Adjusted EBITDA	37,301	15,792	18,703	-5,354	23,625	-2,596	7,732	6,557
Adjusted EBITA margin, %	26.0	14.1	14.7	-5.4	17,7	-3.1	7.5	6.6
EBITA	37,301	15,332	15,004	-5,354	21,019	-2,596	7,732	3,794
EBITA margin, %	26.0	13.6	11.8	-5.4	15.7	-3.1	7.5	3.8
Operating profit/loss	22,378	9,926	9,565	-11,166	16,248	-6,618	2,481	-1,806
Operating margin, %	15.6	8.8	7.5	-11.2	12.2	-7.8	2.4	-1.8
Profit/loss before tax	20,134	9,349	7,818	-7,377	12,570	-6,955	1,177	-3,773
Profit for the period	15,435	7,685	6,993	-7,567	14,075	-7,482	1,170	-3,101
Basic earnings per share[1]	1.05	0.52	0.48	-0.52	0.96	-0.51	0.08	-0.21
Diluted earnings per share[1]	1.05	0.52	0.48	-0.52	0.96	-0.51	0.08	-0.21

1) The number of shares, basic and diluted, is the same since there are no options or convertibles outstanding that may give rise to dilution.

SEK th.	2025 Oct.–Dec.	2025 July–Sept.	2025 Apr.–June.	2025 Jan.–Mar.	2024 Oct.–Dec.	2024 July–Sept.	2024 Apr.–June.	2024 Jan.–Mar.
Financial position								
Equity	263,744	255,956	251,609	251,421	286,251	254,406	270,505	271,144
Average equity	259,850	253,782	251,515	268,836	270,329	262,455	270,825	265,214
Equity ratio, %	55.3	53.9	51.1	51.2	51.4	61.4	60.9	60.6
Net debt	71,019	72,521	100,361	95,876	114,567	16,394	23,002	35,457
Return on equity, %	5.9	3.0	2.8	-2.8	5.2	-2.9	0.4	-1.2
Per share data								
Sales per share, SEK	9.81	7.67	8.68	6.83	9.13	5.79	7.03	6.76
Equity per share, SEK	18.01	17.47	17.18	17.16	19.54	17.37	18.47	18.51
Share price at end of period, SEK	17.60	15.90	13.50	13.90	13.25	15.60	20.00	23.30
Number of shares at end of period, thousands	14,648	14,648	14,648	14,648	14,648	14,648	14,648	14,648
Average number of shares, thousands[1]	14,648	14,648	14,648	14,648	14,648	14,648	14,648	14,648
Personnel information								
Sales per employee	952	735	795	603	922	701	865	850
Average number of employees	151	153	160	166	145	121	119	117
Number of employees at end of period	151	150	156	164	168	122	120	118

Group's key performance indicators

Key performance indicators	Definition/calculation	Purpose
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.
Gross profit	Net sales less costs of goods and services sold.	This key performance indicator is used in other calculations.
EBITDA	Operating profit (EBIT) before depreciation, amortisation and impairments.	EBITDA and EBIT together provide a total picture of profit generated from operating activities.
EBITA	Operating profit before impairment of goodwill and amortisation of other intangible assets arising during acquisitions.	EBITA provides a total picture of profit generated from operating activities.
Average number of shares	Weighted average number of shares at the end of the period.	This key performance indicator 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.	This key performance indicator is used in other calculations.
Average equity	Average equity is calculated as the average of the opening and closing balances.	This key performance indicator is used in other calculations.
Adjusted gross margin	Adjusted gross profit as a percentage of net sales.	Adjusted gross margin is used to measure the profitability of production in current operations.
Adjusted gross profit	Gross profit adjusted for items affecting comparability.	This key performance indicator is used in other calculations.
Adjusted EBITDA	EBITDA adjusted for non-recurring items.	This key performance indicator provides a picture of profit generated from operating activities.
Items affecting comparability	Income and expenses that are not expected to be incurred regularly	This key performance indicator is used in other calculations.
Net debt	Interest-bearing liabilities less cash and cash equivalents.	This key performance indicator is used to track the Company's indebtedness.
Net debt/EBITDA	Net debt at the end of the period divided by EBITDA, adjusted on a rolling twelve-month basis.	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 off the debt if net debt and EBITDA are kept constant, without taking account of cash flows relating to interest, tax and investments.
Sales per employee	Sales divided by the average number of employees.	This key performance indicator is used to assess the efficiency of a company.
Change in organic net sales	Change in net sales excluding increase due to acquisitions, translated at previous period's exchange rates, as a percentage of previous period's net sales. Net sales from acquired companies are included in the calculation of organic change from the start of the first month falling 12 months after the acquisition date.	This key performance indicator gives a picture of the self-generated growth of the business.
Earnings per share, SEK	Profit for the period attributable to the shareholders in the Parent Company, divided by the average number of shares.	Earnings per share is used to determine the value of the Company's outstanding shares.
Return on equity	Profit for the year after tax attributable to the shareholders in the Parent Company, divided by average equity.	This key performance indicator shows the return that the owners receive on their invested capital.
Working capital	The total of inventories, trade receivables and other receivables, less trade payables and other payables.	This key performance indicator is used to manage and control the resources needed for the Company's operating activities.

Group's key performance indicators, continued

Operating margin	Operating profit (EBIT) after depreciation, amortisation and impairments, as a percentage of net sales.	The operating margin is used to measure operating profitability.
Equity ratio	Equity as a percentage of the balance sheet total.	This key performance indicator measures the proportion of assets that are financed by equity. The assets that are not financed by equity are financed by loans.

Financial metrics not defined in accordance with IFRS

TagMaster presents certain financial metrics in the interim report that are not defined in accordance with IFRS or the Swedish Annual Accounts Act. The Company considers that these metrics 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 metrics in the same way, these are not always comparable with metrics used by other companies. These financial metrics should therefore not be seen as a substitute for metrics defined in accordance with IFRS. Metrics that are not defined in accordance with IFRS and reconciliation of the metrics are presented below.

	Performance and margin measures	2025 Oct.–Dec.	2024 Oct.–Dec.	2025 Jan.-Dec.	2024 Jan.-Dec.
A	Net sales	143,696	133,727	483,292	420,445
	Change in inventories during manufacture and finished goods	-1,144	-1,050	188	-34
	Goods for resale, raw materials and consumables	-38,212	-39,132	-146,215	-133,316
B	**Gross profit**	104,340	93,545	337,265	287,095
	Items affecting comparability	–	–	–	2,763
B.1	**Adjusted gross profit**	104,340	93,545	337,265	289,859
C	Operating profit (EBIT)	22,378	16,248	30,702	10,304
	Amortisation of intangible assets attributable to acquisitions	-14,923	-4,771	-31,858	-19,707
D	EBITA	37,301	21,019	62,560	30,011
	Amortisation of other non-current intangible assets	-562	-523	-1,206	-2,096
	Depreciation of property, plant, and equipment	-2,913	-2,809	-11,126	-10,823
E	EBITDA	40,776	24,351	74,890	42,930
	Items affecting comparability	–	2,606	4,159	2,606
	Total items affecting comparability	–	2,606	4,159	5,370
F	**Adjusted EBITDA**	40,776	26,957	79,050	48,300
D.1	**Adjusted EBITDA**	37,301	23,625	66,719	35,381
(B/A)	**Gross margin, %**	72.6	70.0	69.8	68.3
(B.1/A)	**Adjusted gross margin, %**	72.6	70.0	69.8	68.9
(C/A)	**EBIT margin, %**	15.6	12.2	6.4	2.5
(D.1/A)	**Adjusted EBITA margin, %**	26.0	17,7	13.8	8.4
(D/A)	**EBITA margin, %**	26.0	15.7	12.9	7.1
(E/A)	**EBITDA margin, %**	28.4	18.2	15.5	10.2
(F/A)	**Adjusted EBITDA margin, %**	28.4	20.2	16.4	11.5

	Return on equity, %	2025 Oct.–Dec.	2024 Oct.–Dec.	2025 Jan.-Dec.	2024 Jan.-Dec.
(A)	Profit for the period	15,435	14,075	22,546	4,663
(B)	Opening equity for the period	255,956	259,285	286,251	259,285
(C)	Closing equity for the period	263,744	286,251	263,744	286,251
D	**Average equity**	259,850	272,768	274,997	272,768
(A)/(D)	**Return on equity, %**	5.9	5.2	8.2	1.7

	Equity ratio, %	31/12/2025	31/12/2024
(A)	Equity	263,744	285,251
(B)	Balance sheet total	477,025	556,693
(A/B)	**Equity ratio, %**	55.3	51.4

	Net debt	31/12/2025	31/12/2024
	Liabilities to credit institutions	74,201	125,200
	Lease liabilities	22,331	18,628
	Other financial liabilities	15,642	17,630
	Cash	-41,155	-46,891
(A)	**Net debt (-) receivable**	71,019	114,567
(A)/(E)	**Net debt/adjusted EBITDA, multiple (rolling 12-month)**	0.9	2.4

	Working capital	31/12/2025	31/12/2024
	Inventories	55,725	62,588
	Trade receivables	90,999	91,925
	Other receivables	19,875	22,511
	Trade payables	-23,175	-33,280
	Other liabilities	-54,286	-52,051
(A)	**Working capital**	89,138	91,693

Shareholder information

The 2026 Annual General Meeting (AGM) of TagMaster AB (publ), Corp. ID no. 556487-4534 will be held at 15.00 CET on Thursday 27 April 2026 in the Nobel Conference Room (*konferensrum Nobel*), Kronborgsgränd 11, Kista, Greater Stockholm.

Notice of the AGM

Notice of the Annual General Meeting will be issued no earlier than six and no later than four weeks before the meeting is held, through an advertisement in *Post och Inrikes Tidningar* (PoIT) (the Official Swedish Gazette) and on the Company's website, www.tagmaster.com. An advertisement will also be placed in the Svenska Dagbladet newspaper declaring that notice of the meeting has been given.

Right to participate in the AGM

Shareholders wishing to participate in the meeting must:

- Be entered in the share register maintained by Euroclear Sweden AB on Friday 17 April 2026;
- Notify TagMaster of their intention to participate by Tuesday 21 April 2026.

Notification

Notification of intention to participate must be received by the Company no later than Tuesday 21 April 2026, either by email to aktie@tagmaster.com or by letter to the following address: TagMaster AB, Kronborgsgränd 11, SE-164 46 Kista, Sweden, marked for the attention of Margaretha Narström. Notification of intention to participate must state name, personal identity number or corporate identity number, address, phone number, number of shares and details of any assistants.

Any documents such as a certificates of registration or proxies must be enclosed with the notification. A proxy form is available for download from the Company's website, www.tagmaster.com.

Nominee-registered shares

Shareholders whose shares are held in trust by a bank or other nominee are entitled to attend the meeting as follows. In addition to registering, such shareholders must re-register their shares in their own name so that the shareholder is registered in the share register maintained by Euroclear Sweden AB on the record date, Friday, 17 April 2026. Such re-registration may be temporary ("voting rights registration"). Shareholders wishing to register their shares in their own name must, in accordance with the procedures of the respective trustee, request that the trustee make such registration. Voting rights registration requested by shareholders in time for the registration to be made by the trustee by no later than Tuesday 21 April 2026 will be taken into account in the preparation of the share register.

Representative etc.

Shareholders wishing to participate via a representative must attach a written proxy to the form. The proxy will be valid for the period specified in the proxy, but for no longer than five years. If the proxy has been issued by a legal entity, a copy of the certificate of registration or equivalent for a legal entity, evidencing authority to issue the proxy, must be attached. A proxy form in Swedish or English is available for download from the Company's website, www.tagmaster.com.

Dividend

The Board of Directors proposes that no dividend be paid for the 2025 financial year.

Financial Calendar 2026

Interim Report for January–March	24 April 2026
Interim Report for January–June	17 July 2026
Interim Report for January–September	28 October 2026
Year-end Report 2026	4 February 2027

Financial information

The Annual Report, interim reports, and other press releases are available on TagMaster's website, www.tagmaster.com

Glossary

AI
Artificial intelligence

ANPR
Automatic Number Plate Recognition

ATP
Automatic Train Protection

AVI
Automatic Vehicle Identification

CBTC
Communications-based train control

CCTV
Closed Circuit Television

DEEP LEARNING
Deep learning is the latest, very powerful, technology in machine learning based on algorithms that mimic artificial neural networks

EMEA
Europe, the Middle East and Africa

I2X
Infrastructure-for-everything is a technology that enables infrastructure (street lighting, traffic lights etc.) to communicate with moving objects in the road traffic system, such as vehicles, bicycles, pedestrians etc., by use of wireless communication.

Infomobility
Infomobility solutions aim to collect and distribute accurate real-time information regarding various traffic situations and traffic levels

IoT
Internet of Things

IR camera
Infrared Camera

ITS
Intelligent Transport Systems

MaaS
Mobility as a Service

NASP
National ANPR Standards for Policing

NRE
Non-Recurring Engineering

OCR
Optical Character Recognition

RFID
Radio Frequency Identification

RAIN RFID, a term for a part of RFID that is found in a number of frequencies and applications such as access systems, logistics, clothing theft, livestock marking, book marking etc.. TagMaster operates within RFID and in two of these frequencies, one called RAIN RFID

UHF
Ultra High Frequency

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