

## Continued business focus and efficiency in combination with strategic acquisitions provide growth and profitability

### October-December 2023

- Net sales increased during the quarter by 19,7 % to 125,3 MSEK (104,6). The organic and currency adjusted growth amounted to 2,5 %.
- Adjusted EBITDA increased during the quarter by 54,4 % and amounted to 22,7 MSEK (14,7) corresponding to an adjusted EBITDA margin by 18,1 % (14,0).
- Operating profit was 7,3 MSEK (2,6), corresponding to an operating margin of 5,8 % (2,4).
- Profit/loss for the quarter was 6,8 MSEK (38,0).
- Result per share basic and diluted was 0,47 SEK (2,59).
- Cash flow from operating activities for the period was 3,4 MSEK (1,2).

### January-December 2023

- Net sales increased during the year by 12,9 % to 404,7 MSEK (358,6). The organic and currency adjusted growth amounted to 3,4 %.
- Adjusted EBITDA increased during the year by 112,0 % and amounted to 57,2 MSEK (27,0) corresponding to an adjusted EBITDA margin by 14,1 % (7,5).
- Operating profit/loss was 15,3 MSEK (-7,1), corresponding to an operating margin of 3,8 % (-2,0).
- Profit/loss for the year was 13,7 MSEK (24,2).
- Result per share basic and diluted was 0,93 SEK (1,65).
- Cash flow from operating activities for the year was 28,5 MSEK (-6,7).
- On August 31<sup>st</sup> TagMaster, through its US subsidiary Sensys Networks, acquired the radar division (RTMS) from Image Sensing Systems (ISS). The purchase price was 4,8 MUSD (51,5 MSEK).
- The board does not propose dividends for 2023.

Amounts in TSEK	2023 Oct-Dec	2022 Oct-Dec	2023 Full Year	2022 Full Year
Net sales	125 260	104 602	404 711	358 603
Net sales growth, %	19,7	25,2	12,9	9,7
Gross margin, %	61,4	68,5	68,5	68,3
Adjusted gross margin, %	66,7	68,5	70,1	68,3
Adjusted EBITDA	22 662	14 677	57 174	26 970
Adjusted EBITDA margin, %	18,1	14,0	14,1	7,5
EBITDA	16 029	10 871	48 296	23 164
EBITDA margin, %	12,8	10,4	11,9	6,5
Equity ratio, %	-	-	60,5	60,9
Cash flow from operating activities, MSEK	3,4	1,2	28,5	-6,7
Net debt/EBITDA, R12M	-	-	0,9	0,8
Number of employees at end of period	-	-	115	120

For description and reconciliation of key figures, see pages 21-22.

### About TagMaster

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

## Comments by the CEO

**During the fourth quarter, we saw further evidence that our strategic investment in a combination of organic and acquired growth is working well. Turnover for TagMaster increased in the quarter by approximately 20 percent compared to the same period last year, and both turnover and profitability showed record figures. I can therefore state that 2023 turned out to be a successful year with growth of around 13 percent and an adjusted EBITDA result of SEK 57 million. We have therefore entered the new year with high hopes for increased growth despite geopolitical challenges.**

TagMaster's good development was achieved via increased business focus and streamlining for profitable growth combined with strategic acquisitions to access complementary and deepening technologies and expertise. In 2021, we acquired Citilog in France with AI-based incident detection solutions for tunnels and bridges. Citilog showed increased profitability in 2023 and turnover was 25 percent better than in 2022. During the quarter, our recently acquired radar business also showed growth of around 25 percent compared to the corresponding quarter in 2022. Both these examples show that both our acquisition and integration model are working.

At group level, the fourth quarter produced record high sales combined with cost control and thus an improved adjusted EBITDA result that was 54 percent better compared to the same period in 2022. For the full year 2023, the improvement compared to 2022 was also good and the group's total turnover was SEK 404.7 million, which is an increase of 12.9 percent compared to the full year 2022. The result is also clearly satisfactory with an adjusted EBITDA result of SEK 57.2 million, which is an improvement of 112 percent compared to 2022.

The good development for both growth and results during the fourth quarter and the full year 2023 is very gratifying and shows that our hard and focused work is paying off. It also gives us high hopes for continued success in the new year. TagMaster is positioned to deliver solutions to some of the challenges facing the world's transport systems. It is about contributing to solve traffic problems such as congestion in densely populated areas, reducing accidents and reducing emissions from traffic.

With our latest acquisition, we strengthen our American operations' offering by being able to offer both sensor solutions for ground installation and a series of high-performance radar-based sensor solutions for installation above ground. We are therefore better positioned to meet the growing demand for multi-sensor solutions. We also see great potential in continuing to develop products and sales in both the American market and through our global partner network.

During the quarter, we continued to invest in the sales organization and further integration of our operations. By building ONE TagMaster, we simplify and speed up processes with the aim of being able to better scale up our commercial offer within the various sales units. In concrete terms, it is about advancing our commercial position in sales and marketing, developing our sales work and spending more time with our prospective and existing customers both digitally and physically.

The group's sales during the fourth quarter amounted to SEK 125.3 million, which is an increase of 19.7 percent compared to the same period in 2022. The quarter's organic growth, with adjustment for exchange rate effects and acquisitions, amounted to SEK 2.7 million, corresponding to an increase with 2.5 percent. The Traffic Solutions business amounted to SEK 104.6 million, which is an increase of approximately 21 percent compared to the corresponding quarter in 2022. During the quarter, Traffic Solutions accounted for 84 percent of sales, while Rail Solutions accounted for 16 percent. The positive development for our Traffic Solutions business underlines our strategic focus to invest further in this solution area organically and via acquisitions.

The adjusted gross margin at group level during the quarter landed at 66.7 percent with an adjusted EBITDA result of SEK 22.7 million, which corresponds to an adjusted EBITDA margin of 18.1 percent. The reduced gross margin is an effect of our recently acquired radar operation having a lower gross margin than other operations, but as the costs are lower the EBITDA effect is positive. Cash flow from current operations amounted to SEK 3.4 million and the group's equity ratio was 60.5 percent at the end of the period.

Sequentially, our stock has decreased by approximately 13 percent, but compared to the corresponding quarter of the previous year, it has increased by 55 percent. In this increase, the acquisition of ISS radar operations is included with approximately 25 percent.

Today, TagMaster is well positioned in a market with long-term good conditions for growth and good profitability, and we are determined to continue to make TagMaster a stronger and resilient company while aiming for a higher growth curve.

*Jonas Svensson, CEO*

**TagMaster in brief**

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

**Vision**

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

**Mission**

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

**Business model**

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

**Financial Targets**

Growth: 20% total growth (organic and acquired)

Adjusted EBITDA: >12%

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

**Strategic priorities**

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

**Financial calendar**

<b>March 27, 2024:</b>	Annual Report 2023 available on web site
<b>April 25, 2024:</b>	Interim report first quarter 2024
<b>May 2, 2024:</b>	Annual general meeting, Kista
<b>July 12, 2024:</b>	Interim report second quarter 2024
<b>October 23, 2024:</b>	Interim report third quarter 2024
<b>February 5, 2025:</b>	Earnings release 2024

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

For further information contact:

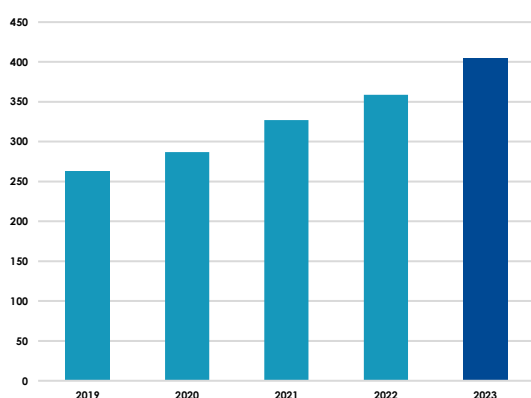
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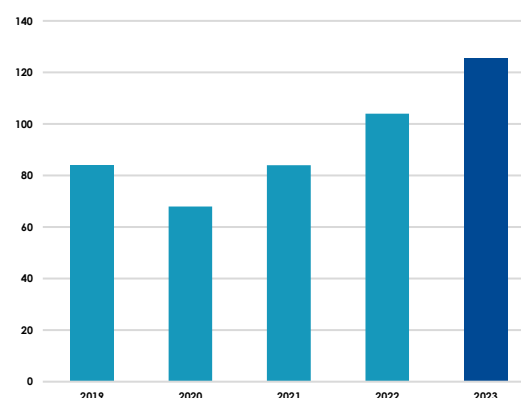
## Summary result information

Amounts in TSEK	2023			2022		
	Oct-Dec	Oct-Dec	%	Full Year	Full Year	%
Net sales	125 260	104 602	19,7	404 711	358 603	12,9
Other revenue	71	464	-84,7	2 676	3 532	-24,2
Gross profit	76 914	71 618	7,4	277 120	244 761	13,2
Gross margin, %	61,4	68,5	-	68,5	68,3	-
Adjusted gross profit	83 547	71 618	16,7	283 753	244 761	15,9
Adjusted gross margin, %	66,7	68,5	0,0	70,1	68,3	0,0
Operating expenses <sup>1</sup>	-60 955	-61 210	-0,4	-231 499	-225 130	2,8
Adjusted EBITDA	22 662	14 677	54,4	57 174	26 970	112,0
Adjusted EBITDA margin, %	18,1	14,0	-	14,1	7,5	-
Items affecting comparability	-6 633	-3 806	74,3	-8 878	-3 806	133,3
EBITDA	16 029	10 871	47,4	48 296	23 164	108,5
EBITDA margin, %	12,8	10,4	-	11,9	6,5	-
Amortisation of other non-current intangible assets <sup>2</sup>	-627	-746	-16,0	-2 654	-2 932	-9,5
Depreciation	-2 343	-2 627	-10,8	-9 700	-8 577	13,1
EBITA	13 059	7 498	74,2	35 942	11 655	208,4
EBITA margin, %	10,4	7,2	-	8,9	3,3	-

Net Sales January-December 2019-2023 Mkr



Net Sales fourth quarter 2019-2023 Mkr



## Organic change, net sales

Amounts in TSEK	2023		2022		2023		2022	
	Oct-Dec	%	Oct-Dec	%	Jan-Dec	%	Jan-Dec	%
<b>Net sales comparison period previous year</b>	<b>104 602</b>		<b>83 531</b>		<b>358 603</b>		<b>326 886</b>	
Organic change	2 655	2,5	15 462	18,5	12 134	3,4	-8 783	-2,7
Change through acquisitions	16 008	15,3	-	-	17 522	4,9	12 066	3,7
Exchange rate change	1 994	1,9	5 609	6,7	16 451	4,7	28 434	8,7
<b>Total change</b>	<b>20 657</b>	<b>19,7</b>	<b>21 071</b>	<b>25,2</b>	<b>46 107</b>	<b>12,9</b>	<b>31 717</b>	<b>9,7</b>
<b>Net sales</b>	<b>125 260</b>		<b>104 602</b>		<b>404 711</b>		<b>358 603</b>	

For description and reconciliation of key figures, see pages 21-22.

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

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

## Segment TagMaster Europe

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

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

### Business during the quarter

Sales for segment Europe for the fourth quarter amounted to SEK 58.0 million, which is an increase of 2.1 percent and -1.5 percent currency adjusted, compared to the fourth quarter of 2022. For the full year, revenue was SEK 234.3 million, which is an increase of 17.0 percent compared to the full year 2022.

The gross margin amounted to 74.6 percent, which is an increase of 2.0 percentage points compared to the fourth quarter of 2022. During the quarter, the company's component purchases via the spot market have decreased significantly and the lead times for most of electronic components have normalized. Costs are at the same level as the fourth quarter of 2022, despite that the cost level is affected by the weakening of the Swedish krona against mainly the Euro and GBP. Just over 80 percent of Segment Europe's salaries are paid in foreign currency.

Adjusted EBITDA for the fourth quarter amounted to SEK 6.7 million, which corresponds to an adjusted EBITDA margin of 11.6 percent. For the full year, adjusted EBITDA amounted to SEK 32.6 million, which corresponds to an adjusted EBITDA margin of 13.9 percent.

In the fourth quarter, Traffic Solutions accounted for 65 percent of sales in the segment, while Rail Solutions accounted for 35 percent.

The French subsidiary Citilog, which was acquired in 2021, showed continued growth and good profitability during the fourth quarter and contributes positively to both the gross margin and the EBITDA margin. The joint sales force of Citilog and US group colleague Sensys Networks is developing well and now covers most of the important geographies outside the US.

During the quarter, Citilog has, among other things, received orders to deliver its AI- and Deep Learning-controlled video-based solution for automatic incident detection to projects in France and Hong Kong.

Segment Europe has during the quarter also received large orders for RFID systems for train projects in India and China, for tram systems in South Korea and China, ANPR systems for "buslane enforcement" in England and RFID access systems for mining projects in New Zealand, as well as a large RFID-access system to a combined residential and shopping center in Mexico.

With all European production gathered into one unit in Sweden, the various European units get a more sales-oriented focus and when component prices stabilize there are good opportunities to lower product costs. The purpose of the move is also to reduce transport and its impact on the environment.

TagMaster's investment in active travel - bicycle and pedestrian traffic - within the Infomobility application area, continues both on the product development side and in marketing. During the quarter, among other things, CityRadar, which counts bicycles and pedestrians, was delivered to Paris as part of the preparations for the Olympic Games in 2024. TagMaster assesses that most of the markets in Europe will expand their infrastructure investments for this type of urban traffic. It opens for new business opportunities for TagMaster's new Counting & Classifying products in both Great Britain, France and the rest of Europe.

Amounts in TSEK	2023 Oct-Dec	2022 Oct-Dec	Change, %	2023 Jan-Dec	2022 Jan-Dec	Change, %
Net Sales	58 033	56 829	2,1	234 321	200 347	17,0
Gross profit	43 264	41 284	4,8	167 930	136 794	22,8
Gross margin, %	74,6	72,6	-	71,7	68,3	-
Adjusted EBITDA	6 742	5 405	24,7	32 651	-1 040	-
Adjusted EBITDA margin, %	11,6	9,5	-	13,9	-0,5	-
Number of employees at end of period	77	82	-6,1	-	-	-

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

## Segment TagMaster USA

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

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

### Business during the quarter

Sales for the USA segment amounted to SEK 67.2 million for the fourth quarter, which is an increase of 40.7 percent and 7.6 percent adjusted for currency and acquisitions compared to the fourth quarter of 2022. For the full year, revenue was SEK 170.4 million, which is an increase of 7.7 percent compared to the full year 2022.

The adjusted gross margin amounted to 59.9 percent, which is a decrease of 3.6 percentage points compared to the fourth quarter of 2022. The reduced gross margin is an effect of the recently acquired radar business having a lower gross margin than other parts of Segment USA. But since the costs are lower, the EBITDA effect is positive. Changes in the product and customer mix also had a negative impact on the gross margin during the quarter.

Adjusted EBITDA for the fourth quarter amounted to SEK 13.9 million, which corresponds to an adjusted EBITDA margin of 20.7 percent. For the full year, adjusted EBITDA amounted to SEK 16.4 million, which corresponds to an adjusted EBITDA margin of 9.7 percent.

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

The radar business acquired in the third quarter from American Image Sensing Systems (ISS) has developed well in the fourth quarter with a growth of 25 percent compared to the same period in 2022. The addition of the radar business (RTMS) to Sensys Networks' current product and service offering constitutes an important step in the continued focus on growth in the American market. With the acquisition made, Sensys Networks will be better positioned to meet the growing demand for multi-sensor solutions. The acquisition adds, in addition to industry-leading products, solid competence in sales and a strong expansion of the distribution network in the USA. The radar products have also been sold in smaller volumes outside the USA, including by TagMaster in France, and the intention is to utilize the TagMaster group's partner network to significantly increase volumes outside the USA in the medium term.

During the quarter, Segment USA received major orders for detection systems for traffic light detection in Saudi Arabia, adaptive traffic light systems in South Africa, England and in Canada, as well as several systems in the USA such as in Michigan, Indiana and Colorado. Incident detection systems have also been sold to a tunnel system at the Port of Miami. In addition to this, the new radar products have been sold to a project in Abu Dhabi as well as to smaller projects in Thailand and Malaysia.

During the quarter, the launch of the new wireless sensors - FlexMag mini sensor - continued. With the FlexMag Mini, road operators can get accurate detection for any application with minimal lane closures while wireless magnetic sensors are superior in detection accuracy, quick installation and minimal maintenance. FlexMag Mini is the smallest sensor yet made to withstand extreme conditions and takes only two to five minutes to install.

The fact that Sensys Networks now produces locally in the USA means that the company meets the latest Buy America requirements in the 2021 Infrastructure Investment and Jobs Act and thus qualifies for federal funding through the Federal Highway Administration (FHWA). The combination of infrastructure investments and an investment in a greener transport flow opens up new business opportunities for Sensys Networks in the American market.

Amounts in TSEK	2023	2022	Change, %	2023	2022	Change, %
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net Sales	67 227	47 772	40,7	170 390	158 256	7,7
Gross profit	33 650	30 333	10,9	109 190	107 968	1,1
Gross margin, %	50,1	63,5	-	64,1	68,2	-
Adjusted gross margin, %	59,9	-	-	68,0	-	-
Adjusted EBITDA	13 898	7 128	95,0	16 450	20 998	-21,7
Adjusted EBITDA margin, %	20,7	14,9	-	9,7	13,3	-
Number of employees at end of period	38	38	0,0	-	-	-

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

## Consolidated net sales and earnings

### October – December 2023

#### Net sales

Net sales for the quarter amounted to 125,3 (104,6) MSEK, representing an increase of 19,7 percent compared to the corresponding quarter of the previous year. The quarter's organic revenue change – adjusted for currency effects of 2,0 MSEK and changes due to acquisitions of 16,0 MSEK – amounted to 2,7 MSEK. The organic revenue growth was attributed to the group's American segment, where revenue increased by 19,5 MSEK, of which 16,0 MSEK constituted additional revenue from acquisitions. The European segment's net sales were in line with the corresponding period of the previous year.

#### Operating profit

The operating profit for the quarter amounted to 7,3 MSEK (2,6), representing an increase of 4,7 MSEK compared to the corresponding period of the previous year. The increase in operating profit, despite a lower gross margin, is explained by the fact that the quarter's increase in revenue did not result in higher operating expenses. Operating expenses, including Other external expenses and Personnel expenses, amounted to 60,3 MSEK (60,4), and when adjusted for currency exchange rate fluctuations, expenses were lower than in the corresponding quarter of the previous year.

The lower gross margin, 61,4 percent compared to 68,5 percent, is primarily explained by differences between fair value and book value in the PPA (purchase price allocation) prepared for the acquisitions of RTMS. Adjusted for this effect, the quarter's gross margin amounted to 66,7 percent. The underlying decrease is mainly explained by changes in the product and customer mix.

#### Adjusted EBITDA

Adjusted EBITDA increased to 22,7 MSEK (14,7), corresponding to a margin of 18,1 percent (14,0). The increased EBITDA margin was also a result of higher net sales at unchanged cost levels.

#### Financial items

Financial items for the quarter amounted to -1,4 MSEK (0,4). The financial expenses impacting the quarter included interest expenses on liabilities to credit institutions of -1,7 MSEK (-0,7), as well as currency exchange effects related to these liabilities of 3,2 MSEK (1,3). Other financial items affecting the quarter were also currency revaluations of the parent company's loans to and from foreign subsidiaries, amounting to -2,7 MSEK (0,2).

#### Tax

The group's tax amounted to 0,9 MSEK (35,0) and pertained to changes in temporary differences and tax revenue based on the French subsidiary Citilog's development expenditure incurred.

#### Profit for the period

Profit for the period amounted to 6,8 (38,0) MSEK. Earnings per share before and after dilution amounted to 0,47 (2,59) SEK.

### January - December 2023

#### Net sales

The full-year net sales amounted to 404,7 MSEK (358,6), representing an increase of 12,9 percent compared to the corresponding period of the previous year. The organic net sales growth for the year – adjusted for currency effects of 16,5 MSEK and changes due to acquisitions of 17,5 MSEK – amounted to 12,1 MSEK. The organic net sales increase was attributed to the company's European segment, where revenue increased by 34,0 MSEK, of which 8,8 MSEK was attributable to currency effects.

#### Operating profit/loss

The full-year operating profit/loss amounted to 15,3 MSEK (-7,1), reflecting an increase of 22,4 MSEK compared to the previous year. The increase in operating income, despite rising expenses, could be attributed to increased net sales. The gross margin for the period was 68,5 percent, in line with the previous year. The gross margin adjusted for the effect of differences between fair value and book value in the RTMS acquisition analysis was 70,1 percent. The increase is primarily explained by changes in the product and customer mix.

Adjusted for currency exchange rate fluctuations, the group's operating expenses, other external expenses, and personnel costs were lower than in the corresponding period of the previous year. Operating expenses amounted to

230,2 MSEK (223,7), and the cost level has been mainly affected by the weakening of the Swedish krona against primarily the EUR and USD.

**Items affecting comparability**

The acquisition of RTMS, completed during the third quarter, resulted in additional expenses, primarily related to legal advisory services, amounting to 2,2 MSEK. In the PPA (purchase price allocation), the inventory included in the acquisition of RTMS has been valued at fair value, impacting the gross profit for the year and the fourth quarter by -6,6 MSEK.

**Adjusted EBITDA**

Adjusted EBITDA increased to 57,2 MSEK (27,0), corresponding to a margin of 14,1 percent (7,5). The increased EBITDA margin could be attributed to increased net sales with a higher gross margin.

**Financial items**

Financial items for the full year amounted to -4,6 MSEK (-4,7). The financial expenses impacting the financial year include interest expenses on liabilities to credit institutions of -3,9 MSEK (-2,2). The revaluation of these liabilities has affected the net financial result by 2,5 MSEK (-3,7). Other financial items affecting the period are primarily revaluations of loans to and from foreign subsidiaries, amounting to -2,6 MSEK (1,6).

During the year, the group's interest rate swap was closed, generating an interest income of 330 TSEK.

**Tax**

The group's tax amounted to 3,0 MSEK (36,0). The tax for the year relates to tax on the parent company's result of -1.4 MSEK, changes in temporary differences, and tax revenue based on the French subsidiary Citilog's development expenditure incurred.

**Profit for the year**

Profit for the year amounted to 13,7 MSEK (24,2). Earnings per share before and after dilution amounted to 0,93 (1,65) SEK.

**Post balance sheet events**

No events deemed significant have occurred after the end of the reporting period until the submission of the earnings release.



## Consolidated balance sheet and cash flow

### Liquidity and cash flow

As of December 31, 2023, the Group's available liquidity amounted to 53,5 (67,7) MSEK, of which overdraft facilities amounted to 28,4 (31,5) MSEK. As of December 31, 2023, the Group's overdraft facility in SEK was utilized by 12,2 (9,3) MSEK, while the overdraft facility in USD of 2,0 MUSD was unutilized.

At the end of the period, the Group's cash and cash totaled 25,1 (36,2) MSEK.

### Cash flow October – December 2023

The quarter's cash flow amounted to 3,4 (-1,4) MSEK and was distributed as follows:

- 3,4 (1,2) MSEK from operating activities.
- -0,1 (-0,5) MSEK to investment activities.
- 0,2 (-2,2) MSEK to financing activities, involving loan repayments of -4,8 (-4,8) MSEK and lease liability amortisations of -2,0 (-2,2) MSEK.

### Cash flow January – December 2023

The annual cash flow amounted to -11,1 (-23,0) MSEK and was distributed as follows:

- 28,5 (-6,7) MSEK from operating activities, primarily derived from ongoing operations before changes in working capital.
- -51,5 (-1,3) MSEK to investment activities, of which 51,5 pertained to the acquisition of RTMS.
- 12,0 (-15,0) MSEK to financing activities, involving the issuance of loans amounting to 37,7 MSEK to finance the acquisition of RTMS (36,5 MSEK after deduction for financing costs), changes in the overdraft facilities of 2,4 (9,9) MSEK, loan repayments of -18,8 (-17,9) MSEK, and lease liability amortisations of -8,1 (-7,0) MSEK.

### Investments

In 2023, investments in tangible fixed assets amounted to 1,0 (1,4) MSEK. No investments were made in intangible fixed assets. The entire increase in the balance sheet was attributable to the acquisition of RTMS; please refer to Note 7 for details.

### Goodwill and other intangible assets

The Group's carrying amount of goodwill on December 31, 2023, was 114,6 (109,2) MSEK. Other intangible assets amounted to 63,3 (64,9) MSEK and relate to capitalized development expenditure of 19,8 (24,8) MSEK and customer relations of 34,3 (32,8) MSEK and trademark of 9,2 (7,3) MSEK. The increase of 3,7 MSEK compared to carrying amount of goodwill on December 31, 2022, referred to amortisation at the amount of -23,3 MSEK, translation differences of -4,4 MSEK and 31,4 MSEK related to the US subsidiary's Sensys Networks acquisition of the radar division, RTMS, from Image Sensing Systems (ISS). For details concerning the acquisition and other changes in Intangible assets, see page 11 Business combinations and note 7 Intangible assets.

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

The carrying amount of right-of-use assets (lease agreements for premises) amounted to 8,7 (8,7) MSEK. The corresponding leasing liabilities amounted to 9,1 (9,0) MSEK.

The cost of short-term leases for the year amounted to 3,3 (3,6) MSEK.

### Other non-current receivables

Other non-current receivables as of December 31, 2023, amounted to 3,5 (6,1) MSEK and consisted to the most part of the French subsidiary Citiogs tax receivables (based on discontinued development costs) that are expected to be paid later than twelve months after the end of the reporting period.

### Deferred tax assets

Deferred tax assets as of December 31, 2023, amounted to 45,0 (41,5) MSEK and mainly referred tax losses carry-forward that have been assigned a value.

### Inventories

Inventories as of December 31, 2023, amounted to 78,9 (50,8) MSEK. Additional inventories related to the acquisition of RTMS amounted to 13,1 MSEK. The remaining increase compared to December 31, 2022, was a result of the structured purchases made to mitigate the imbalances in the supply chain caused by the component shortage.

**Accounts receivable**

Accounts receivable as of December 31, 2023, amounted to 72,7 (75,2) MSEK, whereof 12,7 MSEK was attributable to RTMS. The accounts receivable related to the high sales during the last part of 2022 were settled during the first quarter resulting in a decrease to normalized levels.

**Liabilities to credit institutions**

As of December 31, 2023, the Group's liabilities to credit institutions amounted to 66,2 (48,2) MSEK and consist of acquisition loans of 54,0 (38,4) MSEK and additional utilized overdraft facilities of 12,2 (9,9) MSEK. During the year, the acquisition loan was repaid by 18,8 (17,8) MSEK. As part of the financing of Sensys Networks' acquisition of RTMS, the acquisition loan has been increased by 37,7 MSEK (3,5 MUSD). The term of the extended loan facility is four years with first amortization on September 30, 2024. The interest rate for the extended loan facility amounts to SOFR plus a margin of between 2,4 and 3,3 percentage points depending on net debt divided by consolidated EBITDA. Other changes during the period were currency revaluations and changes in cash overdraft facilities.

**Equity**

Equity as of December 31, 2023, amounted to 259,3 (252,2) MSEK, corresponding to 17,70 (17,22) SEK per outstanding share. There were no outstanding stock options or convertible programs on December 31, 2023.

**Financial position**

The equity ratio amounted to 60,5 (60,9) percent on December 31, 2023, and equity to 259,3 (252,2) MSEK. Total assets on December 31, 2023, amounted to 428,6 (413,9) MSEK.

Comparative figures regarding the balance sheet relate to 2022-12-31. For the cash flow and income statement, comparative figures refer to 2022-12-31.

## Business combinations

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

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

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

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

<b>Fair value</b>	<b>TSEK</b>
<i>Non-current assets</i>	
Capitalised development expenditure	7 965
Customer relationships	13 454
Trademark	2 476
Property, plant and equipment	431
<i>Current assets</i>	
Inventories <sup>1</sup>	21 724
<i>Non-current liabilities</i>	
Other provisions	-2 099
<b>Identifiable assets and liabilities, net</b>	<b>43 951</b>
Transferred remuneration	51 464
<b>Goodwill</b>	<b>7 513</b>
<b>Net cash flow related to acquisition of RTMS-division</b>	
Transferred remuneration	51 464
<b>Net cash flow</b>	<b>51 464</b>

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

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

From the acquisition date RTMS contributed with revenue of 17,5 MSEK and operating loss of -0,8 MSEK.

## Parent Company

The operations of the parent company TagMaster AB are consistent with the operations of the Group as a whole. Net sales for the nine-month period amounted to 115,3 (93,0) MSEK, of which invoicing of intra-group services amounted to 3,8 (2,7) MSEK. As of December 31, 2023, available liquidity amounted to 33,0 (32,0) MSEK, of which the overdraft credit amounted to 28,4 (31,5) MSEK. No significant investments have been made in intangible or tangible fixed assets.

## Other information

### Personnel

At the end of the year, the number of employees was 115 (120).

### Future outlook

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

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

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

### Auditor's review

This report has not been reviewed by the company auditor.

### Declaration

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

## Summary consolidated income statement

Amounts in TSEK	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
Net sales	125 260	104 602	404 711	358 603
Other revenue	71	464	2 676	3 532
Change in inventories during manufacture and finished goods	-1 721	1 633	184	3 338
Goods for resale, raw materials and consumables	-46 624	-34 617	-127 774	-117 180
Other external expenses	-15 914	-15 396	-59 462	-54 998
Personnel expenses	-44 357	-45 051	-170 764	-168 673
Depreciation of property, plant and equipment and amortisation of intangible assets	-8 724	-8 319	-32 992	-30 269
Other operating expenses	-685	-763	-1 273	-1 458
<b>Operating profit/loss</b>	<b>7 305</b>	<b>2 552</b>	<b>15 304</b>	<b>-7 105</b>
Financial net	-1 406	439	-4 610	-4 712
<b>Profit/loss before tax</b>	<b>5 899</b>	<b>2 991</b>	<b>10 694</b>	<b>-11 817</b>
Tax	946	34 990	2 981	35 971
<b>Profit for the period</b>	<b>6 845</b>	<b>37 981</b>	<b>13 675</b>	<b>24 154</b>
<b>Net income attributable to:</b>				
Shareholders in the Parent Company	6 845	37 981	13 675	24 154
<b>Earnings per share, SEK</b>				
Basic earnings per share	0,47	2,59	0,93	1,65
Diluted earnings per share	0,47	2,59	0,93	1,65

## Consolidated statement of other comprehensive income

<b>Profit for the period</b>	<b>6 845</b>	<b>37 981</b>	<b>13 675</b>	<b>24 154</b>
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences when translating foreign operations	-17 359	-7 868	-6 593	27 188
<i>Items not to be reclassified to the income statement</i>				
Remeasurement of the net pension obligation	-36	1 351	-36	1 351
Tax on the above	9	-401	9	-401
<b>Comprehensive income for the period</b>	<b>-10 541</b>	<b>31 063</b>	<b>7 056</b>	<b>52 292</b>
<b>Comprehensive income attributable to:</b>				
Shareholders in the Parent Company	-10 541	31 063	7 056	52 292

## Summary consolidated statement of financial position

Amounts in TSEK	2023-12-31	2022-12-31
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	177 803	174 106
Property, plant, and equipment	2 610	3 038
Right-of-use assets	8 653	8 656
Other non-current receivables	3 544	6 066
Deferred tax assets	44 962	41 513
	<b>237 571</b>	<b>233 378</b>
<b>Current assets</b>		
Inventories	78 887	50 753
Trade receivables	72 665	75 201
Other receivables	14 394	18 374
Cash and cash equivalents	25 059	36 223
	<b>191 005</b>	<b>180 552</b>
<b>TOTAL ASSETS</b>	<b>428 577</b>	<b>413 930</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	18 309	18 309
Other contributed capital	241 459	241 459
Translation reserve	14 765	21 357
Retained earnings including profit for the period	-15 248	-28 896
	<b>259 285</b>	<b>252 229</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	30 466	19 900
Deferred tax liabilities	3 427	2 702
Other provisions	17 608	11 002
Lease liabilities	3 813	1 825
Other non-current liabilities	1 488	4 779
	<b>56 802</b>	<b>40 207</b>
<b>Current liabilities</b>		
Trade payables	15 110	19 869
Current tax liabilities	0	240
Liabilities to credit institutions	35 726	28 382
Other provisions	2 397	4 495
Lease liabilities	5 273	7 173
Other liabilities	53 984	61 334
	<b>112 490</b>	<b>121 494</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>428 577</b>	<b>413 930</b>

## Summary consolidated statement of changes in equity

Amounts in TSEK	2023-12-31	2022-12-31
<b>Opening shareholders' equity</b>	<b>252 229</b>	<b>199 937</b>
Profit for the period	13 675	24 154
Other comprehensive income	-6 619	28 138
<b>Closing shareholders' equity</b>	<b>259 285</b>	<b>252 229</b>

Equity attributable to shareholders in the Parent Company.

## Summary consolidated statement of cash flows

Amounts in TSEK	2023 Oct-Dec	2022 Oct-Dec	2023 Jan-Dec	2022 Jan-Dec
<b>Operating activities</b>				
Operating profit/loss	7 305	2 552	15 304	-7 105
Adjustments for non-cash items	5 552	7 473	33 261	29 423
Interest paid	-1 819	-900	-4 275	-2 988
Interest received	151	0	735	0
Tax paid	0	0	-1 505	-1 036
Tax received	0	0	1 377	0
<b>Cash flow from operating activities before changes in working capital</b>	<b>11 189</b>	<b>9 125</b>	<b>44 897</b>	<b>18 294</b>
Increase(-)/Decrease(+) in inventories	7 776	-2 371	-8 195	-10 644
Increase(-)/Decrease(+) in operating receivables	-8 664	-3 438	5 672	-12 017
Increase(-)/Decrease(+) in operating liabilities	-6 950	-2 102	-13 920	-2 318
<b>Cash flow from operating activities</b>	<b>3 351</b>	<b>1 214</b>	<b>28 454</b>	<b>-6 685</b>
<b>Investing activities</b>				
Business combinations	-	-	-51 464	-
Investments in property, plant and equipment	-116	-506	-957	-1 376
Net of paid-in and repaid deposits	0	96	918	96
<b>Cash flow from investing activities</b>	<b>-116</b>	<b>-410</b>	<b>-51 503</b>	<b>-1 280</b>
<b>Financing activities</b>				
Borrowings	-	-	36 473	-
Repayment of loans	-4 826	-4 764	-18 810	-17 870
Change in bank overdraft facilities	7 091	4 744	2 374	9 857
Lease liabilities	-2 021	-2 164	-8 073	-7 031
<b>Cash flow from financing activities</b>	<b>244</b>	<b>-2 184</b>	<b>11 964</b>	<b>-15 044</b>
<b>Cash flow for the period</b>	<b>3 479</b>	<b>-1 380</b>	<b>-11 085</b>	<b>-23 009</b>
Exchange rate differences in cash	-1 023	-1 042	-79	5 712
<b>Cash at the beginning of the period</b>	<b>22 603</b>	<b>38 645</b>	<b>36 223</b>	<b>53 520</b>
<b>Cash at the end of the period</b>	<b>25 059</b>	<b>36 223</b>	<b>25 059</b>	<b>36 223</b>

## Operating segment revenue and profit

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

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

1 January 2023 - 31 December 2023	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
<b>Revenue</b>					
External revenue	234 321	170 390	-	-	404 711
Cross-segment transactions	2 990	3 725	-	-6 715	-
	<b>237 311</b>	<b>174 115</b>	<b>-</b>	<b>-6 715</b>	<b>404 711</b>
Gross profit	167 930	109 190	-	-	277 120
Items affecting comparability	-	-6 633	-	-	-6 633
Adjusted gross profit	167 930	115 823	-	-	283 753
<b>Adjusted EBITDA</b>	<b>32 651</b>	<b>16 450</b>	<b>8 073</b>	<b>-</b>	<b>57 174</b>
Items affecting comparability	-	-8 878	-	-	-8 878
<b>EBITDA</b>	<b>32 651</b>	<b>7 572</b>	<b>8 073</b>	<b>-</b>	<b>48 296</b>
Depreciations and amortisations	-12 658	-20 334	-	-	-32 992
<b>Operating profit/loss</b>	<b>19 993</b>	<b>-12 762</b>	<b>8 073</b>	<b>-</b>	<b>15 305</b>

### Other segment information

Gross margin, %	71,7	64,1	-	-	68,5
Adjusted gross margin, %	71,7	68,0	-	-	70,1
Adjusted EBITDA margin, %	13,9	9,7	-	-	14,1
EBITDA margin, %	13,9	4,4	-	-	11,9
<i>Items affecting comparability:</i>					
Difference between fair value and book value in RTMS PPA	-	-6 633	-	-	-6 633
Acquisition-related expenses	-	-2 245	-	-	-2 245
Number of employees at the end of the period	77	38	-	-	115

1 January 2022 - 31 December 2022	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
<b>Revenue</b>					
External revenue	200 347	158 256	-	-	358 603
Cross-segment transactions	1 542	8 869	-	-10 411	-
	<b>201 889</b>	<b>167 125</b>	<b>-</b>	<b>-10 411</b>	<b>358 603</b>
Gross profit	136 794	107 967	-	-	244 761
<b>Adjusted EBITDA</b>	<b>-1 040</b>	<b>20 998</b>	<b>7 012</b>	<b>-</b>	<b>26 970</b>
Items affecting comparability	-3 806	-	-	-	-3 806
<b>EBITDA</b>	<b>-4 846</b>	<b>20 998</b>	<b>7 012</b>	<b>-</b>	<b>23 164</b>
Depreciations and amortisations	-13 310	-16 959	-	-	-30 269
<b>Operating profit/loss</b>	<b>-18 156</b>	<b>4 039</b>	<b>7 012</b>	<b>-</b>	<b>-7 105</b>

### Other segment information

Gross profit margin, %	68,3	68,2	-	-	68,3
Adjusted EBITDA margin, %	-0,5	13,3	-	-	7,5
EBITDA margin, %	-2,4	13,3	-	-	6,5
<i>Items affecting comparability:</i>					
Acquisition-related expenses	-3 806	-	-	-	-3 806
Number of employees at the end of the period	82	38	-	-	120



## Summarized parent company income statement

Amounts in TSEK	2023 Jan-Dec	2022 Jan-Dec
Net sales	115 325	92 990
Other operating income	2 446	2 051
	<b>117 771</b>	<b>95 041</b>
Goods for resale and consumables	-49 172	-38 427
Other external expenses	-28 163	-23 259
Personnel expenses	-28 279	-26 235
Depreciation of property, plant and equipment and amortisation of intangible assets	-106	-106
Other operating expenses	-996	0
<b>Operating profit/loss</b>	<b>11 055</b>	<b>7 014</b>
Financial expenses	-2 632	-3 906
<b>Profit after financial items</b>	<b>8 423</b>	<b>3 108</b>
Change in untaxed reserves	-2 189	-815
Tax on net profit for the year	-1 390	-517
<b>Profit for the period *</b>	<b>4 844</b>	<b>1 776</b>

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

## Summary parent company balance sheet

Amounts in TSEK	2023-12-31	2022-12-31
<b>ASSETS</b>		
Intangible assets	57	134
Property, plant, and equipment	7	36
Financial assets	287 583	287 599
Inventories	25 296	12 850
Trade receivables	12 259	12 496
Receivables from Group companies	35 607	18 281
Other receivables	6 054	5 774
Cash and bank balances	4 560	514
<b>TOTAL ASSETS</b>	<b>371 423</b>	<b>337 684</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	267 384	262 540
Provisions	1 534	1 611
Untaxed reserves	7 053	4 864
Non-current liabilities to credit institutions	30 466	19 900
Current liabilities to credit institutions	35 726	28 382
Trade payables	7 475	8 307
Liabilities to Group companies	9 091	92
Other liabilities	12 694	11 988
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>371 423</b>	<b>337 684</b>

## Notes to the financial statements

### 1. Accounting policies

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

The accounting policies and calculation methods applied are in accordance with described in the 2022 Annual Report.

Amendments and interpretations of existing standards that became effective in 2023 have not had any impact on the Group's financial position or the financial statements.

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

### 2. Key estimates and assessments

The preparation of financial reports requires management to make assessments and estimates and to make assumptions that affect the application of the Group's accounting principles. Actual results may deviate from these estimates and judgments. Key sources of uncertainty in estimates are described in note 3 in the 2022 Annual Report, page 54.

### 3. Financial risks and risk management

Through its operations, the Group is exposed to various types of operational and financial risks. TagMaster's significant risks and uncertainties are described in note 4 Financial risks and risk management in the 2022 Annual Report on pages 55–56 and in the Director's report, pages 40–43. The risk assessment is in all material aspects unchanged.

### 4. Transactions with related parties

Related-party transactions refer to transactions in the form of remuneration to senior executives, as stated on page 60 of the 2022 Annual Report. There are no other significant transactions with related parties.

### 5. Fair value of financial instruments

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

## 6. Breakdown of revenue from contracts with customers

	1 January 2023 – 31 December 2023			1 January 2022 – 31 December 2022		
	TagMaster Europe	TagMaster USA	Total Group	TagMaster Europe	TagMaster USA	Total Group
<b>Geographical region</b>						
Sweden	2 446	0	2 446	3 068	0	3 068
EMEA	124 063	69 462	193 526	133 240	54 146	187 386
Asia Pacific	47 271	10 825	58 097	26 853	9 163	36 016
Americas	60 540	90 103	150 643	37 187	94 948	132 135
<b>Total</b>	<b>234 321</b>	<b>170 390</b>	<b>404 711</b>	<b>200 347</b>	<b>158 256</b>	<b>358 603</b>
<b>Customer category</b>						
Traffic Solutions	172 656	170 390	343 046	147 997	158 256	306 253
Rail Solutions	61 665	-	61 665	52 350	-	52 350
<b>Total</b>	<b>234 321</b>	<b>170 390</b>	<b>404 711</b>	<b>200 347</b>	<b>158 256</b>	<b>358 603</b>
<b>Time of revenue recognition</b>						
At a particular time	220 360	157 421	377 781	187 909	152 333	340 242
Over time	13 961	12 969	26 930	12 438	5 923	18 361
<b>Total</b>	<b>234 321</b>	<b>170 390</b>	<b>404 711</b>	<b>200 347</b>	<b>158 256</b>	<b>358 603</b>

## 7. Intangible non-current assets

	Goodwill	Goodwill associated with assets and liabilities	Capitalized development expenditure	Customer relationships	Trademarks	Total Group
<b>At 1 January 2023</b>						
Cost of acquisition, opening balance	99 286	9 881	78 184	65 961	7 306	260 618
Accumulated amortization	-	-	-53 311	-33 202	-	-86 513
<b>Carrying amount</b>	<b>99 286</b>	<b>9 881</b>	<b>24 873</b>	<b>32 759</b>	<b>7 306</b>	<b>174 105</b>
<b>1 January-31 December 2023</b>						
Carrying amount, opening balance	99 286	9 881	24 873	32 759	7 306	174 105
Business combinations	-	7 513	7 965	13 454	2 476	31 408
Amortization for the period	-	-	-12 744	-10 431	-117	-23 292
Translation difference for the period	-1 596	-532	-329	-1 518	-443	-4 418
<b>Carrying amount</b>	<b>97 690</b>	<b>16 862</b>	<b>19 765</b>	<b>34 264</b>	<b>9 222</b>	<b>177 803</b>
<b>At 31 December 2023</b>						
Cost	97 690	16 862	74 707	76 130	9 339	274 728
Accumulated amortization	-	-	-54 942	-41 866	-117	-96 925
<b>Carrying amount</b>	<b>97 690</b>	<b>16 862</b>	<b>19 765</b>	<b>34 264</b>	<b>9 222</b>	<b>177 803</b>

## Group key ratios

Result, amounts i TSEK	2023 Oct-Dec	2023 July-Sept	2023 April-June	2023 Jan-March	2022 Oct-Dec	Full Year 2023	Full Year 2022
Net sales	125 260	86 896	98 165	94 390	104 602	404 711	358 603
Net sales growth, %	19,7	0,4	11,6	18,7	25,2	12,9	9,7
Organic net sales change, %	2,5	-4,1	6,2	12,9	18,5	3,4	-2,7
Gross profit	76 914	63 547	70 250	66 409	71 618	277 120	244 761
Gross margin, %	61,4	73,1	71,6	70,4	68,5	68,5	68,3
Adjusted gross margin, %	66,7	73,1	71,6	70,4	68,5	70,1	68,3
Adjusted EBITDA	22 662	10 979	15 653	7 879	14 677	57 173	26 970
Adjusted EBITDA margin, %	18,1	12,6	15,9	8,3	14,0	14,1	7,5
EBITDA	16 029	8 734	15 653	7 879	10 871	48 296	23 164
EBITDA margin, %	12,8	10,1	15,9	8,3	10,4	11,9	6,5
EBITA	13 059	5 549	12 644	4 890	7 498	35 942	11 655
EBITA margin %	10,4	6,4	12,9	5,2	7,2	8,9	3,3
Operating profit	7 305	218	7 742	39	2 552	15 304	-7 105
Operating margin, %	5,8	0,3	7,9	0,0	2,4	3,8	-2,0
Profit/loss before tax	5 899	-641	5 984	-548	2 991	10 694	-11 817
Net profit for the period	6 845	219	6 262	349	37 981	13 675	24 154
Earnings per share before dilution, SEK	0,47	0,01	0,43	0,02	2,59	0,93	1,65
Earnings per share after dilution, SEK	0,47	0,01	0,43	0,02	2,59	0,93	1,65

### Financial position

Equity	259 285	269 826	272 861	252 606	252 229	259 285	252 229
Average equity	264 555	271 343	262 733	252 418	236 697	255 757	226 083
Equity ratio, %	60,5	59,9	63,9	61,5	60,9	60,5	60,9
Net debt (-) receivable	50 220	50 631	235	6 192	21 057	50 220	21 057
Return on equity	2,6	0,1	2,4	0,1	16,0	5,3	10,7

### Share data

Net sales per share, SEK	8,55	5,93	6,70	6,44	7,14	27,63	24,48
Equity per share, SEK	17,70	18,42	18,63	17,25	17,22	17,70	17,22
Market price on closing day, SEK	23,30	18,10	13,95	14,25	10,95	23,30	10,95
Number of shares at end of period	14 648	14 648	14 648	14 648	14 648	14 648	14 648
Average number of shares, thousands	14 648	14 648	14 648	14 648	14 648	14 648	14 648

### Personnel information

Sales per employee	1 071	749	854	793	850	3 481	2 824
Average number of employees	117	116	115	119	123	116	127
Number of employees at end of period	115	118	113	117	120	115	120

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

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

## Financial performance measures not defined in accordance with IFRS

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

		2023	2022	2023	2022
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>A</b>	Net sales	125 260	104 602	404 711	358 603
	Change in inventories during manufacture and finished goods	-1 721	1 633	184	3 338
	Goods for resale, raw materials and consumables	-46 624	-34 617	-127 774	-117 180
<b>B</b>	<b>Gross profit</b>	76 914	71 618	277 120	244 761
	Items affecting comparability	6 633	-	6 633	-
<b>B.1</b>	<b>Adjusted gross profit</b>	83 547	71 618	283 753	244 761
<b>C</b>	Operating profit (EBIT)	7 305	2 552	15 304	-7 105
	Amortisation of intangible assets related to acquisitions	-5 754	-4 946	-20 638	-18 760
<b>D</b>	EBITA	13 059	7 498	35 942	11 655
	Depreciation of other intangible assets	-627	-746	-2 654	-2 932
	Depreciation of property, plant and equipment	-2 343	-2 627	-9 700	-8 577
<b>E</b>	<b>EBITDA</b>	16 029	10 871	48 296	23 164
	Items affecting comparability	-	3 806	2 245	3 806
	Total items affecting comparability	6 633	3 806	8 878	3 806
<b>E</b>	<b>Adjusted EBITDA</b>	22 662	14 677	57 174	26 970
<b>(B/A)</b>	<b>Gross profit margin, %</b>	61,4	68,5	68,5	68,3
<b>(B.1/A)</b>	<b>Adjusted gross profit margin, %</b>	66,7	68,5	70,1	68,3
<b>(C/A)</b>	<b>EBIT margin, %</b>	5,8	2,4	3,8	-2,0
<b>(D/A)</b>	<b>EBITA margin, %</b>	10,4	7,2	8,9	3,3
<b>(E/A)</b>	<b>EBITDA margin, %</b>	12,8	10,4	11,9	6,5
<b>(F/A)</b>	<b>Adjusted EBITDA margin, %</b>	18,1	14,0	14,1	7,5

### Return on equity, %

		2023	2022	2023	2022
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>(A)</b>	Net profit for the period	6 845	37 981	13 675	24 154
<b>(B)</b>	Opening equity for the period	269 826	221 166	252 229	199 937
<b>(C)</b>	Closing equity for the period	259 285	252 229	259 285	252 229
<b>D</b>	<b>Average equity</b>	264 555	236 697	255 757	226 083
<b>(A)/(D)</b>	<b>Return on equity, %</b>	2,6	16,0	5,3	10,7

### Equity ratio, %

		2023-12-31	2022-12-31
<b>(A)</b>	Equity	259 285	252 229
<b>(B)</b>	Balance sheet total	428 577	413 930
<b>(A/B)</b>	<b>Equity ratio, %</b>	60,5	60,9

### Net debt

		2023-12-31	2022-12-31
	Liabilities to credit institutions	66 192	48 282
	Lease liabilities	9 087	8 998
	Cash	-25 059	-36 223
<b>(A)</b>	<b>Net debt (-) receivable</b>	50 220	21 057
<b>(A)/(E)</b>	<b>Net debt/adjusted EBITDA, multiple (rolling 12 m)</b>	0,9	0,8