

TagMaster, through its US subsidiary Sensys Networks, acquires the radar division of Image Sensing Systems

Press release, Stockholm, Sweden, August 28, 2023

TagMaster, a leading supplier of data solutions and advanced sensor systems for Smart Cities within Traffic and Rail, through its US subsidiary Sensys Networks, has signed an agreement to acquire the radar division of Image Sensing Systems, Inc. (ISS), a Minnesota, US, corporation. The purchase price is approximately USD 4.8 million on a debt- and cash-free basis.

ISS is a wholly-owned subsidiary of Autoscope Technologies Corporation (OTCQX: AATC) and a leading provider of video and radar vehicle detection and traffic data solutions for Intelligent Transportation Systems (ITS). In this transaction, TagMaster will acquire the RTMS radar products division from ISS, which offers a family of highly accurate radar-based vehicle detection and traffic data solutions. The introduction of the RTMS Echo and RTMS Echo+Camera products, more than two years ago, has established the ISS radar division as the performance leader for radar-based traffic data solutions in the US and internationally.

The acquisition is effected by TagMaster's US subsidiary, Sensys Networks Inc., and is subject to customary closing conditions. The addition of the ISS radar business to Sensys Networks' current product and services offerings constitute an important step in Sensys Networks' continued focus on growth in the American market. Sensys Networks has over the past 20 years established itself as the accuracy leader for vehicle detection and traffic data solutions. With this acquisition, Sensys Networks will further strengthen that position by augmenting its industry leading family of in-ground sensing solutions with a suite of high-performance radar-based above-ground sensors and will be better positioned to address the growing demand for multi-sensor solutions.

"We are very excited about this important step in our growth strategy, as ISS radar products make us stronger in the US ITS market. The acquisition also adds solid competence in sales in important states around the US and we gain access to new partners who currently sell ISS radar products and enable us to offer our existing distributors a wider product range. That, in combination with the expertise that already exists at Sensys Networks and TagMaster, provides us with excellent opportunities for growth in both the American and European markets," said Jonas Svensson, CEO, TagMaster.

TagMaster Group's proforma revenue in 2022 including the new unit will be approximately SEK 400 million with an adjusted EBITDA of SEK 25 million. With the planned integration savings, the EBITDA for the acquired radar division is expected to be positive immediately following the acquisition.

Financing

The acquisition is a cash transaction and is financed through a combination of new debt facilities and cash. Approximately USD 3.5 million is secured in a new loan. The purchase price will be paid in full at the closing of the deal. The acquisition is expected

to be completed by the end of the third quarter 2023.

The acquisition is structured as an asset purchase by Sensys Networks of all the assets related to the ISS radar division.

Advisor

Mayer Brown LLP (USA) acted as legal advisor to TagMaster in connection with the acquisition, and Cirio Advokatbyrå acted as legal advisor in connection with the loan facility.

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This information is information that TagMaster AB is obliged to make public according to the EU's market abuse regulation. The information was provided by the above contact person for publication on August 28, 2023 at 08.30 CET.

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. TagMaster's certified adviser (CA) is FNCA. www.tagmaster.com