

## Good growth despite challenges

### Fourth quarter 2021

- Net sales increased during the fourth quarter by 23,2% to 83,5 MSEK (67,8). Currency translations had a positive effect of 1,4 MSEK on net sales.
- Adjusted EBITDA decreased during the fourth quarter by 7,1% to 5,1 MSEK (5,5), corresponding to an adjusted EBITDA margin by 6,1 % (8,1)
- Operating profit/loss was -1,7 MSEK (-1,0) which correspond to operating margin of -2,0% (-1,5)
- Profit for the quarter was -4,3 MSEK (-2,6)
- Result per share was -0,29 (-0,18) SEK<sup>1</sup>
- Cash flow from operating activities for the period was 13,7 MSEK (10,6)

### January – December 2021

- Net sales increased during the year by 14,1% to 326,9 MSEK (286,5). Currency translations had a negative effect of 10,7 MSEK on net sales.
- Adjusted EBITDA increased during the year by 24,3% to 34,0 MSEK (27,3), corresponding to an adjusted EBITDA margin by 10,4% (9,5)
- Operating profit/loss was 9,6 MSEK (-14,6) which correspond to operating margin of 2,9% (-5,1)
- Profit for the year was 5,9 MSEK (-20,4)
- Result per share was 0,4 (-1,39) SEK<sup>1</sup>
- Cash flow from operating activities for the period was 26,2 MSEK (27,4)
- On April 30, 2021, TagMaster acquired Citilog SAS with a yearly turnover of approximately 5,8 M€
- At the Annual General Meeting on April 29, 2021, it was decided to carry through a reversed split of Series B shares 1:25. May 6 was the first day of trading after the reversed split. The number of Series B shares after the reversed split amounts to 14,647,526, which means a quota value of approximately 1,25 SEK per share.
- The Board does not propose dividends 2021

Amounts in TSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Full Year	2020 Full Year
Net sales	83 531	67 788	326 886	286 453
Net sales growth, %	23,2	-18,8	14,1	8,9
Gross margin, %	72,7	68,0	68,4	65,7
Adjusted EBITDA	5 079	5 470	33 958	27 329
Adjusted EBITDA margin, %	6,1	8,1	10,4	9,5
Equity ratio, %	-	-	54,4	55,8
Cash flow from operating activities, MSEK	13,7	10,6	26,2	27,4
Net debt/EBITDA, R12M	-	-	0,3	-0,2
Number of employees at end of period	-	-	137	99

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

<sup>1</sup>Adjusted retroactively for the reversed split 1:25

### 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 daughter companies in England, France, US and Sweden 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, telephone +46852800399, E-mail: [info@fnca.se](mailto:info@fnca.se) [www.tagmaster.com](http://www.tagmaster.com)

## Comments by the CEO

2021 was a successful year for TagMaster. Thanks to great flexibility and our committed employees, we managed to handle imbalances in the supply chain in a good way while maintaining focus on our strategy. Despite the challenging component situation, the gross margin for both the quarter and the year is the best to date in the Group's history. This is combined with a robust EBITDA result, which increased by 24.3 percent on an annual basis. During the year, we continued our investments in mobility solutions for Smart Cities based on advanced sensor technology, where the acquisition of Citilog has added additional expertise in AI and Deep Learning. Our solutions contribute to the necessary transition to a more sustainable transport system, which gives us a strong position.

During the first three quarters of the year, we experienced a gradual opening in our main markets after the lower activity during the pandemic year 2020, which has led to increased sales. During the fourth quarter, some markets closed once again due to new outbreaks of Covid-19. So far, this has had a more limited impact and we hope that the development in 2022 will lead to Covid-19 switching to an endemic, which will open our markets even more and increase investments in solutions that we develop.

During the fourth quarter, we continued to work intensively with proactive and continuous measures to ensure a robust supply chain and have therefore managed to avoid serious disruptions to customer delivery. We estimate that the loss in sales of inhibited deliveries caused by the component shortage amounted to approximately 6 percent of sales during the fourth quarter, corresponding to around SEK 5 million.

We continued to experience increased costs for both components and input goods during the quarter, which affects the gross margin. Keeping our commitment to the customer is always the most important thing, but we have still managed to compensate for the increased costs with certain price increases that partly had an impact during the quarter. This shows that our offer of solutions and products can withstand price increases without losing attractiveness. We expect continued challenges in the coming quarters and will compensate for this with price adjustments.

During the year, we have invested in technology leadership in all our areas and developed more complex solutions that give our offering increased competitiveness and bring us up in the value chain. The focus is increasingly on solutions that can contribute to a more sustainable transport system where analysis, AI and Deep Learning play an important role.

The acquisition of Citilog during the second quarter has sharpened our offering on the technology side and adds value and synergies on the sales and customer side. Citilog contributed to an improvement in the Group's gross margin during the fourth quarter. Citilog's products are included as part of several different ITS (Intelligent Transport System) applications such as Incident Management, Traffic Signal Control and Infomobility.

Some of Citilog's customer projects were slightly postponed during the quarter, which had a negative impact on both Sales and EBITDA of approximately SEK 4.4 million and SEK 3.5 million, respectively. The work of creating a joint sales force for Citilog and our American subsidiary Sensys Networks, as well as the work of integrating joint development roadmaps for these two companies, is proceeding according to plan.

The Group's Sales during the fourth quarter amounted to SEK 83.5 million, which is an increase of 23.2 percent compared with the same period in 2020, of which organic 6.3 percent. Our Traffic Solutions business amounted to SEK 58.6 million, which is an increase of 12.6 percent compared with the corresponding period in 2020. During the quarter, Traffic Solutions accounted for 70 percent of sales, while Rail Solutions, which had a strong quarter, accounted for 30 percent.

The fourth quarter shows a gross margin of 72.7 percent with an adjusted EBITDA result of SEK 5.1 million, which corresponds to an adjusted EBITDA margin of 6.1 percent. Cash flow from operating activities amounted to SEK 13.7 million and the Group's solvency ratio was 54.4 percent at the end of the period. Efforts to reduce working capital had continued focus and inventories decreased during the quarter compared with the corresponding quarter in 2020. However, accounts receivable increased during the quarter due to the consolidation of Citilog and high sales during the latter part of the quarter.

TagMaster is today well positioned in a market with long-term good conditions for growth and good profitability. The fact that we work to improve the traffic environment in cities and metropolitan areas around the world gives us a very good position in the face of the massive restart packages that are being launched in Europe and the USA and which are largely focused on green investments. Our investments in growth through innovation, commercial focus and acquisitions mean that we have a positive view of the company's development for the coming years.

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

## Reporting

During the business year 2022 TagMaster will report at the following dates:

<b>April 28, 2022:</b>	Annual general meeting, Kista
<b>April 28, 2022:</b>	Interim report first quarter 2022
<b>July 15, 2022:</b>	Interim report second quarter 2022
<b>October 27, 2022:</b>	Interim report third quarter 2022
<b>February 2, 2023:</b>	Earnings release 2022

### Annual General Meeting 2022

The Board has decided that the Annual General Meeting will be held on April 28, 2022 in Kista. Invitation will be given in due course.

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:

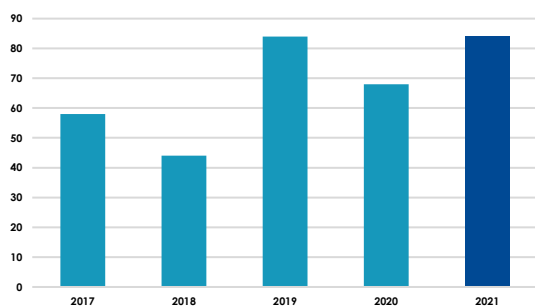
Jonas Svensson, CEO, +46 8-6321950, [Jonas.svensson@tagmaster.com](mailto:Jonas.svensson@tagmaster.com)

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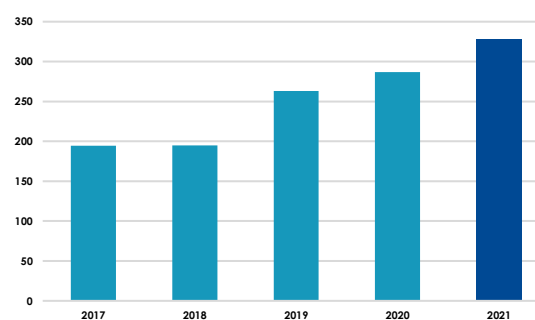
## Summary result information

Amounts in TSEK	2021 Oct-Dec	2020 Oct-Dec	%	2021 Full Year	2020 Full Year	%
Net sales	83 531	67 788	2,2	326 886	286 453	14,1
Other revenue/ Capitalized work for own account	1 595	166	860,6	9 382	7 438	26,1
Gross profit	60 747	46 108	31,7	223 532	188 269	18,7
Gross margin, %	72,7	68,0		68,4	65,7	
Operating expenses <sup>1</sup>	-57 263	-42 099	36,0	-198 806	-187 305	6,1
Adjusted EBITDA	5 079	5 470	-7,1	33 958	27 329	24,3
Adjusted EBITDA margin, %	6,1	8,1		10,4	9,5	
Non-recurring items	-	1 294		150	18 927	
EBITDA	5 079	4 176	21,6	34 108	8 402	306,0
EBITDA margin, %	6,1	6,2		10,4	2,9	
Depreciation of property, plant and equipment	-1 771	-1 105	60,3	-6 342	-6 811	-6,9
EBITA	3 308	3 069	7,8	27 766	1 591	1,2
EBITA margin, %	4,0	4,5		8,5	0,6	

Net sales fourth quarter 2017-2021 Mkr



Net sales January-December 2017-2021 Mkr



## Organic change, net sales

Amounts in TSEK	2021 Oct-Dec	%	2020 Oct-Dec	%	2021 Jan-Dec	%	2020 Jan-Dec	%
<b>Net sales comparison period previous year</b>	<b>67 788</b>		<b>83 532</b>		<b>286 453</b>		<b>262 955</b>	
Organic change	4 289	6,3	-10 874	-13,0	17 155	6,0	-38 505	-14,6
Change through acquisitions	10 089	14,9	-		33 965	11,9	68 590	26,1
Exchange rate change	1 366	2,0	-4 870	-5,8	-10 687	-3,7	-6 587	-2,5
<b>Total change</b>	<b>15 743</b>	<b>23,2</b>	<b>-15 744</b>	<b>-18,8</b>	<b>40 433</b>	<b>14,1</b>	<b>23 498</b>	<b>8,9</b>
<b>Net sales</b>	<b>83 531</b>		<b>67 788</b>		<b>326 886</b>		<b>286 453</b>	

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

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

## Consolidated net sales and earnings

### October 1 - December 31, 2021

#### Net sales

Net sales for the quarter amounted to 83,5 (67,8) MSEK, which is an increase of 23,2 percent compared to the corresponding quarter previous year. The increase is mainly related to additional revenue at the amount of 10,1 MSEK deriving from the subsidiary Citlog SAS that was acquired during the second quarter. The quarter's organic sales increase, with an adjustment for exchange rate effects of 1,4 MSEK and acquisitions of 10,1 MSEK amounted to 4,3 MSEK.

#### Operating profit/loss

Operating profit/loss for the quarter was -1,7 (-1,0) MSEK, which is a decrease of 0,7 MSEK compared to the corresponding quarter previous year. The decrease is related to the acquired company Citilog during the second quarter, whose operating profit for the quarter amounted to -5,3 MSEK. Operating profit for other subsidiaries has increased by 4,5 MSEK which is a consequence of increased sales to a higher gross margin compared to the corresponding quarter previous year.

#### Adjusted EBITDA

Adjusted EBITDA decreased during the fourth quarter to 5,1 (5,5) MSEK corresponding to a margin by 6,1% (8,1). Decreased adjusted EBITDA is explained by Citilogs negative result being included in the groups EBITDA for the quarter.

#### Financial items

Financial items for the quarter amounted to -1,1 (0,4) MSEK. Financial expenses charged to the quarter are interest expenses on liabilities to credit institutions of -0,6 (-0,5) MSEK. Revaluations of these liabilities had an effect on the financial net of -0,7 (3,6) MSEK. Other financial expenses that have been charged to the quarter mainly consists of revaluations of loans to foreign subsidiaries at the amount of 0,2 (-2,8) MSEK.

The Group's interest rate swap has been revalued at fair value, which had a minor impact on the financial net for the quarter.

#### Tax

Group's tax amounted to -1 454 (-2 009) TSEK. The tax expense for the quarter is attributable to estimated corporate tax on the parent company's result and to changes in temporary differences.

#### Profit for the period

Profit for the period amounted to -4,3 (-2,6) MSEK. Earnings per share before and after dilution amounted to -0,29 (0,18) SEK.

### January 1 - December 31, 2021

#### Net sales

Net sales for the full year amounted to 326,9 (286,5) MSEK, which is an increase of 14,1 percent compared to the corresponding period previous year. The increase in sales is partly explained by organic growth and partly by additional income from the subsidiary Citilog acquired during the period. The full year organic sales increase, with an adjustment for exchange rate effects of -10,7 MSEK and acquisitions of 34,0 MSEK amounted to 17,1 MSEK.

#### Operating profit/loss

Operating loss for the full year was 9,6 (-14,6) MSEK, which is an increase of 24,2 MSEK compared to the corresponding period previous year. The increase is partly explained by the efficiency program that was carried through during 2020. Lower non-recurring costs, non-recurring income attributable to the forgiven US government loan and increased sales in comparable units are other factors that explain the higher operating profit.

**Non-recurring items**

During the second quarter, TagMaster completed the acquisition of Citilog SAS, which resulted in non-recurring expenses of 2,5 MSEK. The expenses were transaction and integration related.

The US subsidiary Sensys Inc's subcontractor had Covid-related quality problems during the second quarter. These quality problems have led to an extraordinary provision of 4,2 MSE, which in the income statement is included in the item Goods for resale, raw materials and consumables. During the second quarter, the support loan from the US government was forgiven, which resulted in a non-recurring income of 6.9 MSEK, which is reported as Other income in the Group's income statement.

The items described above amount to 150 MSEK and constitute the non-recurring items for which an adjustment has been made in the calculation of the key figure Adjusted EBITDA.

**Adjusted EBITDA**

Adjusted EBITDA increased to 34,0 (27,3) MSEK, corresponding to a margin of 10,4% (9,5).

**Financial items**

Financial items for the full year amounted to -2,8 (-3,9) MSEK. Financial expenses charged to the year are interest expenses on liabilities to credit institutions of -2,1 (-2,3) MSEK. Revaluations of these liabilities had an effect on the financial net of -3,0 (5,3) MSEK. Other financial expenses that have been charged to the year mainly consists of revaluations of loans to foreign subsidiaries at the amount of 2,4 (-5,1) MSEK.

The Group's interest rate swap has been revalued at fair value, which had an impact on the financial net for the period of 0,4 (-0,8) MSEK.

**Tax**

Group's tax amounted to -889 (-1 817) TSEK. The tax expense for the year is attributable to estimated corporate tax on the parent company's result and to changes in temporary differences.

**Profit for the year**

Profit for the year amounted to 5,9 (-20,4) MSEK. Earnings per share before and after dilution amounted to 0,40 (1,39)<sup>1</sup> SEK.

**Post balance sheet events**

No events that are to be regarded as material have occurred after the balance sheet date.

<sup>1</sup>Adjusted retroactively for the reversed split 1:25

## 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 world 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 is managed by a centralized sales director and centralized a marketing director.

### Business in the quarter

Sales for the Europe segment amounted to SEK 53.7 million for the fourth quarter, which is an increase of 26.3 percent, of which organic increase accounted for 2.6 percent, compared with the fourth quarter of 2020. In addition to the organic increase, the increase is explained by the acquisition of Citilog, which was completed on the last day of April 2021. The company estimates that the loss in sales due to the component shortage that hampered deliveries amounted to approximately 4 percent of sales during the fourth quarter, corresponding to just over SEK 2 million.

The gross margin during the fourth quarter amounted to 73.1 percent, which is an increase of 8.3 percentage points compared with the fourth quarter of 2020.

Adjusted EBITDA for the fourth quarter amounted to SEK 2.7 million, which corresponds to an adjusted EBITDA margin of 5.1 percent. Citilog's adjusted EBITDA amounted to SEK -5.0 million. Following ongoing cost reductions, EBITDA for Citilog is expected to be positive and reach margin levels in line with the current Group level for TagMaster during the second half of 2022.

Traffic Solutions accounted for 54 percent of sales in the segment, while Rail Solutions accounted for 46 percent. Rail Solutions ended a strong year with an even stronger fourth quarter.

During the quarter, the relocation of outsourced production from England to Sweden continued and the plan is for all production to be consolidated by Q2 2022. The purpose of the relocation is to reduce transport and to centralize European production and prepare for future warehousing.

New close downs due to new outbreaks of Covid-19, at the end of the quarter, momentarily slowed down the business pace in both England and France. However, the solution area Rail Solutions' sales are at record levels during the quarter, with several deliveries to large metro projects.

The acquisition of Citilog adds expertise and software solutions in AI and Deep Learning. This, combined with expertise already available at Sensys Networks and TagMaster, provides opportunities for growth in both US and European markets. During the quarter, the work of creating a joint sales force for Citilog and Sensys Networks, as well as the work of integrating development roadmaps, made great progress for the two companies.

In 1997, Citilog was the first company in the world to introduce a video-based system for automatic detection of traffic incidents. In 2019, Citilog introduced the first analysis management module for incident management based on Deep Learning technology, CT-ADL. The solution aims to improve the performance of Citilog's automated incident detection video analytics solution. Today, more than 1,500 CT-ADL systems are installed in over 60 countries around the world. Citilog has also received attention for its AI-based incident management solution in New York, where the company monitors five bridges with the aim of minimizing the consequences of accidents that occur. Accidents cause 25 percent of all traffic congestion and are the commuters' worst problem. With accurate and fast detection, the response time is reduced from several minutes to seconds for the road operator, which makes a big difference to the emergence of traffic jams.

During the quarter, TagMaster participated in the ITS (Intelligent Transportation Systems) World Congress in Hamburg, where the company launched Citilog's new Deep Learning modules for bicycle detection.

Amounts in TSEK	2021 Oct-Dec	2020 Oct-Dec	Change, %	2021 Jan-Dec	2020 Jan-Dec	Change, %
Net Sales	53 722	42 543	26,3	203 535	154 564	31,7
Gross profit	39 274	27 582	42,4	137 957	94 216	46,4
Gross margin, %	73,1	64,8	-	67,8	61,0	-
Adjusted EBITDA	2 720	4 213	-35,4	14 194	3 921	262,0
Adjusted EBITDA margin, %	5,1	9,9	-	7,0	2,5	-
Number of employees at end of period	99	61	62,3			

## 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 world leader in above solutions.**

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

### Business during the quarter

Sales for the USA segment for the fourth quarter amounted to SEK 29.8 million, which is an increase of 18.1 percent compared with the fourth quarter of 2020. Gross margin during the fourth quarter amounted to 72.0 percent, which is a decrease of 1.4 percentage points compared with the fourth quarter of 2020. Currency effects have affected the segment's sales negatively by SEK 8.9 million on an annual basis.

The company estimates that the loss of sales due to component shortages and Covid-19-related quality disruptions and shutdowns in the factory in Mexico, that manufactures the wireless magnetic sensors which are used in most of all projects, have hampered deliveries by about 10 percent of sales during the fourth quarter corresponding to just over SEK 3 million.

Adjusted EBITDA for the fourth quarter amounted to SEK 0.9 million, which corresponds to an adjusted EBITDA margin of 2.9 percent.

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

During the quarter, TagMaster's subsidiary in the US market Sensys Networks continued to focus on broadening its partner network and on taking the position as the natural choice to replace loop-based sensors. Sensys Network's technology - wireless magnetic sensors - is today a superior technology both in terms of accuracy in detection, fast installation and minimal need for maintenance.

During the quarter, Sensys Networks added a new well-known distribution partner that covers the central region of the USA, which includes Chicago and the surrounding area. The collaboration is expected to generate additional business in the future.

During the quarter, Sensys Networks began marketing Citilog's products and technology solutions in both the US market and the MEA markets. Sensys Networks has launched parts of Citilog's solutions based on AI and Deep Learning for both existing customers and new prospective customers throughout the United States. Next step is a joint project where Citilog and Sensys Network's products are integrated to create a unique combination offering that will be launched in 2022.

During the quarter, Sensys Networks participated in ITS (Intelligent Transportation Systems) America, which this year was held in Charlotte where both Sensys Networks and Citilog's solutions were demonstrated.

In the medium term, the US market looks very exciting as President Biden has finally got his large infrastructure package approved by Congress and investments can now begin to be planned. The combination of infrastructure investments and a greener transport flow opens new business opportunities for Sensys Networks in the US market.

Amounts in TSEK	2021	2020	Change, %	2021	2020	Change, %
	Oct-Dec	Oct-Dec		Jan-Dec	Jan-Dec	
Net Sales	29 809	25 245	18,1	123 350	132 524	-6,9
Gross profit	21 474	18 526	15,9	85 575	94 053	-9,0
Gross margin, %	72,0	73,4	-	69,4	71,0	-
Adjusted EBITDA	865	-180	-	14 568	13 797	5,6
Adjusted EBITDA margin, %	2,9	-0,7	-	11,8	10,4	-
Number of employees at end of period	38	37	2,7			

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 balance sheet and cash flow

### Liquidity and cash flow

The Group's available liquidity amounted to 92,1 (84,0) MSEK, of which overdraft facilities amounts to 38,6 (32,2) MSEK. The overdraft facility in USD at the amount of 2,0 MUSD and the overdraft facility in SEK at the amount of 20,5 MSEK was unutilized at 31 December 2021.

At the end of the year cash and cash equivalents amounted to 53,5 (51,8) MSEK.

### Cash flow October 1 – December 31, 2021

Cash flow from operating profit activities for the fourth quarter amounted to 13,7 (10,6) MSEK.

Cash flow from investing activities amounted to -0,1 (0,1) MSEK and consist of investment in tangible assets.

Cash flow from financing activities amounted to -6,9 (-3,7) MSEK and refers to changes in overdraft facilities of -1,4 (4,4) MSEK, amortization of loans of -4,0 (-7,1) MSEK and amortization of leasing liabilities of -1,5 (-1,0) MSEK.

Cash flow for the quarter amounted to 6,7 (7,0) MSEK.

### Cash flow January 1 – December 31, 2021

Cash flow from operating profit activities for the full year amounted to 26,2 (27,4) MSEK.

Cash flow from investing activities amounted to -33,6 (-1,5) MSEK and is mainly attributable to the acquisition of Citilog SAS. For further information regarding the acquisition, see page 11 Business acquisitions and Note 7 Intangible fixed assets. The item also includes adjustment of the purchase price attributable to the acquisition of the French subsidiary Magsys.

Cash flow from financing activities amounted to 4,9 (-9,9) MSEK and refers mainly to the loan raised to partially finance the acquisition of Citilog SAS. For further information regarding the acquisition loan, see page 10 Liabilities to credit institutions. Other items included in the cash flow from financing activities are changes in overdraft facilities of -4,4 (-2,1) MSEK, amortization of loans of -13,2 (-9,9) MSEK and amortization of leasing liabilities of -5,2 (-5,6) MSEK.

Cash flow for the full year amounted to -2,4 (16,1) MSEK.

### Investments

During the fourth quarter investments in tangible and intangible fixed assets have been made with 0,2 (0,0) MSEK.

### Goodwill and other intangible assets

The Group's carrying amount of goodwill on December 31, 2021, was 98,9 (85,4) MSEK. Other intangible assets amounted to 77,2 (73,0) MSEK and relate to capitalized development expenditure of 34,0 (29,3) MSEK and customer relations of 36,9 (38,0) MSEK and trademark of 6,3 (5,7) MSEK. The increase of 17,3 MSEK compared to carrying amount of goodwill on December 31, 2020 is mainly attributable to the acquisition of Citilog SAS. For details regarding the acquisition and other changes in intangible assets during the full year 2021, see page 20, note 7 Intangible fixed assets.

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

The carrying amount of right-of-use assets (lease agreements for premises) amounted to 11,6 (4,7) MSEK. The corresponding leasing liabilities amounted to 11,9 (4,8) MSEK.

At the acquisition of Citilog, a right-of-use asset with a corresponding lease liability of 8,6 MSEK attributable to the company's lease agreement in the Paris area has been reported. The Parent company's lease agreement in Kista has been prolonged during the first half year which has led to a revaluation of the lease liability of 3,5 MSEK.

The cost of short-term leases for the fourth quarter amounts to approx. 0,8 MSEK.

### Accounts receivables

Accounts receivable as of December 31 amounted to 62,7 (42,2). The acquisition of Citilog SAS has resulted in an increase of 15,6 MSEK. The remaining part of the increase is explained by high sales during the last part of the quarter.

**Other long-term liabilities**

Other long-term liabilities amounted to 11,4 (19,3) MSEK. During the second quarter, the support loan of 820 TUSD that the US subsidiary raised from the US government was forgiven, which explains the decrease of 7,9 MSEK compared to the reported value as of December 31, 2020.

**Liabilities to credit institutions**

As of December 31, 2021, the Group's liabilities to credit institutions amounted to 52,3 (39,0) MSEK and consist of acquisition loans of 52,3 (34,6) MSEK and utilized overdraft facilities of 0 (4,4) MSEK.

During the full year, the acquisition loan was repaid by 13,2 MSEK and as part of the financing of the acquisition of Citilog SAS, the loan was increased by 28 MSEK. The repayment terms of the extended loan facility is the same as for the original acquisition loan raised in connection with the acquisition of Sensys Inc. The interest rate for the extended loan facility amounts to STIBOR plus a margin of between 2.0 and 3.0 percentage points depending on net debt divided by consolidated EBITDA. Other changes during the full year are decreased utilization of overdraft facilities of -4,4 MSEK, currency revaluations of 3,0 MSEK and changes in accruals related to loan acquisition costs of -0,0 MSEK.

**Equity**

Equity as of December 31, 2021, amounted to 199,9 (178,2) MSEK, corresponding to 13,65 (12,17) SEK per outstanding share, adjusted for the 1:25 reversed split. For further information regarding the reversed split, see page 15. There were no outstanding stock options or convertible programs on December 31, 2021.

**Financial position**

The equity ratio amounted to 54,4 (55,8) percent on December 31, 2021, and equity to 199,9 (178,2) MSEK. Total assets on December 31, 2021, amounted to 367,4 (319,2) MSEK.

## Business combinations

On April 30, 2021, 100 percent of the shares in the French company Citilog SAS were acquired for a consideration of 42 559 TSEK. The acquisition is a step in the Group's strategy to focus on growth within the Traffic Solutions application segment. The acquisition will add competence and software solutions within AI and deep learning which will provide the group with an enhanced capacity for creating future products and data solutions in the US and Europe. The purchase price was 3,4 M€ on a debt and cash free basis with adjustment of net working capital as of the closing date against normalized net working capital.

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 464 TSEK 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>Fair value</b>
<i>Non-current assets</i>	
Capitalized development expenditure	12 918
Customer relationships	3 037
Other non-current receivables	30
Property, plant and equipment	618
<i>Current assets</i>	
Inventories	2 085
Trade receivables	18 655
Total current receivables	6 322
Cash and cash equivalents	12 273
<i>Non-current liabilities</i>	
Other provisions	-4 808
<i>Current liabilities</i>	
Trade payables	-1 650
Total current liabilities	-13 730
<b>Identifiable assets and liabilities, net</b>	<b>35 750</b>
Transferred remuneration	42 559
<b>Goodwill</b>	<b>6 809</b>
Deduction: Acquired cash and cash equivalents	12 273
<b>Net cash flow</b>	<b>30 286</b>

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 company. These benefits have not been recognized separately from goodwill because they do not meet the criteria for recognition of identifiable intangible assets. No part of the goodwill arising in connection with the acquisition is expected to be tax deductible. Deferred tax attributable to the acquisition of Citilog SAS on December 31, 2021, totaled to approximately 2,5 MSEK. In the acquisition analysis, a corresponding amount is recognized as a deferred tax asset attributable to tax loss carry-forwards. In the consolidated statement of financial position, these two items are recognized net.

From the acquisition date Citilog SAS has contributed with revenue of 34,0 MSEK and operating loss of -9,5 MSEK (whereof 1,7 MSEK non-recurring expenses). If the acquisition had taken place on January 1, 2021, the group's revenue would have totaled to 348,9 MSEK and the result for the year to -2,1 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 full year amounted to 85,0 (74,7) MSEK, of which invoicing of intra-Group services amounted to 3,1 (5,5) MSEK. As of December 31, available liquidity amounted to 44,1 (34,5) MSEK, of which the overdraft credit amounts to 38,6 (32,2) MSEK. No significant investments have been made in intangible or tangible fixed assets.

## Other information

### Personnel

At the end of the period, the number of employees was 137 (99), of which employees of Citilog SAS amount to 38.

### Effects of Covid-19

Covid-19 had a limited impact during the quarter. Despite the fact that the markets gradually opened up and stabilized during the third quarter, there is still a high level of future uncertainty linked to potential disruptions in the supply chain. Problems earlier during the year regarding the quality of outsourced manufacturing in Mexico have gradually improved and the replacement of faulty units has begun during the quarter. TagMaster continuously monitors any continued risks related to the Covid-19 pandemic and measures are taken on an ongoing basis to limit the effect. The Group is highly prepared with a continued focus on employees, customers and business partners, with health and safety as its first priority, and maintains a focus on cost control and cash flow.

### Future outlook

The current global uncertainty linked to component deficiencies requires a humble attitude towards the near future. However, in the medium term, TagMaster can see that the massive reboot packages launching in Europe and the US are largely focused on green investments in sustainable transport solutions, which will benefit TagMaster. However, the global supply chain for both semiconductors and other components will continue to be unstable with great uncertainty surrounding developments. This can lead to some of the company's products' sales being negatively affected during the next two to three quarters.

The Group's Board and management remain positive regarding the longer-term outlook and with the acquisition of Citilog 2021 even more positive than before. With a larger volume and a wider range that also extends more towards computer solutions and software in important growth areas, the company has good long-term growth opportunities.

TagMaster's growth strategy is to grow organically and through strategic acquisitions in existing and related technology areas with the aim of expanding the product and solution offering as well as the market presence. The goal is to be a more attractive provider of computerized real-time information, which is a basic prerequisite for building the Smart Cities of the future.

### 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	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Net sales	83 531	67 788	326 886	286 453
Other revenue	1 595	166	9 382	4 206
Change in inventories during manufacture and finished goods	-965	-311	832	-912
Capitalized work for own account	-	-	-	3 232
Goods for resale, raw materials and consumables	-21 819	-21 370	-104 186	-97 272
Other external expenses	-15 489	-10 257	-51 458	-47 982
Personnel expenses	-41 338	-30 543	-145 887	-137 579
Depreciation of property, plant and equipment and amortization of intangible assets	-6 752	-5 186	-24 538	-23 015
Other operating expenses	-436	-1 299	-1 461	-1 744
<b>Operating profit/loss</b>	<b>-1 673</b>	<b>-1 012</b>	<b>9 570</b>	<b>-14 613</b>
Financial net	-1 137	419	-2 823	-3 936
<b>Profit/loss before tax</b>	<b>-2 809</b>	<b>-593</b>	<b>6 747</b>	<b>-18 549</b>
Tax	-1 454	-2 009	-889	-1 817
<b>Profit for the period</b>	<b>-4 263</b>	<b>-2 602</b>	<b>5 858</b>	<b>-20 366</b>
<b>Net income attributable to:</b>				
Shareholders in the Parent Company	-4 263	-2 602	5 858	-20 366
<b>Earnings per share, SEK</b>				
Basic earnings per share <sup>1</sup>	-0,29	-0,18	0,40	-1,39
Diluted earnings per share <sup>1</sup>	-0,29	-0,18	0,40	-1,39

## Consolidated statement of other comprehensive income

<b>Profit for the period</b>	<b>-4 263</b>	<b>-2 602</b>	<b>5 858</b>	<b>-20 366</b>
<i>Items that may be reclassified to profit or loss</i>				
Exchange differences when translating foreign operations	4 595	-14 004	15 718	-19 668
<i>Items not to be reclassified to the income statement</i>				
Remeasurement of the net pension obligation	249	-210	249	-210
Tax on the above	-82	52	-82	52
<b>Comprehensive income for the period</b>	<b>499</b>	<b>-16 764</b>	<b>21 743</b>	<b>-40 191</b>
<b>Comprehensive income attributable to:</b>				
Shareholders in the Parent Company	499	-16 764	21 743	-40 191

<sup>1</sup>Adjusted retroactively for the reversed split 1:25

## Summary consolidated statement of financial position

Amounts in TSEK	2021-12-31	2020-12-31
<b>ASSETS</b>		
<b>Non-current assets</b>		
Intangible assets	176 178	158 434
Property, plant, and equipment	3 031	2 419
Right-of-use assets	11 605	4 659
Other non-current receivables	1 358	1 253
Deferred tax assets	5 192	5 603
	<b>197 364</b>	<b>172 368</b>
<b>Current assets</b>		
Inventories	36 570	40 076
Trade receivables	62 738	42 178
Other receivables	17 204	12 746
Cash and cash equivalents	53 520	51 786
	<b>170 032</b>	<b>146 786</b>
<b>TOTAL ASSETS</b>	<b>367 396</b>	<b>319 154</b>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital	18 309	18 309
Other contributed capital	241 459	241 459
Translation reserve	-5 831	-21 549
Retained earnings including profit for the period	-54 000	-60 025
	<b>199 937</b>	<b>178 194</b>
<b>Non-current liabilities</b>		
Liabilities to credit institutions	35 506	24 742
Deferred tax liabilities	2 815	3 030
Other provisions	16 246	7 610
Lease liabilities	6 296	1 677
Other non-current liabilities	11 361	19 311
	<b>72 224</b>	<b>56 370</b>
<b>Current liabilities</b>		
Trade payables	14 569	14 110
Current tax Liabilities	2 541	1 036
Liabilities to credit institutions	16 852	14 226
Other provisions	2 378	3 834
Additional purchase consideration	-	2 008
Lease liabilities	5 604	3 091
Other liabilities	53 291	46 285
	<b>95 235</b>	<b>84 590</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>367 396</b>	<b>319 154</b>

## Summary consolidated statement of changes in equity

Amounts in TSEK	2021-12-31	2020-12-31
<b>Closing shareholders' equity previous period</b>	<b>178 194</b>	<b>217 950</b>
Effect of retrospective restatement <sup>1</sup>	-	436
<b>Opening shareholders' equity</b>	<b>178 194</b>	<b>218 386</b>
Profit for the period	5 858	-20 366
Other comprehensive income	15 885	-19 826
<b>Closing shareholders' equity</b>	<b>199 937</b>	<b>178 194</b>

<sup>1</sup> Refers to changed recommendations regarding the calculation of the groups defined benefit pension plans "Retirement indemnity" for employees in France.

## Share Information

Thousands	2021-12-31	2020-12-31
<b>Number of outstanding shares at beginning of period</b>	<b>366 188</b>	<b>366 188</b>
Reversed split	-351 540	-
<b>Number of outstanding shares at end of period</b>	<b>14 648</b>	<b>366 188</b>

At the Annual General Meeting on April 29, 2021, it was decided to carry through a reversed split of Series B shares 1:25. May 6 was the first day of trading after the reversed split. The number of Series B shares after the reversed split amounts to 14,647,526, which means a quota value of approximately 1,25 SEK per share.

## Summary consolidated statement of cash flows

Amounts in TSEK	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
<b>Operating activities</b>				
Operating profit/loss	-1 673	-1 012	9 570	-14 613
Adjustments for non-cash items	9 089	4 437	26 385	27 021
Interest paid	-720	-519	-2 484	-3 326
Interest received	0	21	69	21
Tax paid	0	0	0	0
Tax received	0	139	0	354
	<b>6 696</b>	<b>3 066</b>	<b>33 540</b>	<b>9 457</b>
<b>Cash flow from operating activities before changes in working capital</b>				
Increase(-)/Decrease(+) in inventories	3 362	593	5 671	10 201
Increase(-)/Decrease(+) in operating receivables	16 117	5 213	427	8 348
Increase(+)Decrease(-) in operating liabilities	-12 431	1 690	-13 393	-571
	<b>13 744</b>	<b>10 562</b>	<b>26 245</b>	<b>27 435</b>
<b>Cash flow from operating activities</b>				
<b>Investing activities</b>				
Acquisition of subsidiaries, less acquired cash and cash equivalents	-	-	-30 286	1 958
Conditional purchase considerations settlement	-	-	-2 008	-
Investments in property, plant and equipment	-159	-9	-1 265	-542
Investments in intangible assets	-	-	-	-3 168
Disposals of property, plant, and equipment	0	0	0	0
Net of paid-in and repaid deposits	17	155	-40	250
	<b>-142</b>	<b>146</b>	<b>-33 599</b>	<b>-1 502</b>
<b>Cash flow from investing activities</b>				
<b>Financing activities</b>				
Borrowings	-	-	27 728	7 666
Repayment of loans	-4 092	-7 072	-13 185	-9 862
Change in bank overdraft facilities	-1 352	4 400	-4 400	-2 077
Lease liabilities	-1 495	-995	-5 197	-5 588
	<b>-6 939</b>	<b>-3 667</b>	<b>4 946</b>	<b>-9 861</b>
<b>Cash flow from financing activities</b>				
<b>Cash flow for the period</b>	<b>6 663</b>	<b>7 041</b>	<b>-2 408</b>	<b>16 072</b>
Exchange rate differences in cash and cash equivalents	1 238	-4 009	4 142	-5 579
<b>Cash and cash equivalents at the beginning of the period</b>	<b>45 619</b>	<b>48 754</b>	<b>51 786</b>	<b>41 293</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>53 520</b>	<b>51 786</b>	<b>53 520</b>	<b>51 786</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 2021 - 31 December 2021	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
<b>Revenue</b>					
External revenue	203 535	123 350	-	-	326 886
	<b>203 535</b>	<b>123 350</b>	-	-	<b>326 886</b>
Gross profit	137 957	85 575			223 532
<b>Adjusted EBITDA</b>	<b>14 194</b>	<b>14 568</b>	<b>5 196</b>	-	<b>33 959</b>
Non-recurring items	-2 078	2 689	-462	-	150
<b>EBITDA</b>	<b>12 116</b>	<b>17 257</b>	<b>4 734</b>	-	<b>34 108</b>
Depreciations and amortizations	-11 142	-13 396	-	-	-24 538
<b>Operating profit/loss</b>	<b>974</b>	<b>3 861</b>	<b>4 734</b>	-	<b>9 570</b>
<b>Other segment information</b>					
Gross profit margin, %	67,8	69,4	-	-	68,4
Adjusted EBITDA margin, %	7,0	11,8	-	-	10,4
EBITDA margin, %	6,0	14,0	-	-	10,4
<i>Non-recurring items:</i>					
Restructuring expenses	-2 078	-	-	-	-2 078
Acquisition-related expenses	-	-	-462	-	-462
Waived US government loan	-	6 891	-	-	6 891
Supply chain	-	-4 202	-	-	-4 202
Number of employees at the end of the period	99	38	-	-	137

1 January 2020 - 31 December 2020	TagMaster Europe	TagMaster USA	Central	Eliminations	Total Group
<b>Revenue</b>					
External revenue	154 564	131 889	-	-	286 453
Cross-segment transactions	-	635	-	-635	0
	<b>154 564</b>	<b>132 524</b>	-	<b>-635</b>	<b>286 453</b>
Gross profit	94 216	94 053	-	-	188 269
<b>Adjusted EBITDA</b>	<b>3 921</b>	<b>13 797</b>	<b>9 611</b>	-	<b>27 329</b>
Non-recurring items	-10 615	-8 312	-	-	-18 927
<b>EBITDA</b>	<b>-6 694</b>	<b>5 485</b>	<b>9 611</b>	-	<b>8 402</b>
Depreciations and amortizations	-6 909	-16 106	-	-	-23 015
<b>Operating profit/loss</b>	<b>-13 603</b>	<b>-10 621</b>	<b>9 611</b>	-	<b>-14 613</b>
<b>Other segment information</b>					
Gross profit margin, %	61,0	71,0	-	-	65,7
Adjusted EBITDA margin, %	2,5	10,4	-	-	9,5
EBITDA margin, %	-4,3	4,1	-	-	2,9
<i>Non-recurring items:</i>					
Expenses attributable to efficiency program	-6 609	-	-	-	-6 609
Acquisition-related expenses	-4 006	-	-	-	-4 006
Retention bonus	-	-8 312	-	-	-8 312
Number of employees at the end of the period	62	37	-	-	99

## Summarized parent company income statement

Amounts in TSEK	2021 Jan-Dec	2020 Jan-Dec
Net sales <sup>1)</sup>	84 975	74 712
Other operating income	845	1 219
	<b>85 820</b>	<b>75 931</b>
Goods for resale and consumables	-29 230	-23 428
Other external expenses	-18 966	-13 614
Personnel expenses	-26 055	-27 528
Depreciation of property, plant and equipment and amortization of intangible assets	-106	-106
Other operating expenses	-301	-262
<b>Operating profit/loss</b>	<b>11 162</b>	<b>10 993</b>
Financial expenses	-1 661	-1 179
<b>Profit after financial items</b>	<b>9 501</b>	<b>9 814</b>
Change in untaxed reserves	-2 435	-1 614
Tax on net profit for the year	-1 487	-1 798
<b>Profit for the period <sup>2)</sup></b>	<b>5 579</b>	<b>6 402</b>

1) Item includes intercompany services at the amount of 3 183 (5 524)

2) Profit for the year accords with comprehensive income for the year

## Summary parent company balance sheet

Amounts in TSEK	2021-12-31	2020-12-31
<b>ASSETS</b>		
Intangible assets	213	291
Property, plant, and equipment	65	94
Financial assets	287 601	250 908
Inventories	10 580	12 182
Trade receivables	15 358	14 140
Receivables from Group companies	18 696	41 143
Other receivables	5 155	7 574
Cash and bank balances	5 557	2 319
<b>TOTAL ASSETS</b>	<b>343 225</b>	<b>328 651</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	260 765	255 186
Provisions	1 673	3 596
Untaxed reserves	4,049	1 614
Non-current liabilities to credit institutions	35 506	24 742
Current liabilities to credit institutions	16 852	14 226
Trade payables	6 565	6 664
Current tax liability	2 541	1 036
Liabilities to Group companies	461	3 147
Other liabilities	14 813	18 440
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>343 225</b>	<b>328 651</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 are unchanged compared with the description in the 2020 Annual Report.

Amendments and interpretations of existing standards that became effective in 2021 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 2020 Annual Report, page 41.

### 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 2020 Annual Report on pages 42 -43 and in the Director's report, pages 29 – 30. 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 47 of the 2020 Annual Report. There are no other significant transactions with related parties.

### 5. Fair value of financial instruments

At the end of December, 2021, the fair value, determined on the basis of level 2, of the group's interest swap amounts to -252 TSEK. The only financial liability valued at fair value on the basis of level 3 was a conditional purchase consideration that has been settled during the first half year 2021. All other financial assets and liabilities are valued at amortised cost.

## 6. Breakdown of revenue from contracts with customers

	1 Januari 2021 – 31 December 2021			1 Januari 2020 – 31 December 2020		
	TagMaster Europe	TagMaster USA	Total Group	TagMaster Europe	TagMaster USA	Total Group
<b>Geographical region</b>						
Sverige	3 129	-	3 129	3 157	-	3 157
EMEA	129 103	49 069	178 172	92 748	51 467	144 215
Asia Pacific	42 535	4 625	47 160	27 731	3 221	30 952
Americas	28 768	69 656	98 424	30 928	77 201	108 129
<b>Total</b>	<b>203 535</b>	<b>123 350</b>	<b>326 886</b>	<b>154 564</b>	<b>131 889</b>	<b>286 453</b>
<b>Customer category</b>						
Traffic Solutions	135 854	123 350	259 204	103 634	131 889	235 523
Rail Solutions	67 681	-	67 681	50 930	-	50 930
<b>Total</b>	<b>203 535</b>	<b>123 350</b>	<b>326 886</b>	<b>154 564</b>	<b>131 889</b>	<b>286 453</b>
<b>Time of revenue recognition</b>						
At a particular time	197 772	120 072	317 844	149 078	128 797	277 875
Over time	5 763	3 278	9 041	5 486	3 092	8 578
<b>Total</b>	<b>203 535</b>	<b>123 350</b>	<b>326 886</b>	<b>154 564</b>	<b>131 889</b>	<b>286 453</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 2021</b>						
Cost of acquisition, opening balance	76 506	8 913	57 626	49 132	5 732	197 909
Accumulated amortization	-	-	-28 351	-11 124	-	-39 475
<b>Carrying amount</b>	<b>76 506</b>	<b>8 913</b>	<b>29,275</b>	<b>38 008</b>	<b>5 732</b>	<b>158 434</b>
<b>1 January-31 December 2021</b>						
Carrying amount, opening balance	76 506	8 913	29 275	38 008	5 732	158 434
Business combinations	6 809	-	12 918	3 037	-	22 764
Amortization for the period	-	-	-10 427	-7 769	-	-18 196
Translation difference for the period	6 503	168	2 306	3 600	599	13 176
<b>Carrying amount</b>	<b>89 818</b>	<b>9 081</b>	<b>34 072</b>	<b>36 876</b>	<b>6 331</b>	<b>176 178</b>
<b>At 31 December 2021</b>						
Cost	89 818	9 081	75 016	57 330	6 331	237 576
Accumulated amortization	-	-	-40 944	-20 454	-	-61 398
<b>Carrying amount</b>	<b>89 818</b>	<b>9 081</b>	<b>34 072</b>	<b>36 876</b>	<b>6 331</b>	<b>176 178</b>

## Group key ratios

Result, amounts i TSEK	2021 Oct-Dec	2021 July-Sept	2021 April-June	2021 Jan-Mars	2020 Oct-dec	Full Year 2021	Full Year 2020
Net sales	83 531	80 017	88 933	74 405	67 788	326 886	286 453
Net sales growth, %	23,2	12,7	29,2	-5,7	-18,8	14,1	8,9
Gross profit	60 747	57 616	55 523	49 645	46 108	223 532	188 269
Gross margin, %	72,7	72,0	62,4	66,7	68,0	68,4	65,7
Adjusted EBITDA	5 079	8 353	10 661	9 865	5 470	33 958	27 329
Adjusted EBITDA margin, %	6,1	10,4	12,0	13,3	8,1	10,4	9,5
EBITDA	5 079	8 353	10 811	9 865	4 176	34 108	8 402
EBITDA margin, %	6,1	10,4	12,2	13,3	6,2	10,4	2,9
EBITA	3 308	6 507	9 219	8 732	3 069	27 766	1 591
EBITA margin, %	4,0	8,1	10,4	11,7	4,5	8,5	0,6
Operating profit	-1 673	1 680	4 751	4 812	-1 012	9 570	-14 613
Operating margin, %	-2,0	2,1	5,3	6,5	-1,5	2,9	-5,1
Profit/loss before tax	-2 809	794	4 159	4 604	-593	6 747	-18 549
Net profit for the period	-4 263	1 680	3 959	4 483	-2 602	5 858	-20 366
Earnings per share before dilution, SEK <sup>1</sup>	-0,29	0,11	0,27	0,31	-0,18	0,40	-1,39
Earnings per share after dilution, SEK <sup>1</sup>	-0,29	0,11	0,27	0,31	-0,18	0,40	-1,39

### Financial position, amounts i TSEK

Equity	199 937	199 002	192 730	192 504	178 194	199 937	178 194
Average equity	199 470	195 866	192 617	185 131	186 357	188 848	198 290
Equity ratio, %	54,4	52,1	49,2	57,9	55,8	54,4	55,8
Net debt (-) receivable	10 738	24 660	18 821	-6 154	-6 042	10 738	-6 042
Return on equity	-2,1	0,9	2,1	2,4	-1,4	3,1	-10,3

### Share data

Net sales per share, SEK	5,70	5,46	6,07	5,08	4,63	22,32	19,56
Equity per share, SEK	13,65	13,59	13,16	13,14	12,17	13,65	12,17
Market price on closing day, SEK	24,90	29,00	33,60	1,07	0,99	24,90	0,99
Recalculated market price on closing day, SEK	24,90	29,00	33,60	26,75	24,75	24,90	24,75
Number of shares at end of period	14 648	14 648	14 648	366 188	366 188	14 648	366 188
Average number of shares, thousands <sup>2</sup>	14 648	14 648	14 648	14 648	14 648	14 648	14 648

### Personnel information, amounts i TSEK

Sales per employee	605	567	729	692	692	2 254	2 581
Average number of employees	137	141	122	98	98	145	111
Number of employees at end of period	137	138	144	98	99	137	99

<sup>1</sup>Adjusted retroactively for the reversed split 1:25

<sup>2</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.
Operating margin	Operating profit (EBIT) after depreciation, amortization and impairments as a percentage of net sales.	Operating margin is used to measure operating profitability.
EBITDA	Operating profit (EBIT) before depreciation, amortization and impairments.	EBITDA together with EBIT provides an overall picture of profit generated from operating activities.
Non-recurring items	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 non-recurring items.	The key ratio provides an overall picture of profit generated from operating activities.
EBITA	Operating Profit before depreciation, amortization of goodwill and depreciation, amortization 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 excluding increase related to acquisitions, recalculated to the previous year's period currency rates, as a percentage of the previous year's period net sales. 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.

**PERFORMANCE AND MARGIN MEASURES**

		2021	2020	2021	2020
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>A</b>	Net sales	83 531	67 788	326 886	286 453
	Change in inventories during manufacture and finished goods	-965	-311	832	-912
	Goods for resale, raw materials and consumables	-21 819	-21 370	-104 186	-97 272
<b>B</b>	<b>Gross profit</b>	60 747	46 107	223 532	188 269
<b>C</b>	Operating profit (EBIT)	-1 673	-1 012	9 570	-14 613
	Amortization of intangible assets	-4 981	-4 081	-18 196	-16 204
<b>D</b>	EBITA	3 308	3 069	27 766	1 591
	Depreciation of property, plant and equipment	-1 771	-1 105	-6 342	-6 811
<b>E</b>	<b>EBITDA</b>	5 079	4 174	34 108	8 402
	Non-recurring costs	-	1 295	-150	18 927
<b>F</b>	<b>Adjusted EBITDA</b>	5 079	5 469	33 958	27 329
<b>(B/A)</b>	<b>Gross profit margin, %</b>	72,7	68,0	68,4	65,7
<b>(C/A)</b>	<b>EBIT margin, %</b>	-2,0	-1,5	2,9	-5,1
<b>(D/A)</b>	<b>EBITA margin, %</b>	4,0	4,5	8,5	0,6
<b>(E/A)</b>	<b>EBITDA margin, %</b>	6,1	6,2	10,4	2,9
<b>(F/A)</b>	<b>Adjusted EBITDA margin, %</b>	6,1	8,1	10,4	9,5

**Return on equity, %**

		2021	2020	2021	2020
		Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
<b>(A)</b>	Net profit for the period	-4 263	-2 602	5 858	-20 366
<b>(B)</b>	Opening equity for the period	199 002	194 520	178 194	218 386
<b>(C)</b>	Closing equity for the period	199 937	178 194	199 937	178 194
<b>D</b>	<b>Average equity</b>	199 470	186 357	189 065	198 290
<b>(A)/(D)</b>	<b>Return on equity, %</b>	-2,1	-1,4	3,1	-10,3

**Equity ratio, %**

		2021-12-31	2020-12-31	2021-12-31	2020-12-31
<b>(A)</b>	Equity	199 937	178 194	199 937	178 194
<b>(B)</b>	Balance sheet total	367 396	319 154	367 396	319 154
<b>(A/B)</b>	<b>Equity ratio, %</b>	54,4	55,8	54,4	55,8

**Net debt**

		2021	2020	2021	2020
		Oct-Dec	Oct-Dec	Oct-Dec	Jan-Dec
	Liabilities to credit institutions	52 358	38 968	52 358	38 968
	Lease liabilities	11 900	4 768	11 900	4 768
	Additional purchase consideration	-	2 008	-	2 008
	Cash	-53 520	-51 786	-53 520	-51 786
<b>(A)</b>	<b>Net debt (-) receivable</b>	10 738	-6 042	10 738	-6 042
<b>(A)/(E)</b>	<b>Net debt/adjusted EBITDA, multiple (rolling 12 m)</b>			0,3	-0,2