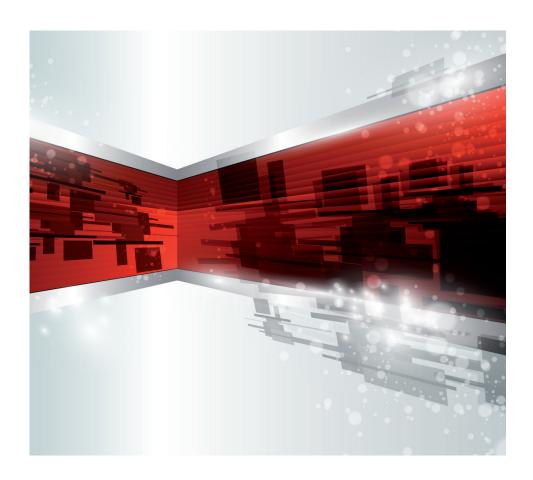
Annual report 2014



TagMaster

About TagMaster

TagMaster is an application driven technology company that designs and markets advanced radio frequency identification (RFID) systems and information products for demanding environments. TagMaster is working in the two business segments Traffic Solutions and Rail Solutions with innovative solutions to increase efficiency, safety, security, convenience and to decrease the environmental impact. TagMaster has dedicated agencies in the US and in China and exports mainly to Europe, Middle East, Asia and North America via a global network of partners, systems integrators and distributors. TagMaster was founded in 1994 and has its headquarters in Stockholm. TagMaster is a public company and its shares are traded on First North stock exchange in Stockholm, Sweden.

TagMaster

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2014 in summary

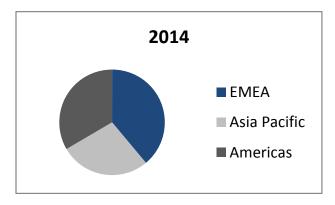
- The best result ever for TagMaster!
- TagMaster has been certified according to the quality standard ISO 9001
- Cooperation agreement with AXIS regarding long distance readers in AXIS new access control concept
- Continued focus on Traffic Solutions and Rail Solutions
- Continued sales increase through focus on the business
- NRE sales within Rail (Non Recurring Engineering) works well and has lead to several new orders during the year

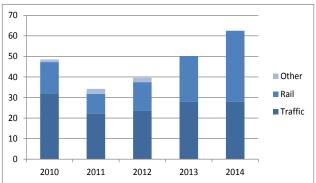
- Material sales to several projects and most of the customers within the rail segment
- New UHF product XT-1 launched and well received by the market
- Further competitive UFH products ready for launch during 2015
- Traffic Solutions has been very successful in the US market while it has developed slower in other markets

NEW UHF-product XT-1

o second III XT I o

XT-1 is the first reader built on the new and very cost efficient platform called Vigilant. With a high degree of control over the radio interface, a number of new opportunities are offered for application-oriented features such as advanced filtering.





Revenue per region, 2014

Revene per business areas, 2010-2014

TagMaster 2010-2014 in summary

Income statement	2014	2013	2012	2011	2010
Result (SEK 000)					
TagMaster AB (publ)					
Net sales	62.505	50.196	39.616	34.190	48.515
Activated work for the company			0	1.011	1.197
Other income	47	148	64	436	0
TOTAL SALES	62.552	50.344	39.681	35.636	49.712
Costs					
Goods for sale	-28.842	-20.811	-16.881	-17.291	-21.825
Other external costs	-11.726	-13.750	-12.050	-10.615	-8.495
Personnel costs	-14.900	-13.007	-10.317	-15.585	-14.905
Other business costs	0	0	-185	-402	-2.007
Items affecting comparability	0	0	-94	-1.269	0
RESULT BEFORE					
DEPRECIATIONS	7.084	2.776	154	-9.524	2.479
Depreciations	-170	-93	-1.283	-1.768	-1.092
RESULT AFTER					
DEPRECIATIONS	6.914	2.683	-1.130	-11.292	1.386
Finance net	-174	-303	-4.336	-1.973	-185
Result before tax	6.740	2.380	-5.466	-13.265	1.201
Tax	-1.512	-627			
RESULT FOR THE YEAR	5.228	1.753	-5.466	-13.265	1.201

Only 2013 has been recalculated according to BFNAR 2012:1

TagMaster Key figures

Key figures	2014	2013	2012	2011	2010	
Operating margin %	11,1	5,3	-2,8	-33	2,9	
Profit margin %	10,8	4,7	-13,8	-40,6	2,5	
Solidity	51,3	35,8	25,7	30,2	44,2	
Return on own capital %	62,0	32,2	-133,6	-201,2	13,5	
Return on total capital %	28,0	12,9	-34,4	-56,7	6,1	
Result per share after tax, SEK	0,05	0,02	-0,05	-0,16	0,02	
Average number of employees	14	13	12	18	17	
Average number of shares '000	107 732	107 732	102 695	80 570	58 144	
Number of shares at the end of the period '000	107 732	107 732	107 732	95 360	58 506	
Only 2013 has been recalculated according to BFNAR 2012:1						

Introduction by the chairman



A lot has happened during 2014! The best result in the company's history, turnover as well as profits and a strong balance sheet, quality certification according to ISO 9001 and a strategic alliance with AXIS in the access control area are only a few examples. A strong management, a clear strategy and focus on our customers has been vital to get this far.

But we are far from being satisfied and we have no reason to lean back. TagMaster is still a too small player in a big market. This means there are significant growth opportunities to catch. We have during the last two years focused on the turnaround of the company and to turn it towards the future. We have proven that TagMaster's business is the base for a sound business with good profitability. But we are still too small to create long term stability, growth and profitability. The Rail business has been very good during the year while the Traffic business has grown sufficiently only in the US market. We will need new and further initiatives to take care of a growing market.

Our journey should show continued strong organic growth, both by doing more where we are, technically, geographically and within established customer segments and we need to strengthen the orgaic growth by entering into adjacent customer segments where our technology could be successful as it is or through changes and complements which could be accomplished with our existing and very qualified competence in the field.

To make full use of our sales organization and our existing distribution channels we also need to look further among possible acquisition candidates which are able to add further volume of similar and complementary products. In the Traffic Solutions business there are many small companies who like TagMaster are subcritical and often survive with no or very limited profits. Here we could find many opportunities to different winwin constellations.

To go further with acquisitions the company needs a stronger capital base, which will be achieved partly by continued growth and profitability and accompanying cash flow and partly through capital injection by the owners and/or other interesting parties with the purpose to strengthen the company and increase its value.

Management and personnel have done a tremendous effort during the year. The turnover became almost 4,5 MSEK per employee, which is a very good work done! Growth for the full year was 25% and EBIT 6,7 MSEK. The cash flow ended in 7,9 MSEK for the full year and the company thereby is debt free and with a solidity of 51.3%.

2014 has in summary become a very good year. But there is nothing good that can't be better. We are looking forward to 2015 with excitement. Now we know it is possible to grow and to earn money. During the year to come we will focus on growth in all aspects with the purpose to increase the base for the profitability we know there is and which we are able to create.

Rolf Norberg Chairman

The CEO about TagMaster



During 2014 TagMaster has continued to invest in and build an organization to take us to the next sales level. Due to a clear common ambition we have reached many of the targets set in the beginning of 2014 and we have in several ways been successful, but we do want much more.

We have during the year formed what we call a strategy for growth

and profitability. Our strategic action plans are focused on the four areas commercial strength, customer driven product development, operational improvement and an increased product offering.

With commercial strength we want to drive our growth through a structured and planned sales leadership where we focus on our selected segments Rail Solutions and Traffic Solutions. Both segments have good underlying growth and they have basically the same driving forces like urbanization and increased wealth and a following need to make rail bound as well as road bound communication more efficient. So called Smart Cities has become an entity by itself and is an important driving force in the development of new solutions to improve communication.

Product innovation has turned back into our agenda and through customer driven product development we are looking at a continuous flow of innovative products with bigger customer value at lower cost as the fundament on which long term organic growth is built. We launched the first product in our totally new family of UHF products during 2014 and we see 2-3 family members to be launched during 2015. The purpose is to address a bigger market and thereby increase our volumes. In focus for our product innovation we see the customer's need for security, safety, reliability, functionality, design, life cycle cost and more.

Operational improvement is mainly driven by our supply chain to work for a growth company with the scalability we request. Flexibility and efficiency are leading words in the work with suppliers and contractual manufacturers.

TagMaster is a more stable company compared to earlier years but we need to increase our turnover

significantly to go further and take the next step in developing our company. We have therefore identified Traffic Solutions as the segment with the best prerequisites for growth short term and therefore we also need to increase our product offering during 2015 with selective acquisitions with the purpose to increase the value and the attraction in our customer offering.

Finally I want to say thanks to all my employees for good efforts during a demanding year. We have reason to be happy, even if we are not satisfied, with the strength we have built during the last two years. Now we face new challenges in increasing our growth further and I am optimistic about 2015 to contribute to this.

Jonas Svensson, CEO

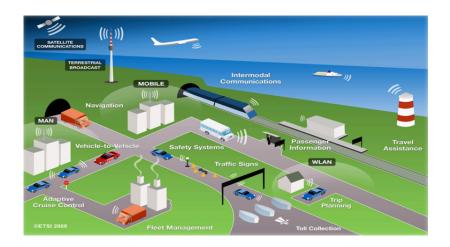
Our vision and mission

Vision

TagMaster should be the most innovative supplier of mobility to Smart Cities

Mission

TagMaster should deliver robust, reliable, easy to install and easy to use detection and identification solutions for demanding environments with directly applicable information you can trust.



Strategies and targets

Strategic focus areas

- Commercial strength
- Customer driven product development
- Operational improvement
- Increased product offering

Financial targets

- Total average growth at least 20%
- Profit margin at least 12%

Customers and business areas

TagMaster has established customer relations all around the world. With more than 150 partners in more than 40 countries there is a lot of activity with TagMaster products and solutions around the clock. The number of users and applications are increasing mainly due to the fact that TagMaster solutions are very reliable in demanding environments and thereby also offers an easy to install solutions with very low maintenance cost.

Parking garages, public transport priority signaling and toll roads are examples where TagMasters AVI solutions (automatic vehicle identification) have proven their performance. Another important area is in rail bound commuter trains and underground systems as well as on national railroads to keep track on positioning as well as on rolling stock, not the least to detect and act on service needs in time and thereby save costs and improve safety.

Traffic Solutions

In the business area Traffic Solutions, formerly called Access/Parking, there is an ongoing change to grow our business substantially. Through increased cooperation with our customers we have concluded that we wish to extend our product offering to become a stronger and more stable partner. The result is a new product family in the UHF area, which was launched during the first half of 2014. TagMasters sales network has during a long time consisted of a few national partners, of which a few traditional distributors and many integrators/installers in traffic, parking, security and access control. The business is characterized by small and midsize orders to single projects. During the year systematic work has been started to fill up the existing network with more integrators/installers in strategic markets.

The purpose is to build up a significantly bigger network of partners to support our growth ambitions. We also want to come closer to our partners and their markets to build up more participation and knowledge regarding our customers applications and their future challenges and the trends they expect.

Within the Traffic Solutions segment we work in mainly three application areas:

- Parking and access control
- Electronic pay roads
- Fleet management and industrial RFID

We address industries like transportation, traffic, security, parking airports, harbours, mines and chemical industry.

As the Traffic Solutions market grows we see many of our existing partners looking for suppliers able to deliver several of the technology components required to enable intelligent Traffic Solutions.

Rail Solutions

In the business area Rail Solutions, formerly called Transportation, has also been strongly focused during the year and we have seen good understanding of our extended business model (engineering, product and support) which we will continue to work on with the majority of our customers. TagMater's robust products with a high degree of built-in functionality are very well suited for this segment.

Our in house developed algorithms for critical applications like positioning, axle count and door opening provides us with a strong value proposition for signaling system for underground and trams.

Rail Solutions sales are very much project oriented. Every project is big and often quite complex. It is complex in the sense that there is much more sharing of knowledge between TagMaster and its partner, which is necessary to find the best way to explore the advantages of the TagMaster technology. In this area the TagMaster team in Sweden need to be in direct contact with the engineering teams of the partner and the sale is often also including some technical adaptation to a specific solution requested by the customer. This can be anything from small adjustments to major NRE (Non Recurrent Engineering) efforts paid by the customer.

Bombardier, a leading rail and rail signaling provider globally has during the year been a continued regular partner for TagMaster. The NRE project for Alstom in France has been successfully concluded and deliveries of products have been done during the year. Also Thales, one of the big companies in train signalling, has during the year started projects where TagMasters equipment is included. Another two of the big train signaling suppliers have used TagMaster products during the year.

Partners

As has been already mentioned above new partners have been appointed and the work to establish more partners will continue and be in focus during 2015. TagMaster has traditionally had a stable and loyal partner group but it is of utmost importance to attract many more customers in Traffic Solutions to reach our growth targets. In Rail Solutions we work on deepening the relations with a few existing and well defined partners to grow the business volumes.



















TagMasters market and growth opportunities

The definition Traffic Solutions better characterizes what we focus on today, but it also opens up new opportunities. There are a huge number of products and companies working in this area and their technology is more and more often used together with or sometimes in competition with TagMaster. They could be based on RFID or other technologies. Through a visible presence in this market new opportunities to grow are created, organically as well as through acquisitions.

The driving forces in the Traffic Solutions market and in the Rail Solutions market are very much the same

- Urbanization
- Limitations in capacity
- Need for increased safety
- Environmental consideration and sustainability

The growing urbanization leads to a great need to reduce traffic congestion and pollution caused thereby. There are studies showing that a third of all traffic congestion in cities depend on cars looking for parking spots.

The part segment within ITS (Intelligent Transportation Systems) which we have identified as reachable are in parking control, electronic toll systems and urban traffic control. Together these segments are multibillion markets where our identification products are a smaller but necessary component to make the systems work. In addition to our products sensors, detectors and camera technology (ALPR) is used to provide the information necessary to build what you call smart cities.

The growing RFID market is divided into many application areas. TagMaster is today active in a few of these while both microwave and UHF technologies are used in more areas and offer advantages in many more. The market is divided into many application areas with several different technologies. TagMasters products and solutions reside in an upper and in a mid segment where demands are very high and thereby also the price level per item is substantially higher than in the mass market of RFID. A large market in volume is also access control in general for doors and gates. A part of this market has more advanced requirements and this market is in focus for TagMaster Traffic Solutions.

Looking at application areas where TagMaster is active today active, Rail Solutions and Traffic Solutions, they

are both composed of several parts where large volumes are found in the low end like e g passenger tickets. There is, however, also a high end in Rail Solutions with focus on the signaling and train control systems. In these applications TagMaster solutions do have a given position and there is also much room for growth. TagMaster has during the year widened and also further specified its offering to this segment and the customer offering is now in addition to products also engineering and service. The purpose with this "new" service offering is not to change TagMaster into a consulting company. The projects are always connected to products provided by the company and they emphasize the value adding element of the qualified support its customer receive, both for adaptation of products and for designing in the products in new projects and to maintain a good function.

Growth opportunities

TagMaster is active in the area of Intelligent Traffic Solutions. It is an area in strong growth as a consequence of increasing urbanization, it is estimated that 2/3 of the worlds population live in cities by 2050, and thereby need to make rail bound as well as road bound communication more efficient. It is necessary both to make traffic more efficient and to allow a great number of people to travel to and from their work and to save the environment. So called Smart Cities have become an important concept and an important driving force to develop new solutions to provide better communication for 100s of millions of people.

TagMaster has products, readers and tags, in the microwave area (2,45 GHz) and in the UHF area (860-930 MHz), which is becoming increasingly popular. Both technologies have their advantages for different applications, speed, reading distance, noise immunity, price and total cost. The TagMaster products are for both areas in the high performance segment, very robust, working in all sorts of tough environments. TagMaster can also add very important know-how about RFID use. This know-how is coming from the deep knowledge about the technology used, but also from the many different applications for which the TagMaster products are already in use.

For many applications in Traffic Solutions the microwave technology has advantages. The new reliable UHF technology from TagMaster is also expected to take market share during the years to follow. From 2014 there is also a new reader family in the UHF area from TagMaster specially designed for the segment Traffic Solutions, and which is considered the best price/performance offering in the market.

Through increased focus on Traffic Solutions the potential for growth in the segment is considered to be guite substantial. By complementary offerings from partners and adjacent technologies the potential is very interesting for the years to come. It could be the base for creating interesting and cost efficient part solutions based on complementary technologies. Acquisitions in this area is an important component in our growth strategy. The segment Rail Solutions is focused on rail bound solutions for mass transit and national rail. With the Tag-Master experience and know-how and with reference to the advanced solutions where the products have shown their strength, there is a very good potential to add further train and signaling manufacturers to the customer list. This is a work with high priority during the years to come. It is also important to deepen the cooperation with the actors in the area and we could expect more of engineering projects like the one we have made during 2013 and 2014 for Alstom, smaller as well as bigger. TagMaster will continue to be open to new opportunities and to develop the competence in new areas, but also make more of the areas we have already proven successfully.

In summary, TagMaster is a small player in a big market with a good growth potential. The future success depends on the company's ability to explore the opportunities.

Next product to UHF-family, XT Mini



XT Mini is the latest reader built on the Vigilant platform. With small size and a circular polarized antenna, it is the perfect option for customers who want to leave traditional short-range readers in favor of a long-range solution.

The RFID Market/Competitors

The market for RFID is a market of many players worldwide. There are also several application areas of RFID with different technologies. The biggest segments are by far ticketing, shop lifting protection and access control. These are also areas with very tough competition and price is always an issue or even the issue. Especially the tags are down to cents and also readers need to be very cost efficient and are price sensitive due to the volumes used in these applications. On every bus or train, in every shop and at every door.

TagMaster is active in a different area of highly demanding applications, but where performance is the real issue.

What counts is:

- Reading distance
- Reading speed
- Robust design
- Climatic resistance rain, snow, high and low temperature
- Environmental stress magnetic and electric fields
- Dirty environments
- Mechanical stress vibration and shock
- Reliability to safeguard safety and security un der all these conditions

In this area there are also competitors specialized in different applications like transportation and train safety, parking access, public transport monitoring and control, toll roads etc.

The main competitors on the international market are small specialized companies as well as departments or smaller daughter companies in bigger company Groups. Competition is found in several European countries as well as in the US and in Asia. Globally and altogether it is a pretty fragmented market with many small actors. This opens up for interesting opportunities consolidating this market.

Another form of competition is found in other technologies, which may serve a similar purpose as RFID in certain applications. This includes GPS positioning, other RF systems like Bluetooth and Wi-Fi, there are also things like ZigBee and NFC (Near Field Communication). LPR (License Plate Recognition) is another technology which has come up strongly and often is seen both as a complement and a competitor to the RFID solutions of TagMaster.

By clarifying our focus on Traffic Solutions and Rail Solutions we open up new opportunities. We will find a base to look for closer cooperation with competitors providing other technologies as well as with companies working in adjacent areas and who complement our offering in RFID. It could be with other RFID solutions or with some other technology. Something which is used more and more often in Traffic Solutions is LPR, vehicle detection and vehicle positioning. Parking Guidance is also a new area which has started to influence installations made today.

In Rail Solutions we are coming closer to our customers through our new services and we will through this better understand their needs and thereby also strengthen our already powerful offering.



Targets and strategy



An important intermediate target has been reached. The company has grown significantly the last three years and it is now profitable and with a positive cash flow. The company has a strong professional management and it has also strengthened its staff in technological development as well as with new professional sales persons and technicians.

Next step

It is now time for the next step. The plan includes continued organic growth. To become an important player with long term stability significantly higher sales volumes are required. A first intermediary target is 100 MSEK. To reach this also with a relatively strong organic growth will still take several years. Acquisitions are therefore high on the agenda during the coming year.

Acquisitions

Acquisitions are difficult, risky and unpredictable! To acquire right and succeed you need to know what you want to achieve. The acquisition need to be a natural step in the agreed strategy about what the company should focus on. A small company like TagMaster can not plan for acquisitions much bigger than itself, but must focus on complementary businesses in technology

and market fitting the strategy and also financially possible to handle. Acquisitions are also a matter of supply and demand – are there any companies fulfilling the requirements and which are also for sale and financially possible to handle? This remains to be seen.

Capital injection

The acquisition strategy requires capital injection. Good and profitable companies are costly to buy. Companies which may have a good market position and/or a strategically right complementary technology and which are not growing and/or not have satisfactory results could be cheaper, but will on the other side require capital for a turnaround.

TagMaster will therefore propose a capital injection through in first hand a rights issue to the owners and secondly through a directed issue to a long term industrial investor with interest to continue to participate in the development of our business. The plan is then also to increase the revolving credit which is today 6 MSEK (presently not used).

Targets

TagMaster should grow with 20% per year or more as average over a 5 year period. The EBIT should be more than 12% as average over the 5 year period and the business should be cash flow positive. By the result 2014 we have shown that we make the growth and the cash flow and we are almost at our earlier target of 10% EBIT.

Strategy

TagMaster should through continuously developing new products, develop its distribution and by working actively and near its customers grow in the Traffic Solutions segment. It is also within Traffic Solutions we see the biggest opportunities to grow further through acquisitions.

The company should by deepening and keeping the good business relations and by giving active support to existing customers in the Rail Solutions segment develop the business. TagMaster should also actively look for new customers in this area.

Director's report

The board and the CEO of TagMaster AB (publ.), corporate identity number 556487-4534, hereby present the following annual report for 2014

The business

TagMaster develops, get manufactured, markets and sells products, readers and tags, in the microwave area (2,45 GHz) and in the UHF area (860-930 MHz), which is becoming increasingly popular. Both technologies have their advantages for different applications, speed, reading distance, noise immunity, price and total cost. The TagMaster products are for both areas in the high performance segment, very robust, working in all sorts of tough environments. The The operational cash flow has during the year been products all have high resistance to heat, cold, snow, ice, rain, vibration, dirt, electric noise and RF disturbance etc. What TagMaster also adds as a very important customer value is know-how. This know-how is coming from the deep counts payable were 5,0 MSEK (7,8). The inventories knowledge about the technology used, but also from the many different applications for which the TagMaster products have already been used.

Typical application areas for TagMaster's products are:

- Access control for parking in independent parking systems or as part of an access control system including entrances and doors and for which other technology is used.
- Positioning of rail bound traffic (primarily underground) and commuter trains) to position trains, make traffic more efficient and for providing passenger information
- Prioritization of public transport in cross roads and special public transport lanes.
- Electronic toll road systems for identification and reading of vehicles to enable charging of road useage.

2014 in summary Sales and result

For 2014 the company shows a net sales of 62,5 MSEK (50,2). The result after tax is 5,2 MSEK (1,8), which corresponds to 0,05 SEK 0,02) per share (totally 107,731,708 average number of shares during the year).

By having a clear focus on customers and business during the year a substantial improvement has been achieved in both sales and result compared to the previous year, Growth has been achieved in the two business segments Traffic Solutions and Rail Solutions with a very good development within Rail Solutions.

The result from the ongoing business (EBITDA) was positive successfully and serial deliveries have been made for the year with 7,1 MSEK Costs during 2014 were 26,8

MSEK (26,6). The result after tax for 2014 of 5,2 MSEK (1,7) gives a solidity at the end of the year of 51,3 % (35,8).

Liquidity

Per December 31, 2014 TagMaster had 11,9 MSEK (2,3) including unused revolving credit. The revolving credit is 6,0 MSEK (4,0).

7,9 MSEK (-1,2).

Accounts receivable were 9,2 MSEK (9,2) and acwere 6,8 MSEK (6,0), all by December 31, 2014.

Organization

The company had in average 14 employees during 2014.

Board work

The board has met 5 times during the year. Important matters which have been dealt with are company strategy and direction, development of marketing and sales and budget for 2015. The board consists of Rolf Norberg, chairman, Joseph Grillo, Magnus Jonsson and Gert Sviberg with Jonas Svensson as deputy.

Market

As described in more detail elsewhere in this annual report, TagMaster is active with its products and solutions in a growing market, which is significantly bigger than TagMaster's present business. This is of course valid for RFID in general, but also for the niches of more qualified applications where TagMaster is active. It is therefore very important for Tag-Master's future actions and success to sell actively within the chosen segments of business.

The demand for TagMaster's products has been good during the year in the two segments Traffic Solutions and Rail Solutions and the year has been good with many serial deliveries for rail several customers. The major engineering project for the large French train and signaling manufacturer Alstom, which was received in the beginning of 2013 has been delivered during the whole of 2014.

Product development

The development resources have during the year been used to develop a new product family in the UHF area for Traffic Solutions. Resources have also been used to actively support sales, especially within the area of Rail Solutions, where also NRE (non Recurring Engineering) projects have been made for new rail customers.

Share option program.

There is no share option program in the company.

5 year summary

See note 8.

Outlook for 2015

We go into 2015 with a profitable 2014 behind us. We have further increased focus on our customers and a clear strategy for continued growth. We are cautiously optimistic about 2015 with the target to continue to build a successful growth company.

The main challenges for 2015 are to handle further growth by taking the first steps in accordance with our acquisition strategy.

Shareholders

TagMaster AB (publ.) is listed and the share is traded at the market place First North. TagMaster's certified adviser is Remium AB. The number of shareholders per December 31, 2014 was 1488 (1473)

Disposition of result and dividend (KSEK)

Balanced result per 2014-12-31 2 663 Year end result 2014 5 228 At disposal for the AGM 7 891

The board proposes the accumulated result to be balanced in a new account.

The board further proposes to decide on a dividend of 0,00 SEK for the year 2014.

Risks and risk management

General

TagMaster is now growing since a couple of years back with increasing profits. If this continues during the years to follow, which is our ambition, this means that the company becomes less exposed and more robust and can handle changes in the company's environment better. There is, however, no business which is free from risks. There are always a number of risk factors. Some of them are discussed below in this report, but it is impossible to cover everything. There are always other factors depending on the general and global economic and political situation. These factors could influence the share value of TagMaster and parts of or its whole value could be lost. The following is a list of the more specific risk factors and the ambition could not be to handle all.

Business risks

Partners: TagMaster has a number of bigger and smaller partners in more than 40 countries. These partners are distributors, resellers or integrators in the segment Traffic Solutions and within Rail Solutions. The biggest partner was in 2014 responsible for 16 % of the total sales. The five biggest partners were together purchasing 49 % of the total sales 2014. Loss of one big partner may have a significant impact on the company. TagMaster is growing organically today, both through new partners and increasing business with existing partners, whereas the board makes the judgement that it could be compensated rather quickly by existing or new partners.

Market economic situation: Future sales of Tag-Master depend on the market situation in general, on the situation for its customers and on emerging new technology. This may be to the advantage, but also to disadvantage for TagMaster sales and thereby have a negative impact on sales, result and financial situation for TagMaster. This is even more important if there is a longer period of a weak or slow market situation.

Suppliers: TagMaster has all production and the logistic flow outsourced. This is very efficient and creates a great flexibility in the supply chain, both capacity and cost could be well controlled. But this

also means that TagMaster is very dependent on a few suppliers of which especially two are very important to TagMaster for its day to day business. If there should appear any problems with the supply from any of these suppliers it could have a negative impact on TagMaster since it would require some time to establish a new supplier. This could result in difficulties to deliver and thereby also lower sales and invoicing. To protect sales the company holds a certain stock of components and complete products.

Competition: There is substantial competition in the RFID market. Both smaller and larger companies are there and the technology development is quite fast. Some of the larger companies could raise substantial financial resources, far more than a small company like TagMaster, and introduce new competitive technology. There is also the risk of small newcomers entering the market on either new technology or low price. This could impact TagMaster to become less competitive and thereby also experience lower sales. The company has during the last couple of years strengthened the R&D function to meet increasing technological competition and to be able to create competitive products for the future.

Organization and personnel: TagMaster is today an attractive place to work with interesting and challenging technology and an international market to work for. This is important to attract and keep qualified and motivated personnel. TagMaster is dependent on key personnel and if anyone of them are leaving it may have a negative impact at least short term.

Intellectual property: TagMaster has a number of own patents approved or applied for in a number of key markets. These patents are covering some of the core functions of the TagMaster products. TagMaster is also a registered trade mark. TagMaster also owns its own designs even if the tag producer also has some own intellectual property in the tags they manufacture for TagMaster. All other production is contracted according to standard agreements between buyer and supplier.

Product liability and insurance: The customers have high demands on the TagMaster products and they get very clear information from specifications and data sheets about the products. There are very thorough test programs and routines within TagMaster and together with the suppliers to make sure the products live up to these specifications. It could, however, not be excluded that claims are raised due to product failure and due to products causing unexpected damage. TagMaster has insurance to cover such events, but in case insurance is not fully covering an event this could have a severe impact on the business, the result and the financial situation of TagMaster.



whereas the board will propose a major rights issue combined with a direct issue if possible. The purpose is that this together with a regular bank loan should enable at least one acquisition within the segment Traffic Solutions to bring TagMaster up above 100 MSEK in yearly turnover by the end of 2015. A good and well performed acquisition creates prerequisite for faster growth and increasing profits, but it is also a certain financial risk.

Currency risks: Around 81 % the TagMaster business transactions are in foreign currency. The most important currencies are EUR and USD. This means that the company is exposed to fluctuations in these currencies. The company is trying to minimize these risks by balancing currencies between production and sales, by price clauses in sales agreements and by currency contracts. Currency fluctuations can still have an impact on the company result and financials.

Credit and liquidity risks: TagMaster has many customers in different countries and with different payment culture. The spread of business has led to somewhat increased payment times and thereby also to increased credit exposure. There is always a risk that a company gets payment difficulties leading to losses in the accounts receivable. There are routines to check the financial situation of new customers and of existing customers regularly. Some customers are also requested to pay in advance and customer credit insurance is used for most customers to reduce the exposure for TagMaster.

Financial risks

Financial situation: Per December 31, 2014 TagMaster dispose of 11,9 (2,3) MSEK of which there is a bank credit of 6,0 (4,0) MSEK.

TagMaster will also in the future use bank and other creditors to finance its business. To borrow money on the business or the balance sheet incurs certain risks. In case of major changes in the TagMaster business the ability to raise capital may change and this may in turn raise costs for credits and more of the cash flow must be used for interest and amortization.

Capital needs: The opinion of the board of directors is today that the present budget and plans for the next twelve months need no further financing apart from an increase of the revolving credit to increase the working capital to manage the organic growth targets..

Acquisitions and capital injection

The company's ambition to grow through acquisitions will, however, require a significant capital injection,

INCOME STATEMENT (SEK 000)	Note	2014 Full Year	2013 Full Year
Net revenue	3	62.505	50.196
Other revenue	4	47	148
TOTAL REVENUE		62.552	50.344
Cost			
Purchased goods		-28.842	-20.811
Other external costs	5,6	-11.726	-13.750
Personnel costs	7	-14.900	-13.007
Other costs		0	0
RESULT BEFORE DEPRECIATIONS (EBITDA)		7.084	2.776
Depreciations	9	-170	-93
RESULT AFTER DEPRECIATIONS (EBIT)		6.914	2.683
Financial income and costs			
Depreciation of shares and debts in daughter companies	10	0	-7
Interest income		2	1
Interest and financial costs		-176	-297
TOTAL FINANCIAL INCOME AND COSTS		-174	-303
RESULT BEFORE TAX		6.740	2,380
Tax	11	-1.512	-627
	11		
RESULT FOR THE YEAR		5.228	1.753
RESULT PER SHARE*		0,05	0,02
NUMBER OF SHARES, average		107.731.708	107.731.708
NUMBER OF SHARES, end of period		107.731.708	107.731.708

^{*} No dilution

BALANCE SHEET (SEK 000)	Note	2014-12-31	2013-12-31
ASSETS			
Fixed assets			
Tangible assets			
Inventory, tools and installations	9	92	262
Financial assets			
Postponed tax claim	11	1.861	3.373
Total fixed assets		1.953	3.635
Current assets			
Stock			
Goods for sale		6.807	6.010
Short term claims			
Accounts receivable		9.184	9.197
Other short term claims		1.308	1.023
Current tax claims		429	429
Prepaid costs and work in progress	12	767	1.378
Cash and bank		5.869	1.397
Total current assets		24.364	19.434
TOTAL ASSETS		26.317	23.069
OWN CAPITAL AND DEBT		2014-12-31	2013-12-31
Own capital			
Bound own capital			
Share capital		5.386	5.386
Bound reserves		216	42.967
Free own capital			
Share premium reserve		0	20.803
Balanced result		2.663	-62.644
Result from the year		5.228	1.753
Total own capital		13.493	8.265
Provisions	13	543	0
Total provisions		543	0
Long term loans	14	0	326
Total long term loans		0	326
Short term debts			
Credit facility	15	0	3.119
Accounts payable		4.955	7.808
Other short term debts		476	415
Accrued cost and prepaid income	16	6.850	3.136
Total short term debs		12.281	14.478
TOTAL OWN CAPITAL AND DEBTS		26.317	23.069
SECURITIES AND CONTINGENT LIABILITIES	17		
Liabilities		8.000	7.512
Pledged assets		None	None

CHANGE IN OWN CAPITAL (SEK 000)

	Share capital	Bound reserves	Share premium	Balanced result	Total own
			reserve	incl. year result	capital
Own capital 2013-01-01	10.773	42.967	20.803	-68.031	6.512
Period result				1.753	1.753
Reduction of quote value	-5.387			5.387	
Own capital 2013-12-31	5.386	42.967	20.803	-60.891	8.265
Reduction of bound reserves		-42.751		42.451	
Reduction of share premium reserve			-20.803	20.803	
Result for the year				5.228	5.228
Own capital 2014-12-31	5.386	216	0	7.891	13.493

CASH FLOW ANALYSIS (SEK 000)	Full year 2014	Full year 2013
FROM ORDINARY BUSINESS		
Result before depreciations and financial costs	6.914	2.683
Depreciations	170	93
Other non cash influencing costs	543	-31
Received interest	2	1
Paid interest and finance costs	-176	-297
Increase/decrease stock	-797	-233
Increase/decrease accounts receivable	13	-4.778
Increase/decrease short term receivables	326	-698
Increase/decrease supplier debts	-2.853	4.182
Increase/decrease other short term debts	3.775	-2.131
Cash flow from ordinary business	7.917	-1.209
INVESTMENT ACTIVITIES		
Investment in tangible assets	0	-99
Cash flow from investment activities	0	-99 -99
cash now from investment activities	J	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
FINANCING ACTIVITY		
New loans	0	1.359
Amortization of loans	-3.445	-261
Cash flow from finance	-3.445	1.098
PERIODIC CASH FLOW	4.472	-210
Cash at the beginning of the period	1.397	1.607
Cash at the end of the period	5.869	1.397

Notes

Note 1 Accounting principles

From 2014 TagMaster applies the law on annual accounting and "Bokföringsnämndens allmänna råd BFNAR 2012:1 (K3)" for financial reporting. The compared previous year has been recalculated and the effect on the result and balance is shown in note 2.

Accounting currency

The annual report is based on Swedish crowns (SEK) and amounts are in TSEK if nothing else is said.

Cash flow analysis

The cash flow analysis is made with the indirect method and adjustments have been made for transactions which do not lead to reception of or payment of cash. As cash also, in addition to cash and bank assets, short term placements which may easily be converted to a known amount and which are due to a very limited fluctuation in value are classified.

Valuation principles etc

Assets, provisions and debts have been valued at cost if nothing else is noted below.

Income accounting

Income regarding sales of goods are accounted for when the main risks and advantages related to ownership of the goods have been passed to the buyer, which normally happens at delivery to customers, according to the sales conditions, and when the income can be calculated in a reliable way,

Tangible and intangible assets

Tangible and intangible assets are accounted for at cost and with deduction for planned depreciations based on the period of use for the assets. The following depreciation periods are applied

Inventory, tools and installations: 5 years

Loan costs

Loan costs are accounted for in the year they relate to.

Leasing agreements

All leasing agreements, whether financial or operational, are accounted for as renting agreements (operational leasing agreements). Leasing costs are accounted for linearly over the leasing period.

Income tax

Accounting of income tax includes actual tax and postponed tax. The tax is shown in the result, except in the case it is shown in own capital directly. In that case also the tax is shown in own capital. Postponed tax is shown according to the balance sheet method in all major differences. A temporary difference is at hand when the booked value of an asset or debt is different to the taxation value. Postponed tax is calculated applying the tax rate which has been decided or published on the day of balance. Postponed tax claims are shown to the point where it is probable that excess tax claims will be at hand against which temporary differences could be used.

Stock

Stock has been valued to the lowest of cost and net sales value. When deciding the cost the principle of first in first out has been applied.

Receivables

Receivables are booked at the value with which they are expected to be paid.

Receivables and debts in foreign currency

Receivables and debts in foreign currency are valued to the exchange rate on the balance day. The difference between cost and the value on the balance day has been accounted for in the result. In case claims and debts in foreign currency have been hedged they are recalculated to hedge terms.

Depositions

Depositions are accounted for when the company has or could be considered to have commitments as a result of some incident and it is probable that payments will be required to fulfill the commitment. A prerequisite is that it is possible to make a reliable estimate of the amount to be paid.

Remuneration to employees - pensions

The pension plans of the company after the employment is finished comprise both defined contributions and defined benefits pension plans. In the defined contributions plans the company pays defined fees to another separate fiscal unit. When the payment is done the company has no further commitment. In the defined benefits plans the debt and the fee are calculated considering among all expected future salary increases and inflation. All pension plans are accounted for as defined contributions plans which means that the fee is taken as cost along with the build up of the pension.

Key definitions

Gross margin: Sales minus costs for goods sold compared to sales.

Operating margin (EBITDA): Operating result in relation to net sales.

Net profit (EBIT): Result after financial costs related to net sales.

Solidity: Own capital and untaxed reserves (with deduction for deferred tax) related to the total equity.

Return on own capital (ROC): Result after financial costs related to own capital and untaxed reserves (with deduction for deferred tax).

Return on capital employed (ROCE): Result before deduction of interest costs related to average equity.

Result per share: Period result related to the average number of shares.

Note 2 Effects on result and balance 2013 after recalculation for intangible assets and calculation of deferred taxation according to BFNAR 2012:1 f

	Share capital	Bound reserve	Share premium reserve	Balanced result	Total own capital
Own capital 2013-01-01 According to agreed balance	10.773	42.967	20.803	-70.453	4.090
Corrections due to expensing method for intangible assets					
Not activated development costs				-1.578	
Postponed tax claim				4.000	
Own capital 2013-01-01 after change to BFNAR 2012:1	10.773	42.967	20.803	-68.031	6.512
Result 2013 according to agreed result				1.512	
Corrections due to expensing method for intangible assets					
Depreciation of activated development work				868	
Depreciation of activated development work				000	
Postponed tax				-627	
Result 2013 after change to BFNAR 2012:1				1.753	

Note 3 Net sales distribution

note 5 not bailes distribution		
Geographical market	2014	2013
EMEA	24.317	26.287
Asia Pacific	17.295	12.241
Americas	20.893	11.668
Total net sales	62.505	50.196
Business areas	2014	2013
Traffic	28.027	27.983
Rail	34.478	22.213
Total net sales	62.505	50.196
Note 4 Other income		
	2014	2013
Currency differences	47	148
Total	47	148
Note 5 Remuneration to auditors		
Mazars SET auditing firm AB	2014	2013
Auditing	175	231
Other auditing	0	0
Tax advice	0	0
Other services	0	0
Total	175	231

Auditing means the auditor's work to perform the legally required auditing and other auditing means different type of quality assurance services. Other services are services not included in auditing, other auditing or tax advice

Not 6 Leasing costs

	2014	2013
Operational leasing (including facilities)		
Leasing costs for the year	1.360	1.333
Remaining leasing costs due according to the following		
In one year	913	929
Later than one year but within 5 years	2681	0
Later than 5 years	79	0
Total	3673	929

Note 7 Average number of employees, salaries and other remunerations and social costs

Average number of employees	2014	2013
Women	4	4
Men	10	9
Total	14	13
Board	2014	2013
Women	0	0
Men	4	4
Total	4	4
Management	2014	2013
Women	0	0
Men	1	1
Total	1	1
Salaries and remunerations	2014	2013
Board remunerations	500	500
CEO	1746	1370
Other employees	7.326	8.874
Total salaries and remunerations	9.572	10.744
Social costs on salaries	2.948	2.996
Pension costs for CEO	436	299
Pension costs for other employees	1.044	1.335
Total salaries, remunerations and social costs	14.000	15.374

Remuneration to board and CEO

2014	Remuneration/salary	Result based on remuneration	Other remuneration	Pension cost
Chariman Rolf Norberg	200			
Board member Joseph Grillo	100			
Board member Magnus Jonsson	100			
Board member Gert Sviberg	100			
CEO Jonas Svesson	1.314	432		436
Total	1.814	432	-	436
2013	Remuneration/salary	Result based on remuneration	Other remuneration	Pension cost
Chairman Rolf Norberg	200			
Board memeber Joseph Grillo	100			
Board member Magnus Jonsson	100			
Board member Gert Sviberg	100			
CEO Jonas Svesson	1.130	240		299
Total	1.630	240	-	299

Note 8 5 years in summary

	2014	2013	2012	2011	2010
Result (SEK 000)					
TagMaster AB (publ)					
Net sales	62.505	50.196	39.616	34.190	48.515
Activated own work			0	1.011	1.197
Other income	47	148	64	436	0
TOTAL INCOME	62.552	50.344	39.681	35.636	49.712
Costs					
Purchased goods	-28.842	-20.811	-16.881	-17.291	-21.825
Other external costs	-11.726	-13.750	-12.050	-10.615	-8.495
Personnel costs	-14.900	-13.007	-10.317	-15.585	-14.905
Other business costs	0	0	-185	-402	-2.007
Items affecting comparability	0	0	-94	-1.269	0
RESULT BEFORE DEPRECIATIONS	7.084	2.776	154	-9.524	2.479
Depreciations	-170	-93	-1.283	-1.768	-1.092
RESULT AFTER DEPRECIATIONS	6.914	2.683	-1.130	-11.292	1.386
Finance net	-174	-303	-4.336	-1.973	-185
Result before skatt	6.740	2.380	-5.466	-13.265	1.201
Tax	-1.512	-627			
RESULT OF THE YEAR	5.228	1.753	-5.466	-13.265	1.201
Of the compared years only 2013 has been recalculated	according to BFNA	AR 2012:1			

Not 9 Inventory and tools

	2014-12-31	2013-12-31
Saldo balanced forward purchased value	3.265	3.166
Activation during the year	0	99
Disposals during the year	0	(
Saldo balanced forward from the year purchased value	3.265	3.265
	2014-12-31	2013-12-31
Accumulated depreciations balanced forward from previous year	3.002	2.909
Depreciations during the year	170	9:
Disposals during the year	0	(
Accumulated depreciations balanced forward from the year	3.172	3.002
Remaining value according to plan	92	262
Note 10 Shares in daughter companies		
	2014-12-31	2013-12-31
Saldo forward purchased value	0	100
Acquired during the year	0	(
Sold and liquidated during the year	0	100
Saldo balanced forward	0	C
	2014-12-31	2013-12-31
Depreciation balanced forward	0	(
Depreciation during the year	0	-7
Sold and liquidated during the year	0	7
Saldo depreciations balanced forward	0	C
Outgoing balance	0	(
Note 11 Tax		
	2014	2013
Tax for the year		
Postponed tax related to decrease of loss carried forward	1.512	627
Total	1.512	627

Total (effective tax rate)		26.3%
Tax effect from costs which are not tax deductable	0,4%	4,3%
Actual tax rate	22,0%	22,0%

Postponed tax claim	2014-12-31	2013-12-31
Balanced claim with regard to postponed tax related to losses carried forward	3.373	4.000
Postponed tax on result for the year	-1.512	-627
Outgoing claim on postponed tax	1.861	3.373

Tax related loss carryforwards per 2014-12-31 are 48,5 MSEK. All loss carryforwards are without time limit. From the tax related loss carryforwards a careful calculation has been done per 2013-01-01 in the balance sheet and they have been taken in as 4 MSEK (gross amount 18,2 MSEK \times 22%)

Note 12 Prepaid costs and accrued income

	2014-12-31	2013-12-31
Prepaid costs	767	1.378
Accrued income	0	0
Total	767	1.378

Note 13 Provisions

	2014-12-31	2013-12-31
Balanced guarantee provisions	0	31
Provisions uncommitted during the year	0	-31
Made guarantee provisions for the year	543	0
Outgoing guarantee provisions	543	0

Note 14 Other liabilities

	2014-12-31	2013-12-31
Loans due in 1 year	0	261
Loans due in 2-5 years	0	65
Total	0	326

Note 15 Revolving credit

	2014-12-31	2013-12-31
Approved revolving credit	6.000	4.000

Note 16 Prepaid income and accrued costs

	2014-12-31	2013-12-31
Prepaid income	0	0
Accrued personnel costs	1.811	1.173
Other accrued costs	5.039	1.963
Total	6.850	3.136

Note 17 Guarantees provided

	2014-12-31	2013-12-31
Guarantees provided:		
Company mortgages	8.000	7.000
Bank guarantees given	0	512
Total quarantees provided	8.000	7.512

The annual report has as can be seen below been approved by the board March 19, 2015. TagMaster AB (publ) result and balance sheet will be presented for approval at the annual general meeting April 23, 2015.

Kista March 19, 2015

Rolf Norberg Chairman of the board Joseph Grillo

Magnus Jonsson

Gert Sviberg

Jonas Svensson CEO

My auditing report has been provided on April 2, 2015

Mikael Fredstrand Authorized public accountant

Auditor's report

To the annual general meeting of TagMaster AB (publ) Corporate identity number 556487-4534

Report on the annual accounts

We have audited the annual accounts (pages 14-30) of TagMaster AB (publ) for the year 2014.

Responsibilities of the Board of Directors and the Managing Director for the annual accounts

The Board of Directors and the Managing Director are responsible for the preparation and fair representation of these annual accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

The Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted the audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the Managing

Director, as well as evaluating the overall presentation of the annual accounts.

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

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of TagMaster AB as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the Managing Director of TagMaster AB for the year 2014.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the Managing Director are responsible for administration under the Companies Act.

The Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration

based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the Managing Director is liable to the company. We also examined whether any member of the Board of Directors or the Managing Director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Opinions

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

Stockholm April 2, 2015

Mazars SET Revisionsbyrå AB

Mikael Fredstrand Authorized Public Accountant

Corporate governance

Since 2004 there is a Swedish code for corporate gover- **Investor relations** nance. It is not mandatory for TagMaster to follow the code. It has, however, been decided by the board to follow the code as far as it could be reasonable for a company, TagMaster's size. TagMaster has therefore made a voluntary adaption to the code. The balance between owners, the board and the company management is emphasized in the code. TagMaster has therefore since 2007 a nominating committee. The code is also requesting certain information to be provided on the company home page. This is also today the case for TagMaster.

Annual General Meeting (AGM)

The shareholders decide at the AGM according to Swedish law and TagMaster's company rules about board and other major issues about the company.

The board and its work

The present board was elected at the AGM April 24, 2014. The board is meeting regularly and during 2014 the board has met 5 times. There is an approved document governing the work for the TagMaster board.

Management

The CEO is since the last quarter 2012 Jonas Svensson. Maria Nordgren is responsible for the economy function and Björn Kalmskog has during the year been responsible for regular accounting support on consulting basis. Johan Franzén is the CTO of the company. The CEO together with management and personnel is responsible for the daily business and should follow and also develop the company strategy. The strategy should regularly be presented to and approved by the board.

Auditing committee

TagMaster is a small company and it has been agreed that the auditing committee issues should be handled by the board in its whole. There is therefore no special auditing committee.

Nominating committee

The nominating committee should be composed of the chairman, the three biggest shareholders per end of September the year before the AGM and one representative for the smaller shareholders. The nominating committee should propose chairman for the AGM, chairman and board members for TagMaster AB. The committee should also propose auditors and the remuneration of auditors and board as well as guidelines for remuneration of any additional assignments by the board members.

TagMaster should provide information about its business which is relevant, up to date and as fast as possible considering limitations which may come from other parties requests to keep a low profile on some business due to e g the competitive situation. All contacts with the external market is handled by the CEO and the appointed IR responsible person or in some cases the chairman. The main source of information is the company home page.

www.tagmaster.com

Board of directors and management

Rolf Norberg, chairman born 1949 1,549,320 shares in TagMaster AB Also chairman in Dualtech IT, Gothenburgh Board member of ReWiCom AB Dr Techn from Royal institute of technology

Work experience: Sandvik, Securitas, ASSA ABLOY and

Niscayah

Joseph (Joe) Grillo, board member, born 1957 500,000 shares in TagMaster AB B.S. in Financials, University of Connecticut Owner and chairman of Vanderbuilt security, USA, Work experience: HID, ASSA ABLOY, Digital Angel

Magnus Jonsson, board member, born 1966 400,644 shares in TagMaster AB IHM International Marketing Management Independent consultant Work experience: Aritech, GE, ASSA ABLOY, Niscayah and Imtech

Gert Sviberg, board member, born 1967 17,535,460 shares in TagMaster AB Marine engineer Running several own companies Active in real estate development Jonas Svensson, CEO

100 000 shares and 2 000 000 warrants in TagMaster AB Master of economics from Lund university Earlier work for: Kinetico Inc. Smarteg Wireless, American Express and Siemens

Johan Franzén, CTO 150 000 shares in Tagmaster AB Master of Engineering in Electronics from Chalmers Earlier work for: Ericsson and Optillion

Shareholders

Largest shareholders per 2014-12-31

Name	Number of shares	% of shares
ÅLANDSBANKEN AB, W8IMY	35 669 860	33,11
(Of which G.Sviberg privately 17 384 660 and through companies 378.000)		
FAMILY HAMILTON/LEWENHAUPT INCLUSIVE COMPANIES	12 247 835	11,37
WESTLUND, JAN	7 307 976	6,78
NORDNET PENSIONSFÖRSÄKRING AB	5 739 188	5,33
AVANZA PENSION	5 088 085	4,72
MIKAEL ARONOWITSCH INCLUDING COMPANIES AND FOUNDATION	3 040 334	2,82
BANQUE CARNEGIE LUXEMBOURG SA	2 233 777	2,07
PICTET & CIE	2 219 127	2,06
NORBERG, ROLF	1 549 320	1,44
KBCI LTD CLIENT A/C	1 518 750	1,41
HÖGLUND GUNNARSSON, GERD ULLA-BRITT	1 480 000	1,37
EUROCLEAR BANK S.A/N.V, W8-IMY	1 316 250	1,22
SJÖBERG, ERIK ROBERT	1 106 678	1,03
SVÄRDSÄTER, LEGOLAS	810 000	0,75
FRIENDS PROVIDENT INTL	800 000	0,74
OTHER	25 604 528	23,77
TOTAL	107 731 708	100,00

Share holding by board and employees of TagMaster per2014-12-31 $\,$

Name	Insider	B-aktier
Rolf Norberg	Chairman	1 549 320
Gert Sviberg	Boardmember	17 535 460
Magnus Jonsson	Boardmember	400 644
Joseph Grillo	Boardmember	500 000
Jonas Svensson	CEO	100 000
Jonas Svensson	CEO, Warrants	2 000 000
Johan Franzén	Employee	150 000
Lars Lindberg	Employee	8 000
Ronny Andersson	Employee	45 000
Mattias Nordenberg	Employee	38 694
Olle Axling	Employee	15 000
Mattias Gyllenros	Employee	57 000
Hans Henriksen	Consultant	74 038

Information to the shareholders

Annual General meeting 2014

The annual general meeting (AGM) will be held at Middlepoint, Kronborgsgränd 1, Kista 2015-04-23 at 15.00. Relevant and actual information for the AGM will be held available at the TagMaster home page www.tagmaster.com

Registration

Shareholders who wish to participate at the AGM should:

- Be listed by Euroclear as shareholder no later than April 17, 2015
- Register their intention to participate at the AGM no later than April 17 to TagMaster
- By letter:

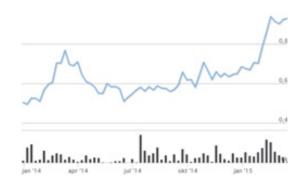
 TagMaster AB
 Kronborgsgränd 11
 164 46 Kista

 Attention: Maria Nordgren
- By e-mail aktie@tagmaster.se

The registration for participation should include name, social security number or organizational number, address, telephone number and the number of shares. Any documents required or referred to like registration documents or proxies should be sent with the registration. Shareholders who have their shares held in trust, must to get the right to participate register the shares at Euroclear in their own name at the latest April 17, 2015. Shareholder may bring a maximum of two assistants to the AGM if the assistants are registered according to what is said about registration to participate. Proxy form is available at the company home page www.tagmaster.com

Share information	2014	2013
Turnover per share Result per share Own capital per share	0,58 0,05 0,125	0,47 0,02 0,05
Number of shares at yearend '000	107 732	107 732
Share value at the end of the year, SEK Market cap at the end of The year, MSEK	0,63	0,50
	68	54

TagMaster share price development 2014-15



Disposition of result and dividend proposed by the board (KSEK)

Balanced result per 2014-12-31	2 663
Year end result 2012	5 228
At disposition for the AGM	7 891

The board proposes the accumulated result to be balanced in a new account.

The board further proposes to decide on a dividend of 0,00 SEK for the year 2014.

Expected reports 2015-16

First quarter report	April 23, 2015
Half year report	July 16, 2015
Third quarter report	October 22, 2015
Year end report 2015	January 28, 2016