

Annual Report 2015



TagMaster AB
556487-4534

This is an in-house translation from the Swedish language original. In case of discrepancy between the Swedish language original text and the English language translation, the Swedish text shall prevail.

TagMaster



About TagMaster

TagMaster designs and provides advanced identification systems based on radio and vision technologies, for use in the Smart Cities of today and tomorrow. With the rapid growth of today's urban areas, the Smart City concept is vital in bringing together technology with people to make everyday life simpler, safer and more efficient. TagMaster's innovative solutions use RFID (Radio Frequency Identification) and ANPR (Automatic Number Plate Recognition) technologies to optimise mobility and communication – thus creating safer societies with smoother traffic flows and more sustainable urban environments.

Having pioneered the development of high performance long-range RFID for over two decades, TagMaster is now the world's leading supplier of advanced RFID-based mobility solutions within traffic and rail systems. In 2015, we acquired CitySync – known for their cutting edge ANPR technology. Today, Smart Cities all over the world are using our solutions for green flow installation, crime prevention, public and private security systems, parking management and innumerable other applications.

Our products are well known for their top-class quality, unparalleled performance, ease of use and versatility. Their robust design is built to withstand extremely demanding environments, all the while ensuring reliability, accuracy and safety.

TagMaster has offices in Sweden and the UK, as well as a global network of partners, system integrators and distributors. TagMaster is a public company and its shares are traded on the First North Stock Exchange in Stockholm, Sweden.



Contents

TagMaster 2015

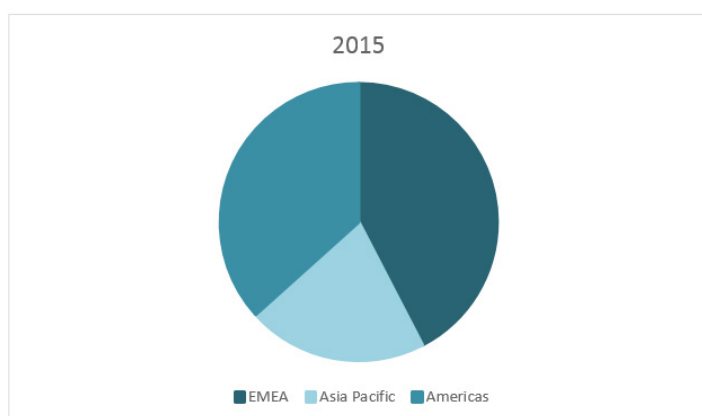
2015 in summary	03
TagMaster 2011-2015	04
Introduction by the chairman	05
The CEO about TagMaster	06
Vision and mission	07
Targets and strategy	08
Customers and business areas	09-10
TagMasters market and growth opportunities	11-12
Technologies and competitors	13

Financial review

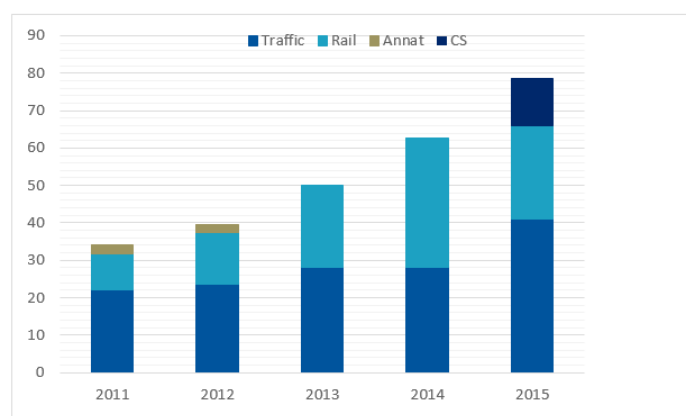
Directors report	14-15
Risks and risk management	16-17
Financial accounting the group	18-21
Financial accounting the company	22-25
Auditors report	27-28
Corporate governance	29
Board of directors	30
Shareholders	31
Information to the shareholders	32
Notes	TBD

2015 in summary

- ▶ Clear vision regarding increased presence within Smart Cities
- ▶ Acquisition of CitySync in the United Kingdom
- ▶ TagMaster continue being profitable with a positive cashflow
- ▶ Share issue, totalling around 30 MSEK, including a new strong owner, LMK Venture
- ▶ Turnaround of CitySync during the second half year after years of losses
- ▶ Continued sales growth through focus on the chosen business segment
- ▶ New major business in Rail, the biggest ever for the company, and which will continue for the next three years
- ▶ Several new products launched, including in the ANPR (Automatic Number Plate Recognition) business
- ▶ Traffic solutions has continued to be very successful in the US and it has also developed well in other markets



Revenue per region, 2015



Revenue per business segment, 2011-2015

TagMaster Group 2011-2015 in summary

RESULT (SEK 000)	2015	2015	2014	2013	2012	2011
		The company				
Net sales	78 975	66 468	62 505	50 196	39 616	34 190
Activated work for the company	0	0	0	0	0	1 011
Other income	47	46	47	148	64	436
TOTAL SALES	79 022	66 514	62 552	50 344	39 681	35 636
Costs						
Goods for sale	-32 582	-28 472	-28 842	-20 811	-16 881	-17 291
Other external costs	-18 231	-12 830	-11 726	-13 750	-12 050	-10 615
Personnel costs	-25 507	-17 499	-14 900	-13 007	-10 317	-15 585
Other business costs	0	0	0	0	-185	-402
Items affecting comparability	0	0	0	0	-94	-1 269
RESULTS BEFORE DEPRECIATION	2 702	7 713	7 084	2 776	154	-9 524
Depreciation	-1 365	-92	-170	-93	-1 283	-1 768
RESULTS AFTER DEPRECIATION	1 337	7 621	6 914	2 683	-1 130	-11 292
Finance net	-50	-311	-174	-303	-4 336	-1 973
Result before tax	1 287	7 310	6 740	2 380	-5 466	-13 265
Tax	1 866	1 866	-1 512	-627		
RESULT FOR THE YEAR	3 153	9 176	5 228	1 753	-5 466	-13 265

2014 and 2013 have been recalculated according to BFNAR 2012:1

TagMaster Key figures

KEY FIGURES	2015	2014	2013	2012	2011
Net sales, SEK 000	78 975	62 505	50 196	39 616	34 190
Net sales growth %	26,3	24,5	26,7	15,9	-29,5
Operating margin %	1,2	11,1	5,3	-2,8	-33
Profit margin %	1,6	10,8	4,7	-13,8	-40,6
Solidity %	71,3	51,3	35,8	25,7	30,2
Return on own capital %	4,5	62,0	32,2	-133,6	-201,2
Return on total capital %	3,0	28,0	12,9	-34,4	-56,7
Result per share after tax, SEK	0,02	0,05	0,02	-0,05	-0,16
Average number of employees	40	14	13	12	18
Average number of shares '000	144 712	107 732	107 732	102 695	80 570
Number of shares at the end of the period '000	167 824	107 732	107 732	107 732	95 360

Numbers for 2015 pertains to Group

2014 and 2013 have been recalculated according to BFNAR 2012:1

Introduction by the chairman

A new exciting year has ended for TagMaster. Continued profitability and a positive cash flow is now combined with a first acquisition, CitySync Ltd, automatic number plate recognition (ANPR), in the United Kingdom. The company thereby enters into 2016 with an expected annual turnover beyond 100 MSEK. A strong management, a clear strategy and continued focus on our customers has been essential to get this far.

TagMaster is today a healthy organization with its basics in place, management, strategy, personnel, profits and cash flow. But we want to show that we can do more. Starting by our strategy, to become an important player for intelligent components and smaller systems for Smart Cities, which is about to become an important business in a world of fast urbanization.

In contrast to the previous year the Rail business has been slower, while growth within Traffic business has been pleasing. Our efforts have produced good results. We are delighted to have received a substantial order before year end, one which will run over several years and has both NRE and component sales.

Continued strong growth is essential. We also need to strengthen the organic growth by entering into adjacent customer segments where our technology could find success as it is or with changes and complements which we could achieve with our existing and very strong competence in the field.

CitySync, a company showing substantial losses at the time of acquisition in early July 2015, is close to break-even during the fourth quarter and is now expected to contribute to profits in 2016. The acquisition has high potential as there are major synergies in product, market and the development side.

The products RFID and LPR could be used together in combination or complementary. CitySync is strong in software development, while TagMaster is strong in hardware. The market channels are partly overlapping, but to a great deal also different, which broadens the total market channel for both companies.

We expect to make further acquisitions during 2016. As always, acquisitions are hard to plan in detail, it depends on supply and demand and the interest for both buyer and seller. The market for products for Smart Cities is still very fragmented and there are many interesting companies challenged with volumes and profits, which means you could expect a certain supply.

Management and personnel have once again made a great effort during the year. The growth for the year was 26,3% with an EBITDA of 2,8 MSEK. Cash flow ended at 5,9 MSEK for the full year and the company is debt free with a solidity of 71,6%

2015 turned out to be a year with high activity. There are reasons to believe that this will be the same for 2016.

Rolf Norberg
Chairman



The CEO about TagMaster

During 2015 TagMaster has started the execution of the part of our strategy which is based on selective acquisitions by acquiring CitySync Ltd. We have come a long way in the integration and transformation work of CitySync, which after many years of losses is going through a real change with a new strategy and a more efficient organization. One effect of the change in strategy will be a lower turnover for City Sync in the present year before entering a new expansion phase. This is a consequence of the fact that we consciously have abandoned a number of bigger non profitable projects and instead are focusing on building a scalable business model supported by several product launches during 2016. We have also chosen to focus our marketing resources on fewer markets coinciding with TagMaster's markets.

We have during the year formed what we call a strategy for growth and profitability. Our activities are following the strategic action plan and 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 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. Smart Cities has become an entity by itself and is an important driving force in the development of new solutions to improve communications.

Product innovation is fundamental for our growth 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 fundamental on which successful long term organic growth is built. We continued during 2015 to launch new products in our family of UHF products and we are looking forward to a launch of further family members during 2016. In CitySync we will launch several new cameras and software during the coming year. The purpose is to address a bigger market and thereby increase our volumes. In focus for our product innovation we anticipate 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 continue to increase our turnover for long term success. We have therefore primarily 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 2016 with selective acquisitions with the purpose to increase the value and the attraction in our customer offering. We are looking forward to further acquisition opportunities during 2016 and we want to build our organization to support our significant growth ambitions. To quote Ingvar Kamprad "*most things are not yet done – wonderful future*".

Finally I want to express my gratitude to all our employees for good efforts and a special thank you to our new employees in CitySync, who have experienced a year with much change. We have reason to be happy, even if we are not satisfied, with the progress we have done during the last year. Now we are facing new challenges in increasing our growth further, organically as well as through acquisitions and I am optimistic about 2016 to contribute to this.

Jonas Svensson
CEO



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

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%

Targets and strategy

TagMaster is today a growing company and is profitable. In addition to the organic growth a first acquisition has been made. CitySync, with a history of losses, has seen a turnaround during the second half of 2015 and is expected to deliver profits during 2016. More acquisitions are expected when the opportunities come.

Strong management

It always start with the board and top management. You need a shared vision and a clear direction for the company and you need a strong CEO leading business forward every day. The CEO is in place since late 2012 and vision and strategy has started to become really clear and firm. The next step is for the Vision to be understood and shared by everyone - owners, the board, CEO and employees. The Vision and the strategy has been discussed at length in the board during the year and has now been formalized and it is communicated internally as well as externally.

A strategy

Starting with the vision we also need a strategy. What should the company be focused on? For which customers and with which applications should we build our business? Which products do we need to go forward with these customers and applications? Through our focus on the two segments **Traffic Solutions** and **Rail Solutions** we have defined where to look for our success. Through limiting ourselves and through our focus we have set the commitment for being strong and maybe even a leading player in these segments. TagMaster should play an important role for the **intelligent traffic solutions** of the future, or as is more and more often called, products and solutions for **Smart Cities**.

Organisation and economy in place

The company is still relatively small and the organization is clear and in place in Sweden as well as in the newly acquired company in the UK. The funding is relatively strong due to the successful share issue and with good profitability and positive cash flow. We believe we have sufficient financial resources to be able to make another acquisition in the short term. Further and bigger acquisitions may require capital injection.

Profitable business

TagMaster is still profitable.

Growth

Strategy and organization prove itself through growth.

Targets

TagMaster should grow with 20% per year or more as an 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. The 2015 financial results have shown growth and positive cash flow. Due to the acquisition of the loss making company CitySync we have carried some initial losses which has penalised our Group EBIT, while the company is still doing well.

Strategy

TagMaster will continually develop new products, its distribution channels and by working actively and near its customers expand the Traffic Solutions segment. It is also within Traffic Solutions we see the biggest opportunities to grow further through acquisitions. The company will, by deepening and keeping the good business relations, provide active support to existing customers in the Rail Solutions segment.



Customers and business areas

TagMaster and CitySync have established customers all around the world. With more than 150 partners in more than 30 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 the company's solutions are very reliable in demanding environments and thereby also offers an easy to install solutions with very low maintenance cost.

Parking lots, public transport prioritization and control and toll roads are examples where the company's AVI solutions (automatic vehicle identification) have proven their performance. Another important area for TagMaster 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 reduce risk for accidents.

Traffic Solutions

In the business area Traffic Solutions, 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 among other a new product family in the UHF area, which was launched during the first half of 2014 and in which further products have been added during 2015. TagMaster's sales network includes a few national partners, traditional distributors and a number of integrators/installers within traffic, parking, security and access control sectors. Business is characterized by small and midsize orders intended for specific projects. During the year systematic work has continued 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 engage closer with 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. We will therefore see more of our product offerings containing additional application solutions, especially our CitySync solutions.

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

- ▶ Parking and access control
- ▶ Electronic toll roads
- ▶ Fleet management and industrial RFID

As a consequence of the acquisition of CitySync we add new application areas such as:

- ▶ Traffic time measurement
- ▶ City and road safety/monitoring
- ▶ Freeflow-parking and access analysis

We address industries such as transportation, traffic, security, parking, airports, harbors, mines and fleet operators.

As the Traffic Solutions market grows and the Smart City concept comes into place, we see many of our existing partners in this segment looking for suppliers able to deliver several of the technology components required to enable intelligent traffic solutions.

Rail Solutions

Rail Solutions has had something of a slowdown year regarding new projects but there has also been a strong focus on getting good understanding for our new business model (engineering, product and support), which we will work with for most of our customers. TagMaster's robust products with a very high degree of built in functionality are very well adapted 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.

During the year we started a development project in cooperation with several of our rail customers, where we plan to make a new RailTag with a doubled life time. This is a functionality much in demand since all rail participants strive for a minimum of changes and influence on traffic during the lifetime of the projects, which is often specified to 25-30 years. During 2016 the product will be tested by our partners.

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. There are continual discussions with Alstom in

Customers and business areas

France regarding new projects while product deliveries have been concluded during the year. Thales, one of the big companies within train signaling, has continued to use TagMaster equipment for new projects during the year. Another two of the big train signaling suppliers have used TagMaster products during the year. The year ended with the announcement of a big order containing all components in our new business model and which will continue for 3 years.

Partners

As has been already mentioned above new partners have been appointed and the work to establish more partners will continue to be in focus during 2016. 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.

From left, installations by TagMaster North America Inc.

Upper left, Duke University Parking, Durham, North Carolina
Lower left, Colonial Heritage Homes, Williamsburg, Virginia



From right, installations by Loadscan Ltd, Nya Zeeland.

Upper right, ODOD Gold, Mongolia
Lower right, Kibali Gold Mine, Congo



TagMasters market and growth opportunities

By definition Traffic Solutions opens, while it also better characterizes what we focus on today, new opportunities. There are a huge number of products and companies working in this area and their technology is more and more often used in solutions together, or sometimes in competition, with TagMaster and CitySync. They could be based on RFID and ANPR (automatic number plate recognition) but also on other technologies. Through a visible presence in this market, new growth opportunities are sought after, organically as well as through future acquisitions.

The driving forces in the areas where TagMaster is focused today, Traffic Solutions and 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 greater need to reduce traffic congestion and pollution. There are studies showing that a third of all traffic congestion in cities depend on cars looking for parking spots.

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

The ANPR market is expected to have a strong growth with a yearly increase of 12-15%* depending on specific application areas. The fastest growing areas are toll roads, safety/monitoring of traffic and traffic control, all areas where CitySync is active and where products are developed. The geographic markets which are most important are Europe and the US with the United Kingdom as a big market by itself.

For TagMaster the RFID market in Traffic Solutions is much focused on parking and access solutions, where the products are well proven and established, and toll roads where we intend to continue to take market share.

Looking at application areas where TagMaster is active today, Rail Solutions and Traffic Solutions, they are both composed of areas where large volumes are found at the low end eg 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 last couple of years widened and further specified its offering to this segment, and the customer offering is now in addition to 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 customers receive, both for adoption of products and for designing the products in new projects and to maintain a good function.

Growth opportunities

TagMaster is active in the area of Intelligent Transport Systems. It is an area of strong growth as a consequence of increasing urbanization, it is estimated that 75% of the world's population live in cities by 2050, and thereby need to make rail bound as well as road bound communication more efficient. It is necessary for 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. The so called Smart Cities have become an important concept and an important driving force to develop new solutions to provide better communication for the population.

TagMaster has products, readers and tags, in the microwave area (2,45 GHz) and in the UHF area (860-930 MHz). The TagMaster products are for both areas intended for applications with high demands on being very robust and working in all sorts of demanding environments. TagMaster can also add very important know-how about RFID use. There is deep knowledge about the technology used, but also broad experience from the many different applications for which the TagMaster products have already been used.

TagMaster will continue to set new standards and try to be one of the very best choices regarding price/performance. CitySync is presently going through the biggest investment in new products and solutions ever and the product development is being increasingly integrated with TagMaster's development work. There are strong synergies and when we join the hardware competence of TagMaster with the software competence of CitySync we see unique solutions differentiating us from the competition. We are striving for applications and solutions which will help us to realize the ambition to strongly increase our customer base, as an example we will offer small parking systems built on the RFID and ANPR technologies combined.

Through increased focus on Traffic Solutions the potential for growth in the segment is considered to be quite substantial. By complementary offerings from partners and adjacent technologies the potential is very interesting for

* IHS Technology
ANPR and Detection Sensor Technologies 2014

TagMasters market and growth opportunities

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 are an important component in our growth strategy.

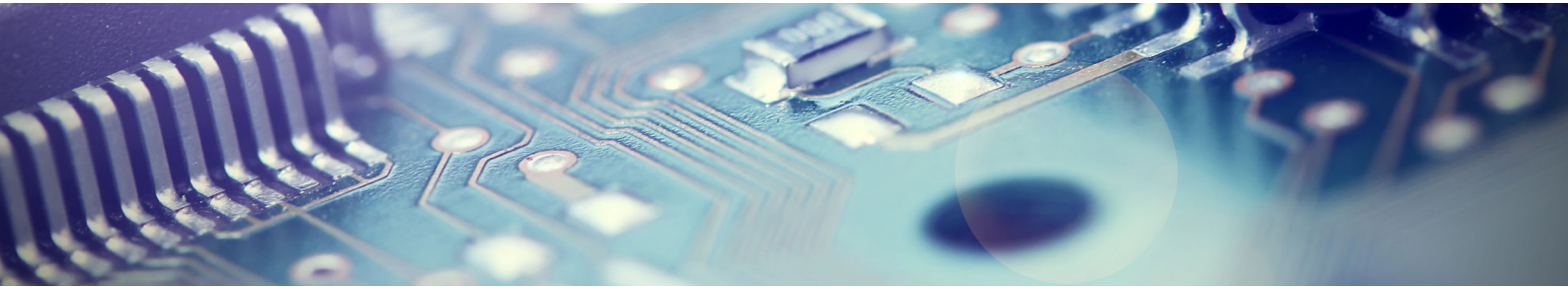
The segment Rail Solutions is focused on rail bound solutions for underground, trams and national rail. With the TagMaster experience and know-how and with reference to the advanced solutions where the products have shown their strength, there is a very good potential to add further train and signaling manufacturers to the customer list. This is of high priority during the years to come. It is also important to deepen the cooperation with the companies in this area and we could expect more of engineering projects such as the one we have announced at the end of 2015, 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.



Technologies and 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 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 challenge.

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 under all these conditions

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

The ANPR market also consists of several players which can be simplified into hardware (cameras) and software manufacturers. The software is most importantly OCR (optical character recognition). This software is what identifies numbers and letters in the number plates and also require

algorithms to convert signs to images. The CitySync expertise is in algorithmic handling and fast execution as well as in a very high precision in the process. This together offer very high reliability, which is necessary when the products are the base for charging and fines enforcement.

For cameras it is of great importance to capture long distance and to operate around the clock, which means you need IR illumination in the camera to work through the night and to read different kind of number plates containing, pictures, symbols, letters and numbers.

CitySync offers a complete system of software and cameras and the possibility to integrate it all in a back office system.

The main competitors on the international market are small independent specialized companies as well as departments or subsidiaries in bigger corporates.. 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.

Through our clear focus on Traffic Solutions and Rail Solutions new opportunities are opened up. We find reason to search for closer cooperation with companies working in adjacent fields and who complement our RFID and ANPR offers. It could be with other similar solutions or with another technology.

In Rail Solutions we come closer to our customers through our new services and will thereby deepen our understanding of their needs and through this also strengthen our already very competitive product offering.

Directors report

The directors of TagMaster AB (publ.), corporate identity number 556487-4534, hereby present the following annual report for 2015.

The business

TagMaster develops and delivers products, readers and tags, in the microwave area (2,45 GHz) and in the UHF area (860-930 MHz), which is becoming increasingly popular. CitySync develops and markets ANPR cameras and software. ANPR software uses optical character reading (OCR) of number plates where an image is converted into numbers and letters. Products in both technologies are intended for applications with high demand on robustness and in demanding environments. The products are resistant to heat, cold, snow, ice, rain, vibrations, dirt, electrical disturbance and radiofrequent disturbances.

TagMaster and CitySync can also add knowhow in the use of RFID and ANPR. We have deep knowledge about the technologies used, and also have experience from the many different applications where the company's products are already in use. CitySync is a part of the business segment Traffic Solutions.

Typical application areas for TagMaster's and CitySync'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 under ground and commuter trains) to position trains, make traffic more efficient and for providing passenger information.
- ▶ Prioritization of public transport at cross roads and special public transport lanes.
- ▶ Electronic toll road systems for identification and reading of vehicles to enable charging of road use.

Essential activities during 2015

In July 2015 TagMaster acquired CitySync Ltd, a company specializing in ANPR technology (Automatic Number Plate Recognition), which will complement TagMaster's technology offering and enhance TagMaster's position as technology provider towards the Smart Cities.

CitySync's expertise is in writing software algorithms that enables reading with speed and high accuracy, signs, images and characters on a vehicle license plate day and night. CitySyncs' products are used in road tolling, parking solutions, access solutions, security and anti-terrorist solutions. Our current sales is mainly in UK, which is Europe's largest

market for ANPR solutions, however the company has also started to approach the US market which is predicted to grow substantially over the next few years. The ANPR industry is positioned to have a bright future and, as CitySync is one of the leading players, we predict good growth for the coming years.

CitySync has been lossmaking for many years, so immediately following the acquisition, we announced and introduced a turnaround program with the aim of making the organization more efficient and increase the sales volumes. As a consequence from this strategy change, the turnover at CitySync will be lower during 2016 before entering a growth-phase. This reduction in revenue is expected as we made a deliberate decision to withdraw from a couple of large unprofitable projects and rework our model towards a scalable business that will be supported by several product launches during 2016.

To finance the CitySync acquisition, TagMaster issued new shares as a combination of a share issue to the existing shareholders and a directed share issue to the investment company LKM Ventures, our new strategical owner. The combined share issue totalled approx. 30 MSEK before transaction costs. Additionally, in 2015 TagMaster acquired a company which was used as an administration vehicle for the rights issue 2015/2018, a program which was offered to all TagMaster employees. 2015 is the first financial year for which we will be providing consolidated figures. Prior years' figures will comprise information for only the company.

2015 in summary

Sales and results

For 2015 the company shows net sales of 79,0 MSEK (62,5). The result after tax is 3,1 MSEK (5,2), which corresponds to 0,02 SEK 0,05) per share (totally 144 711 821 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 results 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 Traffic Solutions.

The result from the ongoing business (EBITDA) was positive for the year with 2,7 MSEK. Expenses during 2015 were 43,7 MSEK (26,8). The result after tax for 2015 was 3,1 MSEK (5,2) gives a solidity at the end of the year of 71,3 % (51,3).

Directors report

Liquidity

As at December 31, 2015 TagMaster had 12,5 MSEK (11,9) cash and cash equivalents, including unused revolving credit. The revolving credit is 8,0 MSEK (6,0).

The operational cash flow has during the year been 5,2 MSEK (7,9).

As at December 31, 2015, accounts receivable were 14,8 MSEK (9,2), accounts payable were 6,0 MSEK (5,0) and inventories were 14,4 MSEK (6,8).

The company

The company shows net sales for the period of 66,5 MSEK (62,5). The EBITDA result for the period was 7,7 MSEK (7,1) and the result after tax was 9,2 MSEK (5,2) The company had an average of 16 (14) employees.

The group

The group had an average of 40 employees during 2015.

The Board

The board met 10 times during the year. Important matters relating to the company strategy and direction, development of marketing and sales and budget for 2016 were discussed. 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 and CitySync are active with their products and solutions in a growing market, which is significantly bigger than their present volumes. This is of course valid for RFID and ANPR in general, but also for the niches of more qualified applications where both companies are active. It is therefore very important for the companies future actions and success to sell aggressively within the chosen segments of business.

The demand for TagMaster's products has been good during the year in both segments, Traffic Solutions and Rail Solutions. The year has been good for Traffic Solutions while Rail Solutions has had a slower year. The Rail Business is volatile which is a consequence of few customers and relatively big projects. At the end of the year we announced a big Rail order, the biggest in the company history, which will continue for three years and consist of an engineering part as well as of major product deliveries.

Product development

The development resources have during the year been used to continue the development of new product family

in the UHF area for the segment Traffic Solutions. At CitySync there is ongoing development to get new cameras and new applications for our prioritized market segments. Resources have also been allocated to actively support sales, especially within the area of Rail Solutions, where NRE (Non Recurring Engineering) projects have been commissioned for Rail customers. The development department consists of 22 people, which is the single biggest expense for the company.

Share option program

TagMaster launched during the year a share option program 2015/2018 of 5 million warrants, designed for the benefit of the employees. The warrant owners have the right to subscribe for one share of series B in TagMaster AB. The strike price was set at 1,22 SEK, which is 140% of the average share value during the measurement period when the program was established.

5 year summary

See note 7

Outlook for 2016

We go into 2016 with a profitable 2015 behind us. We have further increased focus on our customers with a clear strategy for continued growth. We are cautiously optimistic about 2016 with the target to continue to build a successful growth company.

The main challenges for 2016 are to deliver further long term growth by continuing to execute 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, 2015 was 1492 (1488)

Disposition of result and dividend the company (KSEK)

Balanced result as at December 31, 2015	7 891
Share premium reserve	25 385
Year end result 2015	9 176
At disposal for the AGM	42 452

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

For the financial year ending December 31, 2015, the board proposes a dividend of 0,00 SEK.

Risks and risk management

General

TagMaster has demonstrated growth in the last few years, with increasing profitability. If this growth continues in the future the company becomes less exposed and more robust and can better handle challenges. 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. The following is a list of the obvious and for TagMaster more specific risk factors.

Business risks

Partners: TagMaster has a number of larger and smaller partners in more than 30 countries. We trade with distributors, resellers and integrators in both business segments. In 2015, the biggest partner was responsible for 19 % of the total sales. The five biggest partners together accounted for 49 % of the total sales. Loss of one big partner may have a significant impact on the revenues. 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 TagMaster 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, results and financial situation for the company. 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 two are key 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 with consequential 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 as well as in the ANPR market. Both smaller and larger companies are active 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 lower 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 they decide to leave, it may have a negative impact in at least the 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 expectations of 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 in place 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.

Financial risks

Financial situation: As at December 31, 2015 TagMaster had cash and cash equivalents of 12,5 (11,9) MSEK, including a bank credit facility of 8,0 (6,0) MSEK.

TagMaster will also in the future use bank and other funding institutions to finance its business. Borrowing money on the business or on the strength of 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 funding costs 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

Risks and risk management

months need no further financing apart from an increased drawdown of the revolving credit facility to increase the working capital to manage the organic growth targets.

Currency risks: Around 94,2 % the TagMaster business transactions are in foreign currency. The most important currencies are EUR, USD and GBP. 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. 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 procedures 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.

Acquisitions and capital injection

The company's ambition to grow through acquisitions will, however, require a significant capital injection, possibly via a share issue. The purpose is that this together with a regular bank loan should enable financing of future acquisitions. A good and well performed acquisition creates prerequisite for faster growth and increasing profits, but it also carries a certain financial risk.



Financial accounting the group

INCOME STATEMENT (SEK 000)	Notes	FULL YEAR 2015
Net sales	2	78 975
Other revenue	3	47
TOTAL SALES		79 022
Cost		
Purchased goods		-32 582
Other external costs	4,5	-18 231
Personnel costs	7	-25 507
Other costs		0
RESULT BEFORE DEPRECIATION		2 702
Depreciation	8,9,11	-1 365
RESULT AFTER DEPRECIATIONS		1 337
<i>Financial income and costs</i>		
Interest and financial costs	12	-50
TOTAL FINANCIAL INCOME AND COSTS		-50
RESULT BEFORE TAX		1 287
Tax	13	1 866
RESULT FOR THE YEAR		3 153
Result per share before dilution		0,02
Result per share after dilution		0,02
Number of shares, average		144 711 821
Number of shares, end of period		167 824 391

Financial accounting the group

BALANCE SHEET (SEK 000)	Notes	2015-12-31
ASSETS		
Fixed assets		
<i>Intangible assets</i>		
Goodwill	11	20 358
<i>Tangible assets</i>		
Inventory, tools and installations	8	757
Property improvements	9	271
<i>Financial assets</i>		
Postponed tax claim	13	4 194
Total fixed assets		25 580
Current assets		
<i>Stock</i>		
Goods for sale		14 372
<i>Short term claims</i>		
Accounts receivable		14 786
Other short term claims		478
Current tax claims		429
Prepaid costs and work in progress	14	1 697
Cash and bank	17	4 492
Total current assets		36 254
TOTAL ASSETS		61 834
OWN CAPITAL AND DEBT		
Own capital		
Share capital		8 391
Other paid-up capital		95 239
Balanced result		-62 724
Result from the year		3 153
Total own capital		44 059
Provisions	15	1 476
Total provisions		1 476
Short term debts		
Accounts payable		6 042
Other short term debts		1 400
Accured cost and prepaid income	16	8 857
Total short term debts		16 299
TOTAL OWN CAPITAL AND DEBTS		61 834
SECURITIES AND CONTINGENT LIABILITIES	17	
Liabilities		8 000
Pledged assets		None

Financial accounting the group

CASH FLOW ANALYSIS (SEK 000)	FULL YEAR 2015
FROM ORDINARY BUSINESS	
Result before depreciation and financial costs	1 337
<i>Other non cash influencing costs</i>	
Depreciation	1 365
Effect of internal exchange rates adjustment	-85
Warranty provisions	513
Profit fixed assets	74
Paid interest and finance costs	-50
Changes in working capital	2 069
Cash flow from ordinary business	5 223
INVESTMENT ACTIVITIES	
Investment in tangible assets	0
Investment in subsidiaries	-35 174
Cash flow from investment activities	-35 174
FINANCING ACTIVITY	
Share issue	27 922
Warrant payments	697
Amortization of loans	0
Cash flow from finance	28 619
PERIODIC CASH FLOW	-1 332
Cash at the beginning of the period	5 869
Effect of exchange rates differences	-45
Cash at the end of the period	4 492

Financial accounting the group

CHANGE IN OWN CAPITAL (SEK 000)

	Share capital	Other paid-up capital	Balanced result incl. year result	Total own capital
Formation of group	5 386	69 157	-61 050	13 493
Share issue	3 005	25 385		28 390
Warrant payments		697		697
Transaction difference			-1 674	-1 674
Result for the year			3 153	3 153
Own capital 2015-12-31	8 391	95 239	-59 571	44 059

Financial accounting the company

INCOME STATEMENT (SEK 000)	Notes	FULL YEAR 2015	FULL YEAR 2014
Net sales	2	66 468	62 505
Other revenue	3	46	47
TOTAL SALES		66 514	62 552
<i>Cost</i>			
Purchased goods		-28 472	-28 842
Other external costs	4,5	-12 830	-11 726
Personnel costs	7	-17 499	-14 900
Other costs		0	0
RESULT BEFORE DEPRECIATION		7 713	7 084
Depreciation	8	-92	-170
RESULT AFTER DEPRECIATION		7 621	6 914
<i>Financial income and costs</i>			
Interest and financial costs		0	2
Interest costs and similar items	12	-311	-176
TOTAL FINANCIAL INCOME AND COSTS		-311	-174
RESULT BEFORE TAX		7 310	6 740
Tax	13	1 866	-1 512
RESULT FOR THE YEAR		9 176	5 228

Financial accounting the company

BALANCE SHEET (SEK 000)	Notes	2015-12-31	2014-12-31
ASSETS			
Fixed assets			
<i>Tangible assets</i>			
Inventory, tools and installations	8	0	92
<i>Financial assets</i>			
Shares in subsidiaries	10	35 224	
Receivables in subsidiaries		2 847	
Postponed tax claim	13	4 194	1 861
Total fixed assets		42 265	1 953
Current assets			
<i>Stock</i>			
Goods for sale		8 405	6 807
<i>Short term claims</i>			
Accounts receivable		7 891	9 184
Other short term claims		466	1 308
Current tax claims		429	429
Prepaid costs and work in progress	14	1 016	767
Cash and bank	17	2 990	5 869
Total current assets		21 197	24 364
TOTAL ASSETS		63 462	26 317
OWN CAPITAL AND DEBT			
Own capital			
<i>Bound own capital</i>			
Share capital		8 391	5 386
Bound reserves		216	216
<i>Free own capital</i>			
Premium reserve		25 385	0
Balanced result		7 891	2 663
Result from the year		9 176	5 228
Total own capital		51 059	13 493
Provisions	15	1 043	543
Total provisions		1 043	543
Short terms debts			
Accounts payable		4 829	4 955
Other short term debts		422	476
Accured cost and prepaid income	16	6 109	6 850
Total short term debts		11 360	12 281
TOTAL OWN CAPITAL AND DEBTS		63 462	26 317
SECURITIES AND CONTINGENT LIABILITIES	17		
Liabilities		8 000	8 000
Pledged assets		None	None

Financial accounting the company

CASH FLOW ANALYSIS (SEK 000)	FULL YEAR 2015	FULL YEAR 2014
FROM ORDINARY BUSINESS		
Result before depreciation and financial costs	7 622	6 914
<i>Other non cash influencing costs</i>		
Depreciation	92	170
Warranty provisions	500	543
Received interest	0	2
Paid interest and finance costs	-50	-176
Changes in working capital	-633	464
Cash flow from ordinary business	7 531	7 917
INVESTMENT ACTIVITIES		
Investment in subsidiaries	-35 224	0
Changes in receivables - subsidiaries	-3 108	
Cash flow from investment activities	-38 332	0
FINANCING ACTIVITY		
Share issue	27 922	
Amortization of loans	0	-3 445
Cash flow from finance	27 922	-3 445
PERIODIC CASH FLOW	-2 879	4 472
Cash at the beginning of the period	5 869	1 397
Cash at the end of the period	2 990	5 869

Financial accounting the company

CHANGE IN OWN CAPITAL (SEK 000)

	Share capital	Bound reserves	Share premium reserve	Balanced result incl. year result	Total own capital
Own capital 2014-01-01	5 386	42 967	20 803	-60 891	8 265
Reduction of bound reserves		-42 751		42 751	
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
Share issue	3 005		25 385		28 390
Result for the year				9 176	9 176
Own capital 2015-12-31	8 391	216	25 385	17 067	51 059

The annual report has been approved by the board on April 6, 2016. TagMaster AB (publ) result and balance sheet will be presented for approval at the annual general meeting on April 28, 2016.

Kista, April 6, 2016

Rolf Norberg
Chairman

Joseph Grillo
Board member

Magnus Jonsson
Board member

Gert Sviberg
Board member

Jonas Svensson
CEO

My auditing report has been provided on April 6, 2016.

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 and consolidated accounts

We have audited the annual accounts and consolidated accounts (pages 14-38) of TagMaster AB (publ) for the financial year 2015.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair representation of these annual accounts and consolidated accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO 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 and consolidated 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 and consolidated accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated 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 and consolidated 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 CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinion

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the company and the group as of 31 December 2015 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 and consolidated accounts.

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

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have examined the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of TagMaster AB for the financial year 2015.

Responsibilities of the Board of Directors and the CEO

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 CEO 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 and consolidated 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 CEO is liable to the company. We also

Auditor's report

examined whether any member of the Board of Directors or the CEO 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.

Opinion

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 CEO be discharged from liability for the financial year.

Stockholm, April 6, 2016
Mazars SET Revisionsbyrå AB

Mikael Fredstrand
Authorized Public Accountant

Corporate governance

Since 2004 there is a Swedish code for corporate governance. It is not mandatory for TagMaster to follow the code, however it has voluntarily adopted the code as far as it is reasonable and practical to follow. The responsibilities between owners, the board and the company management is emphasized in the code. TagMaster has therefore appointed since 2007, a nominating committee. The code requires certain information to be provided on the company home page.

Annual General Meeting (AGM)

The shareholders vote at the AGM in accordance with 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 on April 24, 2014. The board meets regularly and during 2015 the board has met 10 times. There is an approved document governing the work for the TagMaster board.

Management

Jonas Svensson was appointed as CEO in the last quarter of 2012. 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.

Investor relations

TagMaster should provide information about its business which is relevant, up to date and as fast as possible con-

sidering limitations which may come from other parties requests to keep a low profile on some business due to, for example, 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



From left, Joseph Grillo, Magnus Jonsson, Rolf Norberg, Gert Sviberg, Jonas Svensson

Rolf Norberg, chairman,
born 1949
2 169 048 shares in TagMaster AB
Chairman in Dualtech IT AB, Göteborg
Board member in ReWiCom AB
Dr Techn from Royal institute of technology
Work experience: Sandvik, Securitas, ASSA ABLOY and Niscayah

Joseph (Joe) Grillo, board member,
born 1957
700 000 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
719 121 shares in TagMaster AB
IHM International Marketing Management
Independent consultant
Work experience: Aritech, GE, ASSA ABLOY, Niscayah and Imtech Nordic

Gert Sviberg, board member,
born 1967
24 715 843 shares in TagMaster AB
Marine engineer
Running several own companies
Active in real estate development

Jonas Svensson, CEO,
born 1962
2 000 000 shares and 2 000 000 warrants in TagMaster AB
Master of economics from Lund university
Earlier work for: Kinetico Inc., Smarteq Wireless,
American Express , SEB and Siemens

Shareholders

Largest shareholders per 2015-12-31

	Number of shares	% of shares
Ålandsbanken AB, W8IMY (Of wich G. Sviberg privately and through companies 24 715 843)	28 081 200	16.73
CTM Invest AB	20 000 000	11.92
LMK Ventures AB	17 000 000	10.13
Familjen Hamilton/Lewenhaupt inclusive companies	16 732 485	9.97
Jan Westlund	9 441 543	5.63
Nordnet Pensionsförsäkring AB	8 368 438	4.99
Avanza Pension	6 872 385	4.09
Mikael Aronowitsch including companies and foundation	4 266 148	2.54
Banque Carnegie Luxembourg SA	2 278 887	1.36
Banque Pictet & Cie SA	2 219 127	1.32
Rolf Norberg	2 169 048	1.29
Jonas Svensson	2 000 000	1.19
Gunvald Berger	1 685 787	1.00
KBCI Ltd Client A/C	1 518 750	0.90
Gerd Ulla-Britt Höglund- Gunnarsson	1 480 000	0.88
Other	43 710 593	26.05
Total	167 824 391	100

Shareholding by board and employees 2015-12-31

Shareholding by board and employees 2015-12-31

Name	Insider	Shares
Rolf Norberg	Chairman	2 169 048
Gert Sviberg (privately and through companies)	Board member	24 715 843
Magnus Jonsson	Board member	719 121
Joseph Grillo	Board member	700 000
Jonas Svensson	CEO	2 000 000
Johan Franzén	Employee	210 000
Lars Lindberg	Employee	11 200
Ronny Andersson	Employee	63 000
Mattias Nordenberg	Employee	54 171
Olle Axling	Employee	21 000
Mattias Gyllenros	Employee	226 953
Hans Henriksen	Consultant	74 038
Eric Eskång	Employee	69 000
Jesús Andrade	Employee	12 858

Information to the shareholders

Annual General Meeting 2016

The annual general meeting (AGM) will be held at Middlepoint, Kronborgsgränd 1, Kista on April 28, 2016 at 15.00 hours. Relevant and actual information for the AGM will be 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 22, 2016
- ▶ Register their intention to participate at the AGM no later than April 22, 2016 to TagMaster
- ▶ By letter:
TagMaster AB
Kronborgsgränd 11
164 46 Kista
Att. Maria Nordgren
- ▶ By email: 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 obtain the right to participate by registering the shares at Euroclear in their own name in accordance with the procedure described above, by April 17, 2016. Shareholders may bring a maximum of two assistants to the AGM if the assistants are registered.

Proxy form is available at the company home page, www.tagmaster.com

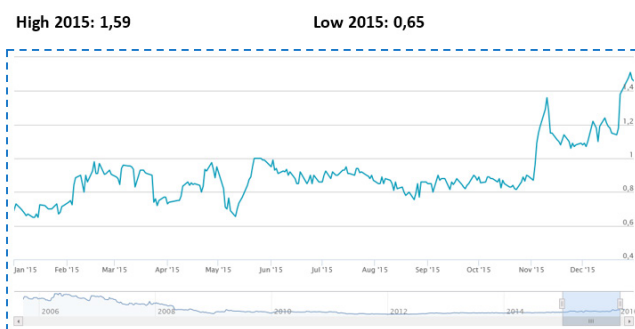
TagMaster AB
556487-4534

This is an in-house translation from the Swedish language original. In case of discrepancy between the Swedish language original text and the English language translation, the Swedish text shall prevail.

Share information, SEK

	2015	2014
Turnover per share	0,47	0,58
Result per share	0,02	0,05
Own capital per share	0,125	0,125
Number of shares, average, '000	144 711	107 732
Number of shares, end of the year '000	167 827	107 732
Share value at the end of the year	1,47	0,63
Market cap at the end of the year, MSEK	246	68

TagMaster share price movement 2015



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

Balanced result as at December 31, 2015	7 891
Premium reserve	25 385
Year end result	9 176
At disposition for the AGM	42 452

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

The board further proposes to vote on a dividend of 0,00 SEK for the year 2015.

Expected reports

First quarter report
Half year report
Third quarter report
Year end report 2016

2016-2017

April 28, 2016
July 15, 2016
October 27, 2016
January 26, 2017