



# +7%

Net sales increase  
for the quarter

# 9.0%

Operating margin  
for the quarter

# SEK

# 28.4 M

Net profit  
for the quarter

## Record high order intake, increased net sales, operating margin and cash flow

### Second quarter 2018

- Net sales of SEK 222.0 M (206.7), an increase of 7 percent compared to the same period of last year
- Operating profit of SEK 20.1 M (11.0), corresponding to an operating margin of 9.0 percent (5.3)
- Order intake of SEK 520 M (218), an increase of 139 percent compared to the same period of last year
- The order backlog increased to SEK 445 M (114), most of which is expected to be invoiced before the end of 2018
- Profit for the period amounted to SEK 28.4 M (7.7)
- Earnings per share amounted to SEK 0.26 (0.07)
- Cash flow from operating activities was SEK 51.5 M (-38.2)

### First half of the year 2018

- Net sales of SEK 402.0 M (381.0), an increase of 6 percent compared to the same period of last year
- Operating profit of SEK 29.1 M (18.3), corresponding to an operating margin of 7.2 percent (4.8)
- Order intake of SEK 708 M (406), an increase of 74 percent compared to the same period of last year
- Profit for the period amounted to SEK 34.2 M (11.8)
- Earnings per share amounted to SEK 0.31 (0.11)
- Cash flow from operating activities was SEK 78.3 M (-42.7)

Amounts in SEK M unless otherwise stated	Q2	Q2	6 months	6 months	Rolling	Full year
	2018	2017	2018	2017	4 Q	2017
Order intake	520	218	708	406	1 174	872
Net sales	222,0	206,7	402,0	381,0	848,8	827,8
Gross margin, %	30,7%	27,4%	29,2%	27,5%	27,0%	26,1%
Operating profit	20,1	11,0	29,1	18,3	66,5	55,7
Operating margin, %	9,0%	5,3%	7,2%	4,8%	7,8%	6,7%
Cash flow*	51,5	-38,2	78,3	-42,7	112,8	-8,3
Profit for the period	28,4	7,7	34,2	11,8	61,1	38,7
Earnings per share (SEK)	0,26	0,07	0,31	0,11	0,55	0,35

\*Cash flow from operating activities



## Order intake for the quarter is the highest ever for Pricer

### Comments from Acting CEO Helena Holmgren

Order intake for the quarter of SEK 520 M is the highest-ever for Pricer in a single quarter. In addition to a major investment decision from the American retail chain Best Buy, order intake is a result of continued strong demand in several markets including France, Norway, Belgium and Italy. This development is in line with the increased activity we have experienced in the market over a long period. It is the result of our superior solution and the investments we make in the ability of the Pricer system to address store processes beyond price updates, something that meets the challenges facing retailers.

Sales for the quarter totaled SEK 222 M corresponding to growth of 7 percent compared with the second quarter last year. The high order intake in the second quarter only had a marginal impact on sales for the quarter, instead building up the order backlog for the coming quarters. Delivery dates are dictated by both the customer's schedule for the store installation and Pricer's delivery lead times which to some extent are volume dependent. Scalability in our supply chain is high, but large volume increases require some ramping period in order to meet component supply.

The order backlog of SEK 445 M is mostly planned for delivery and invoicing before the end of the current year. This means that production and delivery activity will be high during the third and fourth quarters with related temporary increase in tied up capital. Against the background of sales fluctuations between quarters due to major delivery projects, cash flow from operating activities should primarily be analyzed over time rather than for individual quarters.

It is gratifying to note that operating profit and operating margin also improved in the second quarter compared with the corresponding period in the previous year. Sales growth, an increase of gross margin and control of costs led to this improvement. In the coming quarters we expect pressure on the gross margin due to the mix in order backlog combined with higher prices for some off-the-shelf components following a recent sharp increase in demand for these components from several different industry verticals.

Our continual focus on product innovation to broaden our offering and thereby increase the system's value for customers as well as end consumers permeates our entire operations and is one of the company's main success factors. To meet rising demand, during the second quarter we built up our presence in several markets, including North America, an initiative that we intend to continue as we see an increase in the need for retail automation.

We have enjoyed a good start to the year and the high order backlog at the end of the quarter means that we can look forward to a continued strong 2018!

Helena Holmgren

Acting CEO



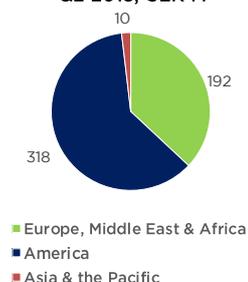


Online retailers' establishment of physical stores drives consolidation in traditional retailing

Despite global retail trends, markets develop at different pace and from different starting points



Order intake per region in Q2 2018, SEK M



## Market development

A growing number of major online retailers, such as Alibaba, JD.com and Amazon, establishes a physical retail presence, impacting the entire retail landscape. Partly in response to this change, consolidation is taking place within traditional retailing through acquisitions, mergers and strategic alliances. A recent example of this trend is the formation of a joint purchasing unit between Carrefour and Tesco, two retail giants based in France and the U.K. Another example is the merger between the British grocery chains Sainsbury and Asda. In addition to increasing negotiation strength towards suppliers, the consolidation provides opportunity for joint investments in systems support for digitalization and increased online presence.

Traditional retail chains have an extensive investment need in order to manage the transition to a new reality, where the value of physical store presence can be significantly reduced if it is not complemented with a competitive online offering. The physical store environment must also be adapted with the aid of various technical solutions, so that the consumer can be given a consistent shopping experience regardless of channel.

Although retail trends are global and many major players are represented in a large number of countries, each market develops at a different pace and with different drivers. China, for example, is at the leading edge in terms of using integrated technology and mobile telephones for shoppers in physical stores. In other markets the route to retail automation is longer, but common to several markets is that profitability is under pressure and staff costs are rising. The need to improve the efficiency of store processes is often a common denominator regardless of the degree of technical maturity.

## Order intake second quarter and the first half of the year 2018

Order intake in the second quarter was SEK 520 M (218), an increase of 139 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, order intake increased by 135 percent. Order intake for the period was driven by high activity from numerous customers, most of it coming from a large American retail chain.

Order intake in the first half of the year was SEK 708 M (406) an increase of 74 percent compared to the same period of last year. Adjusted for changes in exchange rates, order intake increased by 72 percent. The order intake for the period was spread over several geographical markets, of which the US and France are the largest.

### CURRENCY TRANSLATION DIFFERENCE ORDER INTAKE & NET SALES

	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
% change in Order intake	139%	41%	74%	-11%	11%
whereof currency translation difference	4%	8%	2%	4%	1%
% change in Order intake adjusted for currency translation difference	135%	33%	72%	-15%	10%
% change in Net sales	7%	1%	6%	6%	9%
whereof currency translation difference	3%	8%	2%	5%	2%
% change in Net sales adjusted for currency translation difference	4%	-7%	4%	1%	7%



## NET SALES AND PROFIT, SEK M

	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Net sales	222,0	206,7	402,0	381,0	827,8
Cost of goods sold	-153,8	-150,0	-284,6	-276,4	-611,8
Gross profit	68,2	56,7	117,4	104,6	216,0
Gross margin	30,7%	27,4%	29,2%	27,5%	26,1%
Operating expenses	-46,8	-44,4	-89,6	-86,4	-155,4
Other income and expenses	-1,3	-1,3	1,3	0,1	-5,0
Operating profit	20,1	11,0	29,1	18,3	55,7
Operating margin	9,0%	5,3%	7,2%	4,8%	6,7%

### Net sales and profit for the second quarter and first half of the year 2018

#### Second quarter

Net sales amounted to SEK 222.0 M (206.,7) for the quarter, an increase of 7 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, net sales increased by 4 percent. Net sales in the second quarter were distributed among a large number of customers, most of them in France, Italy and Norway.

Gross profit amounted to SEK 68.2 M (56.7) and gross margin increased to 30.7 percent (27.4) for the quarter. The increased gross margin is primarily a consequence of the product and contract mix and prevailing currency ratios. Most of the company's cost of goods sold is in USD, while sales are primarily generated in EUR and USD.

Operating expenses increased somewhat to SEK -46.8 M (-44.4) for the quarter, mainly due to the increased number of employees between the periods.

Other income and expenses, consisting of the net effect of foreign exchange revaluations of trade receivables and trade payables to the closing rate, unrealized foreign exchange gains and losses on hedge contracts, as well as realized foreign exchange gains and losses, contributed SEK -1.3 M (-1.3) for the quarter.

Operating profit amounted to SEK 20.1 M (11.0), which corresponded to an operating margin of 9.0 percent (5.3) for the quarter. Improved gross margin combined with growth in net sales and good cost control have resulted in increased operating profit.

Net financial items, primarily attributable to currency revaluation of balance sheet items, including cash and cash equivalents, impacted the quarter positively and amounted to SEK 6.0 M (-0.8).

Income tax expenses relating to the second quarter amounted to SEK 2.3 M (-2.5), of which SEK 3.6 M (-1.5) are related to deferred tax. The current tax rate (i.e. paid tax) was -5 percent (-9) and the reported tax rate was 9 percent (-24). The positive tax expenses for the quarter are explained by part of the previously non-recognized tax losses carried-forward being recognized during the second quarter.

Profit for the period was SEK 28.4 M (7.7). The increase compared with the corresponding period of last year can be attributed to increased operating profit, positive financial net and the above-mentioned recognition of tax losses carried-forward.

Translation differences in other comprehensive income of SEK 5.4 M (3.2) consisted of foreign currency translation of net assets in foreign subsidiaries.



Cash flow hedges in other comprehensive income refer to the net effect of the market revaluations of forward contracts in USD and EUR and amounted to SEK 2.5 M (-3.2). Tax attributable to items in other comprehensive income amounted to SEK -0.5 M (0.6).

#### First half of the year

Net sales amounted to SEK 402.0 M (381.0) for the first half of the year, an increase of 6 percent compared to the same period of last year. Adjusted for changes in exchange rates, net sales increased by 4 percent. Net sales in the period were distributed among a large number of customers, most of them in France, Italy and Norway.

Gross profit amounted to SEK 117.4 M (104.6) and gross margin increased to 29.2 percent (27.5) for the period. The increased gross margin is primarily a consequence of the product and contract mix combined with favorable currency ratios. Most of the company's cost of goods sold is in USD, while sales are primarily generated in EUR and USD.

Operating expenses increased somewhat to SEK -89.6 M (-86.4) for the half year, mainly due to the increased number of employees between the periods.

Other income and expenses, consisting of the net effect of foreign exchange revaluations of trade receivables and trade payables to the closing rate, unrealized foreign exchange gains and losses on hedge contracts, as well as realized foreign exchange gains and losses, contributed SEK 1.3 M (0.1) for the period.

Operating profit amounted to SEK 29.1 M (18.3), which corresponded to an operating margin of 7.2 percent (4.8) for the period. Improved gross margin combined with growth in net sales and good cost control have resulted in increased operating profit.

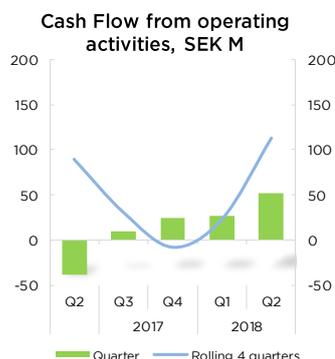
Net financial items, primarily attributable to currency revaluation of balance sheet items, including cash and cash equivalents, impacted the period positively and amounted to SEK 4.9 M (-2.6).

Income tax expenses relating to the first half of the year amounted to SEK 0.1 M (-3.9), of which SEK 2.2 M (-2.0) related to deferred tax. The current tax rate (i.e. paid tax) was -6 percent (-12) and the reported tax rate was 0 percent (-25). Deferred tax assets related to recognized tax losses carried-forward amounted to SEK 70.5 M (74.6) as of June 30, 2018. Part of the previously non-recognized tax losses carried-forward has been recognized during the second quarter. Deferred tax assets have also been revalued based on the current tax rate for the period in which they are expected to be utilized.

Profit for the period was SEK 34.2 M (11.8). The increase compared with the corresponding period of last year can be attributed to increased operating profit, positive financial net and the above-mentioned recognition of tax losses carried-forward.

Translation differences in other comprehensive income of SEK 19.6 M (2.3) consisted of foreign currency translation of net assets in foreign subsidiaries.

Cash flow hedges in other comprehensive income refer to the net effect of the market revaluations of forward contracts in USD and EUR and amounted to SEK 1.3 M (-3.4). Tax attributable to items in other comprehensive income amounted to SEK -0.3 M (0.7).



## Cash flow, investments and financial position

### Second quarter

Cash flow from operating activities for the second quarter amounted to SEK 51.5 M (-38.2). Working capital changes affected cash flow from operating activities by SEK 23.1 M (-47.5), primarily due to an increase in trade payables, partly generated by improved payment terms in the supply chain. The negative change in working capital in the same period last year was primarily due to increased capital tied up in inventories.

Investments in non-current assets amounted to SEK 11.9 M (5.8) in the second quarter and consisted primarily of capitalized development costs of SEK 5.2 M (4.4) and investments in property, plant and equipment of SEK 6.3 M (1.7), mainly production equipment to meet the increased demand.

Cash flow from financing activities includes a dividend payment of SEK 55.1 M (55.0) in accordance with the decision of the Annual General Meeting on April 26, 2018.

### First half of the year

Cash flow from operating activities for the first half of the year amounted to SEK 78.3 M (-42.7) for the period. Working capital changes affected cash flow from operating activities by SEK 39.3 M (-61.5). The positive cash flow for the period was primarily due to an increase in trade payables, partly generated by improved payment terms in the supply chain. The negative change in working capital in the same period last year was primarily due to increased capital tied up in inventories.

Investments in non-current assets amounted to SEK 19.2 M (13.9) for the period and consisted primarily of capitalized development costs of SEK 10.7 M (9.4) and investments in property, plant and equipment of SEK 7.9 M (3.7), mainly production equipment to meet increased demand.

Cash flow from financing activities includes a dividend payment of SEK 55.1 M (55.0) in accordance with the decision of the Annual General Meeting on April 26, 2018.

Cash and cash equivalents amounted to SEK 173.1 M (148.5) on June 30, 2018. In addition to cash and cash equivalents, Pricer has an unutilized overdraft facility amounting to SEK 50 M (50).

### Equity

Pricer holds 705 thousand treasury shares in order to fulfill the promise of matching and performance shares in the outstanding share saving programs from 2017 and 2018. The value of the promise is reported in accordance with IFRS and is expensed over the vesting period.

From the 2017 share savings program, a maximum of 228 thousand shares can be transferred free of charge to the participants in June 2020.

At the Annual General Meeting on April 26, 2018, a decision was made on a performance-related share savings program. The program is directed to 8 senior executives, whereby the participant after an initial investment in Pricer's Class B share receives a matching share award and a performance share award per invested Class B share. Following the vesting period of three years the share awards will entitle the participants to receive one matching share and up to five performance shares depending on the outcome of the performance condition. At the end of the reporting period, 8 senior executives had subscribed. From the 2018 share savings program, a maximum of 409 thousand shares can be transferred free of charge to the participants in June 2021, in the event that the pre-defined performance targets are fully met.

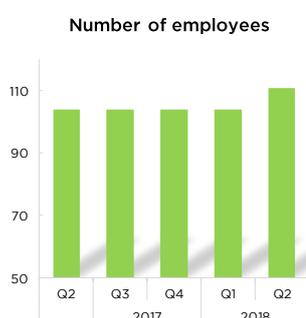


On June 30, 2018, a total of 475 thousand warrants were outstanding in the program decided upon in 2016. The warrant program decided upon in 2015 expired in June 2018 for 380 thousand warrants without redemption.

### ISSUED AND OUTSTANDING SHARES

Stated in thousands of shares	Class A	Class B	Total
Outstanding shares at the beginning of the year	226	110 746	110 972
Issued and converted shares in the year		-	-
Issued at the end of the period	226	110 746	110 972
Treasury shares	-	-705	-705
Outstanding shares at end of period	226	110 041	110 267

*Class A share carries five votes and class B share carries one vote*



### Personnel

The average number of employees during the second quarter was 108 (102) and the number of employees at the end of the quarter was 111 (104). Additional strengthening of the organization has taken place in product development, sales and marketing.

### Parent Company

The Parent Company's net sales amounted to SEK 347.6 M (325.8) and profit for the period was SEK 27.0 M (12.5). The Parent Company's cash and cash equivalents amounted to SEK 160.4 M (134.3) at the end of the period.

### Risks and uncertainties

Pricer's results and financial position are affected by various risk factors that must be considered when assessing the Group and the Parent Company and their future potential. These risks are primarily associated with development of the market for Electronic Shelf Labels and large currency fluctuations. In view of the client structure and the extensive scale of the agreements, a delay in the installations or major fluctuations in exchange rates can have a significant impact in an individual quarter. For other risks, please see the 2017 annual report, pages 18-19 and 45-46.

### Forecasts

No forecast is issued for 2018.

### New accounting standards

With effect from January 1, 2018, Pricer is applying; IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Additional information can be found on page 14, Note 1 - Accounting principles.

### Subsequent events

As reported on July 19, an existing French customer has placed an order for approximately SEK 40 M, which is expected to be delivered during 2018.



## Next interim report to be published on October 26, 2018

### Next reporting date

Next interim report for the period January – September 2018 will be published on October 26, 2018.

The undersigned gives his/her assurance that the semi-annual report provides an accurate summary of the Parent Company's and Group's operations, position and result, and describes the significant risks and uncertainties to which the Parent Company and the companies in the Group are exposed.

Stockholm, July 20, 2018

Pricer AB (publ)

Bernt Ingman  
*Chairman of the board*

Hans Granberg

Jenni Virnes

Jonas Guldstrand

Thomas Krishan

Helena Holmgren  
*Acting CEO*

This report has not been subject to auditor's review.

*This information is information that Pricer AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency by the contact person set out below, on July 20, 2018 at 08:30 CET.*

### For further information, please contact:

Helena Holmgren, Acting CEO, Pricer AB +46 8 505 582 00

## Financial reporting

### CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Net sales	222,0	206,7	402,0	381,0	827,8
Cost of goods sold	-153,8	-150,0	-284,6	-276,4	-611,8
<b>Gross profit</b>	<b>68,2</b>	<b>56,7</b>	<b>117,4</b>	<b>104,6</b>	<b>216,0</b>
Selling and administrative expenses	-40,4	-39,4	-78,6	-76,3	-136,6
Research and development costs	-6,4	-5,0	-11,1	-10,1	-18,7
Other income and expenses	-1,3	-1,3	1,3	0,1	-5,0
<b>Operating profit</b>	<b>20,1</b>	<b>11,0</b>	<b>29,1</b>	<b>18,3</b>	<b>55,7</b>
Net financial items	6,0	-0,8	4,9	-2,6	-4,0
<b>Net profit before tax</b>	<b>26,1</b>	<b>10,2</b>	<b>34,0</b>	<b>15,7</b>	<b>51,7</b>
Income tax	2,3	-2,5	0,1	-3,9	-13,0
<b>Net profit for the period</b>	<b>28,4</b>	<b>7,7</b>	<b>34,2</b>	<b>11,8</b>	<b>38,7</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Net profit for the period	28,4	7,7	34,2	11,8	38,7
<i>Items that are or may be reclassified to profit or loss for the period</i>					
Translation differences	5,4	3,2	19,6	2,3	7,4
Cash flow hedges	2,5	-3,2	1,3	-3,4	-2,9
Tax attributable to items in other comprehensive income	-0,5	0,6	-0,3	0,7	0,6
<b>Other comprehensive income for the period</b>	<b>7,3</b>	<b>0,7</b>	<b>20,7</b>	<b>-0,5</b>	<b>5,1</b>
<b>Net comprehensive income for the period</b>	<b>35,7</b>	<b>8,4</b>	<b>54,9</b>	<b>11,3</b>	<b>43,8</b>

Net profit for the period attributable to:

Owners of the Parent Company	28,4	7,7	34,2	11,8	38,7
------------------------------	------	-----	------	------	------

Net comprehensive income for the period attributable to:

Owners of the Parent Company	35,7	8,4	54,9	11,3	43,8
------------------------------	------	-----	------	------	------

### EARNINGS PER SHARE

	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Basic earnings per share, SEK	0,26	0,07	0,31	0,11	0,35
Diluted earnings per share, SEK	0,26	0,07	0,31	0,11	0,35
Number of shares before dilution, millions	110,3	110,0	110,3	110,0	110,1
Diluted number of shares, millions	110,9	110,5	110,9	110,5	110,4

### CONSOLIDATED BALANCE SHEET IN SUMMARY

Amounts in SEK M	June 30 2018	June 30 2017	Dec 31 2017
Intangible assets	304,3	276,6	285,7
Property, plant and equipment	20,9	12,6	15,9
Deferred tax assets	75,4	79,9	73,4
<b>Total non-current assets</b>	<b>400,5</b>	<b>369,1</b>	<b>375,1</b>
Inventories	167,4	134,4	141,2
Current receivables	317,1	258,2	235,4
Cash and cash equivalents	173,1	148,5	166,8
<b>Total current assets</b>	<b>657,6</b>	<b>541,2</b>	<b>543,4</b>
<b>TOTAL ASSETS</b>	<b>1058,2</b>	<b>910,3</b>	<b>918,5</b>
Equity attributable to holders of the parent company	718,8	685,8	718,7
<b>Total equity</b>	<b>718,8</b>	<b>685,8</b>	<b>718,7</b>
Provisions	19,2	16,2	20,6
Other non-current liabilities	6,1	4,5	5,2
Current liabilities	314,1	203,7	174,0
<b>Total liabilities</b>	<b>339,4</b>	<b>224,5</b>	<b>199,8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1058,2</b>	<b>910,3</b>	<b>918,5</b>
Basic shareholders' equity per share, SEK	6,52	6,23	6,52
Diluted shareholders' equity per share, SEK	6,48	6,20	6,51

### CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	6 months 2018	6 months 2017	Full year 2017
<b>Equity at the beginning of the period</b>	<b>718,7</b>	<b>729,4</b>	<b>729,4</b>
Net profit for the period	34,2	11,8	38,7
Other comprehensive income for the period	20,7	-0,5	5,1
<i>Net comprehensive income for the period</i>	<i>54,9</i>	<i>11,3</i>	<i>43,8</i>
Dividend	-55,1	-55,0	-55,0
Share based payments, equity settled	0,3	0,1	0,5
<i>Total transactions with owners of the Group</i>	<i>-54,8</i>	<i>-54,9</i>	<i>-54,5</i>
<b>Equity at the end of the period</b>	<b>718,8</b>	<b>685,8</b>	<b>718,7</b>
<b>Attributable to:</b>			
- Owners of the parent company	718,8	685,8	718,7

**CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY**

Amounts in SEK M	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Net profit before tax	26,1	10,2	34,0	15,7	51,7
Adjustment for non-cash items	2,9	1,4	5,6	6,9	18,5
<i>Of which depreciations and amortizations</i>	5,7	3,5	10,2	7,1	14,8
Paid income tax	-0,5	-2,3	-0,7	-3,8	-7,0
Change in working capital	23,1	-47,5	39,3	-61,5	-71,4
<b>Net cash flow from operating activities</b>	<b>51,5</b>	<b>-38,2</b>	<b>78,3</b>	<b>-42,7</b>	<b>-8,2</b>
<b>Net cash used in investing activities</b>	<b>-11,9</b>	<b>-5,8</b>	<b>-19,2</b>	<b>-13,9</b>	<b>-29,8</b>
<b>Net cash used in financing activities</b>	<b>-55,1</b>	<b>-55,0</b>	<b>-55,2</b>	<b>-55,0</b>	<b>-55,0</b>
<b>Net cash flow for the period</b>	<b>-15,6</b>	<b>-99,0</b>	<b>3,9</b>	<b>-111,6</b>	<b>-92,9</b>
Cash and cash equivalents at beginning of period	186,8	249,1	166,8	261,3	261,3
Exchange rate losses/gains in cash and cash equivalents	1,8	-1,5	2,4	-1,2	-1,6
<b>Cash and cash equivalents at end of period</b>	<b>173,1</b>	<b>148,5</b>	<b>173,1</b>	<b>148,5</b>	<b>166,8</b>
Unutilized bank overdraft facility	50,0	50,0	50,0	50,0	50,0
<b>Available funds at end of period</b>	<b>223,1</b>	<b>198,5</b>	<b>223,1</b>	<b>198,5</b>	<b>216,8</b>

**KEY FIGURES**

Amounts in SEK M	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Order intake	520	189	231	234	218
Order intake - rolling 4 quarters	1174	872	872	820	731
Net sales	222,0	180,0	253,0	193,8	206,7
Net sales - rolling 4 quarters	848,8	833,5	827,8	762,8	779,0
Operating profit	20,1	9,0	16,9	20,5	11,0
Operating profit - rolling 4 quarters	66,5	57,5	55,7	55,4	63,9
Net profit for the period	28,4	5,8	10,8	16,1	7,7
Cash flow from operating activities	51,5	26,8	24,6	10,0	-38,2
Cash flow from operating activities - rolling 4 quarters	112,9	23,2	-8,2	30,5	89,4
Number of employees, end of period	111	104	104	104	104
Equity/assets ratio	68%	77%	78%	73%	75%

**PARENT COMPANY INCOME STATEMENT IN SUMMARY**

Amounts in SEK M	6 months 2018	6 months 2017	Full year 2017
Net sales	347,6	325,8	704,8
Cost of goods sold	-278,4	-266,5	-580,0
<b>Gross profit</b>	<b>69,2</b>	<b>59,3</b>	<b>124,8</b>
Selling and administrative expenses	-36,3	-32,4	-58,3
Research and development costs	-11,1	-10,1	-18,7
Other income and expenses	1,3	0,1	-4,8
<b>Operating profit</b>	<b>23,1</b>	<b>16,9</b>	<b>42,9</b>
Net financial items	4,0	-2,4	-3,8
<b>Net profit before tax</b>	<b>27,0</b>	<b>14,5</b>	<b>39,1</b>
Income tax	0,0	-2,0	-8,7
<b>Net profit for the period</b>	<b>27,0</b>	<b>12,5</b>	<b>30,4</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME**

Amounts in SEK M	6 months 2018	6 months 2017	Full year 2017
Net profit for the period	27,0	12,5	30,4
<i>Comprehensive income for the period</i>			
<i>Items that are or may be reclassified to profit or loss for the period</i>			
Cash flow hedges	1,3	-3,4	-2,9
Tax attributable to items in other comprehensive income	-0,3	0,7	0,6
<b>Comprehensive income for the period</b>	<b>1,1</b>	<b>-2,8</b>	<b>-2,3</b>
<b>Net comprehensive income for the period</b>	<b>28,1</b>	<b>9,7</b>	<b>28,2</b>

**PARENT COMPANY BALANCE SHEET IN SUMMARY**

Amounts in SEK M	June 30 2018	June 30 2017	Dec 31 2017
Intangible assets	41,2	32,0	36,9
Property, plant and equipment	16,9	10,3	12,1
Financial fixed assets	279,8	271,8	329,4
<b>Total non-current assets</b>	<b>337,9</b>	<b>314,0</b>	<b>378,4</b>
Inventories	104,8	97,9	104,8
Current receivables	275,7	167,5	202,5
Cash and cash equivalents	160,4	134,3	124,0
<b>Total current assets</b>	<b>540,9</b>	<b>399,7</b>	<b>431,3</b>
<b>TOTAL ASSETS</b>	<b>878,7</b>	<b>713,7</b>	<b>809,7</b>
Shareholders' equity	543,7	551,5	570,3
<b>Total equity</b>	<b>543,7</b>	<b>551,5</b>	<b>570,3</b>
Provisions	19,2	16,2	20,6
Non-current liabilities	0,1	0,1	0,1
Current liabilities	315,8	145,9	218,7
<b>Total liabilities</b>	<b>335,0</b>	<b>162,2</b>	<b>239,4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>878,7</b>	<b>713,7</b>	<b>809,7</b>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY**

Amounts in SEK M	6 months 2018	6 months 2017	Full year 2017
<b>Equity at the beginning of the period</b>	<b>570,3</b>	<b>596,6</b>	<b>596,6</b>
Net comprehensive income for the period	28,1	9,7	28,2
Dividend	-55,1	-55,0	-55,0
Share based payments, equity settled	0,3	0,1	0,5
<b>Equity at the end of the period</b>	<b>543,7</b>	<b>551,5</b>	<b>570,3</b>

## Note 1 – Accounting policies

This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions in the Swedish Annual Accounts Act (Årsredovisningslagen). The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act (Årsredovisningslagen), Chapter 9, and RFR 2, Reporting by a Legal Entity as issued by the Swedish Financial Reporting Board. For both the Group and the Parent Company, the same accounting policies and methods of computation were applied as in the latest annual report with the following additions.

### New IFRSs effective from 2018

A number of new or changed IFRS have been effected during the financial year 2018.

*IFRS 9 Financial Instruments*, effective from January 1, 2018, replaces IAS 39 Financial Instruments: Recognition and Measurement, and addresses the classification and measurement of financial assets and liabilities, impairment and hedge accounting. Regarding classification and measurement, IFRS 9 requires that all financial instruments be evaluated based on a combination of the entity's business model for managing the asset and liability and the cash flow characteristics of the instrument. The classification and measurements categories in IAS 39 have been replaced by the following categories: Fair value through profit and loss, Fair value through other comprehensive income, and Amortized cost. The standard introduces a new model for impairment of financial assets in stages, based on expected losses, and not as previously, impairment when an event had occurred. Regarding hedge accounting, IFRS 9 focuses on reflecting the entity's risk management activities through hedge accounting but also facilitates qualification of additional risk management activities for hedge accounting.

Regarding the new classification and measurement categories, Pricer has concluded that these have not resulted in any significant impact on the financial statements of the Group. The majority of Pricer's financial assets and liabilities are trade receivables, cash and cash equivalents and trade payables, which continue to be measured at amortized cost since the purpose is to honor the contractual agreements. Impairment of trade receivables has historically been very low at Pricer and the company has assumed it will remain low. Consequently, the new impairment model has had a limited effect on the financial statements. Regarding hedge accounting, IFRS 9 simplifies for Pricer compared to the current accounting standard primarily with respect to documentation and follow-up of the efficiency of the hedge accounting. The standard contains changed disclosure requirements and will impact the entity's disclosures in the future.

*IFRS 15 Revenue from Contracts with Customers* – is a new standard for revenue recognition from customer contracts with new disclosure requirements that replaces IAS 18, IAS 11 and IFRIC 13. The standard, effective from January 1, 2018, regulates commercial agreements (contracts) with customers in which delivery of goods/services is divided into separately identifiable performance obligations that are recognized independently. In certain cases, the good/service can be integrated with other obligations in the contract, whereby a package of goods/services comprises a bundled obligation. The standard establishes rules for calculating the transaction price for delivery of goods and services and the manner in which this can be allocated among the various performance obligations. Revenue is recognized when control has passed to the customer in that the customer is able to use or benefit from the good/service, at which point it is deemed to have been transferred. Control may be passed at a given point in time, which is usually the case for sales. In other cases, a performance obligation may be satisfied over time, which is common for services.

The entity's revenue can be allocated into revenues from goods, service and licensees. Revenue is generated from direct sales to customers or sales through partners and is often packaged into goods/services in a bundled obligation. This obligation is transferred to the customer when the risk is transferred, which is considered to be the same point in time as control of the goods is transferred. Revenue from service obligations is allocated over the lifetime of the contract. Revenue from licensees provides the customer with a right to use, which according to IFRS 15 follows a point-in time recognition of the revenue. The transition to IFRS 15 has not had any impact on Pricer's revenue recognition.

Pricer has chosen to adopt IFRS 15 according to the modified retrospective approach, which means that no restatement of previous periods will be carried out according to the new standard. IFRS 15 contains changed disclosure requirements and will impact the entity's disclosures going forward.

### New IFRSs effective from 2019

*IFRS 16 Leases*. The standard establishes extensive changes in reporting of leases and requires all leases to be recognized in the balance sheet. The company has operating leases for assets such as office premises, cars and certain office equipment. The company is in the process of analyzing the operating leases, which will affect the financial position and key ratios. Following analysis and identification, this work will continue with determination of assumptions and quantification. Application of the standard is mandatory as of January 1, 2019.

Other new and amended IFRSs with future adoption are not expected to have any impact on the company's financial statements.

## Note 2 – Revenue from contracts with customers

### BREAKDOWN OF REVENUE

	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Amounts in SEK M					
Revenue from goods	202,1	186,7	365,2	345,6	750,9
Revenue from services	16,7	17,4	31,1	31,3	68,1
Revenue from licensees	3,1	2,6	5,7	4,1	8,8
<b>Total</b>	<b>222,0</b>	<b>206,7</b>	<b>402,0</b>	<b>381,0</b>	<b>827,8</b>

The company has allocated discounts proportionally to all performance obligations in the agreement, except when observable evidence that the entire discount relates to one or more, but not all, performance obligations. The comparative figures for 2017 have been recalculated to reflect this allocation of discounts.

### NET SALES BY GEOGRAPHICAL MARKET

	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Amounts in SEK M					
Europe, Middle East & Africa	191,9	188,6	349,2	337,2	673,0
America	12,9	12,5	25,7	27,6	127,7
Asia & the Pacific	17,3	5,6	27,1	16,2	27,1
<b>Total net sales</b>	<b>222,0</b>	<b>206,7</b>	<b>402,0</b>	<b>381,0</b>	<b>827,8</b>

### NET SALES BY SALES CHANNEL

	Q2 2018	Q2 2017	6 months 2018	6 months 2017	Full year 2017
Direct customers	50%	54%	53%	59%	59%
Resellers	50%	46%	47%	41%	41%

## Note 3 – Related party transactions

Significant transactions with related parties are described in note 24 of the consolidated accounts in the company's annual report for 2017. No significant transactions have taken place with related parties that significantly affect the Group's or Parent Company's financial position or profit compared with the description in the Annual Report for 2017.

## Note 4 – Alternative Performance Measurements

In addition to the key financial ratios that are covered by the IFRS framework, this report also includes other key ratios and measures, so-called alternative performance measures, that Pricer considers to be important for monitoring, analyzing and managing its operations. These key ratios and measures also provide Pricer's stakeholders with useful information about the company's financial position, profit or loss and development in a consistent manner. For reconciliations of the alternative performance measures used in this report, see page 17 and a list of definitions on page 18-19.

## Note 5 - Financial instruments

For financial instruments measured at amortized cost; trade receivables, other current receivables and cash and cash equivalents, trade payables and other current interest-free liabilities, the fair value is assessed to correspond to the carrying amount. The fair values of other non-current and current liabilities are not assessed to deviate substantially from their carrying amounts.

Derivatives relating to forward exchange contracts are valued at fair value according to level 2 in the fair value hierarchy (see definition below). Valuation at fair value of forward exchange contracts is based on recognized models with observable data input such as interest rates and currencies.

Level 1: Based on quoted prices in active markets for identical assets or liabilities

Level 2: Based directly or indirectly on observable market inputs not included in level 1

Level 3: Based on inputs that are unobservable in the market

### FINANCIAL INSTRUMENTS

Amounts in SEK M	June 30 2018	June 30 2017	Dec 31 2017
<b>Financial instruments</b>			
Derivatives used in hedge accounting (level 2)	3,9	0,7	0,8
Loan and trade receivables	443,3	391,7	390,3
<b>Total financial assets</b>	<b>447,2</b>	<b>392,4</b>	<b>391,1</b>
Derivatives used in hedge accounting (level 2)	5,5	-	5,4
Other financial liabilities	279,0	163,2	141,8
<b>Total financial liabilities</b>	<b>284,4</b>	<b>163,2</b>	<b>147,2</b>

## Note 6 - Pledged assets and contingent liabilities

Floating charges (chattel mortgages) are a type of general collateral in the form of an undertaking to the bank. In the case of the Parent Company, guarantees are issued to tax and customs authorities and to landlords. Blocked funds in the companies' bank accounts are available for the guarantees.

### PLEGDED ASSETS AND CONTINGENT LIABILITIES

Amounts in SEK M	Parent company			Group		
	June 30 2018	June 30 2017	Dec 31 2017	June 30 2018	June 30 2017	Dec 31 2017
<b>Pledged assets</b>						
Floating charges	59,6	59,6	59,6	59,6	59,6	59,6
Bank deposits	-	-	-	0,9	0,8	0,8
<b>Total</b>	<b>59,6</b>	<b>59,6</b>	<b>59,6</b>	<b>60,5</b>	<b>60,5</b>	<b>60,5</b>
<b>Contingent liabilities</b>						
Bank guarantee	-	-	-	0,8	0,8	0,8
Customs authorities	0,2	0,2	0,2	0,2	0,2	0,2
Landlords	1,7	1,7	1,7	1,7	1,7	1,7
<b>Total</b>	<b>1,9</b>	<b>1,9</b>	<b>1,9</b>	<b>2,7</b>	<b>2,7</b>	<b>2,7</b>

### Alternative performance measurements

Below are reconciliations of the alternative performance measurements that are used in this report and cannot be read directly from the financial reports.

Amounts in SEK M unless otherwise stated	June 30 2018	June 30 2017	Dec 31 2017
<b>RESULTS DATA</b>			
<b>Operating expenses</b>			
Selling and administrative expenses	-78,6	-76,3	-136,6
Research and development costs	-11,1	-10,1	-18,7
<b>Operating expenses</b>	<b>-89,6</b>	<b>-86,4</b>	<b>-155,4</b>
<b>Operating expenses adjusted for items affecting comparability</b>			
Operating expenses	-89,6	-86,4	-155,4
-Whereof items affecting comparability relating to personnel costs related to restructuring	-	-	-1,5
<b>Operating expenses adjusted for items affecting comparability</b>	<b>-89,6</b>	<b>-86,4</b>	<b>-153,9</b>
<b>MARGIN DATA</b>			
Net Sales	402,0	381,0	827,8
Gross Profit	117,4	104,6	216,0
<b>Gross profit margin, %</b>	<b>29,2%</b>	<b>27,5%</b>	<b>26,1%</b>
Operating profit	29,1	18,3	55,7
<b>Operating margin, %</b>	<b>7,2%</b>	<b>4,8%</b>	<b>6,7%</b>
<b>FINANCIAL DATA</b>			
<b>Equity/assets ratio</b>			
Total assets	1 058,2	910,3	918,5
Equity	718,8	685,8	718,7
<b>Equity/assets ratio, %</b>	<b>68%</b>	<b>75%</b>	<b>78%</b>
<b>RETURN DATA</b>			
<b>Equity per share basic/diluted</b>			
Number of outstanding shares, thousand	110 267	110 042	110 267
Dilution, thousand	635	503	228
Equity TSEK	718 762	685 811	718 705
<b>Equity per share basic, SEK</b>	<b>6,52</b>	<b>6,23</b>	<b>6,52</b>
<b>Equity per share diluted, SEK</b>	<b>6,48</b>	<b>6,20</b>	<b>6,50</b>
<b>Earnings per share, before and after dilution</b>			
Average number of outstanding shares, thousand	110 267	110 042	110 149
Dilution, thousand	635	503	228
Net profit, TSEK	34 174	11 763	38 675
<b>Earnings per share, before dilution</b>	<b>0,31</b>	<b>0,11</b>	<b>0,35</b>
<b>Earnings per share, after dilution</b>	<b>0,31</b>	<b>0,11</b>	<b>0,35</b>

ALTERNATIVE PERFORMANCE MEASUREMENTS	DEFINITIONS	PURPOSE
<b>RESULTS DATA</b>		
Change in Net sales adjusted for currency translation difference	Change in Net sales recalculated with the comparative period's exchange rates compared to the comparative period's Net sales.	This measure is used by management to follow the underlying change in Net sales in comparable currencies.
Gross Profit	Net sales less cost of goods sold.	Gross profit is an important measure for management since it is used to analyze the company's underlying development excluding factors such as the product mix and price changes that can give rise to sharp fluctuations in net sales.
Operating expenses	Refers to selling expenses, administrative expenses and R&D expenses that are included in operating activities.	Operating expenses provide an overall picture of expenses that are charged to operating activities and are an important internal measure that management can influence to a large extent.
Items affecting comparability	Expenses of a non-recurring nature that are not part of operating activities, such as personnel expenses related to restructurings.	This measure is used by management to understand which costs are not part of the underlying operating activities.
Operating expenses adjusted for items affecting comparability	Operating expenses less items affecting comparability.	This measure is used by management to enable comparability of operating expenses between periods and to forecast future cost trends.
Operating profit	Profit before financial items and tax.	Operating profit provides an overall picture of the total profit generation in operating activities. This is a very important measure for internal use that management can influence to a greater extent than net profit.
<b>MARGIN DATA</b>		
Gross profit margin	Gross profit as a percentage of net sales.	The gross margin is used for both internal evaluation and individual sales/contracts and to monitor development over time for the company as a whole.
Operating margin	Operating profit as a percentage of net sales.	Operating margin is one of management's most important measures for performance monitoring since it measures the company's ability to convert net sales into operating profit.
<b>FINANCIAL DATA</b>		
Equity/asset ratio	Equity as a percentage of the balance sheet total.	A traditional measure that gives an indication of the company's ability to pay its debts.
<b>RETURN DATA</b>		
Equity per share, before and after dilution	Equity attributable to owners of the Parent Company divided by the weighted number of shares before/after dilution on the balance sheet date. The dilutive effect can arise from the company's outstanding share options and from the matching and performance share rights.	This measure is used to show development of equity per share over time and to enable comparability with other companies.

ALTERNATIVE PERFORMANCE MEASUREMENTS	DEFINITIONS	PURPOSE
Earnings per share, before and after dilution	Profit for the period attributable to owners of the parent company divided by the average number of shares outstanding before/after dilution during the period. The dilutive effect can arise from the company's outstanding share options and from the matching and performance share rights.	This measure is used to show development of earnings per share over time and to enable comparability with other companies.
OTHER DATA		
Order intake	The value of binding customer orders, invoiced service contracts and call-off under framework agreements. Does not include the anticipated future value of frameworks agreements.	Order intake is used to measure demand for the company's products and services during a specific period. This measure is also an important indicator of increases/decreases in demand between periods.
Change in Order intake adjusted for currency translation difference	Change in Order intake recalculated with the comparative period's exchange rates compared to the comparative period's Order intake.	This measure is used by management to follow the underlying change in Order intake in comparable currencies.
Order backlog	The value of incoming orders that have not yet been invoiced.	The size of the order back log gives an indication of revenue development in short to mid-term perspective.

## About Pricer

Pricer offers solutions for more efficient and reliable price information through electronic display and information systems for the retail industry. Pricer's system significantly improves consumer benefit and store productivity. The platform is based on a two-way communication protocol to ensure complete traceability and effective management of resources. The Pricer system leads to higher productivity in the store and enhances the customer experience.

Pricer, founded in 1991 in Uppsala, Sweden, is the leading global provider of electronic display and information systems to the retail trade. With the most complete ESL solution, Pricer has installations in over 50 countries and commands the largest share of the global ESL market. Customers include many of the world's top retailers and some of the foremost retail chains in Europe, Japan and the USA. Pricer, in cooperation with qualified partners, offers a totally integrated solution together with supplementary products, applications and services.

Pricer's shares are listed on the Nasdaq Stockholm Small Cap. For more information, please visit [www.pricer.com](http://www.pricer.com).

Pricer AB  
Box 215  
SE-101 24 Stockholm  
Office address: Västra Järnvägsgatan 7  
SE-111 64 Stockholm

Website: [www.pricer.com](http://www.pricer.com)  
Telephone no. +46 8 505 582 00  
Corporate identity number: 556427-7993