



+110%

Net sales increase
for the quarter

7.6%

Operating margin
for the quarter

SEK

27.4 M

Net profit
for the quarter

Record high net sales for an individual quarter and continued strong order intake

Third quarter 2018

- Net sales of SEK 406.0 M (193.8), an increase of 110 percent compared to the same period of last year
- Operating profit of SEK 31.0 M (20.5), corresponding to an operating margin of 7.6 percent (10.6)
- Order intake of SEK 286 M (234), an increase of 22 percent compared to the same period of last year
- The order backlog increased to SEK 338 M (144), most of which is expected to be invoiced before the end of 2018
- Profit for the period amounted to SEK 27.4 M (16.1)
- Earnings per share amounted to SEK 0.25 (0.15)
- Cash flow from operating activities was SEK -52.6 M (10.0)

January-September 2018

- Net sales of SEK 808.0 M (574.8), an increase of 41 percent compared to the same period of last year
- Operating profit of SEK 60.1 M (38.8), corresponding to an operating margin of 7.4 percent (6.7)
- Order intake of SEK 994 M (641), an increase of 55 percent compared to the same period of last year
- Profit for the period amounted to SEK 61.5 M (27.9)
- Earnings per share amounted to SEK 0.56 (0.25)
- Cash flow from operating activities was SEK 24.5 M (-32.8)

Amounts in SEK M unless otherwise stated	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Rolling 4 Q	Full year 2017
Order intake	286	234	994	641	1 225	872
Net sales	406,0	193,8	808,0	574,8	1 061,0	827,8
Gross margin, %	18,5%	27,9%	23,8%	27,6%	23,5%	26,1%
Operating profit	31,0	20,5	60,1	38,8	77,0	55,7
Operating margin, %	7,6%	10,6%	7,4%	6,7%	7,3%	6,7%
Cash flow*	-52,6	10,0	24,5	-32,8	49,1	-8,3
Profit for the period	27,4	16,1	61,5	27,9	72,3	38,7
Earnings per share (SEK)	0,25	0,15	0,56	0,25	0,66	0,35

*Cash flow from operating activities



Record high net sales for an individual quarter with 110% growth compared to last year



Comments from CEO Helena Holmgren

It is gratifying to announce that the record-high order intake in the second quarter generated record sales for a single quarter of SEK 406 M in the third quarter. Sales growth thus rose to 110 percent for the third quarter compared to the corresponding period of last year. The ongoing major American customer project made the biggest individual contribution to the strong growth during the period.

Market demand remained at a high level which resulted in an order intake of SEK 286 M for the third quarter, which equals a growth of 22 percent compared to the corresponding period last year. The order backlog therefore remains at a high level of SEK 338 M, most of which is scheduled for delivery before the end of the year. As previously announced, several customer contracts have been finalized during the quarter, some of which resulted in order intake in the third quarter while others will be spread over the project period.

The high order backlog at the close of the third quarter indicates a continued high pace of production and deliveries also for the fourth quarter. Combined with the high sales growth in the third quarter, this has resulted in a negative cash flow from operating activities which is primarily a function of capital tied up in inventories and trade receivables, offset by trade payables. As mentioned previously, cash flow should therefore be analyzed over time. Worth noting is Pricer’s ability to significantly increase delivery capacity at short notice. This is a result of the focused efforts that have been underway for a long time in order to improve terms and scalability in the supply chain.

The gross margin for the third quarter amounted to 18.5 percent, a level that reflects both product and contract mix as well as increased component prices as communicated in conjunction with the report for the second quarter. The product mix in the period is mainly a function of a high proportion of larger sizes of delivered labels and the fact that the amount of services and licenses in relation to products was low. The contract mix, with a high proportion of major customer projects with graphic labels, also had a negative impact on the gross margin. The product and contract mix look different in the order backlog at the end of the third quarter with a higher proportion of segment labels, a slightly smaller average label size, and a broader distribution across a number of different customers.

Despite the pressure on the gross margin we conclude that Pricer’s operating profit for the first nine months of the year has never been higher and we thus have yet another record to be pleased about. Our strong financial situation provides a key foundation for our credibility as a long-term partner to our customers and enables continued innovation, both in terms of product and market development.

Helena Holmgren
President and CEO

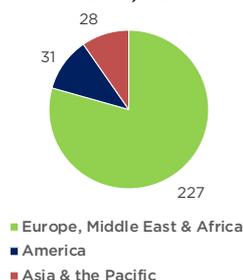


Pricer is working intensively to minimize the impact of the USA's import tariffs

Extended use of Pricer's system creates opportunities for higher sales and customer satisfaction in the store



Order intake per region in Q3 2018, SEK M



Market development

In September, the USA introduced import tariffs of 10 percent which applies to those parts of our product range that are currently being manufactured in China. Pricer is working intensively to minimize the impact of the new customs tariffs for our customers. According to what has been announced so far, an increase in import tariffs from 10 percent to 25 percent is planned with effect from January 1, 2019, something that would affect all systems with digital labels that are manufactured in China.

The competitive situation and price pressure in the ESL market remain intense. There are a large number of players in the market and it is difficult for customers to navigate through the buzz of promises regarding quality, functionality, performance and future capabilities. Pricer therefore continues to put efforts into further increasing value creation for the customer by enabling extended use of the system to improve and automate more in-store processes as well as to enhance the performance of the system. The digitization trend in retail is not just about reducing costs by streamlining processes, but also for increasing sales and customer satisfaction in the store.

The most recent in a series of innovations from Pricer is leveraging our system's unique communication features such as low power consumption, reliability, scalability and speed to provide advanced in-store visual analytics with AI (artificial intelligence). The use of a shelf-mounted camera enables an efficient and automated analysis of how the store really looks throughout the day. The purpose is to check if the shelves are empty or products are misplaced, to ensure that the store does not lose potential sales. The camera, which is currently being developed by Pricer, is part of the company's objective to create a platform for the store to automatically collect, analyze and act on information to improve both the store operation and the customer's buying experience. For example, as more retail chains offer click-an-collect in the store as a complement to other omni-channel solutions, it will become increasingly important to ensure both availability and correct placement of goods, something our system is particularly well suited for.

Order intake third quarter and January 1 to September 30, 2018

Order intake in the third quarter was SEK 286 M (234), an increase of 22 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, order intake increased by 12 percent. The order intake for the quarter was spread over several geographical markets, of which France and Norway are the largest.

Order intake for the first nine months of the year was SEK 994 M (641) an increase of 55 percent compared to the same period of last year. Adjusted for changes in exchange rates, order intake increased by 48 percent. The order intake for the period was spread over several geographical markets, of which the USA and France are the largest.

CURRENCY TRANSLATION DIFFERENCE ORDER INTAKE & NET SALES

	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
% change in Order intake	22%	62%	55%	6%	11%
whereof currency translation difference	10%	-2%	7%	2%	1%
% change in Order intake adjusted for currency translation difference	12%	63%	48%	4%	10%
% change in Net sales	110%	-8%	41%	1%	9%
whereof currency translation difference	20%	0%	6%	3%	2%
% change in Net sales adjusted for currency translation difference	90%	-8%	35%	-2%	7%



NET SALES AND PROFIT, SEK M

	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Net sales	406,0	193,8	808,0	574,8	827,8
Cost of goods sold	-331,1	-139,8	-615,6	-416,1	-611,8
Gross profit	74,9	54,0	192,4	158,6	216,0
Gross margin	18,5%	27,9%	23,8%	27,6%	26,1%
Operating expenses	-44,8	-31,8	-134,5	-118,2	-155,4
Other income and expenses	0,9	-1,7	2,2	-1,7	-5,0
Operating profit	31,0	20,5	60,1	38,8	55,7
Operating margin	7,6%	10,6%	7,4%	6,7%	6,7%

Net sales and profit for the third quarter and January 1 to September 30, 2018

Third quarter

Net sales amounted to SEK 406.0 M (193.8) for the quarter, an increase of 110 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, net sales increased by 90 percent. Net sales in the third quarter were distributed among a large number of customers, most of them in the USA, France and Italy.

Gross profit amounted to SEK 74.9 M (54.0) and gross margin amounted to 18.5 percent (27.9) for the quarter. The gross margin development is primarily a consequence of the product and contract mix in combination with higher prices for certain standard components resulting from a recent increase of demand for these components from a variety of industry verticals. Most of the company's cost of goods sold was in USD, while sales were primarily generated in EUR and USD.

Operating expenses increased to SEK -44.8 M (-31.8) for the quarter, mainly due to increased staff costs.

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 0.9 M (-1.7) for the quarter.

Operating profit amounted to SEK 31.0 M (20.5), which corresponds to an operating margin of 7.6 percent (10.6) for the quarter. High growth in net sales to a lower gross margin has resulted in an increase in operating profit but a reduction in operating margin.

Net financial items, primarily attributable to currency revaluation of balance sheet items, including cash and cash equivalents, impacted the quarter negatively and amounted to SEK -2.9 M (-0.6).

Income tax expenses relating to the third quarter amounted to SEK -0.8 M (-3.8), of which SEK 0.2 M (-2.2) are related to deferred tax. The current tax rate (i.e. paid tax) was -3 percent (-8) and the reported tax rate was -3 percent (-19). The decrease compared to the same period last year is explained by part of previously unrecognized tax loss carryforwards being capitalized during the quarter, affecting tax by SEK 4.4 M (0.0).

Profit for the period was SEK 27.4 M (16.1). The increase compared with the corresponding period of last year can mainly be attributed to increased gross profit.

Translation differences in other comprehensive income of SEK -4.4 M (-3.9) 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 1.0 M (0.8). Tax attributable to items in other comprehensive income amounted to SEK -0.2 M (-0.1).

January 1 to September 30, 2018

Net sales amounted to SEK 808.0 M (574.8) for the first nine months of the year, an increase of 41 percent compared to the same period of last year. Adjusted for changes in exchange rates, net sales increased by 35 percent. Net sales during the first nine months of the year were distributed among a large number of customers, most of them in the USA, France and Norway.

Gross profit amounted to SEK 192.4 M (158.6) and gross margin amounted to 23.8 percent (27.6) for the period. The gross margin development is primarily a consequence of the product and contract mix in combination with higher prices for certain standard components in the third quarter, resulting from a recently increased demand for these components from a variety of industry verticals. Most of the company's cost of goods sold was in USD, while sales were primarily generated in EUR and USD.

Operating expenses increased to SEK -134.5 M (-118.2) for the first nine months of the year, mainly due to increased staff costs.

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 2.2 M (-1.7) for the period.

Operating profit amounted to SEK 60.1 M (38.8), which corresponds to an operating margin of 7.4 percent (6.7) for the period. High growth in net sales and gross profit has resulted in an increase in operating profit.

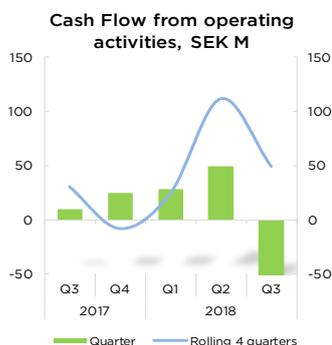
Net financial items, primarily attributable to currency revaluation of balance sheet items, including cash and cash equivalents, impacted the period positively and amounted to SEK 2.1 M (-3.2).

Income tax expenses relating to the first nine months of the year amounted to SEK -0.6 M (-7.7), of which SEK 2.4 M (-4.2) related to deferred tax. The current tax rate (i.e. paid tax) was -5 percent (-10) and the reported tax rate was -1 percent (-22). Part of the previously unrecognized tax loss carryforwards was recognized during the period, affecting tax by SEK 13.2 M (0.0). Deferred tax assets have also been revalued based on the current tax rate for the period in which they are expected to be utilized. Deferred tax assets related to recognized tax loss carryforwards amounted to SEK 70.4 M (71.1) as of September 30, 2018.

Profit for the period was SEK 61.5 M (27.9). 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 loss carryforwards.

Translation differences in other comprehensive income of SEK 15.2 M (-1.6) 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 2.4 M (-2.6). Tax attributable to items in other comprehensive income amounted to SEK -0.5 M (0.6).



Cash flow, investments and financial position

Third quarter

Cash flow from operating activities for the third quarter amounted to SEK -52.6 M (10.0). Working capital changes affected cash flow from operating activities by SEK -92.3 M (-16.7), primarily due to increased capital tied up in inventories and an increase in trade receivables, partly offset by an increase in trade payables. The increased tied-up capital is due to the high production and delivery activity.

Cash flow from investing activities amounted to SEK -3.6 M (-7.9) in the third quarter, mainly consisted of capitalized development costs of SEK -3.1 M (-3.2) and investments in property, plant and equipment of SEK -0.3 M (-2.6).

January 1 to September 30, 2018

Cash flow from operating activities for the first nine months of the year amounted to SEK 24.5 M (-32.8) for the period. Working capital changes affected cash flow from operating activities by SEK -54.2 M (-78.2), primarily due to an increase in capital tied up in inventories and an increase in trade receivables, partly offset by an increase in trade payables. The increased tied-up capital is due to the high production and delivery activity.

Cash flow from investing activities amounted to SEK -21.5 M (-21.7) for the first nine months of the year and consisted primarily of capitalized development costs of SEK -13.8 M (-12.3) and investments in property, plant and equipment of SEK -7.2 M (-6.0), mainly production equipment to meet increased demand.

Cash flow from financing activities includes a dividend payment of SEK 55.2 M (55.0) in accordance with the decision of the Annual General Meeting on April 26, 2018.

Cash and cash equivalents amounted to SEK 117.5 M (151.5) on September 30, 2018. In addition to cash and cash equivalents, Pricer has an unutilized overdraft facility amounting to SEK 50 M (50) and another SEK 100 M (50) in credit commitments.

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 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.

From the 2018 share savings program, a maximum of 409 thousand shares can be transferred free of charge to the participants in June 2021. Additional information can be found in Note 5 - Share savings program 2018.



On September 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 third quarter was 113 (102) and the number of employees at the end of the quarter was 113 (104). Additional strengthening of the organization has taken place in product development, sales and marketing.

As announced on July 25, the Board of Directors has elected Helena Holmgren as the new permanent President and CEO of Pricer AB.

Parent Company

The Parent Company's net sales amounted to SEK 798.4 M (528.2) and profit for the period was SEK 50.1 M (26.1). The Parent Company's cash and cash equivalents amounted to SEK 46.8 M (115.8) 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 but also trade policy factors such as import duties. 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

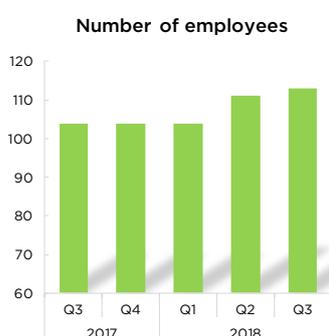
No forecast is issued for 2018.

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 in Note 1 - Accounting principles.

Subsequent events

As announced on October 15, Susanne Andersson has been recruited as CFO of Pricer and will assume her position by April 2019 at the latest. The current acting CFO, Magnus Midgard, will remain in the company in the role of Head of Group Finance.





The year-end
report will be
published on
February 14, 2019

Nomination Committee and Annual General Meeting

Pricer's Nomination Committee ahead of the 2019 Annual General Meeting comprises Göran Sundholm, Ulf Palm, Göran Bronner and Gunnar Ek, also Chairman of the nomination committee, and Bernt Ingman, Chairman of the Board. As of September 30, 2018, these shareholder representatives together represent approximately 29 percent of the votes in Pricer AB.

Shareholders who wish to submit a proposal to Pricer's Nomination Committee may, before December 31, 2018, contact the Nomination Committee by e-mail: ir@pricer.com or at address: Pricer AB, Attention: Nomination Committee, Box 215, SE-101 24 Stockholm

The Annual General Meeting will take place in Stockholm at 14.00 CET on April 25, 2019 at Kapitel 8 Klara Strand, Klarabergsviadukten 90, Stockholm. Notice of the Meeting will be issued in due course.

Next reporting date

The year-end report for the period January - December 2018 will be published on February 14, 2019.

This interim report for Pricer AB (publ) has been submitted following approval by the Board of Directors.

Stockholm, October 26, 2018

Pricer AB (publ)

Helena Holmgren
CEO

This information is information that Pricer AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency by the contact person set out below, on October 26, 2018 at 08:30 CET.

For further information, please contact:

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

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

Auditors' review report

Pricer AB (publ), corporate identity number 556427-7993

Västra Järnvägsgatan 7
111 64 Stockholm

Introduction

We have reviewed the condensed interim report for Pricer AB (publ) as at September 30, 2018 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing standards in Sweden.

The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, October 26, 2018

Ernst & Young AB

Rickard Andersson

Authorized Public Accountant

Financial reporting

CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Net sales	406,0	193,8	808,0	574,8	827,8
Cost of goods sold	-331,1	-139,8	-615,6	-416,1	-611,8
Gross profit	74,9	54,0	192,4	158,6	216,0
Selling and administrative expenses	-39,0	-28,7	-117,6	-105,0	-136,6
Research and development costs	-5,8	-3,1	-16,9	-13,2	-18,7
Other income and expenses	0,9	-1,7	2,2	-1,7	-5,0
Operating profit	31,0	20,5	60,1	38,8	55,7
Net financial items	-2,9	-0,6	2,1	-3,2	-4,0
Net profit before tax	28,1	19,9	62,2	35,6	51,7
Income tax	-0,8	-3,8	-0,6	-7,7	-13,0
Net profit for the period	27,4	16,1	61,5	27,9	38,7

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Net profit for the period	27,4	16,1	61,5	27,9	38,7
<i>Items that are or may be reclassified to profit or loss for the period</i>					
Translation differences	-4,4	-3,9	15,2	-1,6	7,4
Cash flow hedges	1,0	0,8	2,4	-2,6	-2,9
Tax attributable to items in other comprehensive income	-0,2	-0,1	-0,5	0,6	0,6
Other comprehensive income for the period	-3,6	-3,2	17,1	-3,6	5,1
Net comprehensive income for the period	23,7	12,9	78,6	24,2	43,8

Net profit for the period attributable to:

Owners of the Parent Company	27,4	16,1	61,5	27,9	38,7
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Net comprehensive income for the period attributable to:

Owners of the Parent Company	23,7	12,9	78,6	24,2	43,8
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EARNINGS PER SHARE

	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Basic earnings per share, SEK	0,25	0,15	0,56	0,25	0,35
Diluted earnings per share, SEK	0,25	0,15	0,55	0,25	0,35
Number of shares before dilution, millions	110,3	110,2	110,3	110,1	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	Sept 30 2018	Sept 30 2017	Dec 31 2017
Intangible assets	300,4	276,1	285,7
Property, plant and equipment	21,9	14,3	15,9
Deferred tax assets	75,3	77,7	73,4
Total non-current assets	397,5	368,0	375,1
Inventories	251,0	174,3	141,2
Current receivables	464,4	262,0	235,4
Cash and cash equivalents	117,5	151,5	166,8
Total current assets	832,9	587,8	543,4
TOTAL ASSETS	1230,4	955,8	918,5
Equity attributable to holders of the parent company	743,0	698,9	718,7
Total equity	743,0	698,9	718,7
Provisions	21,9	19,5	20,6
Other non-current liabilities	7,0	3,7	5,2
Current liabilities	458,6	233,7	174,0
Total liabilities	487,5	256,9	199,8
TOTAL EQUITY AND LIABILITIES	1230,4	955,8	918,5
Basic shareholders' equity per share, SEK	6,74	6,35	6,52
Diluted shareholders' equity per share, SEK	6,70	6,33	6,51

CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	9 mths 2018	9 mths 2017	Full year 2017
Equity at the beginning of the period	718,7	729,4	729,4
Net profit for the period	61,5	27,9	38,7
Other comprehensive income for the period	17,1	-3,6	5,1
<i>Net comprehensive income for the period</i>	<i>78,6</i>	<i>24,2</i>	<i>43,8</i>
Dividend	-55,1	-55,0	-55,0
Share based payments, equity settled	0,8	0,3	0,5
<i>Total transactions with owners of the Group</i>	<i>-54,3</i>	<i>-54,7</i>	<i>-54,5</i>
Equity at the end of the period	743,0	698,9	718,7
Attributable to:			
- Owners of the parent company	743,0	698,9	718,7

CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY

	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Amounts in SEK M					
Net profit before tax	28,1	19,9	62,2	35,6	51,7
Adjustment for non-cash items	12,8	8,3	18,4	15,2	18,5
- of which depreciations and amortizations	5,7	3,8	15,9	10,9	14,8
- whereof other non-cash items	7,2	4,5	2,5	4,3	3,7
Paid income tax	-1,2	-1,6	-1,9	-5,3	-7,0
Change in working capital	-92,3	-16,7	-54,2	-78,2	-71,4
Net cash flow from operating activities	-52,6	10,0	24,5	-32,8	-8,2
Net cash used in investing activities	-3,6	-7,9	-21,5	-21,7	-29,8
Net cash used in financing activities	-	-	-55,2	-55,0	-55,0
Net cash flow for the period	-56,1	2,1	-52,2	-109,5	-92,9
Cash and cash equivalents at beginning of period	173,1	148,5	166,8	261,3	261,3
Exchange rate losses/gains in cash and cash equivalents	0,6	0,9	3,0	-0,3	-1,6
Cash and cash equivalents at end of period	117,5	151,5	117,5	151,5	166,8
Unutilized bank overdraft facility	50,0	50,0	50,0	50,0	50,0
Available funds at end of period	167,5	201,5	167,5	201,5	216,8

KEY FIGURES

	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Amounts in SEK M					
Order intake	286	520	189	231	234
Order intake - rolling 4 quarters	1 225	1174	872	872	820
Net sales	406,0	222,0	180,0	253,0	193,8
Net sales - rolling 4 quarters	1 061,0	848,8	833,5	827,8	762,8
Operating profit	31,0	20,1	9,0	16,9	20,5
Operating profit - rolling 4 quarters	77,0	66,5	57,5	55,7	55,4
Net profit for the period	27,4	28,4	5,8	10,8	16,1
Cash flow from operating activities	-52,6	49,1	28,0	24,6	10,0
Cash flow from operating activities - rolling 4 quarters	49,2	111,7	24,4	-8,2	30,5
Number of employees, end of period	113	111	104	104	104
Equity/assets ratio	60%	68%	77%	78%	73%

PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK M	9 mths 2018	9 mths	Full year 2017
Net sales	798,4	528,2	704,8
Cost of goods sold	-682,5	-435,4	-580,0
Gross profit	116,0	92,9	124,8
Selling and administrative expenses	-54,7	-43,0	-58,3
Research and development costs	-16,9	-13,2	-18,7
Other income and expenses	2,2	-1,6	-4,8
Operating profit	46,5	35,1	42,9
Net financial items	1,3	-3,8	-3,8
Net profit before tax	47,8	31,4	39,1
Income tax	2,4	-5,3	-8,7
Net profit for the period	50,1	26,1	30,4

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	9 mths 2018	9 mths	Full year 2017
Net profit for the period	50,1	26,1	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	2,4	-2,6	-2,9
Tax attributable to items in other comprehensive income	-0,5	0,6	0,6
Comprehensive income for the period	1,8	-2,0	-2,3
Net comprehensive income for the period	51,9	24,0	28,2

PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	Sept 30 2018	Sept 30 2017	Dec 31 2017
Intangible assets	40,5	34,3	36,9
Property, plant and equipment	18,1	11,8	12,1
Financial fixed assets	294,1	269,8	329,4
Total non-current assets	352,7	316,0	378,4
Inventories	109,8	98,8	104,8
Current receivables	562,6	257,9	202,5
Cash and cash equivalents	46,8	115,8	124,0
Total current assets	719,2	472,5	431,3
TOTAL ASSETS	1 072,0	788,5	809,7
Shareholders' equity	568,0	566,0	570,3
Total equity	568,0	566,0	570,3
Provisions	21,9	19,5	20,6
Non-current liabilities	0,1	0,5	0,1
Current liabilities	481,9	202,4	218,7
Total liabilities	504,0	222,4	239,4
TOTAL EQUITY AND LIABILITIES	1 072,0	788,5	809,7

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK M	9 mths 2018	9 mths 2017	Full year 2017
Equity at the beginning of the period	570,3	596,6	596,6
Net comprehensive income for the period	51,9	24,0	28,2
Dividend	-55,1	-55,0	-55,0
Share based payments, equity settled	0,8	0,3	0,5
Equity at the end of the period	568,0	566,0	570,3

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 has entered into force 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 – 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 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 and cars. The company is in the process of analyzing and quantification of the operating leases, which will affect the financial position and key ratios. The company plans to apply this lease standard retroactively with the cumulative effect of an initial application of the standard on the first date of application, January 1, 2019. The right-of-use assets are expected to be valued at an amount equal to the leasing liabilities. Based on assumptions regarding the existing lease arrangements as of January 1, 2019, the Group's leasing liabilities and right-of-use assets are expected to increase the balance sheet total by an estimated 5-7 percent.

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

Amounts in SEK M	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Revenue from goods	385,2	172,2	750,4	517,8	750,9
Revenue from services	14,7	18,9	45,8	50,1	68,1
Revenue from licensees	6,1	2,7	11,8	6,9	8,8
Total	406,0	193,8	808,0	574,8	827,8

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

Amounts in SEK M	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Europe, Middle East & Africa	170,6	181,8	519,8	518,9	673,0
America	223,7	8,3	249,4	36,0	127,7
Asia & the Pacific	11,6	3,7	38,8	19,9	27,1
Total net sales	406,0	193,8	808,0	574,8	827,8

NET SALES BY SALES CHANNEL

	Q3 2018	Q3 2017	9 mths 2018	9 mths 2017	Full year 2017
Direct customers	62%	57%	76%	65%	62%
Resellers	38%	43%	24%	35%	38%
Total	100%	100%	100%	100%	100%

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 related party relationship has been changed and 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 - 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	Sept 30 2018	Sept 30 2017	Dec 31 2017
Financial instruments			
Derivatives used in hedge accounting (level 2)	0,6	0,9	0,8
Loan and trade receivables	555,5	392,9	390,3
Total financial assets	556,1	393,8	391,1
Derivatives used in hedge accounting (level 2)	1,5	5,2	5,4
Other financial liabilities	426,6	202,2	141,8
Total financial liabilities	428,1	207,5	147,2

Note 5 - Share savings program 2018

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.

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		
	Sept 30 2018	Sept 30 2017	Dec 31 2017	Sept 30 2018	Sept 30 2017	Dec 31 2017
Pledged assets						
Floating charges	59,6	59,6	59,6	59,6	59,6	59,6
Bank deposits	-	-	-	0,9	0,8	0,8
Total	59,6	59,6	59,6	60,5	60,5	60,5
Contingent liabilities						
Bank guarantee	-	-	-	0,9	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
Total	1,9	1,9	1,9	2,8	2,7	2,7

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. 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	Sept 30 2018	Sept 30 2017	Dec 31 2017
RESULTS DATA			
Operating expenses			
Selling and administrative expenses	-117,6	-105,0	-136,6
Research and development costs	-16,9	-13,2	-18,7
Operating expenses	-134,5	-118,2	-155,4
Operating expenses adjusted for items affecting comparability			
Operating expenses	-134,5	-118,2	-155,4
-Whereof items affecting comparability relating to personnel costs related to restructuring	-	-	-1,5
Operating expenses adjusted for items affecting comparability	-134,5	-118,2	-153,9
MARGIN DATA			
Net Sales	808,0	574,8	827,8
Gross Profit	192,4	158,6	216,0
Gross profit margin, %	23,8%	27,6%	26,1%
Operating profit	60,1	38,8	55,7
Operating margin, %	7,4%	6,7%	6,7%
FINANCIAL DATA			
Equity/assets ratio			
Total assets	1 230,4	955,8	918,5
Equity	743,0	698,9	718,7
Equity/assets ratio, %	60%	73%	78%
RETURN DATA			
Equity per share basic/diluted			
Number of outstanding shares, thousand	110 267	110 246	110 267
Dilution, thousand	637	365	228
Equity TSEK	742 958	698 914	718 705
Equity per share basic, SEK	6,74	6,34	6,52
Equity per share diluted, SEK	6,70	6,32	6,50
Earnings per share, before and after dilution			
Average number of outstanding shares, thousand	110 267	110 110	110 149
Dilution, thousand	637	365	228
Net profit, TSEK	61 525	27 853	38 675
Earnings per share, before dilution	0,56	0,25	0,35
Earnings per share, after dilution	0,55	0,25	0,35

ALTERNATIVE PERFORMANCE MEASUREMENTS	DEFINITIONS	PURPOSE
RESULTS DATA		
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.
MARGIN DATA		
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.
FINANCIAL DATA		
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.
RETURN DATA		
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.

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