



Q1 • INTERIM REPORT • January – March 2019

+45%

Growth in net sales in the quarter

6.7%

Operating margin in the quarter

MSEK 19.3

Net profit for the quarter

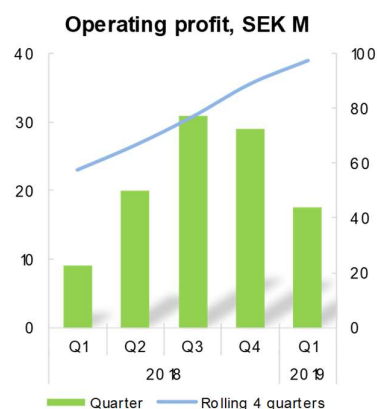
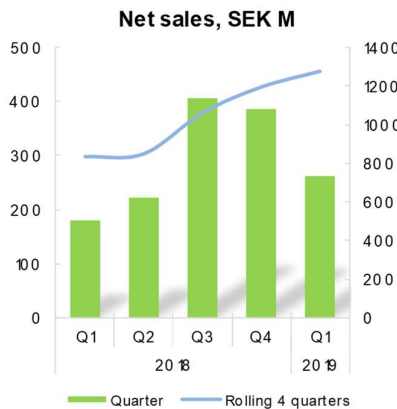
High growth in net sales and improved profitability

First quarter 2019

- Net sales of SEK 261.9 M (180.0), an increase of 45 percent compared to the same period last year
- Operating profit of SEK 17.6 M (9.0), corresponding to an operating margin of 6.7 percent (5.0)
- Order intake of SEK 208 M (189), an increase of 10 percent compared to the same period last year
- Order backlog increased to SEK 169 M (143), of which the majority is expected to be invoiced in the next quarter
- Net profit for the period was SEK 19.3 M (5.8)
- Earnings per share were SEK 0.18 (0.05)
- Cash flow from operating activities was SEK 55.1 M (28.0)
- As of January 1, 2019, the company applies IFRS 16 for the Group's leases. The restatement had a negative impact on the period's earnings of SEK -0.2 M, a positive impact on cash flow from operating activities of SEK 2.2 M and a negative impact on the cash flow from financing activities of SEK -2.2 M. The equity/assets ratio decreased by 3 percentage points due to an increase in the balance sheet total. Comparative figures have not been restated.

Amounts in SEK M unless otherwise stated	Q1 2019	Q1 2018	Full year 2018	Rolling 4 Q
Order intake	208	189	1 268	1 287
Net sales	261,9	180,0	1 194,5	1 276,4
Gross margin, %	29,1%	27,4%	22,8%	23,4%
Operating profit	17,6	9,0	89,1	97,6
Operating margin, %	6,7%	5,0%	7,5%	7,6%
Cash flow*	55,1	28,0	83,7	110,8
Net profit for the period	19,3	5,8	87,3	100,8
Earnings per share (SEK)	0,18	0,05	0,79	0,91

*Cash flow from operating activities





Strong start to 2019 with sharp increase in net sales and good profitability

Comments from CEO Helena Holmgren

The year started strong with growth in net sales of 45 percent during the first quarter compared to the same period last year. In turn, this resulted in an operating profit that increased to SEK 17.6 M (9.0).

Order intake of SEK 208 M (189) comes from a large number of orders from several customers with a broad geographic distribution. The larger customer base can in the future result in new orders and in turn reduces vulnerability and dependence on large individual customer projects.

The demand for our system continues to be high, and we are noting for the first quarter continued high market activity with an increasing number of customer dialogues and several new pilot installations.

Positive currency effects from a weaker SEK against USD and EUR, as well as price reductions on a number of standard components, contributes to the gross margin in Q1 2019 of 29.1 percent (27.4). The product and contract mix during the first quarter of the year is approximately the same as in the comparison period last year.

Cash flow from operating activities amounted to SEK 55.1 M (28.0) for the first quarter and was the result of an operating profit combined with decreased working capital.

Competition on the market continues to be tough. Significant customer projects often attract a large number of vendors of which several primarily aim to gain market share at any price. While retailers evaluate the return of their long-term investment in an ESL-system, the system's functionality, stability, update speed and future development opportunities are judged differently in the investment calculations.

We are convinced that the benefits of our unique system, such as speed, reliability, scalability and battery life, respond better to the challenges facing the retail industry than any of our competitors' systems. The increase in customer dialogues and new pilot installations are proof that our long-term and committed efforts to continuously improve the system's performance and functionality with new innovative solutions are leading us down the right path.

We will continue to dedicate the same effort to our innovative work in order to further improve the system's capacity and thus create even more added value for our customers. Our strong market position is the result of our ability to offer reliable and fast real-time communication in the physical store environment. This in turn creates conditions for innovative logistics models, streamlining of several employee-intensive store processes and an improved and more personal shopping experience for consumers in the store.

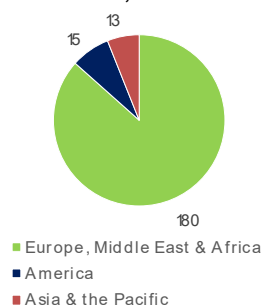
Pricer acts in an immature market where the penetration rate of ESL systems is low and paper labels remain the most widely used solution. Independent sources expect the market for ESL-systems to grow by around 15-20 percent on an annual basis in the next few years. We are therefore investing in product development, IT systems, market presence and competence to meet this growth. As part of these efforts, we moved into larger premises in Stockholm in March to prepare for additional reinforcements, primarily in our product and development organization. At the same time, we also strengthened our sales presence in a number of geographic markets to meet the increase in demand.

Helena Holmgren

President and CEO



Order intake per region in Q1 2019, SEK M



Need for real-time communication in-store is driving development

Market development

NET SALES BY GEOGRAPHICAL MARKET

Amounts in SEK M	Q1 2019	Q1 2018	Full year 2018
Europe, Middle East & Africa	221,8	157,3	741,7
America	20,7	12,9	396,1
Asia & the Pacific	19,4	9,8	56,7
Total net sales	261,9	180,0	1 194,5

Our largest market is still Europe, both in terms of installed base and net sales. Countries that stand out include France, Belgium, Norway and Italy, which together form the majority of net sales in Q1 2019.

The installed base in Europe, and primarily in France, creates an interesting opportunity for new solutions that can offer more value-added services in addition to the functionality that is demanded and implemented in conjunction with the procurement and system installation. The extra functionality that can be added later include solutions to optimize in-store picking of e-commerce orders, facilitate re-stocking of goods on shelves and manage date marking to reduce food waste.

The America and Asia & Pacific region areas had continued strong growth in Q1 2019, but from significantly lower levels compared to the European market. The growth potential on the North American market is continuously expected to be very large, and we define significant parts of the ongoing product development from requirement specifications that evolve from customer dialogues on this market and which will benefit all our customers. This means primarily the need for real-time communication in the store that is most clearly requested by retail chains on the North American market, even if we are starting to see a similar trend on several European markets.

NET SALES GENERATED IN RESPECTIVE CURRENCY

Currency	Reported change in net sales	Whereof exchange rate fluctuations	Whereof change in local currency	Part of net sales
Q1 2019 compared to the same period of last year				
EUR	54%	6%	48%	65%
USD	31%	15%	16%	34%
Other currency	77%	0%	77%	1%
Group	45%	10%	35%	100%

Starting in January 2019, Pricer will calculate currency effects using the current quarter's rates compared to the previous period's volumes in local currency.

Currency effects had a positive impact on net sales, due to a weaker SEK against EUR and USD compared to Q1 2018. Currency effects also had a positive impact on operating profit since the company has a higher volume in net sales compared to costs. The majority of the company's costs for goods sold were in USD, while net sales were generated primarily in EUR and USD. Pricer does not use hedging since the company decided to stop using hedges in February 2018. As at December 31, 2018, there were no outstanding forward contracts.



Order intake in first quarter 2019

Order intake for the first quarter amounted to SEK 208 M (189), an increase of 10 percent compared to the same quarter last year. Order intake comes from a large number of orders from several customers with a broad geographic distribution. In the first quarter, the majority of orders were from France, Italy and Norway. Adjusted for exchange rate fluctuations, order intake rose by 1 percent.

Net sales and profit/loss in first quarter 2019

NET SALES AND PROFIT, SEK M

	Q1 2019	Q1 2018	Full year 2018
Net sales	261,9	180,0	1 194,5
Cost of goods sold	-185,6	-130,8	-922,3
Gross profit	76,2	49,2	272,2
Gross margin	29,1%	27,4%	22,8%
Operating expenses	-58,0	-42,8	-188,3
Other income and expenses	-0,7	2,6	5,2
Operating profit	17,6	9,0	89,1
Operating margin	6,7%	5,0%	7,5%

Net sales amounted to SEK 261.9 M (180.0) in the quarter, an increase of 45 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, net sales increased by 35 percent. Net sales in the first quarter were distributed among a large number of customers, the majority of which are in France, Belgium, Italy and Norway.

Gross profit amounted to SEK 76.2 M (49.2), and the gross margin amounted to 29.1 percent (27.4) for the quarter. The growth in the gross margin is primarily an effect of the product and contract mix as well as positive currency effect.

Operating expenses increased to SEK -58.0 M (-42.8) for the quarter, primarily due to increased personnel costs and consultants for investments within product development and a broadened market presence.

Other income and expenses amounted to SEK -0.7 M (2.6) and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.

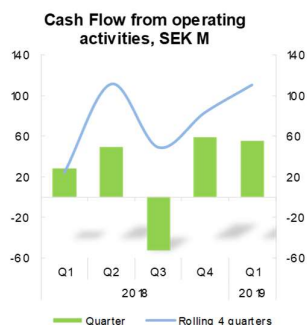
Operating profit amounted to SEK 17.6 M (9.0), which corresponded to an operating margin of 6.7 percent (5.0). A high rate of growth in net sales combined with beneficial exchange rate fluctuations resulted in an increase in the operating profit and the operating margin.

Net financial items, which consists primarily of currency revaluation of balance sheet items, including cash and cash equivalents, impacted the quarter positively and amounted to SEK 2.3 M (-1.0).

Tax for the quarter amounted to SEK -0.5 M (-2.2), of which SEK 0.6 M (-1.4) refers to deferred tax and SEK -1.1 M (-0.8) to current tax. The current tax rate amounted to 6 percent (9), and the reported total tax rate amounted to 3 percent (27). The reduction in the tax rate compared to the corresponding period last year is due to the capitalization during the quarter of a part of a previously non-recognized tax loss carried forward.

Profit for the period was SEK 19.3 M (5.8). The profit for the period exceeds the operating profit because, in addition to the net financial income, the tax burden is low due the tax loss carry-forwards the company has utilized.

The new accounting principle IFRS 16 Leases is applied as of January 1, 2019. Comparative figures have not been restated. Operating profit was not affected, and net financial income/expense was negatively affected by SEK -0.2 M.



Translation differences in other comprehensive income of SEK 5.8 M (14.2) consisted of currency translation of net assets in foreign subsidiaries.

Cash flow, investments and financial position

First quarter

Cash flow from operating activities amounted to SEK 55.1 M (28.0) in the first quarter. The change in working capital during the quarter had a positive impact on cash flow from operating activities of SEK 25.6 M (17.4), primarily due to a reduction in outstanding trade receivables, which increased cash flow, and an increase in the capital tie-up in inventory, which reduced cash flow.

Cash flow from investing activities amounted to SEK -10.7 M (-8.4) during the first quarter and consisted primarily of capitalized development expenditure of SEK -7.8 M (-5.5) and investments in property, plant and equipment of SEK -2.9 M (-1.9).

Cash flow from financing activities amounted to SEK -2.2 M (-0.1) during the first quarter and referred to leases.

Leasing expenses for earlier operating leases were replaced as of January 1, 2019, with write-downs on right-of-use assets of SEK -2.2 M and financial interest expenses for lease liabilities of SEK -0.2 M in accordance with IFRS 16 Leases. For the first quarter, cash flow from operating activities was positively affected by SEK 2.2 M and cash flow from financing activities was negatively affected by SEK -2.2 M.

Cash and cash equivalents amounted to SEK 213.5 M (186.8) on March 31, 2019. In addition to cash and cash equivalents, the company has an unutilized overdraft facility amounting to SEK 50 M (50).

Equity

Pricer is holding 705 thousand treasury shares in order to meet the promise of matching and performance shares under the outstanding performance share plans from 2017 and 2018. The value of the promise is expensed during the vesting period. From the 2017 performance share plan, a maximum of 228 thousand shares can be transferred free of charge in June 2020 to the participants. From the 2018 performance share plan, a maximum of 409 thousand shares can be transferred free of charge in June 2021 to the participants.

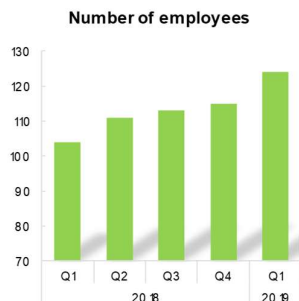
In total, 475 thousand warrants were outstanding on March 31, 2019, for the performance share plan that was decided in 2016 and falls due on June 27, 2019.

For more information, please refer to Note 4 of the 2018 Annual Report.

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



Employees

The average number of employees during the first quarter was 121 (103), and the number of employees at the end of the period was 124 (104). The average number including hired staff and consultants amounted to 140 (114) in the first quarter. The organization was strengthened in several areas, such as product development and sales.

Parent Company

The Parent Company's net sales amounted to SEK 237.5 M (150.3), and the profit for the period amounted to SEK 20.9 M (4.6). The Parent Company's cash and cash equivalents amounted to SEK 192.7 M (154.3) at the end of the period.

Risks and uncertainty factors

Pricer's earnings 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 apply primarily to the development of the market for digital shelf edge labels and systems as well as large currency fluctuations, but also to political factors affecting trade such as import duties. In view of the client structure and the scope of the agreement, a delay in the installations or large fluctuations in exchange rates can have a significant effect in any given quarter. For other risks, please refer to the 2018 Annual Report, pages 20-21 and 52-54.

Forecast

No forecast is issued for 2019.

New accounting principles

Pricer applies IFRS 16 Leases as of January 1, 2019. Read more under Note 1 Accounting Principles.

Events after the end of the reporting period

There are no major events after the end of the reporting period.

Proposed dividend for 2019 Annual General Meeting

The Board of Directors has proposed to the Annual General Meeting (AGM) on April 25, 2019, to approve a dividend of SEK 0.60 per share for the 2018 financial year, which corresponds to SEK 66.2 M. The proposed record date for payment of the dividend is April 29, 2019. If the AGM resolves in accordance with the proposal, the dividend is expected to be dispatched through Euroclear Sweden AB on May 3, 2019.



Next interim report will be published on July 18, 2019

Next reporting date

The interim report for the period January-June 2019 will be published on July 18, 2019.

The interim report for Pricer AB (publ) was submitted on the authorization of the Board of Directors.

Stockholm, April 25, 2019

Pricer AB (publ)

Helena Holmgren

President and CEO

This report has not been subject to an audit.

Every care has been taken in the translation of this document. In the event of discrepancies, the Swedish original will supersede the English translation.

This information is information that Pricer AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency by the contact persons set out below, on April 25, 2019 at 12:00 CET.

For more information, please contact:

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Financial Reporting

CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q1 2019	Q1 2018	Full year 2018
Net sales	261,9	180,0	1 194,5
Cost of goods sold	-185,6	-130,8	-922,3
Gross profit	76,2	49,2	272,2
Selling and administrative expenses	-49,5	-38,1	-162,6
Research and development costs	-8,5	-4,7	-25,7
Other income and expenses	-0,7	2,6	5,2
Operating profit	17,6	9,0	89,1
Net financial items	2,3	-1,0	-0,3
Net profit before tax	19,9	8,0	88,8
Income tax	-0,5	-2,2	-1,5
Net profit for the period	19,3	5,8	87,3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q1 2019	Q1 2018	Full year 2018
Net profit for the period	19,3	5,8	87,3
<i>Items that are or may be reclassified to profit or loss for the period</i>			
Translation differences	5,8	14,2	14,9
Cash flow hedges	-	-1,1	2,9
Tax attributable to items in other comprehensive income	-	0,2	-0,6
Other comprehensive income for the period	5,8	13,4	17,2
Net comprehensive income for the period	25,1	19,2	104,5

Net profit for the period attributable to:

Owners of the Parent Company	19,3	5,8	87,3
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Net comprehensive income for the period attributable to:

Owners of the Parent Company	25,1	19,2	104,5
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EARNINGS PER SHARE

	Q1 2019	Q1 2018	Full year 2018
Basic earnings per share, SEK	0,18	0,05	0,79
Diluted earnings per share, SEK	0,17	0,05	0,79
Number of shares before dilution, millions	110,3	110,3	110,3
Diluted number of shares, millions	110,9	110,5	110,9



CONSOLIDATED BALANCE SHEET IN SUMMARY

Amounts in SEK M	Mar 31 2019	Mar 31 2018	Dec 31 2018
Intangible assets	306,8	299,4	301,5
Property, plant and equipment	21,5	16,3	22,3
Right-of-use asset	56,7	-	-
Deferred tax assets	76,6	72,3	76,1
Total non-current assets	461,6	387,9	399,8
Inventories	214,2	141,4	189,0
Current receivables	316,4	242,6	361,8
Cash and cash equivalents	213,5	186,8	171,0
Total current assets	744,1	570,8	721,8
TOTAL ASSETS	1 205,7	958,7	1 121,6
Equity attributable to holders of the parent company	795,2	737,9	769,3
Total equity	795,2	737,9	769,3
Provisions	33,2	25,9	31,9
Non-current liabilities	46,6	-	-
Current liabilities	330,7	194,9	320,5
Total liabilities	410,5	220,8	352,3
TOTAL EQUITY AND LIABILITIES	1 205,7	958,7	1 121,6
Basic shareholders' equity per share, SEK	7,21	6,69	6,98
Diluted shareholders' equity per share, SEK	7,17	6,68	6,94

CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	3 mths 2019	3 mths 2018	Full year 2018
Equity at the beginning of the period	769,3	718,7	718,7
Net profit for the period	19,3	5,8	87,3
Other comprehensive income for the period	5,8	13,4	17,2
<i>Net comprehensive income for the period</i>	<i>25,1</i>	<i>19,2</i>	<i>104,5</i>
Dividend	-	-	-55,1
Share based payments, equity settled	0,8	0,0	1,3
<i>Total transactions with owners of the Group</i>	<i>0,8</i>	<i>0,0</i>	<i>-53,9</i>
Equity at the end of the period	795,2	737,9	769,3
Attributable to:			
- Owners of the parent company	795,2	737,9	769,3



CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY

Amounts in SEK M	Q1 2019	Q1 2018	Full year 2018
Net profit before tax	19,9	8,0	88,8
Adjustment for non-cash items	10,7	2,7	28,4
- of which depreciations and amortizations	10,4	4,5	20,9
- whereof other non-cash items	0,4	-1,8	7,5
Paid income tax	-1,1	-0,2	-3,4
Change in working capital	25,6	17,4	-30,1
Net cash flow from operating activities	55,1	28,0	83,7
Net cash used in investing activities	-10,7	-8,4	-27,6
Net cash used in financing activities	-2,2	-0,1	-55,2
Net cash flow for the period	42,2	19,5	0,9
Cash and cash equivalents at beginning of period	171,0	166,8	166,8
Exchange rate losses/gains in cash and cash equivalents	0,3	0,6	3,4
Cash and cash equivalents at end of period	213,5	186,8	171,0
Unutilized bank overdraft facility	50,0	50,0	50,0
Available funds at end of period	263,5	236,8	221,0

KEY FIGURES

Amounts in SEK M	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Order intake	208	274	286	520	189
Order intake - rolling 4 quarters	1 287	1 268	1 225	1 174	872
Net sales	261,9	386,5	406,0	222,0	180,0
Net sales - rolling 4 quarters	1 276,4	1 194,5	1 061,0	848,8	833,5
Operating profit	17,6	29,0	31,0	20,1	9,0
Operating profit - rolling 4 quarters	97,6	89,1	77,0	66,5	57,5
Net profit for the period	19,3	25,8	27,4	28,4	5,8
Cash flow from operating activities	55,1	59,1	-52,6	49,1	28,0
Cash flow from operating activities - rolling 4 quarters	110,8	83,7	49,2	111,7	24,4
Number of employees, end of period	124	115	113	111	104
Equity/assets ratio	66%	69%	60%	68%	77%



PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK M	3 mths 2019	3 mths 2018	Full year 2018
Net sales	237,5	150,3	1 057,4
Cost of goods sold	-185,1	-124,6	-889,7
Gross profit	52,4	25,7	167,6
Selling and administrative expenses	-25,0	-16,6	-78,1
Research and development costs	-8,5	-4,7	-25,7
Other income and expenses	-0,7	2,6	5,1
Operating profit	18,3	7,0	68,9
Net financial items	2,5	-1,0	-5,2
Net profit before tax	20,7	6,0	63,8
Income tax	0,2	-1,3	3,3
Net profit for the period	20,9	4,6	67,1

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	3 mths 2019	3 mths 2018	Full year 2018
Net profit for the period	20,9	4,6	67,1
<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	-	-1,1	2,9
Tax attributable to items in other comprehensive income	-	0,2	-0,6
Comprehensive income for the period	-	-0,9	2,3
Net comprehensive income for the period	20,9	3,7	69,3



PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	Mar 31 2019	Mar 31 2018	Dec 31 2018
Intangible assets	43,7	39,5	42,1
Property, plant and equipment	19,2	12,3	18,7
Financial fixed assets	268,4	278,1	268,3
Total non-current assets	331,4	329,9	329,1
Inventories	144,5	101,0	133,0
Current receivables	254,6	158,5	314,2
Cash and cash equivalents	192,7	154,3	161,0
Total current assets	591,8	413,7	608,2
TOTAL ASSETS	923,2	743,6	937,3
Shareholders' equity	607,6	574,2	585,9
Total equity	607,6	574,2	585,9
Provisions	25,4	19,8	24,6
Non-current liabilities	0,1	0,1	0,1
Current liabilities	290,1	149,5	326,7
Total liabilities	315,6	169,4	351,4
TOTAL EQUITY AND LIABILITIES	923,2	743,6	937,3

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK M	3 mths 2019	3 mths 2018	Full year 2018
Equity at the beginning of the period	585,8	570,3	570,3
Net comprehensive income for the period	20,9	3,7	69,3
Dividend	-	-	-55,1
Share based payments, equity settled	0,8	0,0	1,3
Equity at the end of the period	607,6	574,2	585,9



Note 1 - Accounting Principles

This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with Chapter 9 of the Annual Accounts Act and RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Council. The same accounting principles and bases for calculation were applied for the Group and the Parent Company, as in the latest annual report, with the following additions.

New IFRS effective from 2019 – IFRS 16 Leases

IFRS 16 Leases entered into force on January 1, 2019. The standard changes the reporting of leases and requires all leases to be recognized in the balance sheet. The company has operating leases for office premises and cars, which affects the financial position and key ratios at transition. The company has chosen to apply the transition rules for this standard in accordance with the simplified approach, which recognizes the accumulated effect of an initial application of the standard on the first day of application, January 1, 2019. Comparative information will not be restated, and it will continue to be reported in accordance with *IAS 17 Leases* and *IFRIC 4 Determining Whether an Arrangement Contains a Lease*. The company has opted to exclude leases in which the value of the underlying asset is low. Leasing expenses for earlier operating leases will be replaced as of January 1, 2019, with write-downs on right-of-use assets and financial interest expenses for lease liabilities. Right-of-use assets will be measured at an amount corresponding to the lease liabilities on the date of transition. On January 1, 2019, the change in the reporting of leases impacted the balance sheet total by SEK 57.1 M (corresponding to 5 percent) without having an impact on equity. See more lease disclosures below.

IFRS 16 – TRANSITION DISCLOSURES

Amounts in SEK M	Jan 1 2019
Lease liability	
Operating leases as of 31 December 2018	60,9
Discounting with the Group's weighted average marginal lending rate	-3,8
Lease liability for operating leases as of 31 December 2018	57,1
Additional liabilities for financial leases as of 31 December 2018	1,1
Lease liability recorded 1 January 2019	58,2
Right-of-use asset	
Lease liability recorded 1 January 2019	57,1
Additional assets for financial leases as of 31 December 2018	1,2
Right-of-use asset recorded 1 January 2019	58,3

LEASE LIABILITY

Amounts in SEK M	Mar 31 2019	Jan 1 2019
Within one year	10,1	9,7
Between one and five years	40,8	41,1
More than five years	5,9	7,5
Total	56,7	58,2

RIGHT-OF-USE ASSET

Amounts in SEK M	Mar 31 2019	Jan 1 2019
Premises	55,1	56,5
Cars	1,6	1,8
Total	56,7	58,3



Note 1 – Accounting Principles: IFRS 16 Leases, continued

COST AND CASH FLOW INFORMATION

Amounts in SEK M	Q1 2019	Full year 2019
Depreciation of right-of use assets	2,2	2,2
<i>(of which premises)</i>	1,9	1,9
<i>(of which cars)</i>	0,3	0,3
Interest expense for lease liabilities	0,2	0,2
Cash flow for leases	2,2	2,2

Note 2 – Revenue from contracts with customers

BREAKDOWN OF REVENUE

Amounts in SEK M	Q1 2019	Q1 2018	Full year 2018
Revenue from goods	243,9	163,1	1 111,0
Revenue from services	13,4	14,4	64,9
Revenue from licensees	4,5	2,6	18,6
Total	261,9	180,0	1 194,5

The company has allocated discounts proportionally for all performance obligations in the agreement except for when there is observable proof that the entire discount refers to one or several, but not all, performance obligations.

NET SALES BY SALES CHANNEL

	Q1 2019	Q1 2018	Full year 2018
Direct customers	44%	45%	66%
Resellers	56%	55%	34%
Total	100%	100%	100%

Note 3 – Related party transactions

Significant related party transactions are described in Note 23 of the consolidated financial statements in the 2018 annual report. No related party relationships changed, and no significant transactions took place with related parties that significantly affect the Group's or Parent Company's financial position or earnings compared to the description in the 2018 annual report.



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.

The derivatives regarding forward contracts are valued at fair value in accordance with Level 2 of the fair value hierarchy (see the definition below). Measurement of forward contracts at fair value is based on customary models with observable inputs such as interest rates and exchange rates. As at March 31, 2019, there were no outstanding forward contracts.

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	Mar 31 2019	Mar 31 2018	Dec 31 2018
Derivatives used in hedge accounting (level 2)	-	1,8	-
Loan and trade receivables	496,8	406,8	509,3
Total financial assets	496,8	408,6	509,3
Derivatives used in hedge accounting (level 2)	-	7,0	-
Other financial liabilities	279,7	165,6	282,9
Total financial liabilities	279,7	172,7	282,9

Note 5 – 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 customs authorities, landlords and advance payments from customers. Blocked funds in the companies' bank accounts are available for bank and advance guarantees.

PLEGGED ASSETS AND CONTINGENT LIABILITIES

Amounts in SEK M	Parent company			Group		
	Mar 31 2019	Mar 31 2018	Dec 31 2018	Mar 31 2019	Mar 31 2018	Dec 31 2018
Pledged assets						
Floating charges	59,6	59,6	59,6	59,6	59,6	59,6
Blocked funds	13,1	-	-	14,0	0,8	0,9
Total	72,7	59,6	59,6	73,7	60,5	60,5
Contingent liabilities						
Bank guarantee	-	-	-	0,9	0,8	0,9
Customs authorities	0,1	0,2	0,1	5,7	0,2	0,1
Landlords	1,7	1,7	1,7	1,7	1,7	1,7
Prepayment guarantee	13,1	-	13,0	13,1	-	13,0
Total	15,0	1,9	14,8	21,4	2,7	15,7



Alternative key ratios

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 and loss and development in a consistent manner. The reconciliation and definitions of the alternative key ratios and measures used in this report and that cannot be inferred directly from the financial statements are presented below.

Amounts in SEK M unless otherwise stated	Mar 31 2019	Mar 31 2018	Dec 31 2018
PERFORMANCE MEASURE			
Operating expenses			
Selling and administrative expenses	-49,5	-38,1	-162,6
Research and development costs	-8,5	-4,7	-25,7
Operating expenses	-58,0	-42,8	-188,3
Operating expenses adjusted for items affecting comparability			
Operating expenses	-58,0	-42,8	-188,3
Operating expenses adjusted for items affecting comparability	-58,0	-42,8	-188,3
MARGIN RATIOS			
Net Sales	261,9	180,0	1 194,5
Gross Profit	76,2	49,2	272,2
Gross profit margin, %	29,1%	27,4%	22,8%
Operating profit	17,6	9,0	89,1
Operating margin, %	6,7%	5,0%	7,5%
CAPITAL AND FINANCIAL RATIOS			
Equity/assets ratio			
Total assets	1 205,7	958,7	1 121,6
Equity	795,2	737,9	769,3
Equity/assets ratio, %	66%	77%	69%
RETURN RATIOS			
Equity per share basic/diluted			
Number of outstanding shares, million	110,3	110,3	110,3
Dilution, million	0,6	0,2	0,6
Equity	795,2	737,9	769,3
Equity per share basic, SEK	7,21	6,69	6,98
Equity per share diluted, SEK	7,17	6,68	6,94
Earnings per share, before and after dilution			
Average number of outstanding shares, million	110,3	110,3	110,3
Dilution, million	0,6	0,2	0,6
Net profit	19,3	5,8	87,3
Earnings per share, before dilution, SEK	0,18	0,05	0,79
Earnings per share, after dilution, SEK	0,17	0,05	0,79



ALTERNATIVE KEY RATIOS	DEFINITION	REASON FOR USE
PERFORMANCE MEASURE		
Change in net sales adjusted for exchange rate fluctuations / change in local currency	Relationship between the period's net sales and the comparative period's net sales translated using the period's exchange rates.	This measure is used by management to follow 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 reorganizations.	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 RATIOS		
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.
CAPITAL AND FINANCIAL RATIOS		
Equity/asset ratio	Equity as a percentage of total assets.	A traditional measure that gives an indication of the company's ability to pay its debts.
RETURN RATIOS		
Equity per share, before/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 warrants or performance share plans.	This measure is used to show development of equity per share over time and enable comparability with other companies.



ALTERNATIVE KEY RATIOS	DEFINITION	REASON FOR USE
Earnings per share, before/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 warrants or performance share plans.	This measure is used to show development of earnings per share over time and to enable comparability with other companies.
OTHER RATIOS		
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 exchange rate fluctuations	Relationship between the period's order intake and the comparative period's order intake translated using the period's exchange rates.	This measure is used by management to follow 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 backlog gives an indication of net sales development from a short to mid-term perspective.

About Pricer

Pricer offers solutions to the retail trade for more efficient and safer price information through electronic display and information systems. Pricer's systems significantly increase the utility for consumers and in-store productivity. Pricer's platform is based on two-way communication to ensure traceability and an efficient use of resources. Pricer's system leads to increased productivity in-store and makes things easier for customers.

Pricer, which was founded in Uppsala in 1991, is the leading supplier of electronic display and information systems for the retail trade. With the most comprehensive ESL solution, Pricer has installations in more than 50 countries and the majority of the world market for ESL systems. Customers include many of the world's leading store chains and several of the largest retail chains in Europe, Japan and the USA. In cooperation with qualified partners, Pricer offers a total integrated solution with add-on products, applications and services.

The Pricer share is quoted on the Small Cap list of Nasdaq Stockholm. For more information, please visit www.pricer.com.

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