

PRICER

BRINGING TRUST TO RETAIL



Q2 • INTERIM REPORT • January – June 2019

+22%

Growth in net sales
in the quarter

12.6%

Operating margin in
the quarter

MSEK**32.2**

Net profit for the
quarter

Continued growth in net sales and higher operating profit

Second quarter 2019

- Net sales amounted to SEK 270.7 M (222.0), an increase of 22 percent compared to the same period last year.
- Operating profit amounted to SEK 34.1 M (20.1), which corresponds to an operating margin of 12.6 percent (9.0).
- Order intake was SEK 230 M (520), a decrease of 56 percent compared to the same period last year. Last year's order intake included a large order totaling more than SEK 300 M from an American customer.
- Order backlog amounted to SEK 131 M (445), of which the majority is expected to be invoiced in the next quarter.
- Profit for the period was SEK 32.2 M (28.4). IFRS 16 had a negative impact on profit of SEK -0.2 M.
- Earnings per share were SEK 0.29 (0.26).
- Cash flow from operating activities was SEK -27.3 M (49.1).

First half of the year 2019

- Net sales amounted to SEK 532.6 M (402.0), an increase of 32 percent compared to the same period last year.
- Operating profit amounted to SEK 51.6 M (29.1), which corresponds to an operating margin of 9.7 percent (7.2).
- Order intake was SEK 438 M (708), a decrease of 38 percent compared to the same period last year.
- Profit for the period was SEK 51.6 M (34.2). IFRS 16 had a negative impact on operating profit of SEK -0.4 M.
- Earnings per share were SEK 0.47 (0.31).
- Cash flow from operating activities was SEK 27.8 M (77.1).

As of January 1, 2019, the company applies IFRS 16 for the Group's leases. Data from previous years has not been restated. The equity/assets ratio decreased by 3 percentage points due to an increase in the balance sheet total.

Amounts in SEK M unless otherwise stated	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Rolling 4 Q	Full year 2018
Order intake	230	520	438	708	998	1 268
Net sales	270,7	222,0	532,6	402,0	1 325,1	1 194,5
Gross margin, %	33,2%	30,7%	31,2%	29,2%	24,2%	22,8%
Operating profit	34,1	20,1	51,6	29,1	111,6	89,1
Operating margin, %	12,6%	9,0%	9,7%	7,2%	8,4%	7,5%
Cash flow*	-27,3	49,1	27,8	77,1	34,4	83,7
Net profit for the period	32,2	28,4	51,6	34,2	104,7	87,3
Earnings per share (SEK)	0,29	0,26	0,47	0,31	0,95	0,79

*Cash flow from operating activities



Continued strong sales growth and good profitability

Comments from CEO Helena Holmgren

The year continued strong with growth in net sales of 22 percent during the second quarter compared to the same period last year. In turn, this resulted in an operating profit that increased to SEK 34.1 M (20.1). Both net sales and profit were positively affected by currency since SEK depreciated against USD and EUR.

Order intake of SEK 230 M (520) comes from a large number of orders from several customers with a broad geographic distribution. Last year's order intake included a large order totaling more than SEK 300 M from an American customer. As we have previously communicated, the impact of large customer projects continues to generate volatility between quarters in terms of both order intake and sales. Demand for our system remains high, and we continue to note high market activity with an increasing number of customer dialogues and several new pilot installations. Order backlog at the end of the second quarter amounted to SEK 131 M (445).

The product and contract mix during the second quarter of the year is approximately the same as in the comparison period last year. Revenue growth, price reductions on several standard components and a higher degree of automation within production contribute to the gross margin in Q2 2019 of 33.2 percent (30.7). Delivery planning also made it possible to increase the utilization of sea freight instead of air freight during the year, which also had a positive impact on the gross margin.

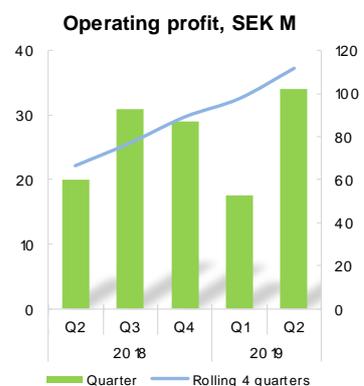
Increased utilization of sea freight is one step toward our goal of reducing the company's impact on the climate and part of our sustainability strategy. This method of transport is both cost- and climate-efficient, but it results in longer transport times, which leads to an increase in capital tie-up. To maintain good scalability and meet expected lead times to customers with broad geographic distribution, we increased our inventory in terms of both components and standardized finished goods. Cash flow from operating activities amounted to SEK -27.3 M (49.1) during the quarter. As mentioned previously, cash flow should be analyzed over time.

Competition on the market continues to be tough. Significant customer projects often attract a large number of suppliers, many of which have a primary focus of winning market shares at any cost. When retail chains evaluate the return of their long-term investment in an Electronic Shelf Label (ESL) system, the way they assess the systems' functionality, stability, update speed and future development opportunities in the investment calculations can vary.

We are convinced that the benefits of our unique system's functionality, for example speed, reliability, scalability and battery life, respond better to the challenges facing the retail industry than any of our competitors' systems. One sign of this is the order from the Italian grocery chain Tosano for SEK 60 M that was communicated in July, where the customer's need for advanced integration and real-time communication to optimize the flow of goods from the warehouse to the store shelf is provided by Pricer's system of advanced digital solutions, such as dynamic product positioning and InstantFlash functionality.

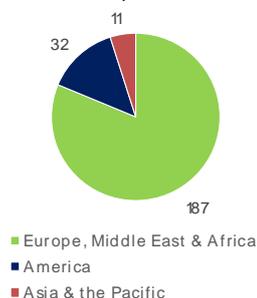
In a market with several strong macro trends, such as e-commerce, sustainability, digitalization and artificial intelligence, there are endless opportunities with regards to product development and innovation. The challenge lies in balancing risk and resource utilization with customer benefit and demand to ensure a long-term sustainable business model. It is with pride we conclude that Pricer's focused innovation work, where we continuously develop the system's capabilities both in terms of capacity and in the form of adding new solutions and application areas, enables true value creation for our customers and thus in the long run for our shareholders.

Helena Holmgren
President and CEO





Order intake per region in Q2 2019, SEK M



Continued strong demand for digital store solutions on an immature market with low penetration of ESL systems

Order intake, SEK M



Market development

NET SALES BY GEOGRAPHICAL MARKET

Amounts in SEK M	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Full year 2018
Europe, Middle East & Africa	213,1	191,9	434,9	349,2	741,7
America	32,2	12,9	52,9	25,7	396,1
Asia & the Pacific	25,4	17,3	44,8	27,1	56,7
Total net sales	270,7	222,0	532,6	402,0	1 194,5

Our largest market is still Europe, both in terms of installed base and net sales in Q2. The installed base in Europe, and primarily in France, which for a long time has been Pricer's single largest market, 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 includes solutions to optimize in-store picking of e-commerce orders, facilitate re-stocking of goods on shelves and manage expiration dates to reduce food waste.

The regions America and Asia & Pacific continue to have strong growth in net sales in Q2 2019, but from significantly lower levels compared to the European market. Growth potential in the North American market is still considered to be very high, but we are seeing somewhat of a delay in business decisions related to technology investments, primarily due to the ongoing international trade negotiations with China and related import duties. Pricer is following the developments closely and has invested in greater production capacity outside of China to minimize the impact of U.S. import duties on our system.

In general, we are seeing continued strong demand for digital store solutions in the disruptive digitalization trend that is now occurring on an immature market with low penetration of ESL systems. We define large parts of the ongoing product development based on requirements that evolve from customer dialogues from around the world and that will benefit all our customers. In addition to the need for real-time communication in the store, a demand that is most notable with retail chains on the North American market, the need for increased data collection to control and optimize the flows of goods is highly relevant in several markets. By broadening our system from being a display next to the product to becoming a digital representation of each product and now most recently adding "eyes" to the store in the form of the shelf-mounted camera, new heights for automation and efficiency in the retail industry are reached.

Order intake in second quarter 2019 and first half of the year 2019

Order intake in Q2 amounted to SEK 230 M (520), a decrease of 56 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, order intake decreased by 58 percent. Last year's order intake included more than SEK 300 M from a large American retail chain. No large individual contracts were finalized in Q2 2019. Order intake is instead spread across a large number of customers on several geographic markets, where France, Norway, Italy and USA represent the largest individual markets.

Order intake amounted to SEK 438 M (708) in H1, a decrease of 38 percent compared to the same period last year. Adjusted for exchange rate fluctuations, order intake decreased by 41 percent. Order intake, which has a broad geographic distribution, contains several new customers during the year, of which a number constitute so-called pilot installations, where the system's functionality and business contribution are assessed during a test period.

Net sales and profit in second quarter 2019 and first half of the year 2019

NET SALES IN MAJOR CURRENCIES

Amount in SEK M unless otherwise stated	Reported current period	Reported prior period	Reported change	Reported change	Whereof F/X	Adjusted for F/X
Second quarter compared with the same period last year						
EUR	173,8	151,6	22,2	15%	3%	11%
USD	94,9	69,5	25,4	37%	11%	25%
Other	2,0	1,0	1,0	104%	2%	101%
Total	270,7	222,0	48,7	22%	6%	16%
First half of the year compared with the same period last year						
EUR	343,6	261,7	81,9	31%	4%	27%
USD	185,4	138,3	47,1	34%	13%	21%
Other	3,5	2,0	1,5	77%	1%	76%
Total	532,6	402,0	130,5	32%	7%	25%

From January 2019, Pricer calculates currency effects using the current period's rates compared to the previous period's volumes in local currency.

Currency effects had a positive impact on net sales due to a depreciation in SEK against EUR and USD compared to Q2 2018 and H1 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 of December 31, 2018, there were no outstanding forward contracts.

NET SALES AND PROFIT, SEK M

	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Full year 2018
Net sales	270,7	222,0	532,6	402,0	1 194,5
Cost of goods sold	-180,8	-153,8	-366,4	-284,6	-922,3
Gross profit	89,9	68,2	166,1	117,4	272,2
Gross margin	33,2%	30,7%	31,2%	29,2%	22,8%
Operating expenses	-57,1	-46,8	-115,1	-89,6	-188,3
Other income and expenses	1,3	-1,3	0,6	1,3	5,2
Operating profit	34,1	20,1	51,6	29,1	89,1
Operating margin	12,6%	9,0%	9,7%	7,2%	7,5%

Second quarter

Net sales amounted to SEK 270.7 M (222.0) in the quarter, an increase of 22 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, net sales increased by 16 percent. Net sales in the second quarter were distributed among a large number of customers, the majority of which are in not only France but also Norway, Belgium and Italy.

Gross profit amounted to SEK 89.9 M (68.2), and the gross margin amounted to 33.2 percent (30.7) for the quarter. The change in the gross margin is primarily the continued result of the product and contract mix, positive currency effects, lowered prices on a number of standard components and a higher degree of automation in production. A higher share of sea freight also had a positive impact on gross profit in the quarter.

Operating expenses increased to SEK -57.1 M (-46.8) for the quarter, primarily as a result of increased costs for staff and consultants for investments in product development and a stronger market presence in a number of geographic markets. These steps were taken to meet the increased demand emerging from both customer dialogues and pilot installations and for broader use of the system in supporting more processes with new customer applications.



Other income and expenses amounted to SEK 1.3 M (-1.3) and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.

Operating profit amounted to SEK 34.1 M (20.1), which corresponded to an operating margin of 12.6 percent (9.0). A high rate of growth in net sales combined with positive exchange rate fluctuations resulted in an increase in the operating profit and the operating margin.

Net financial income/expense, which consists primarily of currency revaluation of balance sheet items, including cash and cash equivalents and the parent company loan to subsidiaries in foreign currency, impacted the quarter negatively and amounted to SEK -0.7 M (6.0). The comparative figure from the previous year was mainly a result of positive translation effects on large cash and cash equivalents in USD.

Tax for the quarter amounted to SEK -1.1 M (2.3), of which SEK 0.1 M (3.6) refers to deferred tax and SEK -1.2 M (-1.3) to current tax. The current tax rate amounted to -4 percent (-5), and the reported total tax rate amounted to -3 percent (9). The low tax rate is due to the capitalization during the quarter of a part of a previously non-recognized tax loss carried forward. Deferred tax assets related to capitalized losses carried forward amounted in the balance sheet on June 30, 2019, to SEK 70.4 M (70.5). Comparative figures from last year include a positive one-time effect from the capitalization of previously non-recognized tax losses carried forward.

Profit for the period was SEK 32.2 M (28.4). The increase compared to the corresponding period last year can be attributable to an increase in operating profit.

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 in the quarter by SEK -0.2 M.

Translation differences in other comprehensive income of SEK 4.4 M (5.4) consisted of currency translation of net assets in foreign subsidiaries.

First half of the year

Net sales amounted to SEK 532.6 M (402.0) in H1, an increase of 32 percent compared to the same period last year. Adjusted for exchange rate fluctuations, net sales increased by 25 percent. Net sales in H1 were distributed among a large number of customers, the majority of which are in not only France but also Belgium, Norway and Italy.

Gross profit amounted to SEK 166.1 M (117.4), and the gross margin amounted to 31.2 percent (29.2) for H1. The change in the gross margin is primarily the result of the continued product and contract mix, positive currency effects, and lowered prices on a number of standard components. Increased sea freight instead of air freight also had a positive impact.

Operating expenses increased to SEK -115.1 M (-89.6) for H1, primarily as a result of increased costs for staff and consultants for investments in product development and an increased market presence on a number of geographic markets, including North America and southern Europe. These steps were taken to meet the increased demand emerging from both customer dialogues and pilot installations and for broader use of the system in supporting more processes with new customer applications.

Other income and expenses amounted to SEK 0.6 M (1.3) for H1 and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.

Operating profit amounted to SEK 51.6 M (29.1), which corresponded to an operating margin of 9.7 percent (7.2). 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 income/expense, which consists primarily of currency revaluation of balance sheet items, including cash and cash equivalents, impacted the first six months positively and amounted to SEK 1.6 M (4.9).

Tax for the period amounted to SEK -1.7 M (0.1), of which SEK 0.7 M (2.2) refers to deferred tax and SEK -2.4 M (-2.1) to current tax. The current tax rate amounted to -5 percent (-6), and the reported total tax rate amounted to -3 percent (0). The low tax rate is due to the capitalization during the period of part of a previously non-recognized tax loss carried forward.

Profit for the period was SEK 51.6 M (34.2). The increase compared to the corresponding period last year is a consequence of the increase in operating profit.

The new accounting principle IFRS 16 Leases has been 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 in H1 by SEK -0.4 M.

Translation differences in other comprehensive income of SEK 10.2 M (19.6) consisted of currency translation of net assets in foreign subsidiaries.

Cash flow, investments and financial position

Second quarter

Cash flow from operating activities amounted to SEK -27.3 M (49.1) for Q2. The change in working capital during the quarter had a negative impact on cash flow from operating activities of SEK -73.1 M (20.7) primarily due to an increase in capital tie-up from standard products in inventory to maintain good scalability and meet expected lead times for customers with broad geographic distribution combined with a high share of sea freight, which resulted in greater capital tie-up. As mentioned previously, cash flow should be analyzed over time.

Cash flow from investing activities amounted to SEK -13.0 M (-9.5) during Q2 and consisted primarily of capitalized development expenditures of SEK -8.3 M (-5.2) and investments in property, plant and equipment of SEK -4.7 M (-4.1). The investments refer in part to production equipment for the plant outside of China that has been established to increase scalability in the delivery chain, work that has been accelerated with the aim of minimizing the impact of import duties to USA.

Cash flow from financing activities amounted to SEK -68.9 M (-55.1) during Q2 and referred to the dividend of SEK -66.2 M (-55.1) and leases totaling SEK -2.7 M (0.0).

In accordance with IFRS 16 Leasing, costs for Q2 for previous operating leases had an impact on financial interest expenses of SEK -0.2 M, a positive impact on cash flow from operating activities of SEK 2.7 M, and a negative impact on cash flow from financing activities of SEK -2.7 M.

Cash and cash equivalents amounted to SEK 104.3 M (173.1) on June 30, 2019. In addition to cash and cash equivalents, the company has an unutilized overdraft facility amounting to SEK 50 M (50).

First half of the year

Cash flow from operating activities amounted to SEK 27.8 M (77.1) in the first six months. The change in working capital had a negative impact of SEK -47.5 M (38.1) on cash flow from operating activities, primarily due to an increase in capital tie-up in inventory, which reduced cash flow, and a decrease in outstanding trade receivables, which increased cash flow.

Cash flow from investing activities amounted to SEK -23.8 M (-18.0) during the second quarter and consisted primarily of capitalized development expenditure of SEK -16.1 M (-10.7) and investments in property, plant and equipment of SEK -7.6 M (-7.3). The investments refer in part to production equipment for the plant outside of China that has been established to increase

Cash Flow from operating activities, SEK M



Strategic build-up of inventory for fast future deliveries and more environmentally friendly sea transports have tied up capital and in the short term had a negative impact on cash flow

scalability in the delivery chain, work that has been accelerated with the aim of minimizing the impact of import duties to USA.

Cash flow from financing activities amounted to SEK -71.1 M (-55.2) during Q2 and referred to the dividend of SEK -66.2 M (-55.1) in accordance with a resolution by the AGM on April 25, 2019, and leases of SEK -4.9 M (0.0).

In accordance with IFRS 16 Leasing, costs for H1 for previous operating leases had an impact on financial interest expenses of SEK -0.4 M, a positive impact of SEK 4.9 M on cash flow from operating activities, and a negative impact on cash flow from financing activities of SEK -4.9 M.

Equity

Pricer is holding 705,000 treasury shares in order to meet the promise of matching and performance shares under the outstanding performance share plans from 2017, 2018, and 2019. The value of the promise is expensed during the vesting period.

From the 2017 performance share plan, a maximum of 228,000 shares can be transferred free of charge in June 2020 to the participants. From the 2018 performance share plan, a maximum of 409,000 shares can be transferred free of charge in June 2021 to the participants. For more information about the performance share plans from 2017 and 2018, please refer to Note 4 of the 2018 Annual Report.

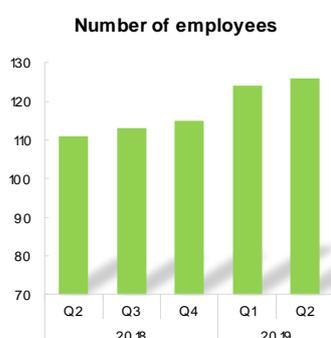
From the performance share plan that was resolved at the 2019 AGM, a maximum of 316,000 shares can be transferred free of charge to the participants in June 2022. Read more under Note 4 2019 Share Performance Plan in this interim report.

On June 27, 2019, 475,000 warrants expired without redemption from the warrant program resolved upon in 2016. Thus, there are no outstanding warrants as of June 30, 2019.

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 Q2 was 125 (108), and the number of employees at the end of the period was 126 (111). The average number, including hired staff and consultants, amounted to 144 (120) in Q2. The organization was strengthened in several areas, such as product development and sales. Due to the greater rate of innovation to respond to the new challenges in the retail industry and expand the utilization rate of ESL systems, we have expanded the R&D organization. We also strengthened our presence in a number of geographic markets, including North America, with the aim of managing both the increased demand and the growing installed customer base.



Parent Company

The Parent Company's net sales for H1 amounted to SEK 461.3 M (347.6), and the profit for the period amounted to SEK 105.6 M (27.0). The Parent Company's net financial income/expense was positively impacted in Q2 by SEK 52.8 M (0.0) from dividends received from subsidiaries. The Parent Company's cash and cash equivalents amounted to SEK 80.7 M (160.4) 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 material 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 material 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 provided 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

Tosano, an Italian grocery chain with 15 large-format stores, placed an order to equip all of its stores with Pricer's system for digital price labels. The order value is around SEK 60 M and is included in Pricer's order intake for Q3 2019. It is estimated that the deliveries will be completed before the end of 2019.

Tosano will integrate Pricer's advanced digital solutions, such as dynamic product positioning and InstantFlash functionality, for a new application that aims to optimize the logistics flow from the external warehouse to the store shelf. In addition, Pricer and Tosano will enter into a strategic collaboration to integrate Pricer's shelf-mounted camera into the solution with the objective of further improving the efficiency of several in-store processes based on data analytics.

Next reporting date

The interim report for the period January-September 2019 will be published on October 25, 2019.

**Next interim report
will be published on
October 25, 2019**

The undersigned hereby certify that semi-annual report for the Parent Company and the Group provides a true and fair view of the results of the operations, financial position and performance of the Group and describes the risks and significant uncertainties to which the Parent Company and other companies in the Group are exposed.

Stockholm, July 18, 2019

Pricer AB (publ)

Bernt Ingman
Chairman

Hans Granberg

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Jonas Guldstrand

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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 and the Securities Market Act. The information was submitted for publication, through the agency of the contact persons set out below, on July 18, 2019 at 13:00 CET.

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Financial Reporting

CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Full year 2018
Net sales	270,7	222,0	532,6	402,0	1 194,5
Cost of goods sold	-180,8	-153,8	-366,4	-284,6	-922,3
Gross profit	89,9	68,2	166,1	117,4	272,2
Selling and administrative expenses	-48,5	-40,4	-98,0	-78,6	-162,6
Research and development costs	-8,6	-6,4	-17,1	-11,1	-25,7
Other income and expenses	1,3	-1,3	0,6	1,3	5,2
Operating profit	34,1	20,1	51,6	29,1	89,1
Net financial items	-0,7	6,0	1,6	4,9	-0,3
Net profit before tax	33,4	26,1	53,2	34,0	88,8
Income tax	-1,1	2,3	-1,7	0,1	-1,5
Net profit for the period	32,2	28,4	51,6	34,2	87,3

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Full year 2018
Net profit for the period	32,2	28,4	51,6	34,2	87,3
<i>Items that are or may be reclassified to profit or loss for the period</i>					
Translation differences	4,4	5,4	10,2	19,6	14,9
Cash flow hedges	-	2,5	-	1,3	2,9
Tax attributable to items in other comprehensive income	-	-0,5	-	-0,3	-0,6
Other comprehensive income for the period	4,4	7,3	10,2	20,7	17,2
Net comprehensive income for the period	36,6	35,7	61,8	54,9	104,5

Net profit for the period attributable to:

Owners of the Parent Company	32,2	28,4	51,6	34,2	87,3
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Net comprehensive income for the period attributable to:

Owners of the Parent Company	36,6	35,7	61,8	54,9	104,5
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EARNINGS PER SHARE

	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Full year 2018
Basic earnings per share, SEK	0,29	0,26	0,47	0,31	0,79
Diluted earnings per share, SEK	0,29	0,26	0,46	0,31	0,79
Number of shares before dilution, millions	110,3	110,3	110,3	110,3	110,3
Diluted number of shares, millions	111,2	110,9	111,2	110,9	110,9



CONSOLIDATED BALANCE SHEET IN SUMMARY

Amounts in SEK M	Jun 30 2019	Jun 30 2018	Dec 31 2018
Intangible assets	314,8	304,3	301,5
Property, plant and equipment	23,2	20,9	22,3
Right-of-use asset	54,5	-	-
Deferred tax assets	76,7	75,4	76,1
Total non-current assets	469,2	400,5	399,8
Inventories	263,0	167,4	189,0
Current receivables	330,2	317,1	361,8
Cash and cash equivalents	104,3	173,1	171,0
Total current assets	697,5	657,6	721,8
TOTAL ASSETS	1 166,7	1 058,2	1 121,6
Equity attributable to holders of the parent company	766,2	718,8	769,3
Total equity	766,2	718,8	769,3
Provisions	34,1	25,6	31,9
Non-current liabilities	44,2	-	-
Current liabilities	322,2	313,8	320,5
Total liabilities	400,5	339,4	352,3
TOTAL EQUITY AND LIABILITIES	1 166,7	1 058,2	1 121,6
Basic shareholders' equity per share, SEK	6,95	6,52	6,98
Diluted shareholders' equity per share, SEK	6,89	6,48	6,94

CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	6 mths 2019	6 mths 2018	Full year 2018
Equity at the beginning of the period	769,3	718,7	718,7
Net profit for the period	51,6	34,2	87,3
Other comprehensive income for the period	10,2	20,7	17,2
<i>Net comprehensive income for the period</i>	<i>61,8</i>	<i>54,9</i>	<i>104,5</i>
Dividend	-66,2	-55,1	-55,1
Share based payments, equity settled	1,3	0,3	1,3
<i>Total transactions with owners of the Group</i>	<i>-64,8</i>	<i>-54,8</i>	<i>-53,9</i>
Equity at the end of the period	766,2	718,8	769,3
Attributable to:			
- Owners of the parent company	766,2	718,8	769,3



CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY

	Q2	Q2	6 mths	6 mths	Full year
Amounts in SEK M	2019	2018	2019	2018	2018
Net profit before tax	33,4	26,1	53,2	34,0	88,8
Adjustment for non-cash items	12,3	2,9	23,0	5,6	28,4
- of which depreciations and amortizations	8,4	5,7	18,8	10,2	20,9
- whereof other non-cash items	3,9	-2,8	4,2	-4,6	7,5
Paid income tax	0,1	-0,5	-1,0	-0,7	-3,4
Change in working capital	-73,1	20,7	-47,5	38,1	-30,1
Net cash flow from operating activities	-27,3	49,1	27,8	77,1	83,7
Net cash used in investing activities	-13,0	-9,5	-23,8	-18,0	-27,6
Net cash used in financing activities	-68,9	-55,1	-71,1	-55,2	-55,2
Net cash flow for the period	-109,2	-15,6	-67,0	3,9	0,9
Cash and cash equivalents at beginning of period	213,5	186,8	171,0	166,8	166,8
Exchange rate losses/gains in cash and cash equivalents	-	1,8	0,3	2,4	3,4
Cash and cash equivalents at end of period	104,3	173,1	104,3	173,1	171,0
Unutilized bank overdraft facility	50,0	50,0	50,0	50,0	50,0
Available funds at end of period	154,3	223,1	154,3	223,1	221,0

KEY FIGURES

	Q1	Q1	Q4	Q3	Q2
Amounts in SEK M	2019	2019	2018	2018	2018
Order intake	230	208	274	286	520
Order intake - rolling 4 quarters	998	1 287	1 268	1 225	1 174
Net sales	270,7	261,9	386,5	406,0	222,0
Net sales - rolling 4 quarters	1 325,1	1 276,4	1 194,5	1 061,0	848,8
Operating profit	34,1	17,6	29,0	31,0	20,1
Operating profit - rolling 4 quarters	111,6	97,6	89,1	77,0	66,5
Net profit for the period	32,2	19,3	25,8	27,4	28,4
Cash flow from operating activities	-27,3	55,1	59,1	-52,6	49,1
Cash flow from operating activities - rolling 4 quarters	34,4	110,8	83,7	49,2	111,7
Number of employees, end of period	126	124	115	113	111
Equity/assets ratio	66%	66%	69%	60%	68%



PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK M	6 mths 2019	6 mths 2018	Full year 2018
Net sales	461,3	347,6	1 057,4
Cost of goods sold	-345,7	-278,4	-889,7
Gross profit	115,6	69,2	167,6
Selling and administrative expenses	-48,7	-36,3	-78,1
Research and development costs	-17,1	-11,1	-25,7
Other income and expenses	0,7	1,3	5,1
Operating profit	50,5	23,1	68,9
Net financial items	54,9	4,0	-5,2
Net profit before tax	105,4	27,0	63,8
Income tax	0,3	0,0	3,3
Net profit for the period	105,6	27,0	67,1

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	6 mths 2019	6 mths 2018	Full year 2018
Net profit for the period	105,6	27,0	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	-	1,3	2,9
Tax attributable to items in other comprehensive income	-	-0,3	-0,6
Comprehensive income for the period	-	1,1	2,3
Net comprehensive income for the period	105,6	28,1	69,3



PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	Jun 30 2019	Jun 30 2018	Dec 31 2018
Intangible assets	48,3	41,2	42,1
Property, plant and equipment	20,5	16,9	18,7
Financial fixed assets	269,5	279,8	268,3
Total non-current assets	338,3	337,9	329,1
Inventories	202,4	104,8	133,0
Current receivables	297,0	275,7	314,2
Cash and cash equivalents	80,7	160,4	161,0
Total current assets	580,1	540,9	608,2
TOTAL ASSETS	918,4	878,7	937,3
Shareholders' equity	626,7	543,7	585,9
Total equity	626,7	543,7	585,9
Provisions	26,1	19,2	24,6
Non-current liabilities	0,1	0,1	0,1
Current liabilities	265,5	315,8	326,7
Total liabilities	291,7	335,0	351,4
TOTAL EQUITY AND LIABILITIES	918,4	878,7	937,3

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK M	6 mths 2019	6 mths 2018	Full year 2018
Equity at the beginning of the period	585,8	570,3	570,3
Net comprehensive income for the period	105,6	28,1	69,3
Dividend	-66,2	-55,1	-55,1
Share based payments, equity settled	1,3	0,3	1,3
Equity at the end of the period	626,7	543,7	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	Jun 30 2019	Jan 1 2019
Within one year	10,3	9,7
Between one and five years	39,5	41,1
More than five years	5,0	7,5
Total	54,8	58,2

RIGHT-OF-USE ASSET

Amounts in SEK M	Jun 30 2019	Jan 1 2019
Premises	52,9	56,5
Cars	1,6	1,8
Total	54,5	58,3



Note 1 – Accounting Principles: IFRS 16 Leases, cont'd.

COST AND CASH FLOW INFORMATION

Amounts in SEK M	Q2 2019	Full year 2019
Depreciation of right-of use assets <i>(of which premises)</i>	2,7	4,9
<i>(of which cars)</i>	2,4	4,3
	0,3	0,6
Interest expense for lease liabilities	0,2	0,4
Cash flow for leases	2,7	4,9

Note 2 – Revenue from Contracts with Customers

BREAKDOWN OF REVENUE

Amounts in SEK M	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Full year 2018
Revenue from goods	247,4	202,1	491,4	365,2	1 111,0
Revenue from services	19,9	16,7	33,4	31,1	64,9
Revenue from licensees	3,3	3,1	7,8	5,7	18,6
Total	270,7	222,0	532,6	402,0	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

	Q2 2019	Q2 2018	6 mths 2019	6 mths 2018	Full year 2018
Direct customers	45%	48%	47%	51%	66%
Resellers	55%	52%	53%	49%	34%
Total	100%	100%	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 – Share Performance Plan 2019

The AGM on April 25, 2019, resolved on a share performance plan ("LTI 2019") that targets 10 senior executives. After an initial investment by the participant in Pricer's B-share, the participant receives one matching share right and one performance-based share right per invested share. Following the vesting period of three years, the share rights entitle the participants to receive one matching share and up to five performance shares depending on the outcome of the performance conditions. At the end of the subscription period, 10 senior executives had subscribed. From the 2019 performance share plan, a maximum of 316,000 shares can be transferred free of charge to the participants in June 2022 in the event the predefined performance targets are fully met.



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.

The derivatives for 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. There were no outstanding forward contracts in 2019.

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	Jun 30 2019	Jun 30 2018	Dec 31 2018
Derivatives used in hedge accounting (level 2)	-	3,9	-
Loan and trade receivables	407,6	443,3	519,8
Total financial assets	407,6	447,2	519,8
Derivatives used in hedge accounting (level 2)	-	5,5	-
Other financial liabilities	279,5	279,0	278,5
Total financial liabilities	279,5	284,4	278,5

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 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		
	Jun 30 2019	Jun 30 2018	Dec 31 2018	Jun 30 2019	Jun 30 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	0,9	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	1,7	13,0
Total	15,0	1,9	14,8	21,4	4,4	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	Jun 30 2019	Jun 30 2018	Dec 31 2018
PERFORMANCE MEASURE			
Operating expenses			
Selling and administrative expenses	-98,0	-78,6	-162,6
Research and development costs	-17,1	-11,1	-25,7
Operating expenses	-115,1	-89,6	-188,3
Operating expenses adjusted for items affecting comparability			
Operating expenses	-115,1	-89,6	-188,3
Operating expenses adjusted for items affecting comparability	-115,1	-89,6	-188,3
MARGIN RATIOS			
Net Sales	532,6	402,0	1 194,5
Gross Profit	166,1	117,4	272,2
Gross profit margin, %	31,2%	29,2%	22,8%
Operating profit	51,6	29,1	89,1
Operating margin, %	9,7%	7,2%	7,5%
CAPITAL AND FINANCIAL RATIOS			
Equity/assets ratio			
Total assets	1 166,7	1 058,2	1 121,6
Equity	766,2	718,8	769,3
Equity/assets ratio, %	66%	68%	69%
RETURN RATIOS			
Equity per share basic/diluted			
Number of outstanding shares, million	110,3	110,3	110,3
Dilution, million	1,0	0,6	0,6
Equity	766,2	718,8	769,3
Equity per share basic, SEK	6,95	6,52	6,98
Equity per share diluted, SEK	6,89	6,48	6,94
Earnings per share, before and after dilution			
Average number of outstanding shares, million	110,3	110,3	110,3
Dilution, million	1,0	0,6	0,6
Net profit	51,6	34,2	87,3
Earnings per share, before dilution, SEK	0,47	0,31	0,79
Earnings per share, after dilution, SEK	0,46	0,31	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 minus 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 has more influence over 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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