

Pricer: Update on possible effects of the coronavirus (COVID-19)

Based on Pricer's record-high order backlog in combination with an improved situation in supply chain, the company's view is currently that the effects of the coronavirus (COVID-19) will be limited. We anticipate certain timing effects regarding deliveries and completion of store installations that may have a moderate negative effect in the first quarter of 2020. The main impact that we see is that customer dialogues regarding test and pilot projects are being postponed.

Pricer provides a digital in-store communication system with solutions that significantly improve the efficiency of several critical and time-consuming store processes, such as pricing, replenishment, in-store picking and inventory management. The addressable market consists of retail chains within the grocery, DIY, consumer electronics and pharmacy verticals.

For Pricer, January and February 2020 reported a strong start of the year with an order intake showing strong growth compared to the same period last year and net sales that were in line with expectations based on the proportion of the order backlog planned for delivery in the first quarter. The order intake includes a stable flow of small and medium-sized orders combined with a follow-up order from an existing US customer of approximately 300 MSEK. This comes in addition to the record-high order backlog of more than 700 MSEK that the company brought into the year and which is expected to be delivered in full during 2020.

As a result of the COVID-19 virus spreading around the world, several countries in March have taken decisions that may restrain retailers from carrying out their businesses effectively. It is likely that these measures will result in delayed investment decisions in several of Pricer's most important markets and hence impact the company's order intake going forward. So far, we have not experienced any interrupted negotiations, but we do experience postponed customer dialogues relating to test and pilot projects.

We expect an impact on net sales in March as a result of installation projects that cannot be finalized before the end of the quarter and therefore moves into April, as well as a few deliveries that are postponed to the second quarter. The company's view is that the flow of small and medium-sized orders will be temporarily slowed as our customers need to focus on internal priorities until their operations are back to normal. Apart from that, the supply chain situation is recovering well, and lead times are improving, although some logistics challenges remain.

For the time being, it is not possible to quantify the financial implications resulting from the COVID-19. The company monitors developments closely and remain in constant dialogue with both suppliers and customers to mitigate risks that arise as a consequence of the spread of virus. Pricer has a strong financial position with a continued high net cash position and has no plans for reductions in its operations.

For further information, please contact:

Helena Holmgren, President and CEO, +46 702 870 068
Susanne Andersson, CFO, +46 730 668 904
info@pricer.com

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

About Pricer

Pricer AB, founded in Sweden in 1991, listed on the NASDAQ Stockholm, is a global leader in providing in-store digital shelf-edge solutions that enhance both store performance and the shopping experience. The increasingly feature-rich Pricer platform is fast, robust, interconnectable and scalable. For further information, please visit www.pricer.com