

QUARTERLY REPORT

Q1 2023

January 1–March 31

PRICER

Q1 INTERIM REPORT JANUARY–MARCH 2023

SEK **571** M
Net sales
in the quarter

SEK **707** M
Order intake in
the quarter

15,8%
Gross margin
in the quarter

Q1 2023

- Net sales amounted to SEK 571.4 M (465.9), an increase of 22.6 percent compared to the same period last year.
- Of net sales, SEK 14.5 M (10.2) refers to recurring revenue.
- Operating profit amounted to SEK –13.9 M (-9.7), which corresponds to an operating margin of –2.4 percent (-2.1).
- Order intake was SEK 707 M (551), an increase of 28.3 percent compared to the same period last year.
- Order backlog amounted to SEK 613 M (464), of which the majority is expected to be delivered in Q2 and Q3 2023.
- Profit for the period was SEK –27.2 M (-9.5).
- Earnings per share (basic) were SEK –0.24 (-0.09). Earnings per share (diluted) were SEK –0.25 (-0.09).
- Cash flow from operating activities was SEK –24.6 M (-20.3).

Amounts in MSEK unless otherwise stated	Q1 2023	Q1 2022	Rolling Q4	FY 2022
Order intake	707	551	2,480	2,325
Net sales	571.4	465.9	2,373.3	2,267.8
of which recurring revenue	14.5	10.2	48.1	43.9
Gross profit margin, %	15.8%	18.0%	16.1%	16.5%
Operating profit	-13.9	-9.7	16.9	21.1
Operating margin, %	-2.4%	-2.1%	0.7%	0.9%
Cash flow ¹⁾	-24.6	-20.3	268.4	282.7
Profit/loss for the period	-27.2	-9.5	-12.0	4.8
Earnings per share, SEK ²⁾	-0.25	-0.09	-0.11	0.04

¹⁾ Cash flow from operating activities

²⁾ Basic earnings per share



Order intake was the second highest in Pricer's history.

Comments from CEO Magnus Larsson

The first quarter of the year showed a strong order intake. Net sales rose to SEK 571 M, which corresponds to growth of 23 percent YOY, and order intake was the second highest in Pricer's history: SEK 707 M (+28 percent YOY). We are pleased that our focus on winning new customers is generating results both in terms of net sales and order intake. We also got an extra boost from strong underlying market trends, and it is clear that the market is growing aggressively, in line with our previous communication.

Customer interest and the general desire to invest in store digitization are at record-high levels. In addition to the Baltic retail chain Rimi and the Italian beauty chain Pinalli, the leading French DIY chain also chose Pricer's solution during the quarter for its more than 100 French stores. The installation is estimated to occur in the second half of 2023, and the value is estimated to up to around SEK 90 M.

The operating profit is on par with last year's first quarter and amounted to SEK –14 M compared to SEK –10 M for the corresponding period in 2022. As previously, our focus continues to be on increasing our gross margin by negotiating down our component and production costs, renegotiating our customer contracts, and expanding the SaaS and software offer. We are also working actively to decrease our operating costs without impacting our ability to develop, produce, sell and deliver.

We are seeing continued pressure on our gross margin, which fell compared to the same period last year, but at the same time it has shown careful improvement QoQ and amounted to 15,8 percent. Specifically, we are seeing that component costs will come down further as of the second quarter this year. They will have an impact during the summer and are a result of our ongoing initiatives to lower costs. At the same time, we have agreed on price increases with several of our larger customers, and we therefore expect better conditions for a rising gross margin during the second half of 2023.

An increasing share of four-color labels will also over time contribute to a strong gross margin. Interest in four colors is incredibly strong, and we are now seeing an increase in four-color orders, which means we will soon see the first installations in Sweden and other countries. The combination of an inflation-driven need for major price changes and increased digitalization of store processes means that we are also seeing strong demand for our premium labels that have an exceptional lifespan. This further improves our margin.

Our production in Germany has now started. We will officially inaugurate the factory later in the spring and expect it to operate at full capacity after the summer. Being able to offer our customers close-proximity production is important from a sustainability perspective and thus a strong sales argument.

We are currently in an exciting phase of our product development, and we were able to present at the EuroShop trade show in Düsseldorf a new label with a completely new design that has been adapted to primarily the DIY trade. It garnered a lot of interest among both customers and competitors. Our development of new, exciting products in accordance with our updated strategy is progressing according to plan, and I look forward to sharing more in the future.

Our vision to be retail's first choice is an important part of our continued success, and we are optimistic about the future. Good customer relationships, fantastic employees, and a strong offer in a growing market come together to create an excellent outlook.

Magnus Larsson
President and CEO

Europe in particular had very high demand.

Market development

During the first quarter, demand continued to be very high. Order intake was by far the best for any first quarter and even stronger than in Q4 2022. All regions showed growth compared to Q1 2022. Europe in particular had very high demand and several countries contributing to the strong order intake compared to the previous quarter and Q1 2022. The positive trend continued primarily in France, which set a record for order intake for a single quarter and was once again Pricer's largest market during the quarter.

France continues to contribute to growth despite high penetration since independent stores and retailers to an increasing extent are choosing both to install ESL solutions and to use Pricer as their supplier. Pricer has a good position thanks to framework agreements with several of the larger retailers and cooperatives, and it has an attractive offer for retailers and franchises that fall under these framework agreements. Pricer is also seeing increased activity and interest in France from retail chains for their wholly owned stores.

Demand and activity in the rest of Europe was also high. Pricer communicated two new framework agreements in Italy and the Baltics during the first quarter.

In the Americas region, order intake decreased slightly compared to the fourth quarter at the same time as the rollouts under the larger framework agreements in Canada progressed according to plan. In addition to these rollouts, several minor chains in Canada, primarily in the DIY trade, are starting to show interest and become a larger part of the order intake. In the USA and Latin America, Pricer continued to install important pilot projects during the quarter, but the increased activity has not yet had a major impact on order intake since customers in these markets have less experience in ESL systems and thus would like to test the systems more thoroughly before making investment decisions.

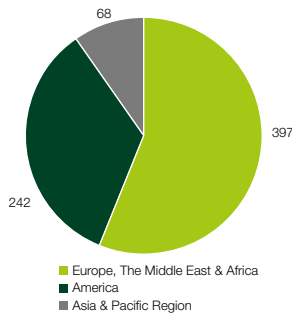
Asia, the Middle East and Central & Eastern Europe saw enhanced demand during the first quarter compared to the previous quarter, primarily driven by continued strong demand in Eastern Europe. The strong development in Eastern Europe, together with the new business in the Baltics, is clearly showing that countries with relatively lower salary costs still consider it to be worth investing in ESL systems.

In countries that have a focus on campaigns, like the USA and the UK, Pricer's launch of the four-color labels SmartTAG Color is expected to drive a strong increase in interest for and installation of electronic labels. The color of the labels and the contrast enable more appealing and creative campaigns in the stores.

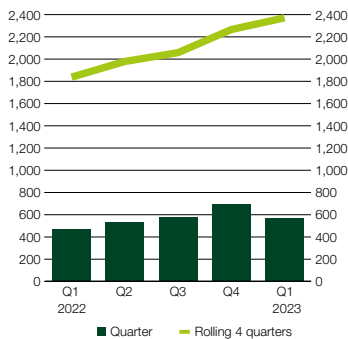
Rising inflation, a labor shortage and the increasingly competitive retail trade are some of the underlying forces driving greater store automation and efficiency. Consumers are also becoming more demanding when it comes to what constitutes a good shopping experience, and they are demanding clear price information as well as campaigns, product content, etc.

Pricer's world-leading scalable solutions for store automation and digital store communication serve as the hub of our customer offering and offer the possibility of communicating in real time with both store staff and store visitors.

Order intake per region in Q1 2023, SEK M



Net sales, SEK M



Order intake in Q1 2023

First quarter

Order intake for the first quarter amounted to SEK 707 M (551), an increase of 28.3 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, order intake rose 18 percent. Order intake is spread across a large number of customers on several geographic markets, with France, Canada and Belgium the largest individual contributors.

Order backlog as per March 31, 2023, amounted to SEK 613 M (464), of which the majority is expected to be delivered in Q2 and Q3 2023.

Net sales and profit/loss in Q1 2023

NET SALES PER GEOGRAPHIC REGION

Amounts in MSEK	Q1 2023	Q1 2022	FY 2022
Europe	338.2	264.9	1,103.9
Americas	193.2	163.9	931.2
Asia, Middle East & Central & Eastern Europe	40.0	37.1	232.7
Total net sales	571.4	465.9	2,267.8

NET SALES AND PROFIT

Amounts in MSEK	Q1 2023	Q1 2022	FY 2022
Net sales	571.4	465.9	2,267.8
Cost of goods sold	-481.4	-382.2	-1,892.8
Gross profit	90.0	83.8	375.0
Gross profit margin	15.8%	18.0%	16.5%
Operating expenses	-106.8	-88.8	-362.8
Other income and expenses	2.9	-4.7	8.9
Operating profit	-13.9	-9.7	21.1
Operating margin	-2.4%	-2.1%	0.9%

ADJUSTED FOR EXCHANGE RATE FLUCTUATIONS

Amounts in MSEK unless otherwise stated	Reported current period	Reported change	Adjusted for exchange rate fluctuations
First quarter compared to the same period last year			
Net sales	571.4	23%	12%
Cost of goods sold	–481.4	26%	13%
Gross profit	90.0	7%	7%
Operating expenses	–106.8	20%	17%
Other income and expenses	2.9		
Operating profit	–13.9	43%	17%
January–March compared to the same period last year			
Net sales	571.4	23%	12%
Cost of goods sold	–481.4	26%	13%
Gross profit	90.0	7%	7%
Operating expenses	–106.8	20%	17%
Other income and expenses	2.9		
Operating profit	–13.9	43%	17%

First quarter

Net sales amounted to SEK 571.4 M (465.9) in the quarter, an increase of 22.6 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, net sales increased by 12 percent. Net sales in Q1 2023 were spread across a large number of customers. The majority of the sales occurred in Canada, France, and Italy.

Of net sales, SEK 14.5 M (10.2) refers to recurring revenue.

Gross profit amounted to SEK 90.0 M (83.8), and the gross margin amounted to 15.8 percent (18.0) for the first quarter. During the first quarter, both the purchasing cost for components and exchange rates improved compared to the previous quarter; however, due to inventory build-up, these improvements had a limited impact on the quarter's gross margin. The majority of the company's costs for goods sold were in USD, while net sales were generated primarily in USD and EUR. The currency effects on gross profit were negative compared to last year.

Operating expenses increased to SEK –106.9 M (–88.8) in the quarter, an increase of 20.4 percent compared to the same quarter last year. This is primarily due to an increase in the number of employees and consultants compared to the same period last year and increased marketing activities, in part at two large trade shows. Operating expenses are primarily in SEK, but they are also in EUR and USD.

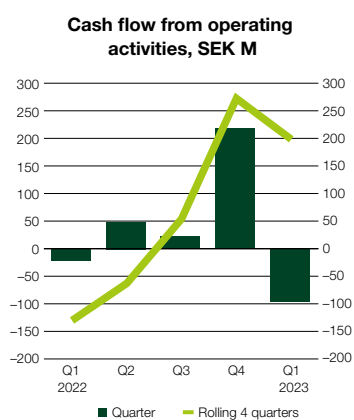
Other income and expenses amounted to SEK 2.9 M (–4.7) and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.

Operating profit amounted to SEK –13.9 M (–9.7), which corresponds to an operating margin of –2.4 percent (–2.1).

Financial items, which consist primarily of interest expenses but also currency revaluation of balance sheet items such as cash and cash equivalents, had a negative impact on the quarter and amounted to SEK –12.1 M (–2.1).

Tax for the quarter amounted to SEK –1.2 M (2.3), of which SEK 0.4 M (–3.4) refers to deferred tax, and SEK –1.6 M (–1.1) to current tax. The current tax rate amounted to 6 percent (9), and the reported total tax rate amounted to 5 percent (–19). Deferred tax assets related to capitalized losses carried forward amounted in the balance sheet on March 31, 2023, to SEK 58.9 M (57.1).

Profit for the period was SEK –27.2 M (–9.5).



Translation differences in other comprehensive income of SEK 3.6 M (4.7) consisted of currency revaluation of net assets in foreign operations.

Cash flow, investments and financial position

First quarter

Cash flow from operating activities amounted to SEK –24.6 M (–20.3) in the first quarter. The change in working capital during the quarter had a negative impact on cash flow from operating activities of SEK –96.5 M (–33.9).

Cash flow from investing activities amounted to SEK –16.6 M (–13.9) in the first quarter and consisted primarily of capitalized development expenditure of SEK –13.4 M (–11.9) for product development and investments in property, plant and equipment of SEK –3.3 M (–2.1) attributable primarily to production equipment.

Cash outflow from financing activities amounted to SEK –3.4 M (71.4) during the first quarter and referred to amortization of lease liabilities SEK –3.4 M (–3.2).

Exchange rate differences in cash and cash equivalents amounted to SEK –0.4 M (0.2).

Cash and cash equivalents amounted to SEK 98.8 M (53.9) on March 31, 2023. In addition to cash and cash equivalents, the company had at March 31, 2023, bank overdraft facilities of SEK 48 M (250.0), of which SEK 0 M (186.2) was utilized and SEK 48 M (63.8) will be unutilized.

Shareholders' equity

ISSUED AND OUTSTANDING SHARES

Denominated in 000s of shares	Class A	Class B	Total
Issued at beginning of year	226	110,746	110,972
Issued & converted shares during the year	–	–	–
Issued at end of year	226	110,746	110,972
Of which treasury shares	–	–619	–619
Shares outstanding at end of period	226	110,127	110,353

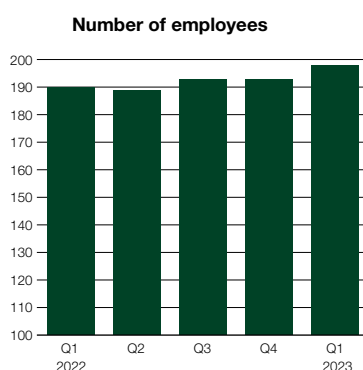
Class A has five votes and Class B has one vote

Pricer's holdings of treasury shares amounted on March 31, 2023, to 619,134 (648,278) Class B shares. These shares are held to be able to meet obligations on matching and performance shares under the outstanding performance share plans.

The value of the promise is expensed during the vesting period.

For more information about the performance share plans, please refer to Note 4 of 2022 Annual Report that will be published on April 28, 2023.

Outstanding performance share plan (LTI)	Maximum number of shares	Vesting period	Transferred free of charge to the participants
LTI 2020	120,000	June 2020–May 2023	June 2023
LTI 2021	102,000	June 2021–May 2024	June 2024
LTI 2022	220,800	June 2022–May 2025	June 2025



Employees

The average number of employees during the first quarter was 196 (187), and the number of employees at the end of the period was 198 (190). The average number, including hired staff and consultants, was 220 (209) in the first quarter and 223 (221) at the end of the

period. The organization has been strengthened, primarily in sales. Pricer strengthened its presence in a number of geographic regions with the aim of handling both the increase in demand and services related to the growing installed customer base.

Parent Company

The Parent Company's net sales amounted to SEK 573.2 M (403.6), and the profit for the period amounted to SEK –34.6 M (–13.1). The Parent Company's cash and cash equivalents amounted to SEK 48.6 M (0.7) 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 not only digital shelf edge labels and systems and 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. More information regarding risks is available in the 2022 Annual Report that will be published shortly; see page 33 and Note 20.

Pricer is carefully following the global uncertainty as a result of the war in Ukraine. However, Pricer has very limited exposure to affected markets and is experiencing no direct impact on its operations. Even if the war is creating uncertainty in many economies around the world, it is currently too early to assess any long-term impacts.

Forecast

No forecast is issued for 2023.

Events after the end of the reporting period

No significant events occurred after the end of the reporting period.

Financial Calendar

June 7, 2023	Annual General Meeting
July 20, 2023	Interim Report January–June 2023
October 26, 2023	Interim Report January–September 2023

**Next interim report will
be published on July 20,
2023**

The Board of Directors and CEO hereby certify that this interim report provides a true and fair view of the results of the operations, financial position and performance for the Parent Company and the Group and describes the significant risks and uncertainties to which the Parent Company and other companies in the Group are exposed.

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

Stockholm, April 20, 2023

Pricer AB (publ)

Magnus Larsson

President and CEO

This year-end report has not been subject to an audit.

This information is information that Pricer AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted through the agency of the contact persons mentioned below for publication on April 20, 2023, at 8:30 AM CEST.

For more information, please contact:

Magnus Larsson, President and CEO, +46 (0)704 316 851

Susanna Zethelius, CFO, +46 (0)704 440 092

Mail: ir@pricer.com

Financial Reporting

CONDENSED CONSOLIDATED INCOME STATEMENT

Amounts in MSEK	Q1	Q1	FY
	2023	2022	2022
Net sales	571.4	465.9	2,267.8
Cost of goods sold	-481.4	-382.2	-1,892.8
Gross profit	90.0	83.8	375.0
Selling expenses	-59.7	-48.3	-203.1
Administrative expenses	-34.3	-24.6	-107.8
Research and development costs	-12.8	-15.9	-51.9
Other income and expenses	2.9	-4.7	8.9
Operating profit	-13.9	-9.7	21.1
Financial items	-12.1	-2.1	-16.7
Profit/loss before tax	-26.0	-11.8	4.4
Income tax	-1.2	2.3	0.4
Profit/loss for the period	-27.2	-9.5	4.8
Net profit for the period attributable to:			
Owners of the Parent Company	-27.2	-9.5	4.8

EARNINGS PER SHARE

	Q1	Q1	FY
	2023	2022	2022
Earnings per share, basic, SEK	-0.25	-0.9	0.04
Earnings per share, diluted, SEK	-0.25	-0.9	0.04
Number of shares outstanding, basic, million	110.3	110.3	110.4
Number of shares outstanding, diluted, million	110.8	110.8	110.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	Q1	Q1	FY
	2023	2022	2022
Profit/loss for the period	-27.2	-9.5	4.8
Items that have been or can be reclassified to profit or loss for the period			
Translation differences	3.6	4.7	41.4
Other comprehensive income for the period	3.6	4.7	41.4
Comprehensive income for the period	-23.6	-4.8	46.2
Comprehensive income for the period attributable to:			
Owners of the Parent Company	-23.6	-4.8	46.2

CONDENSED CONSOLIDATED BALANCE SHEET

Amounts in MSEK	Mar 31 2023	Dec 31 2022	Sept 30 2022	June 31 2022	Mar 31 2022
ASSETS					
Intangible assets	405.4	396.6	386.9	372.1	360.9
Property, plant and equipment	62.9	62.6	64.0	56.5	41.7
Right-of-use asset	23.3	26.4	29.2	29.7	32.0
Deferred tax assets	67.7	67.5	68.5	68.6	64.9
Total non-current assets	559.3	553.1	548.7	526.9	499.5
Inventories	613.5	670.3	734.1	569.4	564.9
Trade receivables	254.6	303.0	416.7	376.1	306.5
Prepaid expenses and accrued income	16.8	15.1	19.8	20.8	51.8
Other current receivables	263.4	278.4	329.5	307.1	181.8
Cash and cash equivalents	96.7	217.5	22.2	28.4	53.9
Total current assets	1,245.0	1,484.2	1,522.4	1,301.8	1,158.9
TOTAL ASSETS	1,804.3	2,037.3	2,071.1	1,828.7	1,658.5
EQUITY AND LIABILITIES					
EQUITY					
Share capital	111.0	111.0	111.0	111.0	111.0
Other capital contributions	390.1	389.8	389.4	389.2	389.6
Reserves	72.5	68.9	69.7	53.0	32.2
Accumulated profits including profit for the year	135.3	162.5	149.2	144.7	258.5
Shareholder's equity attributable to the Parent Company's shareholders	708.9	732.2	719.2	697.9	791.3
LIABILITIES					
Non-current provisions	14.0	22.5	27.1	25.2	23.4
Non-current liabilities to credit institutions	238.3	240.0	–	–	–
Non-current lease liabilities	10.9	14.2	17.2	19.0	21.2
Total non-current liabilities	263.2	276.7	44.3	44.2	44.6
Liabilities to credit institutions	–	–	140.5	139.3	186.2
Advances from customers	19.2	25.3	18.1	11.2	10.3
Trade payables	607.5	842.1	880.6	672.9	478.1
Current lease liabilities	14.0	13.8	13.7	12.6	12.6
Other current liabilities	35.9	42.0	140.2	141.9	25.3
Accrued expenses and deferred income	121.7	83.1	84.7	81.7	86.2
Current provisions	33.9	22.0	29.6	27.0	23.9
Total current liabilities	832.2	1,028.4	1,307.5	1,086.6	822.5
Total liabilities	1,095.4	1,305.0	1,351.8	1,130.8	867.2
TOTAL EQUITY AND LIABILITIES	1,804.3	2,037.3	2,071.1	1,828.7	1,658.5
Equity per share, basic, SEK	6.43	6.64	6.52	6.33	7.17
Equity per share, diluted, SEK	6.40	6.62	6.50	6.31	7.14

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in MSEK	3 mos. 2023	FY 2022	9 mos. 2022	6 mos. 2022	3 mos. 2022
Equity at start of period	796.9	796.9	796.9	796.9	796.9
Profit/loss for the period	-27.2	4.8	-8.5	-13.0	-9.5
Other comprehensive income for the period	3.6	41.4	42.2	25.5	4.7
<i>Comprehensive income for the period</i>	-23.6	46.2	33.7	12.5	-4.8
Decrease in treasury shares	-	0.4	0.4	0.4	-
Dividend	-	-110.3	-110.3	-110.3	-
Share-based payment, equity-settled	0.3	-0.9	-1.4	-1.5	-0.8
<i>Total transactions with owners of the Group</i>	<i>0.3</i>	<i>-110.9</i>	<i>-111.3</i>	<i>-111.5</i>	<i>-0.8</i>
Equity at end of period	773.6	732.2	719.2	697.9	791.3
Attributable to:					
– Owners of the Parent Company	773.6	732.2	719.2	697.9	791.3

CONDENSED CONSOLIDATED CASH FLOW

Amounts in MSEK	Q1 2023	Q1 2022	FY 2022
OPERATING ACTIVITIES			
Operating profit	-13.9	-9.7	21.1
Adjustments for non-cash items	26.5	27.2	98.5
– of which amortization/depreciation and impairment	14.8	15.6	63.1
– of which other non-cash items	11.7	11.5	35.3
Interest received	–	–	0.9
Interest paid	-10.7	-2.7	-17.6
Income tax paid	-0.3	-1.2	-4.8
Cash flow from operating activities before changes in working capital	1.6	13.6	98.1
<i>Cash flow from changes in working capital</i>			
Increase(-)/decrease(+) inventories	55.9	74.0	-0.5
Increase(-)/decrease(+) trade receivables	48.7	49.3	61.6
Increase(-)/decrease(+) other current receivables	14.0	1.5	-56.0
Increase(+)/decrease(-) trade payables	-242.8	-183.1	170.5
Increase(+)/decrease(-) other current liabilities	27.7	24.5	8.9
Cash flow from changes in working capital	-96.5	-33.9	184.6
Cash flow from operating activities	-94.9	-20.4	282.7
INVESTING ACTIVITIES			
Acquisition of intangible fixed assets	-13.3	-11.9	-55.4
Acquisition of property, plant and equipment	-3.3	-2.1	-32.4
Cash flow from investing activities	-16.6	-13.9	-87.7
FINANCING ACTIVITIES			
Amortization of lease liabilities	-3.4	-3.2	-13.5
Non-current liabilities to credit institutions	–	–	240.0
Factoring expenses	–	–	-1.2
Dividend paid	–	–	-110.3
Decrease in treasury shares	–	74.6	0.4
Net change overdraft facilities	–	71.4	-111.5
Cash flow from financing activities	-3.4	71.4	3.8
Cash flow for the period	-118.3	37.2	198.8
Cash and cash equivalents at start of period	217.5	16.5	16.5
Exchange rate differences in cash and cash equivalents	-0.4	0.2	2.1
Cash and cash equivalents at end of period	98.8	53.9	217.5
Unutilized bank facilities	48.0	63.8	50.0
Available funds at end of period	146.8	117.7	267.5

KEY RATIOS GROUP

	Q1	Q4	Q3	Q2	Q1
	2023	2022	2022	2022	2022
Order intake	707	648	546	581	551
Order intake – rolling four quarters	2,481	2,325	2,130	1,891	1,718
Net sales	571.4	696.1	575.5	530.3	465.9
of which recurring revenue	14.5	11.9	11.4	10.3	10.2
Net sales – rolling four quarters	2,373.3	2,267.8	2,059.6	1,980.1	1,838.8
Operating profit	–13.9	27.9	9.7	–6.8	–9.7
Operating profit – rolling four quarters	16.9	21.1	10.4	40.8	70.2
Profit/loss for the period	–27.2	13.3	4.4	–3.5	–9.5
Cash flow from operating activities	–96.4	230.3	23.3	49.5	–20.3
Cash flow from operating activities – rolling four quarters	198.1	282.7	53.1	–64.7	–132.5
Number of employees at end of period	198	193	193	189	190
Equity/asset ratio	39%	36%	35%	38%	48%

PARENT COMPANY

CONDENSED PARENT COMPANY INCOME STATEMENT

Amounts in MSEK	3 mos. 2023	3 mos. 2022	FY 2022
Net sales	573.2	403.6	1,908.4
Cost of goods sold	-537.4	-358.3	-1,726.6
Gross profit	35.8	45.3	181.9
Selling expenses	-30.0	-22.4	-89.8
Administrative expenses	-23.4	-17.3	-74.2
Research and development costs	-12.8	-15.9	-51.9
Other income and expenses	4.1	-4.9	8.7
Operating profit	-26.3	-15.2	-25.3
<i>Result from financial items:</i>			
Result from participations in group companies			-4.0
Interest income and similar profit/loss items	-0.5	0.6	2.4
Interest expenses and similar profit/loss items	-8.2	-2.0	-10.9
Profit/loss before tax	-35.0	-16.6	-37.9
Income tax	0.4	3.4	4.5
Profit/loss for the period	-34.6	-13.1	-33.3

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in MSEK	3 mos. 2023	3 mos. 2022	FY 2022
Profit/loss for the period	-34.6	-13.1	-33.3
<i>Other comprehensive income for the period</i>			
<i>Items that have been or can be reclassified to profit or loss for the period</i>			
Other comprehensive income for the period	-	-	-
Comprehensive income for the period	-34.6	-13.1	-33.3

CONDENSED PARENT COMPANY BALANCE SHEET

Amounts in MSEK	Mar 31 2023	Dec 31 2022	Sept 30 2022	June 30 2022	Mar 31 2022
ASSETS					
Non-current assets					
Intangible assets	120.8	115.7	111.3	102.5	100.0
Property, plant and equipment	59.4	58.9	60.0	52.6	38.0
Financial assets					
Participations in group companies	9.9	180.2	190.0	189.9	190.0
Receivables from group companies	186.2	4.6	10.8	9.3	6.7
Deferred tax asset	66.1	65.8	67.9	68.0	64.3
<i>Total financial assets</i>	<i>262.2</i>	<i>250.6</i>	<i>268.7</i>	<i>267.3</i>	<i>261.1</i>
Total non-current assets	442.5	425.2	440.1	422.4	399.1
Current assets					
Inventories	336.7	480.0	422.1	324.9	315.5
Current receivables					
Trade receivables	89.5	95.3	169.0	123.3	103.7
Receivables from group companies	177.0	177.5	326.6	285.9	296.9
Other current receivables	231.7	259.4	324.8	302.6	178.7
Prepaid expenses and accrued income	11.5	11.4	10.9	8.8	44.8
Total current receivables	509.7	543.6	831.2	720.6	624.1
Non-current receivables from Group companies	9.9	9.9	–	–	–
Total non-current receivables	9.9	9.9	–	–	–
Cash and bank balances	48.6	186.4	0.8	4.8	0.7
Total current assets	904.9	1,219.9	1,254.1	1,050.2	940.3
TOTAL ASSETS	1,347.3	1,645.1	1,694.2	1,472.6	1,339.4

CONDENSED PARENT COMPANY BALANCE SHEET cont'd

Amounts in MSEK	Mar 31 2023	Dec 31 2022	Sept 30 2022	June 30 2022	Mar 31 2022
EQUITY AND LIABILITIES					
Shareholders' equity					
<i>Restricted equity</i>					
Share capital	111.0	111.0	111.0	111.0	111.0
Statutory reserve	104.8	104.8	104.8	104.8	104.8
Legal reserve for internally generated development expenditure	138.7	133.6	111.4	102.6	100.0
Total restricted equity	354.5	349.4	327.2	318.4	315.8
<i>Non-restricted equity</i>					
Share premium reserve	193.1	192.8	192.4	192.3	192.6
Retained earnings	-92.1	-53.7	-31.4	-22.6	90.3
Net profit for the year	-34.6	-33.3	-27.0	-27.2	-13.1
<i>Total non-restricted equity</i>	<i>66.4</i>	<i>105.8</i>	<i>133.9</i>	<i>142.5</i>	<i>269.8</i>
Total equity	420.9	455.2	461.1	460.8	585.6
PROVISIONS					
Provisions	36.1	34.1	44.7	40.8	35.6
Total provisions	36.1	34.1	44.7	40.8	35.6
NON-CURRENT LIABILITIES					
Non-current liabilities to credit institutions	238.3	240.0	0.0	0.0	0.0
Non-current liabilities to Group companies	0.1	0.1	0.1	0.1	0.1
Total non-current liabilities	238.4	240.1	0.1	0.1	0.1
CURRENT LIABILITIES					
Liabilities to credit institutions	–	0.0	140.5	139.3	186.2
Advances from customers	0.1	0.0	0.4	0.0	0.0
Trade payables	588.5	829.1	872.9	663.1	472.6
Liabilities to group companies	10.4	43.4	15.1	15.0	11.7
Other current liabilities	-1.5	4.9	117.4	115.1	3.7
Accrued expenses and deferred income	54.4	38.2	41.9	38.3	44.0
Total current liabilities	652.0	915.7	1,188.3	970.9	718.1
TOTAL EQUITY AND LIABILITIES	1,347.3	1,645.1	1,694.2	1,472.6	1,339.4

CONDENSED PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

Amounts in MSEK	3 mos. 2023	FY 2022	9 mos. 2022	6 mos. 2022	3 mos. 2022
Equity at start of period	599.5	599.5	599.5	599.5	599.5
Comprehensive income for the period	-334.6	-33.3	-27.0	-27.2	-13.1
Decrease in treasury shares	–	0.4	0.4	0.4	–
Dividend	–	-110.3	-110.3	-110.3	–
Share-based payment, equity-settled	–	-1.5	-1.5	-1.5	-0.8
Equity at end of period	564.9	454.7	461.0	460.8	585.6

Not 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.

New accounting principles

The same accounting principles and bases for calculation were applied for the Group and the Parent Company as in the latest annual report

Not 2 – Revenue from contracts with customers

BREAKDOWN OF REVENUE

Amounts in MSEK	Q1	Q1	FY
	2023	2022	2022
Revenue from goods	527.9	440.9	2,129.9
Revenue from services	31.6	17.6	96.9
Revenue from licensees	11.9	7.4	41.1
Total	571.4	465.9	2,267.8

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.

REVENUE BY SALES CHANNEL

	Q1	Q1	FY
	2023	2022	2022
Direct customers	71%	53%	62%
Resellers	29%	47%	38%
Total	100%	100%	100%

Note 3 – Leases

RIGHT-OF-USE ASSET

Amounts in MSEK	Mar 31 2023	Mar 31 2021	Dec 31 2021
Premises	18.2	27.8	30.3
Cars	3.4	4.2	4.5
Total	21.5	32.0	34.9

LEASE LIABILITY

Amounts in MSEK	Mar 31 2023	Mar 31 2021	Dec 31 2022
Current — less than one year	14.1	12.7	14.2
Non-current — between one and five years	10.8	21.2	13.9
Non-current — More than five years	–	–	–
Total	24.9	33.9	28.1

COST AND CASH FLOW DISCLOSURES

Amounts in MSEK	Q1 2023	Q1 2022	FY 2022
Depreciation of right-of-use assets	3.3	3.1	13.2
<i>(of which premises)</i>	2.9	2.7	11.6
<i>(of which cars)</i>	0.4	0.4	1.6
Interest expense lease liabilities	0.2	0.3	0.8
Amortization of lease liability	3.4	3.2	3.0

Note 4 – Financial instruments

For financial instruments measured at amortized cost — trade receivables, other current receivables and cash and cash equivalents, liabilities to credit institutions, trade payables, lease debt, 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. Liabilities to credit institutions refer to a bond loan of SEK 250 M via Ture Invest AB. The bond has a four-year term with a variable interest rate (equivalent to STIBOR 3m + 6.875%). Under the terms of the bond, the Parent Company has undertaken to ensure that certain financial ratios related to gross margin, profit and balance sheet ratios are maintained for the Group. These commitments are to be met on a calendar quarterly basis. The conditions limit the Group's ability to incur additional financial debt and to dispose of assets. Pricer also has a credit facility via Nordea of SEK 48 M.

FINANCIAL INSTRUMENTS MEASURED AT AMORTIZED COST

Amounts in MSEK	Mar 31 2023	Mar 31 2022	Dec 31 2022
Loan and trade receivables	608.7	538.7	789.5
Total financial assets	608.7	538.7	789.5
Liabilities to credit institutions	238.3	186.2	240.0
Lease liabilities	10.4	33.9	36.8
Other financial liabilities	609.6	479.3	672.5
Total financial liabilities	858.3	699.4	820.8

Note 5 – 2023 Share Performance Plan

The Annual General Meeting to be held on June 7, 2023, will resolve on the introduction of an incentive program in the form of a share performance plan for certain senior executives and key employees, whereupon the participants, after an initial investment in Pricer's Class B shares, receive one matching share right and one performance-based share right per invested Class B share. Following the vesting period of three years, the share rights entitle the participants to one matching share and up to five performance shares depending on the outcome of the performance conditions.

Note 6 – Related party transactions

Significant related party transactions are described in Note 23 of the consolidated financial statements in the 2022 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 2022 Annual Report that will be published on April 28, 2023.

Note 7 – Pledged assets and contingent liabilities

Floating charges (chattel mortgages) are a type of general collateral in the form of an undertaking to the bank. Pledged assets refer primarily to pledged shares in Pricer Inc., Pricer SRL and Pricer SAS for bond loans in 2022 that fall due in 2026. According to the bond loan with Ture Invest AB, the parent company has undertaken to ensure that certain financial ratios related to gross margin, profit and balance sheet ratios are maintained for the Group. These commitments are to be met on a calendar quarterly basis. The Parent Company guarantees are issued to customs authorities and landlords.

PLEGGED ASSETS AND CONTINGENT LIABILITIES

Amounts in MSEK	Parent Company			Group		
	Mar 31 2023	Mar 31 2022	Dec 31 2022	Mar 31 2023	Mar 31 2022	Dec 31 2022
Pledged assets						
Floating charge	300.0	150.0	300.0	300.0	150.0	300.0
Participations in group companies	9.9	–	9.9	115.0	–	115.0
Total	309.9	150.0	309.9	415.0	150.0	415.0
Contingent liabilities						
Customs services	1.7	0.3	0.3	6.5	5.9	6.6
Rent guarantee	0.3	1.7	1.7	1.7	1.7	1.7
Total	2.0	2.0	2.0	8.1	7.6	7.4

CONSOLIDATED INCOME STATEMENT PER ISOLATED QUARTER

Amounts in MSEK	Q1	Q1	Q2	Q3	Q4
	2023	2022	2022	2022	2022
Net sales	571.4	465.9	530.3	575.5	696.1
Cost of goods sold	–481.4	–382.2	–442.4	–480.1	–588.1
Gross profit	90.0	83.8	87.9	95.4	107.9
<i>Gross profit margin, %</i>	<i>15.8%</i>	<i>18.0%</i>	<i>16.6%</i>	<i>16.6%</i>	<i>15.5%</i>
Selling expenses	–59.7	–48.3	–53.5	–44.6	–56.7
Administrative expenses	–34.3	–24.6	–24.9	–26.0	–32.2
Research and development costs	–12.8	–15.9	–18.0	–3.1	–14.9
Other income and expenses	2.9	–4.7	1.8	–11.9	23.7
Operating profit	–13.9	–9.7	–6.8	9.7	27.9
<i>Operating margin, %</i>	<i>–2.4%</i>	<i>–2.1%</i>	<i>–1.3%</i>	<i>1.7%</i>	<i>4.0%</i>
Financial items	–12.1	–2.1	0.7	–4.1	–11.1
Profit/loss before tax	–26.0	–11.8	–6.1	5.6	16.7
Income tax	–1.2	2.3	2.6	–1.1	–3.4
Profit/loss for the period	–27.2	–9.5	–3.5	4.4	13.3
Net profit for the period attributable to:					
Owners of the Parent Company	–27.2	–9.5	–3.5	4.4	13.3

EARNINGS PER SHARE

	Q1	Q1	Q2	Q3	Q4
Amounts in MSEK	2023	2022	2022	2022	2022
Earnings per share, basic, SEK	-0.25	-0.09	-0.03	0.04	0.12
Earnings per share, diluted, SEK	-0.25	-0.09	-0.03	0.04	0.12
Number of shares outstanding, basic, million	110.3	110.3	110.3	110.3	110.3
Number of shares outstanding, diluted, million	110.8	110.8	110.6	110.6	110.6

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q1	Q1	Q2	Q3	Q4
Amounts in MSEK	2023	2022	2022	2022	2022
Profit/loss for the period	-27.2	-9.5	-3.5	4.4	13.3
<i>Items that have been or can be reclassified to profit or loss for the period</i>					
Translation differences	3.6	4.7	20.8	16.8	-0.8
Other comprehensive income for the period	3.6	4.7	20.8	16.8	-0.8
Comprehensive income for the period	-23.6	-4.8	17.3	21.2	12.5
Comprehensive income for the period attributable to:					
Owners of the Parent Company	-23.6	-4.8	17.3	21.2	12.5

CONSOLIDATED CASH FLOW PER ISOLATED QUARTER

	Q1	Q1	Q2	Q3	Q4
Amounts in MSEK	2023	2022	2022	2022	2022
OPERATING ACTIVITIES					
Operating profit	-13.9	-9.7	-6.8	9.7	27.9
Adjustments for non-cash items	26.5	27.2	30.7	11.2	29.4
– of which amortization/depreciation and impairment	14.8	15.6	16.0	15.9	15.6
– of which other non-cash items	11.7	11.5	14.6	-4.7	13.8
Interest received	0.0	–	–	–	0.9
Interest paid	-10.7	-2.7	-3.3	-4.9	-6.6
Income tax paid	-0.3	-1.2	-2.6	-1.1	0.2
Cash flow from operating activities before changes in working capital	1.6	13.6	17.9	14.9	51.7
Cash flow from changes in working capital					
Increase(-)/decrease(+) inventories	55.9	74.0	19.6	-142.3	48.3
Increase(-)/decrease(+) trade receivables	48.7	49.3	-79.0	-35.1	126.4
Increase(-)/decrease(+) other current receivables	14.0	1.5	-92.8	-20.2	55.6
Increase(+)/decrease(-) trade payables	-242.8	-183.1	210.1	225.4	-81.9
Increase(+)/decrease(-) other current liabilities	27.7	24.5	-26.4	-19.4	30.2
Cash flow from changes in working capital	-96.5	-33.9	31.6	8.4	178.5
Cash flow from operating activities	-94.9	-20.3	49.5	23.3	230.3
INVESTING ACTIVITIES					
Acquisition of intangible fixed assets	-13.3	-11.9	-12.2	-18.0	-13.3
Acquisition of property, plant and equipment	-3.3	-2.1	-17.6	-10.3	-2.4
Cash flow from investing activities	-16.6	-13.9	-29.8	-28.3	-15.7
Amortization of lease liabilities	-3.4	-3.2	-3.4	-3.8	-3.0
Non-current liabilities	-1.8	–	–	–	240.0
Factoring expenses	-1.6	–	–	–	-1.2
Dividend paid	–	–	0.0	0.0	-110.3
Decrease in treasury shares	–	–	0.4	–	–
Increase in treasury shares	–	–	–	–	–
Net change overdraft facilities	–	74.6	-46.9	1.2	-140.5
Cash flow from financing activities	-6.8	71.4	-49.9	-2.7	-15.0
Cash flow for the period	-118.3	37.2	-30.2	-7.7	199.6
Cash and cash equivalents at start of period	217.5	16.5	53.9	28.4	22.2
Exchange rate differences in cash and cash equivalents	-0.4	0.2	4.7	1.5	-4.3
Cash and cash equivalents at end of period	98.8	53.9	28.4	22.2	217.5
Unutilized bank facilities	48.0	63.8	110.7	59.5	50.0
Available funds at end of period	146.8	117.7	139.1	81.7	267.5

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 2023	Mar 31 2022	Dec 31 2022
PERFORMANCE RATIOS			
Operating expenses			
Selling expenses	-59.7	-48.3	-203.1
Administrative expenses	-34.4	-24.6	-107.8
Research and development costs	-12.8	-15.9	-51.9
Operating expenses	-106.9	-88.8	-362.8
MARGIN RATIOS			
Net sales	571.4	465.9	2,267.8
of which recurring revenue	14.5	10.2	43.9
Gross profit	90.0	83.8	375.0
Gross margin, percent	15.8%	18.0%	16.5%
Operating profit	-13.9	-9.7	21.1
Operating margin, percent	-2.4%	-2.1%	0.9%
CAPITAL AND FINANCIAL RATIOS			
Equity/asset ratio			
Total assets	1,804.3	1,658.5	2,037.2
Shareholders' equity	708.9	791.3	732.2
Equity/assets ratio, percent	39%	48%	36%
RETURN METRICS			
Equity per share, before/after dilution			
Number of outstanding shares, millions	110.3	110.3	110.3
Dilution effect, millions	0.4	0.4	0.2
Shareholders' equity	709.7	791.3	732.2
Equity per share, basic, SEK	6.43	7.17	6.64
Equity per share, diluted, SEK	6.40	7.14	6.62
Earnings per share, before/after dilution			
Average number of outstanding shares, millions	110.3	110.3	110.4
Dilution effect, millions	0.4	0.4	0.2
Profit/loss for the period	-27.2	-9.5	4.8
Earnings per share, basic, SEK	-0.25	-0.09	0.04
Earnings per share, diluted, SEK	-0.25	-0.09	0.04

REVENUE DISTRIBUTION RECURRING AND NON-RECURRING REVENUE

Amounts in MSEK	Q1	Q1	FY
	2023	2022	2022
Recurring revenue	14.5	10.2	43.9
Non-recurring revenue	556.9	455.7	2,223.9
Total	571.4	465.9	2,267.8
Share of recurring revenue	2.5%	2.2%	2.0%

Recurring revenue corresponds to the value of provided ongoing contracted services over a contract term that are automatically renewed or extend beyond the next twelve months and can be unilaterally recalled by Pricer in the event the customer does not pay.

ALTERNATIVE KEY RATIOS	DEFINITION	REASON FOR USE
PERFORMANCE RATIOS		
Change adjusted for exchange rate fluctuations/change in local currency	Relationship between the period's profit/loss and the comparative period's profit/loss translated using the period's exchange rates.	This measure is used by management to follow underlying change in profit/loss 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 costs 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 costs 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 metric for internal use that management can influence to a greater extent than net profit.
Rolling four quarters	Financial KPIs and measurements based on the four most recent quarters.	Rolling four quarters are used to show financial development over time adjusted for any seasonal effects.
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 METRICS		
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.
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 METRICS		
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.
Recurring revenue	Recurring revenue is the value of the provision of an ongoing contracted service or good over a contractual term, which is automatically renewed or extends beyond the next coming 12 months, and which can unilaterally be revoked by Pricer in the event of non-payment from the customer	Show how much of the external net sales is recurring. Recurring revenue is primarily revenue from maintenance and support services and digital subscription services.

About Pricer

Pricer is a leading global technology company serving the rapidly growing smart retail market with in-store digital solutions that enhance both store performance and the shopping experience.

Through electronic shelf labels, advanced technology, such as optical wireless communication and AI, and continuous innovation, Pricer offers the foundation for in-store communication and efficiency. The industry leading Pricer platform delivers benefits from 30 years of deployment experience and is fast, robust, interconnectable and scalable.

Pricer was founded in Sweden in 1991, and the company's Class B share is listed on Nasdaq Stockholm Mid Cap.

For more information, visit www.pricer.com

Pricer AB

Box 215

SE-101 24 Stockholm

7993

Street address: Västra Järnvägsgatan 7

SE-111 64 Stockholm

Website: www.pricer.com

Telephone: +46 8 505 582 00

Corporate registration number: 556427-