

## Interim Report January – June 2015

### Order intake more than doubled and net sales increased by 60 percent compared to last year

- Profit improved but gross margin still low

#### Second quarter 2015

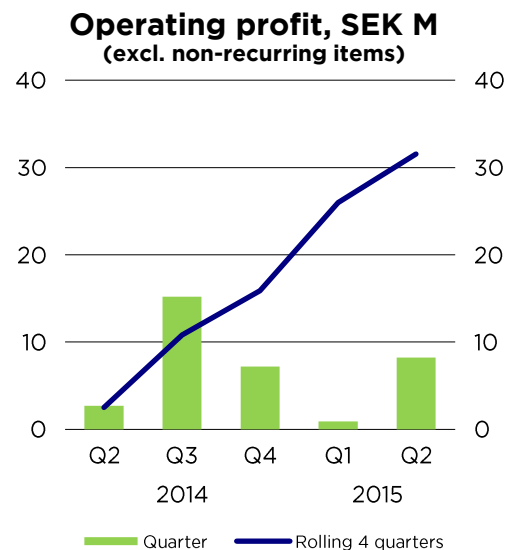
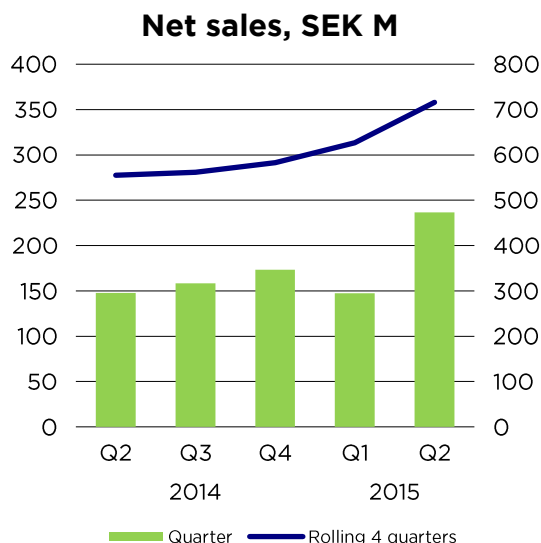
- Order intake of SEK 296 (127) M, an increase of 133 percent compared to last year
- Net sales of SEK 237 (148) M, an increase of 60 percent compared to last year
- Operating profit amounted to SEK 8.2 (2.7<sup>2</sup>) M and the profit for the period SEK 7.1 (2.0<sup>2</sup>) M
- The backlog\* exceeds SEK 300 M, whereof the majority is expected to be invoiced in 2015
- Order intake in the second quarter includes orders of around SEK 80 M from a large French food retail chain and SEK 56 M from Pricer's Norwegian partner referring to Coop Norway.

Amounts in SEK M unless otherwise stated	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014
Order intake	296,0	127,0	565,0	260,0
Net sales	236,6	147,9	384,1	251,5
Gross margin <sup>1, 3)</sup>	18,3%	22,4%	20,5%	21,6%
Operating profit <sup>2)</sup>	8,2	2,7	9,1	-6,5
Operating margin <sup>2)</sup>	3,5%	1,8%	2,4%	-2,6%
Cash flow from operating activities	-57,9	-37,7	-15,9	-8,4
Profit for the period	7,1	-50,8	8,4	-60,8
Earnings per share (SEK)	0,06	-0,46	0,08	-0,55

1) Excluding non-recurring costs of SEK 37.5 M for Q2 2014 and SEK 37.5 M for the period ending 30 June 2014.

2) Excluding non-recurring costs of SEK 52.8 M for Q2 2014 and SEK 52.8 M for the period ending 30 June 2014.

3) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for quarter 2 2014 and SEK 5.6 M for the period ending 30 June 2014.



\* The backlog consists of binding orders and call-offs under frame agreements. Expected future value of frame agreements is not included.

**Comments from the CEO, Jonas Vestin**

As communicated in the report for the first quarter, certain contracts will still burden the gross margin during the coming quarters. The second quarter's historically low level of 18 percent continues to be affected by currency-, product-, and contract mix. The net sales in the period have been dominated by final deliveries of large old contracts with lower margins and contracts with only graphic labels, that have lower gross margins than segment based labels.

In tough competition, Pricer has historically taken on a number of large contracts with low margins to secure market share and competitive position. Some of the contracts have been further impacted by currency effects during the year. These deliveries have thus burdened the margin of the second quarter. These are contracts that are expected to be phased out during the coming year.

Pricer's purchases are mainly conducted in US dollars at the same time that the largest part of sales is in Euro. Negotiations with both customers and suppliers regarding price adjustments have a delayed effect and will be realized in coming deliveries. During the first half year, Pricer has gradually adjusted price levels to compensate for a considerably stronger US dollar compared with last year, which short term has affected sales on certain high margin markets in a negative way. My overall assessment is that the weak gross margin has reached its lowest level during the second quarter and that we can now gradually see a strengthening of the margin due to the operational work taking place related to customers, partners and suppliers.

I am pleased that Pricer is continuing to grow on a rolling twelve months basis, with net sales of SEK 716 (555) M, order intake of SEK 846 (487) M and a gradually improving rolling twelve months' operating profit as well as a substantially larger order backlog. The growth in net sales further means that the installed base also continues to increase, on which we are building our strategy for digital solutions that will expand our margins. As indicated in the report for the first quarter, the strong increase in order intake and net sales have also increased the working capital requirements, resulting in a negative cash flow for the quarter.

Previously announced orders from PSI Group for Coop Norway and NorgesGruppen, deliveries to the "Do-It-Yourself" chain Leroy-Merlin in France and a significant order from a large food retail chain in France, have been the most important contributors to the record high sales numbers in the second quarter.

Even if we see an overall market growth for digital systems for dynamic retail pricing, it will be crucial for margin expansion that our new digital solutions and the associated sale of software is established in the market. This work is moving according to plan with growing intensity in all parts of Pricer's organization. As previously communicated, we believe that this will have a gradual positive effect on the result starting from next year. We have given an update regarding this work in the section on Market development below.

As in previous reports, we do not provide any forecast for 2015.

**Market developments during the second quarter 2015**

Overall, we have seen positive market development during the quarter. Pricer responded well to the competition, which meant that sales and order intake were at an all-time high both during the second quarter and during the first half of the year. Demand is driven by several different factors. In France, there is a stronger demand for replacing existing systems as well as a trend for chains that have not adopted electronic shelf labels (ESL) to move directly to graphic labels. Globally, the industry's entry into new segments can be seen within for example durable goods and consumer electronics. An increased interest for this type of solutions in Norway and Italy is also contributing to increased sales. The positive market development creates an opportunity for Pricer to give

priority to customers that are aiming for a broader digitalization of the store rather than only electronic price changes.



The increased demand that has characterized the whole industry during the first half of 2015 is expected to continue. A couple of large tenders are ongoing with regard to the upcoming twelve months period. Pricer is however still subject to a challenging situation when it comes to margins, mainly due to the expensive US dollar and a continued strong demand for graphic labels. This new generation of labels has a lower margin than the segment labels.

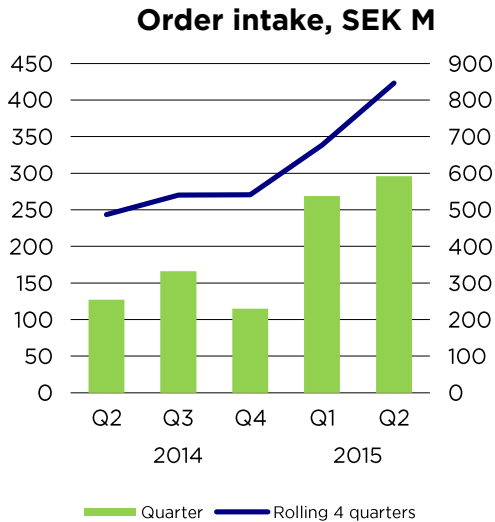
Pricer's largest customers during the quarter were NorgesGruppen through our Norwegian partner PSI, the French Do-It-Yourself chain Leroy Merlin, the French food retail chain Carrefour, Pricer's Italian partner Nicolis and the Belgian food retailer Delhaize.

In June, it was announced that Delhaize joined forces with Dutch Ahold, creating a new food retail giant, the world's second largest after Walmart. Pricer has a longstanding and strong relationship with Delhaize where the majority of integrated supermarkets in Belgium have been equipped with Pricer's graphic labels over several years. Together with Ahold, Pricer is today running new pilot projects outside Europe which can contribute to an expansion of digital in-store solutions into new geographical markets.

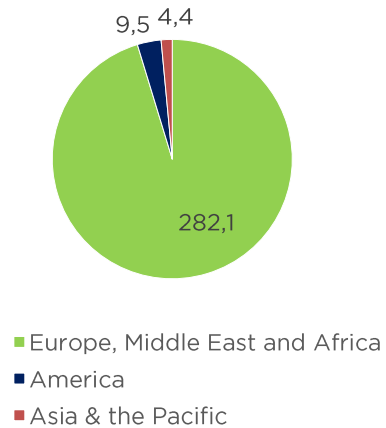
Pricer is working in close collaboration with a number of strategically important retail chains. Together, Pricer is experimenting with solutions that respond to operational and consumer needs. A number of pilot installations of our pioneering solutions are underway in Sweden, France and the UK, as well as several other countries.

#### NET SALES BY GEOGRAPHICAL MARKET

	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014	Full year 2014
Amounts in SEK M					
Europe, Middle East and Africa	219,9	128,1	349,6	216,5	493,3
America	11,8	10,0	23,4	14,1	44,7
Asia & the Pacific	4,9	9,8	11,1	20,9	45,1
<b>Total net sales</b>	<b>236,6</b>	<b>147,9</b>	<b>384,1</b>	<b>251,5</b>	<b>583,0</b>



**Order intake by geographical market, SEK M**



### Pricer Shopper Solutions – enhancing the shopping experience



The growing online retail presence is a clear challenge and opportunity for 'Brick & Mortar' stores and consumer mobile engagement is one of the solutions. In line with Pricer's solution-oriented strategy, the company's platform is upgraded to include new functions to enable new solutions that are enhancing the shopping experience for Retail in-store consumers.

During the second quarter, the first Bluetooth sticks were delivered. The Bluetooth stick can be plugged into the platform in already existing installations to create beacons for indoor

positioning and the solution does not rely on batteries to operate.

With Pricer's unique offering with integrated indoor positioning, the shoppers' experience of the visit to the store is improved. The solution allows shoppers to easily search for articles and prepare a shopping list in their homes. When they arrive in the store, the list is automatically sorted and a quick path through the store is shown on the store map.

The solution also includes a so-called geofence functionality which allows retailers to divide their stores into smaller areas. When customers cross the boundary of an area they can be informed of which area they have entered, a targeted promotion can be pushed to them or they can be given a friendly welcome or farewell message.

**Financial summary**

Amounts in SEK M unless otherwise stated	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014
Order intake	296,0	127,0	565,0	260,0
Net sales	236,6	147,9	384,1	251,5
Gross margin <sup>3)</sup>	18,3%	-3,0%	20,5%	6,7%
Gross margin, excl. non-recurring costs <sup>1, 3)</sup>	18,3%	22,4%	20,5%	21,6%
Operating profit	8,2	-50,1	9,1	-59,3
Operating profit, excl. non-recurring costs <sup>2)</sup>	8,2	2,7	9,1	-6,5
Operating margin	3,5%	-33,9%	2,4%	-23,6%
Operating margin, excl. non-recurring costs <sup>2)</sup>	3,5%	1,8%	2,4%	-2,6%
Cash flow from operating activities	-57,9	-37,7	-15,9	-8,4
Profit for the period	7,1	-50,8	8,4	-60,8
Earnings per share (SEK)	0,06	-0,46	0,08	-0,55

1) Excluding non-recurring costs of SEK 37.5 M for Q2 2014 and SEK 37.5 M for the period ending 30 June 2014.

2) Excluding non-recurring costs of SEK 52.8 M for Q2 2014 and SEK 52.8 M for the period ending 30 June 2014.

3) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for quarter 2 2014 and SEK 5.6 M for the period ending 30 June 2014.

**Orders, net sales and profit for second quarter**

Order intake was SEK 296 (127) M in the second quarter, an increase of 133 percent compared to the second quarter last year. The order intake for the second quarter include an order from PSI, relating to the Coop stores in Norway and a large order from a French food retail chain. The remaining order intake was spread over a large number of customers mainly in Europe.

Net sales amounted to SEK 236.6 (147.9) M during the quarter. The increase was 60 percent compared to the same quarter last year. Adjusted for changes in exchange rates, sales increased by 41 per cent.

Gross profit amounted to SEK 43.4 (-4.4) M and gross margin to 18.3 (-3.0) percent in the second quarter. Gross profit in the second quarter last year was negatively affected by a non-recurring provision of SEK 37.5 M, relating to quality problems. Excluding non-recurring costs the gross profit for the second quarter 2014 amounted to SEK 33.1 M, which translates into a gross margin of 22.4 percent.

Operating expenses decreased to SEK 35.2 (45.7) M in the second quarter. Operating expenses in the second quarter last year were burdened by a write-off of development projects, amounting to SEK 15.3 M. Adjusted for this, operating expenses have increased with SEK 4.8 M compared to the second quarter last year. The share price increase in the second quarter has resulted in higher costs for the share saving programs from 2013 and 2014. In addition the launch of a warrant based incentive program has generated costs in the second quarter. In addition, the increased investments and costs related to the new solution-oriented strategy continue to drive costs in the second quarter.

Operating profit amounted to SEK 8.2 (-50.1) M and operating margin to 3.5 (-33.9) percent in the second quarter. Operating profit in the second quarter last year was burdened by the provision and the write-off mentioned above. Excluding non-recurring items in 2014 the operating profit has improved by SEK 5.5 M between the quarters, translating into an expansion of the operating margin by 1.7 percentage points from 1.8 percent in 2014 to 3.5 percent in 2015.

Profit for the period amounted to SEK 7.1 (-50.8) M.

Translation differences in other comprehensive income of SEK -5.5 (9.8) M consisted of foreign currency translation of net assets in foreign subsidiaries in euro and dollars, which mainly consisted of goodwill.

#### Orders, net sales and profit for the period from January to June 2015

Order intake was SEK 565 (260) M in the period, an increase of 117 percent compared to the second quarter last year.

Net sales amounted to SEK 384.1 (251.5) M during in the period, an increase of 53 percent compared to the second quarter last year. Adjusted for changes in exchange rates, sales increased by 36 percent.

Gross profit amounted to SEK 78.7 (16.9) M and gross margin to 20.5 (6.7) percent in the period. Gross profit in the second quarter last year was negatively affected by a provision of SEK 37.5 M, relating to quality problems. No such costs have burdened gross profit in 2015.

Operating expenses decreased to SEK 69.6 (76.2) M in the period. Operating expenses in the second quarter last year were burdened by a write-off of development projects amounting to SEK 15.3 M. Adjusted for this, operating expenses have increased with SEK 8.7 M compared to the second quarter last year. The increase is mainly driven by the launch of the new solution-oriented strategy in combination with an increase in number of staff as a part of the investment in the new strategy.

Operating profit amounted to SEK 9.1 (-59.3) M and operating margin to 2.4 (-23.6) percent.

Profit for the period amounted to SEK 8.4 (-60.8) M.

Translation differences in other comprehensive income of SEK -10.5 (10.1) M consisted of foreign currency translation of net assets in foreign subsidiaries in euro and dollars, which mainly consisted of goodwill.

#### CURRENCY TRANSLATION DIFFERENCE ORDER INTAKE & SALES

	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014	Full year 2014
% change in Order intake	133%	-17%	117%	-12%	3%
whereof currency translation difference	29%	4%	32%	3%	5%
% change in Order intake adjusted for currency translation difference	104%	-21%	85%	-15%	-2%
% change in Net sales	60%	16%	53%	14%	11%
whereof currency translation difference	19%	5%	17%	4%	5%
% change in Net sales adjusted for currency translation difference	41%	11%	36%	10%	6%

**NET SALES AND PROFIT, SEK M**

	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014
Net sales	236,6	147,9	384,1	251,5
Cost of goods sold <sup>1)</sup>	-193,2	-152,3	-305,4	-234,6
Gross profit	43,4	-4,4	78,7	16,9
Gross margin	18,3%	-3,0%	20,5%	6,7%
Operating expenses	-35,2	-45,7	-69,6	-76,2
Operating profit	8,2	-50,1	9,1	-59,3
Operating margin	3,5%	-33,9%	2,4%	-23,6%

- 1) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for quarter 2 2014 and SEK 5.6 M for the period ending 30 June 2014.

**NET SALES AND PROFIT (EXCL. NON-RECURRING COSTS), SEK M**

	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014
Net sales	236,6	147,9	384,1	251,5
Cost of goods sold, excl. non-recurring costs <sup>1, 2)</sup>	-193,2	-114,8	-305,4	-197,1
Gross profit, excl. non-recurring costs <sup>1, 2)</sup>	43,4	33,1	78,7	54,4
Gross margin, excl. non-recurring costs <sup>1, 2)</sup>	18,3%	22,4%	20,5%	21,6%
Operating expenses, excl. non-recurring costs <sup>1, 3)</sup>	-35,2	-30,4	-69,6	-60,9
Operating profit, excl. non-recurring costs <sup>4)</sup>	8,2	2,7	9,1	-6,5
Operating margin, excl. non-recurring costs <sup>4)</sup>	3,5%	1,8%	2,4%	-2,6%

- 1) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for quarter 2 2015 and SEK 5.6 M for the period ended 30 June.
- 2) Excluding non-recurring costs of SEK 37.5 M for Q2 2014 and SEK 37.5 M for the period ending 30 June 2014.
- 3) Excluding non-recurring costs of SEK 15.3 M for Q2 2014 and SEK 15.3 M for the period ending 30 June 2014.
- 4) Excluding non-recurring costs of SEK 52.8 M for Q2 2014 and SEK 52.8 M for the period ending 30 June 2014.

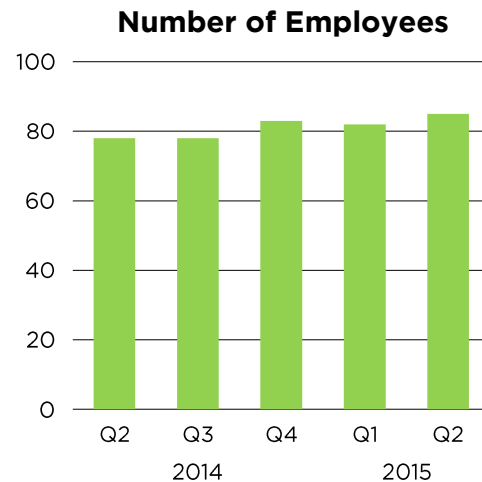
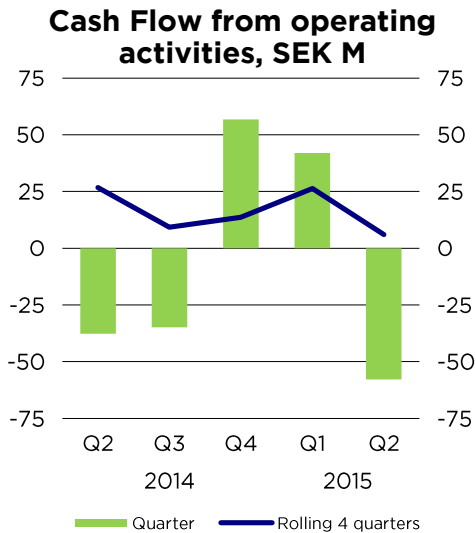
**Cash flow and financial position**Second quarter

Cash flow from current activities amounted to SEK -57.9 (-37.7) M in the second quarter as a result of increased working capital requirements driven by increased net sales and order intake.

Period from 1 January to 30 June

Cash flow from operating activities was SEK -15.9 (-8.4) M in the period, also driven by increased working capital requirements.

Cash and cash equivalents at the end of the period amounted to SEK 27.6 (33.9) M. In addition to cash and cash equivalents, Pricer has an unused overdraft facility amounting to SEK 50 M and an additional SEK 50 M in a credit facility.



### Equity

Pricer holds 1,076 thousand own shares in order to fulfill the promise of matching and performance shares in the two outstanding stock saving programs. The value of the promise is reported in accordance with IFRS 2 and is expensed over the vesting period.

In May, Pricer has issued 950 thousand warrants to certain key employees in accordance with the decision at the Annual General Meeting on 23 April. The exercise price was set to SEK 12.40 and the warrants were not dilutive in the quarter.

### ISSUED AND OUTSTANDING SHARES

Stated in thousands of shares	Series A	Series B	Total
Issued at the beginning of the year, 2015-01-01	226	110 746	110 972
Issued and converted shares in the year		0	0
Issued at the end of the period, 2015-06-30	226	110 746	110 972
Treasury shares	-	-1 076	-1 076
Outstanding shares at end-of period	226	109 670	109 896

*Class A share holds five votes and class B share one vote*

### Investment

#### Second quarter

Investments in fixed assets amounted to SEK 3.2 (2.7) M in the second quarter and consisted mainly of investments in increased production capacity and capitalized development costs of SEK 2.8 (1.4) M.

#### Period from 1 January to 30 June

Investments in fixed assets amounted to SEK 9.7 (6.3) M during the period and consisted mainly of investments in increased production capacity and capitalized development costs of SEK 6.1 (3.2) M.

### Parent company

The parent company's net sales amounted to SEK 325.5 (221.0) M and the result for the period amounted to SEK 4.6 (-60.1) M. The parent company's cash and cash equivalents amounted to SEK 19.6 (28.1) M at the end of the period.



### Personnel

The average number of employees was 81 (76) and the number of employees at the end of the period was 85 (78).

Torbjörn Möller joined as COO in May and is a member of the executive management team.

### Non-recurring costs

As previously reported, 2014 was burdened with non-recurring costs of a total of SEK 69.0 M relating mainly to component problems for goods delivered and a large-scale structural change. Of the provisions made with regard to quality problems, SEK 15.5 M remained at 30 June, which is considered sufficient to cover the remaining costs.

#### OPERATING PROFIT, EXCL. NON-RECURRING COSTS

	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2
Amounts in SEK M	2014	2014	2014	2014	2015	2015
Operating profit	-9,2	-50,1	11,1	-4,9	0,9	8,2
Component problems	-	37,5	-	-	-	-
Write-down of development project	-	15,3	-	0,2	-	-
Structural change	-	-	4,1	11,9	-	-
Total adjustment	-	52,8	4,1	12,1	-	-
Operating profit, excl. non-recurring costs	-9,2	2,7	15,2	7,2	0,9	8,2

### Risks and uncertainty factors

Pricer's results and financial position are affected by various risk factors that must be considered when assessing the group and the parent company and their future potential. These risks are primarily associated with the progress of the market for electronic shelf-edge labels and large currency fluctuations. In view of the client structure and the extensive scale of the agreement, a delay in the installations or large fluctuations in exchange rates can have a significant effect in an individual quarter. For other risks, please see the 2014 Annual Report, pages 10 and 39.

### Related parties

No significant transactions took place with related parties that significantly affect the Group's or parent company's financial position or results.

### 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 the Annual Accounts Act, Chapter 9, and RFR 2. The same accounting principles and bases for calculation were applied for the group and the parent company as in the latest annual report.

A reclassification of depreciations of capitalized development costs was carried out in 2014 from research and development expenses to cost of goods sold. The amount for the second quarter of 2014 is SEK 2.8 M and SEK 5.6 M for the period ending 30 June 2014. This is to clarify the link to the sale generated by the developed products after launch, when depreciation normally also begins.

### Forecasts

No forecast is issued for 2015.

**Next reporting date**

The Interim Report for January - September 2015 is published on 6 November 2015.

The undersigned gives his/her assurance that the half-year report provides an accurate summary of the parent company's and Group's operations, position and result, as well as describes the significant risks and uncertainty factors that the parent company and companies in the Group are faced with.

Stockholm, 19 August 2015  
Pricer AB (publ)

Jonas Vestin  
CEO

Bo Kastensson  
Chairman

Bernt Ingman

Jan Rynning

Olof Sand

Hans Granberg

Christina Åqvist

This report has not been subject to review by auditors.  
(The interim report is a translation of the Swedish original for the sake of convenience.)

In its capacity as issuer, Pricer AB publishes the information in this Interim Report in accordance with the Securities Markets Act (2007:528). The information was issued to the media for publication on Wednesday, 19 August 2015.

**For further information, please contact:**

Jonas Vestin, CEO, or Helena Holmgren, CFO, Pricer AB: 08-505 582 00.

**STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME IN SUMMARY**

Amounts in SEK M	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014	Full year 2014
Net sales	236,6	147,9	384,1	251,5	583,0
Cost of goods sold <sup>1, 5)</sup>	-193,2	-152,3	-305,4	-234,6	-480,7
<b>Gross profit<sup>1)</sup></b>	<b>43,4</b>	<b>-4,4</b>	<b>78,7</b>	<b>16,9</b>	<b>102,3</b>
Selling and administrative expenses <sup>3)</sup>	-30,2	-24,2	-60,3	-49,9	-118,7
Research and development costs <sup>2, 5)</sup>	-4,9	-21,5	-9,2	-26,3	-36,7
<b>Operating profit<sup>4)</sup></b>	<b>8,2</b>	<b>-50,1</b>	<b>9,1</b>	<b>-59,3</b>	<b>-53,1</b>
Net financial items	0,1	-0,7	2,2	-1,3	-0,1
<b>Profit before tax<sup>4)</sup></b>	<b>8,3</b>	<b>-50,8</b>	<b>11,3</b>	<b>-60,6</b>	<b>-53,2</b>
Income tax	-1,3	0,0	-3,0	-0,2	-2,3
<b>Profit for the period<sup>4)</sup></b>	<b>7,1</b>	<b>-50,8</b>	<b>8,4</b>	<b>-60,8</b>	<b>-55,5</b>
<b>Other comprehensive income</b>					
<i>Items that have or may be accounted for in the profit for the period</i>					
Translation differences	-5,5	9,8	-10,5	10,1	23,8
Cash flow hedges, net	-	0,2	0,0	0,2	0,2
Tax relating to items in other comprehensive income	0,1	-0,6	0,6	-0,6	-1,2
<b>Other comprehensive income for the period</b>	<b>-5,4</b>	<b>9,4</b>	<b>-9,9</b>	<b>9,7</b>	<b>22,8</b>
<b>Net comprehensive income for the period</b>	<b>1,7</b>	<b>-41,4</b>	<b>-1,5</b>	<b>-51,1</b>	<b>-32,7</b>
<b>Profit for the period attributable to:</b>					
Owners of the Parent Company	7,1	-50,8	8,4	-60,8	-55,5
<b>Other comprehensive income for the period attributable to:</b>					
Owners of the Parent Company	1,7	-41,4	-1,5	-51,1	-32,7

1) Including non-recurring costs of SEK 37.5 M Q2 2014, SEK 37.5 M for the period ending 30 June 2014 and SEK 37.5 M for the full year 2014

2) Including non-recurring costs of SEK 15.3 M in Q2 2014, SEK 15.3 M for the period ending 30 June 2014 and SEK 16.4 M for the full year 2014

3) Including non-recurring costs of SEK 0 M in Q2 2014, SEK 0 M for the period ending 30 June 2014 and SEK 15.1 M for the full year 2014

4) Including non-recurring costs of SEK 52.8 M in Q2 2014, SEK 52.8 M for the period ending 30 June 2014 and SEK 69.0 M for the full year 2014

5) Amortization of capitalized development costs have been reclassified in 2014 from research and development costs to the cost of goods sold. The effect of this is SEK 2.8 M for Q2 2014, SEK 5.6 M for the period ending 30 June 2014 and SEK 11.2 M for the full year 2014 .

**EARNINGS PER SHARE**

	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014	Full year 2014
Basic earnings per share, SEK	0,06	-0,46	0,08	-0,55	-0,51
Diluted earnings per share, SEK	0,06	-0,46	0,08	-0,55	-0,51
Number of shares, millions	109,9	109,9	109,9	109,9	109,9
Diluted number of shares, millions	109,9	109,9	109,9	109,9	109,9

**NET SALES BY GEOGRAPHICAL MARKET**

Amounts in SEK M	Q 2 2015	Q 2 2014	6 months 2015	6 months 2014	Full year 2014
Europe, Middle East and Africa	219,9	128,1	349,6	216,5	493,3
America	11,8	10,0	23,4	14,1	44,7
Asia & the Pacific	4,9	9,8	11,1	20,9	45,1
<b>Total net sales</b>	<b>236,6</b>	<b>147,9</b>	<b>384,1</b>	<b>251,5</b>	<b>583,0</b>

**STATEMENT OF CONSOLIDATED FINANCIAL POSITION IN SUMMARY**

Amounts in SEK M	2015-06-30	2014-06-30	2014-12-31
Intangible fixed assets	255,8	257,3	263,4
Tangible fixed assets	10,2	8,7	8,1
Deferred tax assets	101,7	102,2	101,7
<b>Total fixed assets</b>	<b>367,7</b>	<b>368,2</b>	<b>373,2</b>
Inventories	151,3	165,9	157,7
Current receivables	315,7	228,1	231,3
Cash and cash equivalents	27,6	33,9	53,0
<b>Total current assets</b>	<b>494,5</b>	<b>427,9</b>	<b>442,0</b>
<b>TOTAL ASSETS</b>	<b>862,3</b>	<b>796,1</b>	<b>815,2</b>
Shareholders' equity	659,7	641,1	659,7
<b>Total equity</b>	<b>659,7</b>	<b>641,1</b>	<b>659,7</b>
Long-term liabilities	4,0	3,1	4,9
Short-term liabilities	198,5	151,9	150,6
<b>Total liabilities</b>	<b>202,6</b>	<b>155,0</b>	<b>155,5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>862,3</b>	<b>796,1</b>	<b>815,2</b>
Pledged assets	60,4	60,4	60,5
Contingent liabilities	0,8	0,8	0,8
Basic shareholders' equity per share, SEK	6,00	5,83	6,00
Diluted shareholders' equity per share, SEK	6,00	5,83	6,00

**STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY**

Amounts in SEK M	6 months 2015	6 months 2014	Full year 2014
<b>Equity at beginning of period</b>	<b>659,7</b>	<b>691,9</b>	<b>691,9</b>
Result for the period	8,4	-60,8	-55,5
Other comprehensive income for the period	-9,9	9,7	22,8
<i>Net comprehensive income for the period</i>	<i>-1,5</i>	<i>-51,1</i>	<i>-32,7</i>
Share issue	-	0,3	0,3
Repurchase of own shares	-	-0,3	-0,3
Dividend	-	-	-
Share based payments, equity settled	1,5	0,3	0,5
<i>Total transactions with owners of the Group</i>	<i>1,5</i>	<i>0,3</i>	<i>0,5</i>
<b>Equity at end of period</b>	<b>659,7</b>	<b>641,1</b>	<b>659,7</b>
<b>Attributable to:</b>			
- Owners of the Parent Company	659,7	641,1	659,7

**STATEMENT OF CONSOLIDATED CASH FLOWS IN SUMMARY**

	Q 2	Q 2	6 months	6 months	Full year
Amounts in SEK M	2015	2014	2015	2014	2014
Profit before tax	8,3	-50,8	11,3	-60,6	-53,2
Adjustment for non-cash items	6,9	47,8	4,5	50,6	54,7
<i>whereof depreciations and amortizations</i>	3,8	4,3	7,6	7,7	15,5
Paid income tax	-1,1	-1,1	-2,6	-2,1	-3,9
Change in working capital	-72,1	-33,6	-29,2	3,7	16,0
<b>Cash flow from operating activities</b>	<b>-57,9</b>	<b>-37,7</b>	<b>-15,9</b>	<b>-8,4</b>	<b>13,6</b>
<b>Cash flow from investing activities</b>	<b>-3,2</b>	<b>-2,7</b>	<b>-9,7</b>	<b>-6,3</b>	<b>-11,6</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow for the period</b>	<b>-61,2</b>	<b>-40,4</b>	<b>-25,7</b>	<b>-14,7</b>	<b>2,0</b>
Cash and cash equivalents at beginning of period	90,8	74,1	53,0	48,9	48,9
Exchange-rate difference in cash and cash equivalents	-2,1	0,2	0,2	-0,3	2,1
<b>Cash and cash equivalents at end of period</b>	<b>27,6</b>	<b>33,9</b>	<b>27,6</b>	<b>33,9</b>	<b>53,0</b>
Unutilised bank overdraft facilities	50,0	50,0	50,0	50,0	50,0
<b>Disposable funds at end of period</b>	<b>77,6</b>	<b>83,9</b>	<b>77,6</b>	<b>83,9</b>	<b>103,0</b>

**KEY RATIOS**

	Q 2	Q 1	Q 4	Q 3	Q 2
Amounts in SEK M	2015	2015	2014	2014	2014
Order intake	296	269	115	166	127
Order intake - rolling 4 quarters	846	677	541	540	487
Net sales	236,6	147,5	173,2	158,3	147,9
Net sales - rolling 4 quarters	715,6	626,9	583,0	561,7	555,0
Operating profit, excl. non-recurring costs <sup>1)</sup>	8,2	0,9	7,2	15,2	2,7
Operating profit, excl. non-recurring costs <sup>1)</sup> - rolling 4 quarters	31,5	26,0	15,9	10,8	2,5
Profit for the period <sup>1)</sup>	7,1	1,3	7,0	14,5	2,0
Cash flow from operating activities	-57,9	42,0	56,8	-34,8	-37,7
Cash flow from op.activities - rolling 4 quarters	6,1	26,3	13,6	9,3	26,7
Number of employees, end of period	85	82	83	78	78
Equity ratio	77%	80%	81%	80%	81%

1) Excluding non-recurring costs of SEK 12.1 M in Q4 2014, SEK 4.1 M in Q3 2014, SEK 52.8 M in Q2 2014.

**STATEMENT OF INCOME AND STATEMENT OF COMPREHENSIVE INCOME OF PARENT COMPANY  
IN SUMMARY**

**STATEMENT OF INCOME**

Amounts in SEK M	6 months 2015	6 months 2014	Full year 2014
Net sales	325,4	221,0	465,8
Cost of goods sold <sup>1, 5)</sup>	-287,7	-234,2	-444,9
<b>Gross profit<sup>1)</sup></b>	<b>37,7</b>	<b>-13,2</b>	<b>20,9</b>
Selling and administrative expenses <sup>3)</sup>	-25,2	-19,8	-46,7
Research and development costs <sup>2, 5)</sup>	-9,2	-26,2	-36,7
<b>Operating profit<sup>4)</sup></b>	<b>3,3</b>	<b>-59,2</b>	<b>-62,5</b>
Income and expenses from financial items	2,2	-1,2	-0,4
<b>Profit before tax<sup>4)</sup></b>	<b>5,4</b>	<b>-60,4</b>	<b>-62,9</b>
Income tax	-0,8	0,3	1,2
<b>Profit for the period<sup>4)</sup></b>	<b>4,6</b>	<b>-60,1</b>	<b>-61,7</b>

**STATEMENT OF COMPREHENSIVE INCOME**

Amounts in SEK M	6 months 2015	6 months 2014	Full year 2014
Profit for the period	4,6	-60,1	-61,7
<i>Comprehensive income for the period</i>			
<i>Items that have or may be accounted for in the profit for the period</i>			
Translation differences	-2,8	2,4	5,3
Cash flow hedges, net	-	0,2	0,2
Tax relating to items in other comprehensive income	0,6	-0,6	-1,2
<b>Comprehensive income for the period</b>	<b>-2,1</b>	<b>2,0</b>	<b>4,3</b>
<b>Net comprehensive income for the period</b>	<b>2,4</b>	<b>-58,1</b>	<b>-57,4</b>

1) Including non-recurring costs of SEK 37.5 M for the period ending 30 June 2014 and SEK 37.5 M for the full year 2014

2) Including non-recurring costs of SEK 15.3 M for the period ending 30 June 2014 and SEK 16.4 M for the full year 2014

3) Including non-recurring costs of SEK 0 M for the period ending 30 June 2014 and SEK 8.2 M for the full year 2014

4) Including non-recurring costs of SEK 52.8 M for the period ending 30 June 2014 and SEK 62.1 M for the full year 2014

5) Amortization of capitalized development costs have been reclassified in 2014 from research and development costs to the cost of goods sold. The effect of this is SEK 5.6 M for the first period ending 30 June 2014 and SEK 11.2 M for the full year 2014.

**PARENT COMPANY BALANCE SHEET IN SUMMARY**

Amounts in SEK M	2015-06-30	2014-06-30	2014-12-31
Intangible fixed assets	21,3	22,5	20,8
Tangible fixed assets	9,5	7,6	7,3
Financial fixed assets	373,2	385,4	386,9
<b>Total fixed assets</b>	<b>403,9</b>	<b>415,5</b>	<b>415,0</b>
Inventories	114,7	118,2	125,1
Current receivables	239,5	128,2	97,2
Cash and cash equivalents	19,6	28,1	44,5
<b>Total current assets</b>	<b>373,8</b>	<b>274,5</b>	<b>266,8</b>
<b>TOTAL ASSETS</b>	<b>777,7</b>	<b>690,0</b>	<b>681,8</b>
Shareholders' equity	556,6	551,8	552,7
<b>Total equity</b>	<b>556,6</b>	<b>551,8</b>	<b>552,7</b>
Provisions	26,3	33,2	30,9
Long-term liabilities	1,6	0,1	0,1
Current liabilities	193,2	104,9	98,1
<b>Total liabilities</b>	<b>221,1</b>	<b>138,2</b>	<b>129,1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>777,7</b>	<b>690,0</b>	<b>681,8</b>
Pledged assets	59,6	59,6	59,6
Contingent liabilities	-	-	-

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY**

Amounts in SEK M	6 months 2015	6 months 2014	Full year 2014
<b>Equity at beginning of period</b>	<b>552,7</b>	<b>609,6</b>	<b>609,6</b>
Net comprehensive income for the period	2,4	-58,1	-57,4
Share issue	-	0,3	0,3
Repurchase of own shares	-	-0,3	-0,3
Dividend	-	-	-
Share based payments, equity settled	1,5	0,3	0,5
<b>Equity at end of period</b>	<b>556,6</b>	<b>551,8</b>	<b>552,7</b>

**About Pricer**

Pricer AB, founded in Sweden in 1991, is world-leading in digital shelf-edge solutions that both increase stores' productivity and enhance the shopping experience. Pricer's platform is based on infrared technology. It is fast, robust, scalable and can be connected to digital applications.

The list of customers includes many of the world's leading retail chains, both large and small: Do-It-Yourself suppliers, electronics chains and specialty stores. To date, Pricer has sold more than 110 million shelf labels to more than 13,500 stores in 50 countries.

Pricer's shares are listed on the NASDAQ OMX Stockholm Small Cap list. For more information, please visit [www.pricer.com](http://www.pricer.com).

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