

### Interim Report January-March 2021 – Pricer AB (publ)

#### High order intake and net sales growth of 74 percent

##### Q1 2021

- Net sales amounted to SEK 392.9 M (225.9), an increase of 74 percent compared to the same period last year.
- Operating profit amounted to SEK 17.3 M (7.3), which corresponds to an operating margin of 4.4 percent (3.3).
- Order intake was SEK 443 M (371), an increase of 19 percent compared to the same period last year.
- Order backlog amounted to SEK 550 M (933), of which the majority is expected to be delivered in Q2 and Q3 2021.
- Profit for the period was SEK 17.7 M (14.8).
- Earnings per share (basic) were SEK 0.16 (0.13). Earnings per share (diluted) were SEK 0.16 (0.13).
- Cash flow from operating activities was SEK -62.6 M (2.2).

##### Comments from CEO Helena Holmgren

The first quarter of the year offered continued high activity in terms of both receipts of new orders and deliveries of backlogged orders. Historically, the first quarter has traditionally been calmer, but this year deliveries set records in both volume and value. Net sales amounted to SEK 393 M (226), which corresponds to a growth of 74 percent compared to the corresponding period last year. The previously communicated large ongoing customer projects in the USA, Canada, Norway, and the Netherlands have continued to progress according to plan during the quarter.

Order intake amounted to SEK 443 M (371), which is the highest of any previous first quarter and on par with Q3 and Q4 2020. We are pleased to note that order intake is spread across a large number of customers and has a broad geographic distribution, which indicates underlying market growth in small and mid-size customer projects. These projects represent a more stable and even revenue flow than large customer projects, which are more irregular and the development of which should be viewed over a longer period of time. Order backlog increased during the quarter due to longer lead times than normal and amounted at the end of March to SEK 550 M.

The gross margin of 23.9 percent (31.4) and the operating profit of SEK 17.3 M (7.3) were under pressure from high component and logistics costs. Otherwise, the gross margin is a result of the product and contract mix that was invoiced in the quarter. We are continuing to invest in an increased market presence that forms the basis for a closer dialogue with our customers and a broader service offer, which combined with a continued high pace of innovation in product development increases the fixed operating expenses. The cash flow is primarily a result of timing effects between incoming and outgoing payments, and, as previously communicated, the cash flow should be analyzed over time.

It is becoming more difficult for paper labels to maintain their grip on the retail trade, and we are seeing strong demand for ESL (Electronic Shelf Label) systems around the world. The

digital label's ability to improve both the efficiency of labor-intensive processes and the consumer shopping experience makes the investment of particular strategic importance. The ambition of "doing more with less" has gained a whole new meaning the past year, and retail chains are increasingly dependent on modern system support to maintain their competitiveness.

Alongside providing an ESL system, Pricer's ambition is to offer data-driven insights to our customers and to ensure efficient execution of prioritized tasks in the store. Our battery-driven camera plays a key role in expanding the data collection capability to support real-time insight, but we also intend to include other data points to improve the analysis and its potential for value creation. For each stage of the development, we will evaluate whether we will develop ourselves, acquire a company with a relevant solution, or enter a partnership with a third-party solution. As we increase the value creation of our turnkey solution, we also see good possibilities for increased recurring revenues in the form of software subscriptions and greater sales of services.

A challenge facing many software-based analytic tools aiming to support retailers make better decisions faster is that they do not have links to the store to facilitate the implementation of the analyses that are conducted. Here, the ESL system plays a key role since it enables fast and efficient communication to both store staff and consumers. The strength of providing the market's fastest, most reliable and most scalable ESL system increases as more processes become dependent on the system. We are excited about the trend of store operations becoming increasingly data driven and algorithm steered since Pricer has everything to gain from this development.

Helena Holmgren  
*President and CEO*

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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 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 is listed on Nasdaq Stockholm. For further information, please visit [www.pricer.com](http://www.pricer.com)