

## PRESS RELEASE

April 20, 2023

**Interim report January–March 2023 – Pricer AB****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).

**Comments from President and 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 be 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

**For further information, please contact:**

Magnus Larsson, President and CEO, +46 704 316851  
Susanna Zethelius, CFO, +46 704 440 092  
[info@pricer.com](mailto: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 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)