


**35%**

 Net sales change  
in the quarter

**6.7%**

 Operating margin  
in the quarter

**SEK  
10.8 M**

 Profit for the period  
in the quarter

**Strong growth in order intake and net sales. Lower operating margin.**

- The Board proposes a dividend of SEK 0.50 per share

#### Fourth quarter 2017

- Net sales of SEK 253.0 M (188.0), an increase of 35 percent compared to the same period of last year
- Operating profit of SEK 16.9 M (16.6), corresponding to an operating margin of 6.7 percent (8.8)
- Order intake of SEK 231 M (180), an increase 29 percent compared to the same period of last year
- The backlog is approximately SEK 133 M (95), most of which is expected to be invoiced in the first half of 2018
- Profit for the period amounted to SEK 10.8 M (18.0)
- Earnings per share amounted to SEK 0.10 (0.16)
- Cash flow from operating activities was SEK 24.5 M (63.3)

#### Full year 2017

- Net sales of SEK 827.8 M (757.6), an increase of 9 percent compared to last year
- Operating profit of SEK 55.7 M (64.1), corresponding to an operating margin of 6.7 percent (8.5)
- Order intake of SEK 872 M (783), an increase of 11 percent compared to the same period of last year
- Profit for the period amounted to SEK 38.7 M (57.3)
- Earnings per share amounted to SEK 0.35 (0.52)
- Cash flow from operating activities was SEK -8.3 M (174.0)

Amounts in SEK M unless otherwise stated	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Order intake	231	180	872	783
Net sales	253,0	188,0	827,8	757,6
Gross margin	22,7%	29,3%	26,1%	28,1%
Operating profit	16,9	16,6	55,7	64,1
Operating margin	6,7%	8,8%	6,7%	8,5%
Cash flow*	24,5	63,3	-8,3	174,0
Profit for the period	10,8	18,0	38,7	57,3
Earnings per share (SEK)	0,10	0,16	0,35	0,52

\* Cash flow from operating activities



### Comments from acting CEO Helena Holmgren

2017 came to a strong close with an increase in order intake of 29% in the fourth quarter compared to the same period of last year, resulting in growth of 11% for the full year 2017 compared to 2016. Order intake in the fourth quarter came from a high level of activity across multiple geographic markets, where Italy, Norway and Belgium all showed robust performance. It is worth mentioning our recent success in the Italian market, where several new customers such as Brendolan and a number of freestanding COOP regions each placed orders for multiple stores in the fourth quarter. Starting in 2017 and continuing in the first and second quarters of 2018, these stores will be equipped with Pricer's electronic shelf-edge solution with graphic (e-paper) labels combined with advanced digital services.

Net sales rose by 35% in the fourth quarter compared to the same period of last year. Net sales growth in the quarter was driven mainly by the deployment of sixty Best Buy stores in the USA during the autumn. For the full year 2017, net sales were up by 9% compared to 2016. Growth in a number of markets, such as the USA, Italy, Norway and Belgium, has been strong and the high order backlog (order intake not yet invoiced) of SEK 133 M is spread across several geographic markets and a large number of customers.

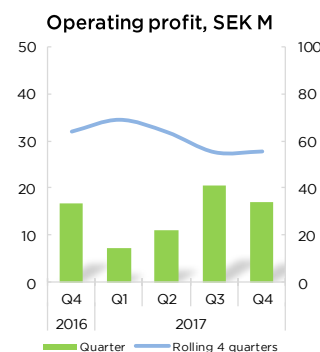
Gross margin fell in the fourth quarter as a result of continued price pressure. As previously mentioned, major new roll-outs of graphic labels are exposed to aggressive competition, a situation that is expected to persist. In addition, sales through resellers have been high and service sales (such as installation services) were low in the quarter as a share of total sales, which has had a negative impact on gross margin.

Operating profit for the fourth quarter was SEK 16.9 M (16.6), equal to an operating margin of 6.7 percent (8.8), which is a consequence of the lower gross margin for the period combined with negative foreign exchange effects. Operating profit for the full year 2017 amounted to SEK 55.7 M (64.1), equal to an operating margin of 6.7 percent (8.5). The decrease is mainly due to the lower gross margin but was also affected by foreign exchange losses and, to a lesser degree, higher costs related to reinforcement of the organization.

The intense activity in the final quarter of the year, combined with the high order backlog at the end of 2017, resulted in a temporary peak in capital tied-up at the year-end. Both inventory levels and trade receivables were higher at December 31, 2017, than on the corresponding date of the previous year and this had a negative impact on cash flow from operating activities. Cash and cash equivalents at the end of the year amounted to SEK 167 M (261).

Helena Holmgren

Acting CEO





The growing strength of the ESL market is evidenced by both the number of customer activities and the inflow of new players.



## Market development in the fourth quarter of 2017

The emergence of online shopping and smart phones is continuing to drive demand for better and extended communication at the shelf edge. This can be a matter of ensuring the same price in the store as on the website, increasing the frequency of price updates in order to boost sales or staying abreast of new market prices. In pace with this trend, consumer expectations on brick-and-mortar stores have also changed. There is rising demand for personal treatment and a hassle-free experience in the store, at the same time that consumer loyalty is declining, which is creating new challenges for the retail industry. Optimization of store processes to increase the availability of staff and offer more personal service are two ways to meet these new challenges. Another is to help consumers find what they are looking for and optimize the store's campaigns.

The growing strength of the ESL market is evidenced by both the number of customer activities and the inflow of new players. With flash-functionality in the label, combined with solutions for automated product positioning, the ESL system can be utilized for store processes other than price updates and thereby address more of the challenges retailers are facing. In pace with wider utilization of ESL solutions, Pricer's position in the market is advancing steadily. The strengths of the technical platform, characterized by low-energy, rapid and reliable communication, are increasingly differentiating as more functionality is added to the system. Pricer's ability to deliver the same high quality in all retail verticals, with everything from small to very large installations, combined with the company's long experience of delivering technically advanced solutions to the retail industry, provides a stable foundation for long-term customer relationships.

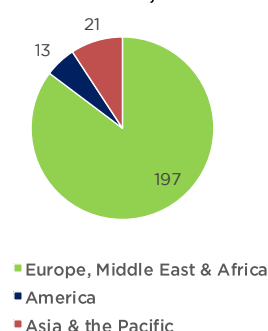
Depending on the type of customer, the sell-in process and system implementation for ESL systems vary widely. Major global retail chains have a tendency to develop in-house solutions to handle different parts of their store processes. With good access to internal IT resources they are seeking to integrate, install and support third-party systems, such as electronic shelf label solutions, on their own. Maintaining a close collaboration with the customer places high demands on Pricer's availability, customer treatment and professionalism, while it provides invaluable feedback and know-how about development areas and future needs facing the customer. Partnerships of this type are the main driver for technical and product development. Pricer will also continue to adapt the presence of own staff in different markets to meet customer needs.

## NET SALES AND PROFIT, SEK M

	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Net sales	253,0	188,0	827,8	757,6
Cost of goods sold	-195,6	-132,9	-611,8	-544,4
Gross profit	57,4	55,1	216,0	213,2
Gross margin	22,7%	29,3%	26,1%	28,1%
Operating expenses	-37,2	-37,5	-155,4	-149,6
Other income and expenses	-3,3	-1,0	-5,0	0,5
Operating profit	16,9	16,6	55,7	64,1
Operating margin	6,7%	8,8%	6,7%	8,5%



Order intake per region in Q4 2017, SEK M



#### CURRENCY TRANSLATION DIFFERENCE ORDER INTAKE & NET SALES

	Q4 2017	Q4 2016	Helår 2017	Full year 2016
% change in Order intake	29%	66%	11%	-1%
whereof currency translation difference	1%	9%	1%	1%
% change in Order intake adjusted for currency translation difference	28%	57%	10%	-2%
% change in Net sales	35%	6%	9%	-12%
whereof currency translation difference	-2%	6%	2%	1%
% change in Net sales adjusted for currency translation difference	37%	0%	7%	-13%

#### Orders, net sales and profit for the fourth quarter 2017

Order intake in the fourth quarter was SEK 231 M (180), an increase of 29 percent compared to the same period of last year. Adjusted for changes in exchange rates, order intake increased by 28 percent. The increase was driven by high activity from numerous customers, most of them are found in France, Italy, Norway and Belgium.

Net sales amounted to SEK 253.0 M (188.0) in the quarter. The increase was 35 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, net sales increased by 37 percent. Net sales in the quarter continued to be distributed over many customers, of which American customer Best Buy was the largest.

Gross profit amounted to SEK 57.4 M (55.1) and gross margin decreased to 22.7 percent (29.3) in the quarter. The lower gross margin is primarily due to the current price pressure on the market, in combination with the product and contract mix. Major new roll-outs of graphic labels are generally highly competitive, which pushes down the margins.

Operating expenses decreased to SEK 37.2 M (37.5) in the quarter due to lower utilization of different categories of consultants in the period.

Other income and expenses, consisting of the net effect of foreign exchange revaluations of trade receivables and trade payables to the closing rate, unrealized foreign exchange gains and losses on hedge contracts, as well as realized foreign exchange gains and losses, contributed SEK -3.3 M (-1.0) in the quarter.

Operating profit amounted to SEK 16.9 M (16.6), which corresponded to an operating margin of 6.7 percent (8.8) in the quarter. The decrease in gross margin in combination with negative currency effects in Other operating income and expenses has driven down the operating margin.

Net financial items, primarily attributable to currency revaluation of cash and cash equivalents, impacted the quarter negatively and amounted to SEK -0.8 M (7.3).

Profit for the period was SEK 10.8 M (18.0). The decrease compared with the corresponding period of last year can be attributed to the change in net financial items of SEK 8.1 M, which is entirely related to currency effects.

Translation differences in other comprehensive income of SEK 9.0 M (-1.2) consisted of foreign currency translation of net assets in foreign subsidiaries.

Cash flow hedges in other comprehensive income refer to the net effect of the market revaluations of forward contracts in USD and EUR and amounted to SEK -0.3 M (-) in the quarter. Tax attributable to items in other comprehensive income amounted to SEK 0.1 M (-). As of January 1, 2017, in accordance with the hedge policy adopted by the board, Pricer has resumed hedge accounting for cash flow hedges.



## Orders, net sales and profit for the full year 2017

Order intake for the year was SEK 872 M (783), an increase of 11 percent compared to last year. Adjusted for changes in exchange rates, order intake rose by 10 percent. The increase is primarily explained by growth in several markets such as the US, Italy, Norway and Belgium.

Net sales amounted to SEK 827.8 M (757.6) for the full year, an increase of 9 percent compared to last year. Adjusted for changes in exchange rates, net sales increased by 7 percent. Net sales in the period continued to be distributed over many large customers, most of them in France.

Gross profit amounted to SEK 216.0 M (213.2) and gross margin declined to 26.1 percent (28.1) for the full year. The decrease in gross margin is primarily related to price pressure in the market combined with the product and contract mix, as well as negative currency effects.

Operating expenses increased to SEK 155.4 M (149.7) during the year. The cost increase is primarily due to reinforcement of the organization in product development, production, marketing and sales.

Other income and expenses, consisting of the net effect of foreign exchange revaluations of trade receivables and trade payables to the closing rate, unrealized foreign exchange gains and losses on hedge contracts, as well as realized foreign exchange gains and losses, contributed SEK -5.0 M (0.5) for the full year.

Operating profit amounted to SEK 55.7 M (64.1), which corresponded to an operating margin of 6.7 percent (8.5) for the full year.

Net financial items, primarily attributable to currency revaluation of cash and cash equivalents, impacted the period negatively and amounted to SEK -4.0 M (12.6).

Profit for the period was SEK 38.7 M (57.3). The decrease compared with last year is largely attributable to the change in net financial items of SEK 16.6 M, which is entirely related to currency effects.

Translation differences in other comprehensive income of SEK 7.4 M (14.2) consisted of foreign currency translation of net assets in foreign subsidiaries.

Cash flow hedges in other comprehensive income relate to the net effect of market revaluations of the forward contracts in USD and EUR and amounted to SEK -2.9 M (-) in the period. Tax attributable to items in other comprehensive income amounted to SEK 0.6 M (-).

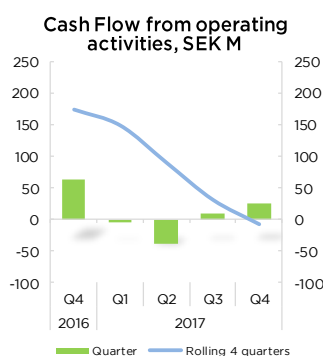
## Cash flow and financial position

### Fourth quarter

Cash flow from operating activities for the fourth quarter amounted to SEK 24.5 M (63.3). The decrease in cash flow from operating activities, compared to the same period of last year, is primarily explained by more capital being tied up in inventories and receivables as a result of high activity in the final quarter of the year combined with a high backlog that is expected to be delivered during the first half of 2018.

### Full year 2017

Cash flow from operating activities for the full year amounted to SEK -8.3 M (174.0). The negative cash flow from operating activities is primarily attributable to the above-mentioned increase in capital tied-up in inventory and receivables. In addition, in 2016 cashflow from operating activities had a one-time effect resulting from improved conditions in the production and supply chain. This one-time effect has not recurred in 2017.





Cash flow from financing activities includes a dividend payment of SEK 55.0 M (27.5) in accordance with the decision of the Annual General Meeting on April 27, 2017.

Cash and cash equivalents amounted to SEK 166.8 M (261.3) on December 31, 2017. In addition to cash and cash equivalents, Pricer has an unutilized overdraft facility amounting to SEK 50.0 M.

### Investments

#### Fourth quarter

Investments in non-current assets amounted to SEK 8.0 M (8.9) in the fourth quarter consisted of capitalized development costs of SEK 4.5 M (4.0) and investments in production.

#### Full year 2017

Investments in non-current assets amounted to SEK 29.8 M (21.7) for the year and consisted mainly of capitalized development costs of SEK 16.8 M (13.1).

### Equity

Pricer holds 705 thousand treasury shares in order to fulfill the promise of matching and performance shares in the outstanding share saving programs from 2017. The value of the promise is reported in accordance with IFRS and is expensed over the vesting period.

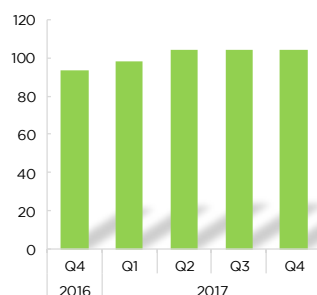
On December 31, 2017, a total of 1,045 thousand warrants were outstanding in the programs decided upon in 2015 and 2016. In the event that the pre-defined performance targets are fully met, a maximum of 228 thousand shares will be transferred free of charge to the participants in June, 2020.

#### ISSUED AND OUTSTANDING SHARES

Stated in thousands of shares	Series A	Series B	Total
Issued at the beginning of the year, 2017-01-01	226	110 746	110 972
Issued and converted shares in the year		-	-
Issued at the end of the period, 2017-12-31	226	110 746	110 972
Treasury shares	-	-705	-705
Outstanding shares at end of period	226	110 041	110 267

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

Number of employees



### Personnel

The average number of employees during the fourth quarter was 104 (93) and the number of employees at the end of the quarter was 104 (93). Additional strengthening of the organization has taken place in product development, production and marketing/sales.

### Parent Company

The Parent Company's net sales amounted to SEK 704.8 M (629.0) for the year and profit for the year was SEK 30.4 M (47.5). The Parent Company's cash and cash equivalents amounted to SEK 124.0 M (238.2) at the end of the year.

### Risks and uncertainties

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 development of the market for Electronic Shelf Labels and large currency fluctuations. In view of the client structure and the extensive scale of the agreements, a delay in the installations or major fluctuations in exchange rates can have a significant





impact in an individual quarter. For other risks, please see the 2016 annual report, pages 14 and 43.

### Taxes

Income tax expenses relating to the fourth quarter amounted to SEK 5.3 M (5.9) of which SEK 2.5 M (4.3) relates to deferred tax expenses arising from accumulated tax loss carryforwards in the Parent Company. The effective tax rate was 7 percent (7) for the fourth quarter and the actual tax rate was 33 percent (25). For the full year, the effective tax rate was 9 percent (8) and the actual tax rate was 25 percent (25). Deferred tax relating to accumulated tax loss carryforwards in the balance sheet at December 31, 2017, amounted to SEK 68.0 M (76.6).

### Forecast

No forecast is issued for 2018.

### Subsequent events

Jörgen Jost auf der Stroth was hired as VP Supply Chain & Procurement and assumed his position on February 14.

### New accounting standards

With effect from January 1, 2018 Pricer is applying; IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Additional information can be found on page 14, Note 1 - Accounting principles.

### Dividend proposal for the 2018 Annual General Meeting

The Board of Directors will propose a dividend of SEK 0.50 (0.50) per share for 2017, which corresponds to a total of SEK 55 M. At the end of the year, Pricer was debt free and held cash of SEK 167 M. The board believes that shareholder value is best created by supporting the working capital need for organic growth as well as future investment needs.

### Annual General Meeting

The Annual General Meeting will take place at 4 p.m. on April 26, 2018, at Lundqvist & Lindqvist Konferens Klara Strand, Klarabergsviadukten 90, in Stockholm. An invitation will be issued in due course. The last day to request that matters be addressed at the meeting is March 22. The annual report for 2017 will be published on Pricer's website no later than April 4, 2018 and will be distributed to those who request a copy.

### Nomination Committee

Pricer's 2018 nomination committee at the Annual General Meeting consists of Göran Bronner, Göran Sundholm, Ulf Palm and Gunnar Ek (Chairman of the nomination committee), as well as Bernt Ingman, Chairman of the Board.

The proposal from the nomination committee will be presented later through a separate pressrelease and other proposals will be presented in the invitation to the annual general meeting.

### Next reporting date

The interim report for January - March 2018 will be published on April 26, 2018.

**Next interim report  
to be published on  
April 26, 2018**

This year-end report for Pricer AB (publ) has been submitted following approval by the Board of Directors.

Stockholm, February 14, 2018

Pricer AB (publ)

Helena Holmgren

Acting CEO

This report has not been subject to auditor's review.

*This information is information that Pricer AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency by the contact person set out below, on February 14, 2018 at 8:30 CET.*

**For further information, please contact:**

Helena Holmgren, acting CEO, Pricer AB +46 8 505 582 00



## Financial reporting

### STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME IN SUMMARY

	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Amounts in SEK M				
Net sales	253,0	188,0	827,8	757,6
Cost of goods sold	-195,6	-132,9	-611,8	-544,4
<b>Gross profit</b>	<b>57,4</b>	<b>55,1</b>	<b>216,0</b>	<b>213,2</b>
Selling and administrative expenses	-31,6	-31,6	-136,6	-129,3
Research and development costs	-5,6	-6,0	-18,7	-20,4
Other income and expenses	-3,3	-1,0	-5,0	0,5
<b>Operating profit</b>	<b>16,9</b>	<b>16,6</b>	<b>55,7</b>	<b>64,1</b>
Net financial items	-0,8	7,3	-4,0	12,6
<b>Profit before tax</b>	<b>16,1</b>	<b>23,9</b>	<b>51,7</b>	<b>76,7</b>
Income tax	-5,3	-5,9	-13,0	-19,4
<b>Profit for the period</b>	<b>10,8</b>	<b>18,0</b>	<b>38,7</b>	<b>57,3</b>

### OTHER COMPREHENSIVE INCOME

	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Amounts in SEK M				
<i>Items that are or may be reclassified to profit or loss for the period</i>				
Translation differences	9,0	-1,2	7,4	14,2
Cash flow hedges	-0,3	-	-2,9	-
Tax attributable to items in oth. compreh income	0,1	-	0,6	-
<b>Other comprehensive income for the period</b>	<b>8,8</b>	<b>-1,2</b>	<b>5,1</b>	<b>14,2</b>
<b>Net comprehensive income for the period</b>	<b>19,6</b>	<b>16,8</b>	<b>43,8</b>	<b>71,5</b>

#### Profit for the period attributable to:

Owners of the Parent Company	10,8	18,0	38,7	57,3
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#### Other comprehensive income for the period attributable to:

Owners of the Parent Company	19,6	16,8	43,8	71,5
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### EARNINGS PER SHARE

	Q4 2017	Q4 2016	Full year 2017	Full year 2016
Basic earnings per share, SEK	0,10	0,16	0,35	0,52
Diluted earnings per share, SEK	0,10	0,16	0,35	0,52
Number of shares before dilution, millions	110,3	110,0	110,1	110,0
Diluted number of shares, millions	110,5	110,3	110,4	110,2

## STATEMENT OF CONSOLIDATED FINANCIAL POSITION IN SUMMARY

Amounts in SEK M	Dec 31 2017	Dec 31 2016
Intangible assets	285,7	268,4
Tangible fixed assets	15,9	11,2
Financial fixed assets	73,4	81,2
<b>Total non-current assets</b>	<b>375,1</b>	<b>360,8</b>
Inventories	141,2	104,5
Current receivables	235,4	204,7
Cash and cash equivalents	166,8	261,3
<b>Total current assets</b>	<b>543,4</b>	<b>570,5</b>
<b>TOTAL ASSETS</b>	<b>918,5</b>	<b>931,3</b>
Equity attributable to holders of the Parent Company	718,7	729,4
<b>Total equity</b>	<b>718,7</b>	<b>729,4</b>
Provisions, long term	10,1	8,2
Provisions, short term	16,1	18,0
Current liabilities	173,7	175,7
<b>Total liabilities</b>	<b>199,8</b>	<b>201,9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>918,5</b>	<b>931,3</b>
Basic shareholders' equity per share, SEK	6,52	6,63
Diluted shareholders' equity per share, SEK	6,51	6,62

## STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	Full year 2017	Full year 2016
<b>Equity at beginning of period</b>	<b>729,4</b>	<b>684,7</b>
Profit for the period	38,7	57,3
Other comprehensive income for the period	5,1	14,2
<i>Net comprehensive income for the period</i>	<i>43,8</i>	<i>71,5</i>
Dividend	-55,0	-27,5
Share based payments, equity settled	0,5	0,7
<i>Total transactions with owners of the Group</i>	<i>-54,5</i>	<i>-26,8</i>
<b>Equity at end of period</b>	<b>718,7</b>	<b>729,4</b>
Attributable to:		
- Owners of the Parent Company	718,7	729,4

## STATEMENT OF CONSOLIDATED CASH FLOWS IN SUMMARY

	Q4	Q4	Full year	Full year
Amounts in SEK M	2017	2016	2017	2016
Profit before tax	16,1	23,9	51,7	76,7
Adjustment for non-cash items	3,1	8,6	18,3	14,7
<i>Of which depreciations and amortizations</i>	<i>3,9</i>	<i>2,9</i>	<i>14,8</i>	<i>12,6</i>
Paid income tax	-1,6	-1,5	-7,0	-6,2
Change in working capital	6,9	32,3	-71,4	88,8
<b>Cash flow from operating activities</b>	<b>24,5</b>	<b>63,3</b>	<b>-8,3</b>	<b>174,0</b>
<b>Cash flow from investing activities</b>	<b>-8,0</b>	<b>-8,9</b>	<b>-29,8</b>	<b>-21,7</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>-</b>	<b>-55,0</b>	<b>-27,5</b>
<b>Cash flow for the period</b>	<b>16,4</b>	<b>54,5</b>	<b>-93,1</b>	<b>124,9</b>
Cash and cash equivalents at beginning of period	151,5	208,0	261,3	135,6
Exchange rate difference in cash and cash equivalents	-1,1	-1,2	-1,5	0,8
<b>Cash and cash equivalents at end of period</b>	<b>166,8</b>	<b>261,3</b>	<b>166,8</b>	<b>261,3</b>
Unutilized bank overdraft facilities	50,0	50,0	50,0	50,0
<b>Disposable funds at end of period</b>	<b>216,8</b>	<b>311,3</b>	<b>216,8</b>	<b>311,3</b>

## KEY RATIOS

Amounts in SEK M	Q4	Q3	Q2	Q1	Q4
	2017	2017	2017	2017	2016
Order intake	231	234	218	189	180
Order intake - rolling 4 quarters	872	820	731	667	783
Net sales	253,0	193,8	206,7	174,2	188,0
Net sales - rolling 4 quarters	827,8	762,8	779,0	776,4	757,6
Operating profit	16,9	20,5	11,0	7,2	16,6
Operating profit - rolling 4 quarters	55,7	55,4	63,9	69,1	64,1
Profit for the period	10,8	16,1	7,7	4,0	18,0
Cash flow from operating activities	24,5	10,0	-38,2	-4,5	63,3
Cash flow from operating activities - rolling 4 quarters	-8,3	30,5	89,4	148,7	174,0
Number of employees, end of period	104	104	104	98	93
Equity ratio	78%	73%	75%	77%	78%

## NET SALES BY GEOGRAPHICAL MARKET

	Q4	Q4	Full year	Full year
Amounts in SEK M	2017	2016	2017	2016
Europe, Middle East & Africa	154,1	170,2	673,0	687,0
America	91,7	12,0	127,7	52,0
Asia & the Pacific	7,2	5,8	27,1	18,6
<b>Total net sales</b>	<b>253,0</b>	<b>188,0</b>	<b>827,8</b>	<b>757,6</b>

#### INCOME STATEMENT OF PARENT COMPANY IN SUMMARY

Amounts in SEK M	Full year 2017	Full year 2016
Net sales	704,8	629,0
Cost of goods sold	-580,0	-504,8
<b>Gross profit</b>	<b>124,8</b>	<b>124,2</b>
Selling and administrative expenses	-58,3	-55,9
Research and development costs	-18,7	-20,4
Other income and expenses	-4,8	0,6
<b>Operating profit</b>	<b>42,9</b>	<b>48,5</b>
Net financial items	-3,8	12,5
<b>Profit before tax</b>	<b>39,1</b>	<b>61,0</b>
Income tax	-8,7	-13,5
<b>Profit for the period</b>	<b>30,4</b>	<b>47,5</b>

#### STATEMENT OF COMPREHENSIVE INCOME OF PARENT COMPANY

Amounts in SEK M	Full year 2017	Full year 2016
Profit for the period	30,4	47,5
<i>Comprehensive income for the period</i>		
<i>Items that are or may be reclassified to profit or loss for the period</i>		
Cash flow hedges	-2,9	-
Tax attributable to items in other comprehensive income	0,6	-
<b>Comprehensive income for the period</b>	<b>-2,3</b>	<b>0,0</b>
<b>Net comprehensive income for the period</b>	<b>28,2</b>	<b>47,5</b>

#### PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	Dec 31 2017	Dec 31 2016
Intangible assets	36,9	26,0
Tangible fixed assets	12,1	9,4
Financial fixed assets	329,4	273,6
<b>Total non-current assets</b>	<b>378,4</b>	<b>309,0</b>
Inventories	104,8	76,4
Current receivables	202,5	197,5
Cash and cash equivalents	124,0	238,2
<b>Total current assets</b>	<b>431,3</b>	<b>512,1</b>
<b>TOTAL ASSETS</b>	<b>809,7</b>	<b>821,0</b>
Shareholders' equity	570,3	596,6
<b>Total equity</b>	<b>570,3</b>	<b>596,6</b>
Provisions	20,6	21,0
Non-current liabilities	0,1	2,2
Current liabilities	218,7	201,2
<b>Total liabilities</b>	<b>239,4</b>	<b>224,4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>809,7</b>	<b>821,0</b>

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

Amounts in SEK M	Full year 2017	Full year 2016
<b>Equity at beginning of period</b>	<b>596,6</b>	<b>576,0</b>
Net comprehensive income for the period	28,2	47,5
Dividend	-55,0	-27,5
Share based payments, equity settled	0,5	0,7
<b>Equity at end of period</b>	<b>570,3</b>	<b>596,6</b>

## Note 1 – Accounting principles

This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions in the Swedish Annual Account Act (Årsredovisningslagen). The interim report for the Parent Company was prepared in accordance with the Swedish Annual Account Act (Årsredovisningslagen), Chapter 9, and RFR 2, Reporting by a Legal Entity as issued by the Swedish Financial Reporting Board. For both the Group and the Parent Company, the same accounting policies and methods of computation were applied as in the latest annual report.

### New IFRSs effective from 2018

From the financial year 2018, many new and changed IFRS are effective. Pricer has chosen not to adopt these in advance when preparing the financial statements for the Group or the Parent Company.

*IFRS 9 Financial Instruments*, effective from January 1, 2018, replaces IAS 39 Financial Instruments: Recognition and Measurement, and addresses the classification and measurement of financial assets and liabilities, impairment and hedge accounting. Regarding classification and measurement, IFRS 9 requires that all financial instruments be evaluated based on a combination of the entity's business model for managing the asset and liability and the cash flow characteristics of the instrument. The classification and measurements categories in IAS 39 will be replaced by the following categories: Fair value through profit and loss, Fair value through other comprehensive income, and Amortized cost. The standard introduces a new model for impairment of financial assets in stages, based on expected losses, and not as previously, impairment when an event had occurred. Regarding hedge accounting, IFRS 9 focuses on reflecting the entity's risk management activities through hedge accounting but also facilitates qualification of additional risk management activities for hedge accounting.

In 2017 Pricer has mapped the effects of applying IFRS 9. Regarding the new classification and measurement categories, Pricer has concluded that these will not have a significant impact on the financial statements of the Group. The majority of Pricer's financial assets and liabilities are trade receivables, cash and cash equivalents and trade payables, which will continue to be measured at acquisition value since the purpose is to honor the contractual agreements. Impairment of trade receivables has historically been very low at Pricer and the company has assumed it will remain low. Consequently, the new impairment model will have a limited effect on the financial statements. Regarding hedge accounting, IFRS 9 will simplify for Pricer compared to the current accounting standard primarily with respect to documentation and follow-up of the efficiencies of the hedge accounting. The standard contains increased disclosure requirements and will impact the entity's disclosures in the future.

*IFRS 15 Revenue from Contracts with Customers* – is a new standard for revenue recognition from customer contracts with new disclosure requirements that replaces IFRS 18, IAS 11 and IFRIC 13. The standard regulates commercial agreements (contracts) with customers in which delivery of goods/services is divided into separately identifiable performance obligations that are recognized independently. In certain cases, the good/service can be integrated with other obligations in the contract, whereby a package of goods/services comprises a joint obligation. The standard establishes rules for calculating the transaction price for delivery of goods and services and the manner in which this can be allocated among the various performance obligations. Revenue is recognized when control has passed to the customer in that the customer is able to use or benefit from the good/service, at which point it is deemed to have been transferred. Control may be passed at a given point in time, which is usually the case for sales. In other cases, a performance obligation may be satisfied over time, which is common for services.

In 2017 Pricer mapped the effects of adopting accounting according to IFRS 15. The entity's revenue can be allocated into revenues from goods, service and licensees. Revenue is generated from direct sales to customers or sales through partners and is often packaged into goods/service in a joint obligation. This obligation is transferred to the customer when the risk is transferred, which is considered to be the same point in time as control of the goods is transferred. Revenue from service obligations will continue to be allocated over the lifetime of the contract. Revenue from licensees provides the customer with a right to use, which according to IFRS 15 follows a point-in time recognition of the revenue. The transition to IFRS 15 will consequently not have any significant impact on Pricer's revenue recognition.

Pricer has chosen to adopt IFRS 15 according to the modified retrospective approach, which means that no restatement of previous periods will be carried out according to the new standard. IFRS 15 contains increased disclosure requirements and will impact the entity's disclosures onwards.

## Note 2 – Related party transactions

Related party transactions are described in Note 24 of the Group's financial statements in the Annual Report for 2016. No material transactions have taken place with related parties that have significantly affected the financial position or results of the Group or the Parent Company compared to the description in the Annual Report for 2016.

## Note 3 – Alternative performance measures – definitions

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 or loss and development in a consistent manner. A list of the definitions to the alternative performance measures used in this report are found in the 2016 Annual Report, page 15.

## Note 4 – Financial instruments

Financial instruments are assets and liabilities that can immediately be converted into cash. Pricer reports financial instruments according to the classification derivatives, cash and cash equivalents, other financial assets and other financial liabilities. The derivatives have been valued at fair value according to level 2 in the fair value hierarchy (see definition below). All other financial instruments are valued at accumulated acquisition cost.

Level 1 – quoted prices in active markets for identical financial instruments

Level 2 – inputs other than quoted market prices included in level 1 that are observable for the financial asset either directly or indirectly

Level 3 – inputs for financial instruments that are not based on input from observable market data (unobservable input)

### FINANCIAL INSTRUMENTS

*Financial instruments valued at fair-market value*

Amounts in SEK M	Dec 31 2017	Dec 31 2016
<b>Financial assets</b>		
Derivatives	0,8	-
Other financial assets	223,5	194,3
Cash and cash equivalents	166,8	261,3
<b>Total</b>	<b>391,1</b>	<b>455,6</b>
<b>Financial liabilities</b>		
Derivatives	5,4	-
Other financial liabilities	141,8	143,1
<b>Total</b>	<b>147,2</b>	<b>143,1</b>



## Note 5 – Pledged assets and contingent liabilities

Floating charges (chattel mortgages) are a type of general collateral in the form of an undertaking to the bank. The Parent Company have issued guarantees to tax and customs authorities and landlords. Blocked funds in the companies' bank accounts are available for the guarantees.

### PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Parent company		Group	
	Dec 31 2017	Dec 31 2016	Dec 31 2017	Dec 31 2016
Amounts in SEK M				
<b>Pledged assets</b>				
Floating charges	59,6	59,6	59,6	59,6
Bank deposits	-	-	0,8	0,8
<b>Total</b>	<b>59,6</b>	<b>59,6</b>	<b>60,5</b>	<b>60,5</b>
<b>Contingent liabilities</b>				
Bank guarantee	-	-	0,8	0,8
Customs authorities	0,2	0,2	0,2	0,2
Landlords	1,7	1,7	1,7	1,7
<b>Summa</b>	<b>1,9</b>	<b>1,9</b>	<b>2,7</b>	<b>2,7</b>

### About Pricer

Pricer offers solutions for more efficient and reliable price information through electronic display and information systems for the retail industry. Pricer's system significantly improves consumer benefit and store productivity. The platform is based on a two-way communication protocol to ensure complete traceability and effective management of resources. The Pricer system leads to higher productivity in the store and enhances the customer experience.

Pricer, founded in 1991 in Uppsala, Sweden, is the leading global provider of electronic display and information systems. With the most complete ESL solution, Pricer has installations in over 50 countries and commands the largest share of the global ESL market. Customers include many of the world's top retailers and some of the foremost retail chains in Europe, Japan and the USA. Pricer, in cooperation with qualified partners, offers a totally integrated solution together with supplementary products, applications and services.

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

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