

**PRICER**

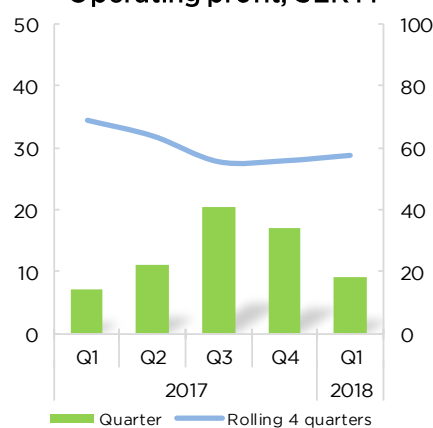
SHAPING SMART RETAIL

**Q1 • INTERIM REPORT • January – March 2018****+3%**Net sales increase  
in the quarter**5.0%**Operating margin  
in the quarter**SEK****5.8 M**Net profit  
in the quarter**Improved net sales, operating margin and cash flow****First quarter 2018**

- Net sales of SEK 180.0 M (174.2), an increase of 3 percent compared to the same period of last year
- Operating profit of SEK 9.0 M (7.2), corresponding to an operating margin of 5.0 percent (4.2)
- Order intake of SEK 189 M (189), in parity to the same period last year
- The order backlog increased to SEK 143 M (103), most of which is expected to be invoiced in the next quarter
- Profit for the period amounted to SEK 5.8 M (4.0)
- Earnings per share amounted to SEK 0.05 (0.04)
- Cash flow from operating activities was SEK 26.8 M (-4.5)

Amounts in SEK M unless otherwise stated	Q1 2018	Q1 2017	Full year 2017	Rolling 4 Q
Order intake	189	189	872	872
Net sales	180,0	174,2	827,8	833,5
Gross margin, %	27,4%	27,5%	26,1%	26,1%
Operating profit	9,0	7,2	55,7	57,5
Operating margin, %	5,0%	4,2%	6,7%	6,9%
Cash flow*	26,8	-4,5	-8,2	23,2
Profit for the period	5,8	4,0	38,7	40,4
Earnings per share (SEK)	0,05	0,04	0,35	0,37

\*Cash flow from operating activities

**Net sales, SEK M****Operating profit, SEK M**



Flash functionality  
with immediate  
response is  
increasingly in  
demand

## Comments from acting CEO Helena Holmgren

Sales growth for the first quarter of 2018 was 3 percent compared to the corresponding period last year. Order intake in the first quarter was at the same level as in the first quarter of 2017 and is divided among a large flow of small orders from several customers, primarily in France, Italy and Norway. As a result, the order backlog increased during the quarter and amounted to SEK 143 M at March 31, compared to SEK 103 M on the same date last year. As mentioned previously, the timing of deliveries and invoice terms affect the allocation of sales between the quarters.

The operating profit of SEK 9.0 M (7.2) was an improvement compared to the corresponding period in the last year. The product and contract mix has maintained gross margins at the same level as last year. This, combined with favorable currency conditions, contributed to improved profitability.

During the first quarter we continued to build up Pricer's organization with the aim of further improving our customer offering. With a strong product management team responsible for the product portfolio and business development, we ensure that our long-term innovative strengths are maintained at the same time as we continue to be agile and sensitive to the needs of our customers and developments in our business environment. In dialog with several major customers we continuously develop new and improved solutions that further strengthen our offering and increase the system's value creation for customers.

Pricer's communications technology, which is unique in the industry and difficult to copy, allows the system to respond to a command in less than one second without affecting the battery life of the label. The system's immediate response is part of basic functionality and applies to all communication with labels and under all conditions. To make a number of processes more efficient, such as shelf replenishment, this immediate response of the flash functionality is a precondition for the system to provide added value.

It is therefore with pleasure and confidence that I note that both automated product positioning and flash functionality with immediate response are increasingly in demand in retailers' evaluations of ESL (Electronic Shelf Label) systems. In several markets, where North America has the greatest potential, we continue to invest in resources within sales and marketing in order to meet demand.

Helena Holmgren

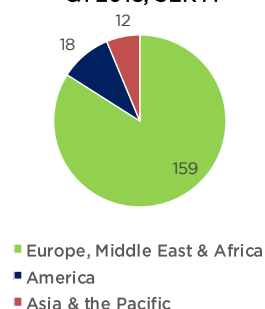
Acting CEO



The range of new digitalization solutions is a response to rapidly increasing underlying demand



Order intake per region in Q1 2018, SEK M



## Market development

Two major retail technology trade fairs took place during the quarter, NRF in New York and EuroCis in Düsseldorf. One clear trend was the fast rise in the number of artificial intelligence (AI) offerings where different systems, such as cameras, collect information that is automatically analyzed and fed back to staff in the store. This can include everything from ensuring that items are correctly placed in the store to shoplifting alerts or getting to know customer movement patterns. This development is still in its infancy and the number of players within this area, which ties in with ESL solutions in several ways, is rising fast.

The range of new digitalization solutions is a response to rapidly increasing underlying demand. As consumers become increasingly digital in their behavior it is essential to adapt the store experience but also to define new processes to optimize the flow of goods. From being an IT issue for many years, retail digitalization is today a strategic issue that encompasses several departments and decision makers within a retail chain.

The high level of market activity continues with ongoing pilot projects worldwide. As more retail chains start to see the advantages of ESL systems, the potential market is expanding both geographically and to new retail verticals. To respond to this development and offer customers continuous support, a local presence is becoming increasingly important. In several markets our own local presence is strengthened by a network of partners who, as well as contributing to the company's scalability, bring knowledge of their local markets that is invaluable for the best understanding of customer needs.

## Orders first quarter 2018

Order intake in the first quarter was SEK 189 M (189), in parity to the same period of last year, also adjusted for changes in exchange rates. The order intake was driven by high activity from numerous customers, most of them located in the EMEA region, where the company's largest customers are in France, Italy and Norway.

### CURRENCY TRANSLATION DIFFERENCE ORDER INTAKE & NET SALES

	Q1 2018	Q1 2017	Full year 2017
% change in Order intake	0%	-38%	11%
whereof currency translation difference	0%	-1%	1%
% change in Order intake adjusted for currency translation difference	0%	-37%	10%
% change in Net sales	3%	12%	9%
whereof currency translation difference	-1%	4%	2%
% change in Net sales adjusted for currency translation difference	4%	8%	7%



### Net sales and profit for the first quarter 2018

Net sales amounted to SEK 180.0 M (174.2) in the quarter, an increase of 3 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, net sales increased by 4 percent. Net sales in the first quarter were distributed over a large number of customers, mostly in the in the EMEA region, where countries such as France, Italy and Norway dominate.

Gross profit amounted to SEK 49.2 M (47.9) and gross margin was stable at 27.4 percent (27.5) in the quarter. The gross margin is primarily a consequence of price development in the market in combination with the product and contract mix for a single quarter and prevailing currency ratios. Most of the company's cost of goods sold is in USD, while sales are primarily generated in EUR and USD.

Operating expenses increased somewhat to SEK -42.8 M (-42.0) in the quarter, mainly due to the increased number of employees between the periods. Product development costs amounted to -4.7 M (-5.1) in the quarter, corresponding to 2.6 percent (2.9) in relation to net 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 2.6 M (1.3) in the quarter.

Operating profit amounted to SEK 9.0 M (7.2), which corresponded to an operating margin of 5.0 percent (4.2) in the quarter. A stable gross margin with growth in net sales and foreign exchange gains in Other income and expenses has resulted in an increase in operating profit.

#### NET SALES AND PROFIT, SEK M

	Q1 2018	Q1 2017	Full year 2017
Net sales	180,0	174,2	827,8
Cost of goods sold	-130,8	-126,4	-611,8
Gross profit	49,2	47,9	216,0
Gross margin	27,4%	27,5%	26,1%
Operating expenses	-42,8	-42,0	-155,4
Other income and expenses	2,6	1,3	-5,0
Operating profit	9,0	7,2	55,7
Operating margin	5,0%	4,2%	6,7%



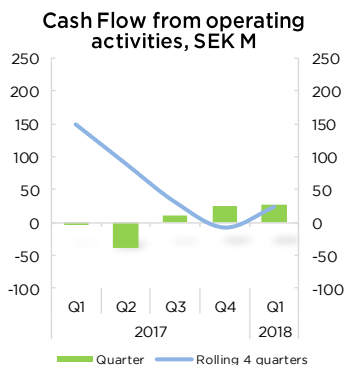
Net financial items, primarily attributable to currency revaluation of cash and cash equivalents, impacted the quarter negatively and amounted to SEK -1.0 M (-1.7).

Income tax expenses relating to the first quarter amounted to SEK -2.2 M (-1.4) of which SEK -1.3 M (-0.5) related to deferred tax expenses arising from accumulated tax loss carryforwards in the Parent Company. The current tax rate (i.e. paid tax) was 9 percent (18) for the first quarter and the reported tax rate was 27 percent (26). Deferred tax relating to accumulated tax loss carryforwards in the balance sheet at March 31, 2018, amounted to SEK 66.7 M (76.2).

Profit for the period was SEK 5.8 M (4.0). The increase compared with the corresponding period of last year can be attributed to an increase in operating income and a reduced negative financial net.

Translation differences in other comprehensive income of SEK 14.2 M (-0.9) 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 -1.1 M (-0.3). Tax attributable to items in other comprehensive income amounted to SEK 0.2 M (0.1).



## Cash flow, investments and financial position

### First quarter

Cash flow from operating activities for the first quarter amounted to SEK 26.8 M (-4.5). Working capital changes affected cash flow from operating activities by SEK 16.2 M (-14.1). The positive cash flow for the first quarter of 2018 was primarily due to an increase in trade payables. The negative cash flow in the same period last year was primarily due to increased capital tied up in inventories.

Investments in non-current assets amounted to SEK 7.2 M (8.1) in the first quarter and consisted primarily of capitalized development costs of SEK 5.5 M (5.0) and property, plant and equipment.

Cash and cash equivalents amounted to SEK 186.8 M (249.1) on March 31, 2018. In addition to cash and cash equivalents, Pricer has an unutilized overdraft facility amounting to SEK 50 M (50).



Number of employees



## Equity

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

On March 31, 2018, a total of 855 thousand warrants were outstanding in the programs decided upon in 2015 and 2016. In addition, a maximum of 228 thousand shares from the 2017 share savings program can be transferred free of charge to the participants in June 2020.

### ISSUED AND OUTSTANDING SHARES

Stated in thousands of shares	Class A	Class B	Total
Outstanding shares at the beginning of the year	226	110 746	110 972
Issued and converted shares in the year		-	-
Issued at the end of the period	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*

## Personnel

The average number of employees during the first quarter was 103 (96) and the number of employees at the end of the quarter was 104 (98). Additional strengthening of the organization has taken place in product development, sales and marketing.

## Parent Company

The Parent Company's net sales amounted to SEK 150.3 M (145.8) and profit for the period was SEK 4.6 M (3.2). The Parent Company's cash and cash equivalents amounted to SEK 154.3 M (225.7) at the end of the period.

## 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 2017 annual report, pages 18-19 and 45-46.

## Forecasts

No forecast is issued for 2018.

## 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 13, Note 1 - Accounting principles.



Next interim report  
to be published on  
July 20, 2018

## Subsequent events

On April 23, Pricer announced that the company made a new recruitment and reorganized the company's management team. Edvin Ruud has been recruited as Vice President Sales. In his role, Edvin will align the global sales organization in order to maximize the company's growth potential. Nils Hulth, former Head of Sales Scandinavia and Rest of the World, joins a new set up as Vice President Product Management and Business Development, with responsibility for the company's product portfolio, marketing and strategic partnerships. Christophe Desloge, manager of Pricer's operations in France, becomes a permanent member of the company's management team.

More information about Pricer's management team can be found on the company's website [www.pricer.com](http://www.pricer.com).

## Proposed dividend

The Board of Directors has proposed to the Annual General Meeting on April 26, 2018, a dividend of SEK 0.50 per share for the 2017 financial year, which corresponds to SEK 55 M. April 30, is proposed as a record date for the dividend. If the Annual General Meeting decides in accordance with the proposal, the dividend is expected to be paid by Euroclear Sweden AB on May 4, 2018.

## Next reporting date

Next interim report for the period January – June 2018 will be published on July 20, 2018.

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

Stockholm, April 26, 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 April 26, 2018 at 08:30 CET.*

## For further information, please contact:

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

## Financial reporting

### CONSOLIDATED INCOME STATEMENT IN SUMMARY

	Q1 2018	Q1 2017	Full year 2017
Amounts in SEK M			
Net sales	180,0	174,2	827,8
Cost of goods sold	-130,8	-126,4	-611,8
<b>Gross profit</b>	<b>49,2</b>	<b>47,9</b>	<b>216,0</b>
Selling and administrative expenses	-38,1	-36,9	-136,6
Research and development costs	-4,7	-5,1	-18,7
Other income and expenses	2,6	1,3	-5,0
<b>Operating profit</b>	<b>9,0</b>	<b>7,2</b>	<b>55,7</b>
Net financial items	-1,0	-1,7	-4,0
<b>Net profit before tax</b>	<b>8,0</b>	<b>5,5</b>	<b>51,7</b>
Income tax	-2,2	-1,4	-13,0
<b>Net profit for the period</b>	<b>5,8</b>	<b>4,0</b>	<b>38,7</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Q1 2018	Q1 2017	Full year 2017
Amounts in SEK M			
Net profit for the period	5,8	4,0	38,7
<i>Items that are or may be reclassified to profit or loss for the period</i>			
Translation differences	14,2	-0,9	7,4
Cash flow hedges	-1,1	-0,3	-2,9
Tax attributable to items in other comprehensive income	0,2	0,1	0,6
<b>Other comprehensive income for the period</b>	<b>13,4</b>	<b>-1,1</b>	<b>5,1</b>
<b>Net comprehensive income for the period</b>	<b>19,2</b>	<b>2,9</b>	<b>43,8</b>

Net profit for the period attributable to:

Owners of the Parent Company	5,8	4,0	38,7
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Net comprehensive income for the period attributable to:

Owners of the Parent Company	19,2	2,9	43,8
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### EARNINGS PER SHARE

	Q1 2018	Q1 2017	Full year 2017
Basic earnings per share, SEK	0,05	0,04	0,35
Diluted earnings per share, SEK	0,05	0,04	0,35
Number of shares before dilution, millions	110,3	110,0	110,1
Diluted number of shares, millions	110,5	110,3	110,4



## CONSOLIDATED BALANCE SHEET IN SUMMARY

Amounts in SEK M	March 31 2018	March 31 2017	Dec 31 2017
Intangible assets	299,4	271,4	285,7
Property, plant and equipment	16,3	12,1	15,9
Deferred tax assets	72,3	80,9	73,4
<b>Total non-current assets</b>	<b>387,9</b>	<b>364,3</b>	<b>375,1</b>
Inventories	141,4	127,1	141,2
Current receivables	242,6	207,5	235,4
Cash and cash equivalents	186,8	249,1	166,8
<b>Total current assets</b>	<b>570,8</b>	<b>583,7</b>	<b>543,4</b>
<b>TOTAL ASSETS</b>	<b>958,7</b>	<b>948,0</b>	<b>918,5</b>
Equity attributable to holders of the parent company	737,9	732,3	718,7
<b>Total equity</b>	<b>737,9</b>	<b>732,3</b>	<b>718,7</b>
Provisions	19,8	20,9	20,6
Other non-current liabilities	5,7	3,3	5,2
Current liabilities	195,3	191,4	174,0
<b>Total liabilities</b>	<b>220,8</b>	<b>215,6</b>	<b>199,8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>958,7</b>	<b>948,0</b>	<b>918,5</b>
Basic shareholders' equity per share, SEK	6,69	6,66	6,52
Diluted shareholders' equity per share, SEK	6,68	6,64	6,51

## CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	3 months 2018	3 months 2017	Full year 2017
<b>Equity at the beginning of the period</b>	<b>718,7</b>	<b>729,4</b>	<b>729,4</b>
Net profit for the period	5,8	4,0	38,7
Other comprehensive income for the period	13,4	-1,1	5,1
<i>Net comprehensive income for the period</i>	<i>19,2</i>	<i>2,9</i>	<i>43,8</i>
Dividend	-	-	-55,0
Share based payments, equity settled	0,0	0,1	0,5
<i>Total transactions with owners of the Group</i>	<i>0,0</i>	<i>0,1</i>	<i>-54,5</i>
<b>Equity at the end of the period</b>	<b>737,9</b>	<b>732,3</b>	<b>718,7</b>
<b>Attributable to:</b>			
- Owners of the parent company	737,9	732,3	718,7

## CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY

Amounts in SEK M	Q1 2018	Q1 2017	Full year 2017
Net profit before tax	8,0	5,5	51,7
Adjustment for non-cash items	2,7	5,5	18,5
<i>Of which depreciations and amortizations</i>	4,5	3,6	14,8
Paid income tax	-0,2	-1,5	-7,0
Change in working capital	16,2	-14,1	-71,4
<b>Net cash flow from operating activities</b>	<b>26,8</b>	<b>-4,5</b>	<b>-8,2</b>
<b>Net cash used in investing activities</b>	<b>-7,2</b>	<b>-8,1</b>	<b>-29,8</b>
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-55,0</b>
<b>Net cash flow for the period</b>	<b>19,5</b>	<b>-12,6</b>	<b>-92,9</b>
Cash and cash equivalents at beginning of period	166,8	261,3	261,3
Exchange rate losses/gains in cash and cash equivalents	0,6	0,4	-1,6
<b>Cash and cash equivalents at end of period</b>	<b>186,8</b>	<b>249,1</b>	<b>166,8</b>
Unutilized bank overdraft facility	50,0	50,0	50,0
<b>Available funds at end of period</b>	<b>236,8</b>	<b>299,1</b>	<b>216,8</b>

## KEY FIGURES

Amounts in SEK M	Q1 2018	Q4 2017	Q3 2017	Q2 2017	Q1 2017
Order intake	189	231	234	218	189
Order intake - rolling 4 quarters	872	872	820	731	667
Net sales	180,0	253,0	193,8	206,7	174,2
Net sales - rolling 4 quarters	833,5	827,8	762,8	779,0	776,4
Operating profit	9,0	16,9	20,5	11,0	7,2
Operating profit - rolling 4 quarters	57,5	55,7	55,4	63,9	69,1
Net profit for the period	5,8	10,8	16,1	7,7	4,0
Cash flow from operating activities	26,8	24,6	10,0	-38,2	-4,5
Cash flow from operating activities - rolling 4 quarters	23,2	-8,2	30,5	89,4	148,7
Number of employees, end of period	104	104	104	104	98
Equity/assets ratio	77%	78%	73%	75%	77%

#### PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK M	3 months 2018	3 months 2017	Full year 2017
Net sales	150,3	145,8	704,8
Cost of goods sold	-124,6	-120,8	-580,0
<b>Gross profit</b>	<b>25,7</b>	<b>25,0</b>	<b>124,8</b>
Selling and administrative expenses	-16,6	-15,9	-58,3
Research and development costs	-4,7	-5,1	-18,7
Other income and expenses	2,6	1,3	-4,8
<b>Operating profit</b>	<b>7,0</b>	<b>5,3</b>	<b>42,9</b>
Net financial items	-1,0	-1,6	-3,8
<b>Net profit before tax</b>	<b>6,0</b>	<b>3,7</b>	<b>39,1</b>
Income tax	-1,3	-0,4	-8,7
<b>Net profit for the period</b>	<b>4,6</b>	<b>3,2</b>	<b>30,4</b>

#### PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	3 months 2018	3 months 2017	Full year 2017
Net profit for the period	4,6	3,2	30,4
<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	-1,1	-0,3	-2,9
Tax attributable to items in other comprehensive income	0,2	0,1	0,6
<b>Comprehensive income for the period</b>	<b>-0,9</b>	<b>-0,2</b>	<b>-2,3</b>
<b>Net comprehensive income for the period</b>	<b>3,7</b>	<b>3,0</b>	<b>28,2</b>

#### PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	March 31 2018	March 31 2017	Dec 31 2017
Intangible assets	39,5	29,8	36,9
Property, plant and equipment	12,3	9,8	12,1
Financial fixed assets	278,1	274,5	329,4
<b>Total non-current assets</b>	<b>329,9</b>	<b>314,1</b>	<b>378,4</b>
Inventories	101,0	95,9	104,8
Current receivables	158,5	133,0	202,5
Cash and cash equivalents	154,3	225,7	124,0
<b>Total current assets</b>	<b>413,7</b>	<b>454,7</b>	<b>431,3</b>
<b>TOTAL ASSETS</b>	<b>743,6</b>	<b>768,8</b>	<b>809,7</b>
Shareholders' equity	574,2	599,7	570,3
<b>Total equity</b>	<b>574,2</b>	<b>599,7</b>	<b>570,3</b>
Provisions	19,8	20,9	20,6
Non-current liabilities	0,1	0,1	0,1
Current liabilities	149,5	148,1	218,7
<b>Total liabilities</b>	<b>169,4</b>	<b>169,1</b>	<b>239,4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>743,6</b>	<b>768,8</b>	<b>809,7</b>

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

Amounts in SEK M	3 months 2018	3 months 2017	Full year 2017
<b>Equity at the beginning of the period</b>	<b>570,3</b>	<b>596,6</b>	<b>596,6</b>
Net comprehensive income for the period	3,7	3,0	28,2
Dividend	-	-	-55,0
Share based payments, equity settled	0,0	0,1	0,5
<b>Equity at the end of the period</b>	<b>574,2</b>	<b>599,7</b>	<b>570,3</b>

## Note 1 – Accounting policies

This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and the applicable provisions in the Swedish Annual Accounts Act (Årsredovisningslagen). The interim report for the Parent Company was prepared in accordance with the Swedish Annual Accounts 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

A number of new or changed IFRS have been effected during the financial year 2018.

*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 have been 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.

Regarding the new classification and measurement categories, Pricer has concluded that these have not resulted in any 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 continue to be measured at amortized cost 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 has had a limited effect on the financial statements. Regarding hedge accounting, IFRS 9 simplifies for Pricer compared to the current accounting standard primarily with respect to documentation and follow-up of the efficiency of the hedge accounting. The standard contains changed 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 IAS 18, IAS 11 and IFRIC 13. The standard, effective from January 1, 2018, 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 bundled 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.

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/services in a bundled 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 is 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 has not had any 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 changed disclosure requirements and will impact the entity's disclosures going forward.

### New IFRSs effective from 2019

*IFRS 16 Leases*. The standard establishes extensive changes in reporting of leases and requires all leases to be recognized in the balance sheet. The company has operating leases for assets such as office premises, cars and certain office equipment. The company is in the process of analyzing the operating leases, which will affect the financial position and key ratios. Following analysis and identification, this work will continue with determination of assumptions and quantification. Application of the standard is mandatory as of January 1, 2019.

Other new and amended IFRSs with future adoption are not expected to have any impact on the company's financial statements.

## Note 2 – Revenue from contracts with customers

### BREAKDOWN OF REVENUE

	Q1 2018	Q1 2017	Full year 2017
Amounts in SEK M			
Revenue from goods	163,1	158,9	750,9
Revenue from services	14,4	13,9	68,1
Revenue from licensees	2,6	1,5	8,8
<b>Total</b>	<b>180,0</b>	<b>174,2</b>	<b>827,8</b>

The company has allocated discounts proportionally to all performance obligations in the agreement, except when observable evidence that the entire discount relates to one or more, but not all, performance obligations. The comparative figures for 2017 have been recalculated to reflect this allocation of discounts.

### NET SALES BY GEOGRAPHICAL MARKET

	Q1 2018	Q1 2017	Full year 2017
Amounts in SEK M			
Europe, Middle East & Africa	157,3	148,6	673,0
America	12,9	15,1	127,7
Asia & the Pacific	9,8	10,6	27,1
<b>Total net sales</b>	<b>180,0</b>	<b>174,2</b>	<b>827,8</b>

### NET SALES BY SALES CHANNEL

	Q1 2018	Q1 2017	Full year 2017
Direct customers	46%	49%	59%
Resellers	54%	51%	41%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Note 3 – Related party transactions

Significant transactions with related parties are described in note 24 of the consolidated accounts in the company's annual report for 2017. No significant transactions have taken place with related parties that significantly affect the Group's or Parent Company's financial position or profit compared with the description in the Annual Report for 2017.

## Note 4 – Alternative Performance Measurements

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. For reconciliations of the alternative performance measures used in this report, see page 16 and a list of definitions on page 17-18.

## Note 5 – Financial instruments

For financial instruments measured at amortized cost; trade receivables, other current receivables and cash and cash equivalents, trade payables 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.

Derivatives relating to forward exchange contracts are valued at fair value according to level 2 in the fair value hierarchy (see definition below). Valuation at fair value of forward exchange contracts is based on recognized models with observable data input such as interest rates and currencies.

Level 1: Based on quoted prices in active markets for identical assets or liabilities

Level 2: Based directly or indirectly on observable market inputs not included in level 1

Level 3: Based on inputs that are unobservable in the market

### FINANCIAL INSTRUMENTS

Amounts in SEK M	March 31 2018	March 31 2017	Dec 31 2017
<b>Financial instruments</b>			
Derivatives used in hedge accounting (level 2)	1,8	0,0	0,8
Loan and trade receivables	406,8	437,4	390,3
<b>Total financial assets</b>	<b>408,6</b>	<b>437,5</b>	<b>391,1</b>
Derivatives used in hedge accounting (level 2)	7,0	0,4	5,4
Other financial liabilities	165,6	158,6	141,8
<b>Total financial liabilities</b>	<b>172,7</b>	<b>159,1</b>	<b>147,2</b>

## Note 6 – Pledged assets and contingent liabilities

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

### PLEDGED ASSETS AND CONTINGENT LIABILITIES

Parent company				Group		
Amounts in SEK M	March 31 2018	March 31 2017	Dec 31 2017	March 31 2018	March 31 2017	Dec 31 2017
<b>Pledged assets</b>						
Floating charges	59,6	59,6	59,6	59,6	59,6	59,6
Bank deposits	-	-	-	0,8	0,8	0,8
<b>Total</b>	<b>59,6</b>	<b>59,6</b>	<b>59,6</b>	<b>60,5</b>	<b>60,5</b>	<b>60,5</b>
<b>Contingent liabilities</b>						
Bank guarantee	-	-	-	0,8	0,8	0,8
Customs authorities	0,2	0,2	0,2	0,2	0,2	0,2
Landlords	1,7	1,7	1,7	1,7	1,7	1,7
<b>Total</b>	<b>1,9</b>	<b>1,9</b>	<b>1,9</b>	<b>2,7</b>	<b>2,7</b>	<b>2,7</b>

## Alternative performance measurements

Below are reconciliations of the alternative performance measurements that are used in this report and cannot be read directly from the financial reports.

Amounts in SEK M unless otherwise stated	March 31 2018	March 31 2017	Dec 31 2017
<b>RESULTS DATA</b>			
<b>Operating expenses</b>			
Selling and administrative expenses	-38,1	-36,9	-136,6
Research and development costs	-4,7	-5,1	-18,7
<b>Operating expenses</b>	<b>-42,8</b>	<b>-42,0</b>	<b>-155,4</b>
<b>Operating expenses adjusted for items affecting comparability</b>			
Operating expenses	-42,8	-42,0	-155,4
-Whereof items affecting comparability relating to personnel costs related to restructuring	-	-	-1,5
<b>Operating expenses adjusted for items affecting comparability</b>	<b>-42,8</b>	<b>-42,0</b>	<b>-153,9</b>
<b>MARGIN DATA</b>			
Net Sales	180,0	174,2	827,8
Gross Profit	49,2	47,9	216,0
<b>Gross profit margin, %</b>	<b>27,4%</b>	<b>27,5%</b>	<b>26,1%</b>
Operating profit	9,0	7,2	55,7
<b>Operating margin, %</b>	<b>5,0%</b>	<b>4,2%</b>	<b>6,7%</b>
<b>FINANCIAL DATA</b>			
<b>Equity/assets ratio</b>			
Total assets	958,7	948,0	918,5
Equity	737,9	732,3	718,7
<b>Equity/assets ratio, %</b>	<b>77%</b>	<b>77%</b>	<b>78%</b>
<b>RETURN DATA</b>			
<b>Equity per share basic/diluted</b>			
Number of outstanding shares, thousand	110 267	110 042	110 267
Dilution, thousand	228	233	228
Equity TSEK	737 910	732 342	718 705
<b>Equity per share basic, SEK</b>	<b>6,69</b>	<b>6,66</b>	<b>6,52</b>
<b>Equity per share diluted, SEK</b>	<b>6,68</b>	<b>6,64</b>	<b>6,50</b>
<b>Earnings per share, before and after dilution</b>			
Average number of outstanding shares, thousand	110 267	110 042	110 149
Dilution, thousand	228	233	228
Net profit, TSEK	5 809	4 042	38 675
<b>Earnings per share, before dilution</b>	<b>0,05</b>	<b>0,04</b>	<b>0,35</b>
<b>Earnings per share, after dilution</b>	<b>0,05</b>	<b>0,04</b>	<b>0,35</b>





ALTERNATIVE PERFORMANCE MEASUREMENTS	DEFINITIONS	PURPOSE
<b>RESULTS DATA</b>		
Change in Net sales adjusted for currency translation difference	Change in Net sales recalculated with the comparative period's exchange rates compared to the comparative period's Net sales.	This measure is used by management to follow the underlying change in Net sales 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 expenses 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 items affecting comparability	Operating expenses less 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 measure for internal use that management can influence to a greater extent than net profit.
<b>MARGIN DATA</b>		
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.
<b>FINANCIAL DATA</b>		
Equity/asset ratio	Equity as a percentage of the balance sheet total.	A traditional measure that gives an indication of the company's ability to pay its debts.
<b>RETURN DATA</b>		
Equity per share, before and 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 share options and from the matching and performance share rights.	This measure is used to show development of equity per share over time and to enable comparability with other companies.



ALTERNATIVE PERFORMANCE MEASUREMENTS	DEFINITIONS	PURPOSE
Earnings per share, before and 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 share options and from the matching and performance share rights.	This measure is used to show development of earnings per share over time and to enable comparability with other companies.
<b>OTHER DATA</b>		
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 currency translation difference	Change in Order intake recalculated with the comparative period's exchange rates compared to the comparative period's Order intake.	This measure is used by management to follow the 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 back log gives an indication of revenue development in short to mid-term perspective.

## 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 to the retail trade. 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).

Pricer AB  
Box 215  
SE-101 24 Stockholm  
Office address: Västra Järnvägsgratan 7  
SE-111 64 Stockholm

Website: [www.pricer.com](http://www.pricer.com)  
Telephone no. +46 8 505 582 00  
Corporate identity number: 556427-7993