



## +53%

Net sales increase  
for the quarter

## 7.5%

Operating margin  
for the quarter

## SEK 25.8 M

Net profit  
for the quarter

### Record high growth and operating profit

- The Board proposes a dividend of SEK 0.60 per share

#### Fourth quarter 2018

- Net sales of SEK 386.5 M (253.0), an increase of 53 percent compared to the same period of last year
- Operating profit of SEK 29.0 M (16.9), corresponding to an operating margin of 7.5 percent (6.7)
- Order intake of SEK 274 M (231), an increase of 18 percent compared to the same period of last year
- The order backlog increased to SEK 224 M (133), most of which is expected to be invoiced in the first half of 2019
- Profit for the period amounted to SEK 25.8 M (10.8)
- Earnings per share amounted to SEK 0.23 (0.10)
- Cash flow from operating activities was SEK 59.1 M (24.6)

#### Full year 2018

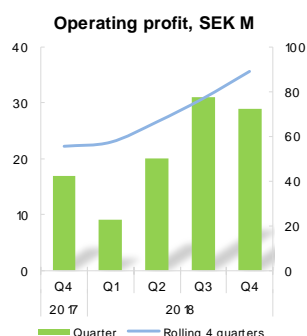
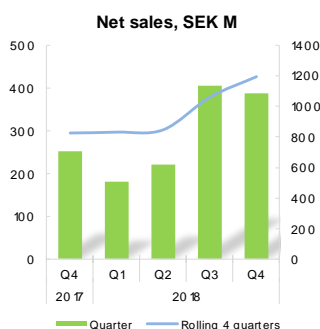
- Net sales of SEK 1 194.5 M (827.8), an increase of 44 percent compared to last year
- Operating profit of SEK 89.1 M (55.7), corresponding to an operating margin of 7.5 percent (6.7)
- Order intake of SEK 1 268 M (872), an increase of 46 percent compared to last year
- Profit for the period amounted to SEK 87.3 M (38.7)
- Earnings per share amounted to SEK 0.79 (0.35)
- Cash flow from operating activities was SEK 83.7 M (-8.2)
- The Board proposes a dividend of SEK 0.60 (0.50) per share

Amounts in SEK M unless otherwise stated	Q4 2018	Q4 2017	Full year 2018	Full year 2017
Order intake	274	231	1 268	872
Net sales	386,5	253,0	1 194,5	827,8
Gross margin, %	20,6%	22,7%	22,8%	26,1%
Operating profit	29,0	16,9	89,1	55,7
Operating margin, %	7,5%	6,7%	7,5%	6,7%
Cash flow*	59,1	24,6	83,7	-8,3
Profit for the period	25,8	10,8	87,3	38,7
Earnings per share (SEK)	0,23	0,10	0,79	0,35

\*Cash flow from operating activities



## 2018 shows record-high order intake, sales and operating profit



## Comments from CEO Helena Holmgren

2018 was a historically successful year for Pricer which posted its highest-ever operating profit. I am extremely pleased to report record-strong growth during the year in terms of order intake, sales and operating profit. We can see that our focus on sales and marketing activities has generated increased interest in our products in several markets. The longed-for breakthrough in the North American market laid the foundation for the substantial sales growth of 44 percent for the full year 2018. Sales for the full year totaled SEK 1,195 M compared to SEK 828 M in 2017. This is the first time in the company's almost 30-year history that sales for a full year exceed SEK 1 billion and by a wide margin.

Market demand is strong with a continued high level of activity. In recent years we have noted an increased interest with a growing number of retail chains seeing the advantages of digital price labels and initiating tests to evaluate both requirements and choice of supplier in pilot projects. The year's record-high order intake of SEK 1,268 M, corresponding to growth of 46 percent compared to 2017, is a result of the high level of activity we have noted for some time being converted into investment decisions and store installations. The order backlog at the end of 2018 remained at a high level of SEK 224 M.

The fourth quarter made a strong contribution to the excellent development for the full year 2018 with sales of SEK 387 M (253), corresponding to growth of 53 percent compared to the corresponding period last year. Deliveries to the major American customer were essentially completed in the fourth quarter which, combined with high delivery activity primarily in France, provided the foundation for the high sales in the period. Order intake in the fourth quarter amounted to SEK 274 M (231) which corresponds to growth of 18 percent compared to the corresponding period in the previous year. Order intake is divided among a large number of customers in several geographical markets.

The gross margin for the fourth quarter amounted to 20.6 percent (22.7). In addition to the impact of the product and contract mix on the gross margin, the high component prices mentioned in previous reports continued to put pressure on the gross margin in the fourth quarter. For the full year 2018 the gross margin was 22.8 percent (26.1). Operating profit increased to SEK 29 M (17) for the fourth quarter and reached a record level of SEK 89 M (56) for the full year 2018.

The quarter generated a strong, positive cash flow from operating activities of SEK 59.1 M due to reduced tied-up capital primarily in inventories and trade receivables compared with the end of the third quarter. As mentioned previously, cash flow should be analyzed over time rather than for individual quarters.

In summary, 2018 was a very good year with increased interest in our solutions and a strengthened organization. Our strong financial position provides an important foundation for our credibility as a long-term partner to our customers and allows continued investment in both product and market development.

Helena Holmgren

President and CEO



## Strong market growth and continued high level of activity

## Increased utilization of the system is well suited to the technology on which Pricer's system is based

## Strong interest in reducing food waste and contributing to more sustainable consumption

### Market development

Demand for digital solutions in the physical store environment reached new record levels in 2018 and generated strong market growth. Willingness to invest in Pricer's system, which provides improved efficiency for several labor-intensive store processes while making it easier for consumers to find products and offerings in the store, has never been greater. Ahead of 2019 it can be said that activity in the market remains high, both in existing and new geographical markets.

In dialogs with customers we note rising demand for complex solutions where several systems interact and the amount of communication with the labels increases. In the North American market, where competition from ecommerce platforms is particularly noticeable, the dialogue is increasingly about the possibility of real-time instore communication. This new requirement, where demands on stability, speed and scalability are key, differs from the more generic demand for a system for automated price updates and constitutes a segment that is particularly suitable for Pricer's system.

The strength of our unique system, based on optical communication technology near the infrared frequency, is our ability to offer customers a modular and scalable solution where new functionality can be added without weighing on other needs. The competitors' systems based on radio communication has a built-in limitation due to the large amount of energy utilized for a label to listen to the radio communication. Functionality that makes demands on the system's response time is added at the cost of other functionality or with a reduced service life since the amount of energy available in a label is limited and constant. An increased utilization of the system is therefore well suited for Pricer's system, which provides security for customers who do not wish to restrict their opportunity for future development.

The competitive situation in the market remains fierce. To further strengthen the offering towards customers, Pricer continues to focus on innovation and new solutions. In addition to the shelf-mounted camera launched in the third quarter aiming to provide more information about actual status of the physical store, Pricer has initiated several collaborations with complementary software solutions designed to reduce food waste in grocery retail. We note considerable interest from the market in finding ways to contribute to a more sustainable consumption.

The US import tariffs introduced at the end of the third quarter of 2018 remain unchanged at 10 percent. The announced increase to 25 percent as of January 1, 2019, has been postponed for an indefinite period with indications that new information will be made available on February 28, 2019. In order to minimize the impact of import tariffs on US customer contracts and maintain an unchanged investment calculation, Pricer is actively working on an increased flexibility in supply chain.

### Order intake fourth quarter and the full year 2018

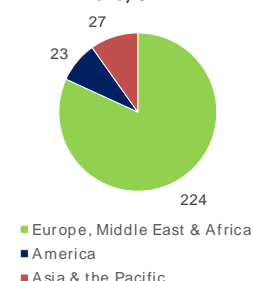
Order intake in the fourth quarter was SEK 274 M (231), an increase of 18 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, order intake increased by 12 percent. The order intake for the quarter was spread over several geographical markets, of which France, Belgium and Norway are the largest.

Order intake for the year was SEK 1,268 M (872) an increase of 46 percent compared to the same period of last year. Adjusted for changes in exchange rates, order intake increased by 38 percent. The order intake for the period was spread over several geographical markets, of which the USA and France are the largest.





Order intake per region in Q4 2018, SEK M



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

	Q4 2018	Q4 2017	Full year 2018	Full year 2017
% change in Order intake	18%	29%	46%	11%
whereof currency translation difference	6%	1%	8%	1%
% change in Order intake adjusted for currency translation difference	12%	28%	38%	10%
% change in Net sales	53%	35%	44%	9%
whereof currency translation difference	11%	-2%	7%	2%
% change in Net sales adjusted for currency translation difference	42%	37%	37%	7%

#### NET SALES AND PROFIT, SEK M

	Q4 2018	Q4 2017	Full year 2018	Full year 2017
Net sales	386,5	253,0	1 194,5	827,8
Cost of goods sold	-306,7	-195,6	-922,3	-611,8
Gross profit	79,8	57,4	272,2	216,0
Gross margin	20,6%	22,7%	22,8%	26,1%
Operating expenses	-53,8	-37,2	-188,3	-155,4
Other income and expenses	3,0	-3,3	5,2	-5,0
Operating profit	29,0	16,9	89,1	55,7
Operating margin	7,5%	6,7%	7,5%	6,7%

#### Net sales and profit for the fourth quarter and the full year 2018

##### Fourth quarter

Net sales amounted to SEK 386.5 M (253.0) for the quarter, an increase of 53 percent compared to the same quarter of last year. Adjusted for changes in exchange rates, net sales increased by 42 percent. Net sales in the fourth quarter were distributed among a large number of customers, most of them in the USA, France and Italy.

Gross profit amounted to SEK 79.8 M (57.4) and gross margin amounted to 20.6 percent (22.7) for the quarter. The gross margin development is primarily a consequence of the product and contract mix but is also affected by high component prices. Most of the company's cost of goods sold was in USD, while sales were primarily generated in EUR and USD.

Operating expenses increased to SEK -53.8 M (-37.2) for the quarter, mainly due to increased staff costs and investments in product development.

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 3.0 M (-3.3) for the quarter.

Operating profit amounted to SEK 29.0 M (16.9), which corresponds to an operating margin of 7.5 percent (6.7) for the quarter. High growth in net sales combined with favorable currency movements have resulted in an increase in operating profit and operating margin.

Net financial items, primarily attributable to currency revaluation of balance sheet items, including cash and cash equivalents, impacted the quarter negatively and amounted to SEK -2.4 M (-0.8).



Income tax expenses relating to the quarter amounted to SEK -0.8 M (-5.3), of which SEK 0.9 M (-4.3) relates to deferred tax. The current tax rate (i.e. paid tax) was -6 percent (-7) and the reported tax rate was -3 percent (-33). The decrease compared to the same period last year is explained by part of previously unrecognized tax loss carryforwards being capitalized during the quarter, affecting tax by SEK 5.6 M (0.0).

Profit for the period was SEK 25.8 M (10.8).

Translation differences in other comprehensive income of SEK -0.3 M (9.0) 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 0.5 M (-0.3). Tax attributable to items in other comprehensive income amounted to SEK -0.1 M (0.1).

#### Full year 2018

Net sales amounted to SEK 1,194.5 M (827.8) for the full year, an increase of 44 percent compared to last year. Adjusted for changes in exchange rates, net sales increased by 37 percent. Net sales during the full year were distributed among a large number of customers, most of them in the USA, France and Norway.

Gross profit amounted to SEK 272.2 M (216.0) and gross margin amounted to 22.8 percent (26.1) for the period. The gross margin development is primarily a consequence of the product and contract mix in combination with higher prices for certain standard components, resulting from a recently increased demand for these components from a variety of industry verticals. Most of the company's cost of goods sold was in USD, while sales were primarily generated in EUR and USD.

Operating expenses increased to SEK -188.3 M (-155.4) during the year, mainly due to increased staff costs and investments in product development.

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 5.2 M (-5.0) for the period.

Operating profit amounted to SEK 89.1 M (55.7), which corresponds to an operating margin of 7.5 percent (6.7) for the period. High growth in net sales and gross profit combined with favorable currency movements have resulted in an increase in operating profit.

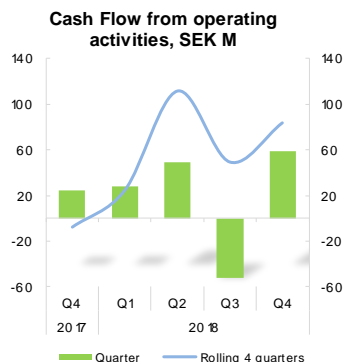
Net financial items, primarily attributable to currency revaluation of balance sheet items, including cash and cash equivalents, impacted the period negatively and amounted to SEK -0.3 M (-4.0).

Income tax expenses relating to the full year amounted to SEK -1.5 M (-13.0), of which SEK 3.2 M (-8.4) related to deferred tax. The current tax rate (i.e. paid tax) was -5 percent (-9) and the reported tax rate was -2 percent (-25). Part of the previously unrecognized tax loss carryforwards was recognized during the period, affecting tax by SEK 18.8 M (0.0). Deferred tax assets have also been revalued based on the current tax rate for the period in which they are expected to be utilized. Deferred tax assets related to recognized tax loss carryforwards amounted to SEK 70.4 M (68.0) as of December 31, 2018.

Profit for the period was SEK 87.3 M (38.7).

Translation differences in other comprehensive income of SEK 14.9 M (7.4) 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 2.9 M (-2.9). Tax attributable to items in other comprehensive income amounted to SEK -0.6 M (0.6).



## Cash flow, investments and financial position

### Fourth quarter

Cash flow from operating activities for the fourth quarter amounted to SEK 59.1 M (24.6). Working capital changes affected cash flow from operating activities by SEK 24.1 M (6.9), primarily due to decreased capital tied up in inventories and a decrease in trade receivables, partly offset by a decrease in trade payables. The increased tied-up capital during the third quarter was due to the high production and delivery activity at the end of September.

Cash flow from investing activities amounted to SEK -6.1 M (-8.0) in the fourth quarter, mainly consisted of capitalized development costs of SEK -4.7 M (-4.5) and investments in property, plant and equipment of SEK -0.2 M (-0.4).

### Full year 2018

Cash flow from operating activities for the full year amounted to SEK 83.7 M (-8.2) for the period. Working capital changes affected cash flow from operating activities by SEK -30.1 M (-71.4), primarily due to an increase in capital tied up in inventories and an increase in trade receivables, partly offset by an increase in trade payables. The increased tied-up capital is due to high delivery activity during the fourth quarter combined with the high order backlog at the end of the year, generating a high activity in supply chain.

Cash flow from investing activities amounted to SEK -27.6 M (-29.8) for the full year and consisted primarily of capitalized development costs of SEK -18.5 M (-16.8) and investments in property, plant and equipment of SEK -8.7 M (-6.4), mainly production equipment to meet increased demand and increase production flexibility.

Cash flow from financing activities includes a dividend payment of SEK 55.1 M (55.0) in accordance with the decision of the Annual General Meeting on April 26, 2018.

Cash and cash equivalents amounted to SEK 171.0 M (166.8) on December 31, 2018. In addition to cash and cash equivalents, Pricer has an unutilized overdraft facility amounting to SEK 50 M (50).

## 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 and 2018. The value of the promise is expensed over the vesting period. From the 2017 share savings program, a maximum of 228 thousand shares can be transferred free of charge to the participants in June 2020. From the 2018 share savings program, a maximum of 409 thousand shares can be transferred free of charge to the participants in June 2021. Additional information can be found in Note 5 – Share savings program 2018.

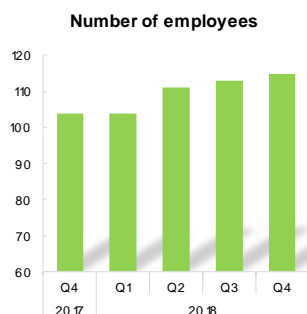
On December 31, 2018, a total of 475 thousand warrants were outstanding in the program decided upon in 2016. The warrant program decided upon in 2015 expired in June 2018 for 380 thousand warrants without redemption.

### 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 fourth quarter was 113 (104) and the number of employees at the end of the quarter was 115 (104). 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 1 057.4 M (704.8) and profit for the period was SEK 67.1 M (30.4). The Parent Company's cash and cash equivalents amounted to SEK 161.0 M (124.0) 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 but also trade policy factors such as import duties. 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 2019.

## 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 in Note 1 - Accounting principles.

## Subsequent events

### Strengthening the organization

Pricer strengthened its Executive Management in 2019. As announced on October 15, 2018, the company has recruited Susanne Andersson as CFO and she took up her post on January 21, 2019. The company has also recruited Magnus Larsson to the position of Vice President Customer Operations. Magnus Larsson and Johan Kronlöf, Head of Quality & Sustainability, become members of Executive Management. More details of Pricer's Executive Management are available on the website [www.pricer.com](http://www.pricer.com).

Pricer's share is available for US investors through the Bank of New York Mellon via an ADR program (American Depositary Receipt). This means that the class B share is available as a depository receipt in the USA without formal stock market listing. Pricer has decided to end the agreement with Bank of New York Mellon during 2019 due to the low transaction volume.

## Dividend proposal for the 2019 Annual General Meeting

The Board of Directors will propose to the Annual General Meeting a dividend of SEK 0.60 (0.50) per share for 2018, which corresponds to a total of SEK 66.2 M (55.1). At the end of the year, Pricer was debt free and held cash of SEK 171 M. The Board believes that shareholder value is best created by supporting the working capital requirement for organic growth as well as future investment needs.



**The next interim  
report will be  
published on  
April 25, 2019**

### **Nomination Committee and Annual General Meeting**

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

The Annual General Meeting will take place in Stockholm at 14.00 CET on April 25, 2019 at Kapitel 8 Klara Strand, Klarabergsviadukten 90, Stockholm. Notice of the Meeting will be issued in due course. The last day to request that matters be addressed at the meeting is March 21, 2019. The annual report for 2018 will be published on Pricer's website no later than April 3, 2019 and will be distributed to those who request a copy.

### **Next reporting date**

The interim report for the period January – March 2019 will be published on April 25, 2019.

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

Stockholm, February 14, 2019

Pricer AB (publ)

Helena Holmgren

President and CEO

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

Every care has been taken in the translation of this document. In the event of discrepancies, the Swedish original will supersede the English translation.

*This information is information that Pricer AB (publ) 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, 2019 at 08:30 CET.*

For further information, please contact:

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## Financial reporting

### CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q4 2018	Q4 2017	Full year 2018	Full year 2017
Net sales	386,5	253,0	1 194,5	827,8
Cost of goods sold	-306,7	-195,6	-922,3	-611,8
<b>Gross profit</b>	<b>79,8</b>	<b>57,4</b>	<b>272,2</b>	<b>216,0</b>
Selling and administrative expenses	-45,1	-31,6	-162,6	-136,6
Research and development costs	-8,8	-5,6	-25,7	-18,7
Other income and expenses	3,0	-3,3	5,2	-5,0
<b>Operating profit</b>	<b>29,0</b>	<b>16,9</b>	<b>89,1</b>	<b>55,7</b>
Net financial items	-2,4	-0,8	-0,3	-4,0
<b>Net profit before tax</b>	<b>26,6</b>	<b>16,1</b>	<b>88,8</b>	<b>51,7</b>
Income tax	-0,8	-5,3	-1,5	-13,0
<b>Net profit for the period</b>	<b>25,8</b>	<b>10,8</b>	<b>87,3</b>	<b>38,7</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q4 2018	Q4 2017	Full year 2018	Full year 2017
Net profit for the period	25,8	10,8	87,3	38,7
<i>Items that are or may be reclassified to profit or loss for the period</i>				
Translation differences	-0,3	9,0	14,9	7,4
Cash flow hedges	0,5	-0,3	2,9	-2,9
Tax attributable to items in other comprehensive income	-0,1	0,1	-0,6	0,6
<b>Other comprehensive income for the period</b>	<b>0,1</b>	<b>8,8</b>	<b>17,2</b>	<b>5,1</b>
<b>Net comprehensive income for the period</b>	<b>25,9</b>	<b>19,6</b>	<b>104,5</b>	<b>43,8</b>

Net profit for the period attributable to:

Owners of the Parent Company	25,8	10,8	87,3	38,7
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Net comprehensive income for the period attributable to:

Owners of the Parent Company	25,9	19,6	104,5	43,8
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### EARNINGS PER SHARE

	Q4 2018	Q4 2017	Full year 2018	Full year 2017
Basic earnings per share, SEK	0,23	0,10	0,79	0,35
Diluted earnings per share, SEK	0,23	0,10	0,79	0,35
Number of shares before dilution, millions	110,3	110,3	110,3	110,1
Diluted number of shares, millions	110,9	110,5	110,9	110,4

## CONSOLIDATED BALANCE SHEET IN SUMMARY

	Dec 31 2018	Dec 31 2017
Amounts in SEK M		
Intangible assets	301,5	285,7
Property, plant and equipment	22,3	15,9
Deferred tax assets	76,1	73,4
<b>Total non-current assets</b>	<b>399,8</b>	<b>375,1</b>
Inventories	189,0	141,2
Current receivables	361,8	235,4
Cash and cash equivalents	171,0	166,8
<b>Total current assets</b>	<b>721,8</b>	<b>543,4</b>
<b>TOTAL ASSETS</b>	<b>1 121,6</b>	<b>918,5</b>
Equity attributable to holders of the parent company	769,3	718,7
<b>Total equity</b>	<b>769,3</b>	<b>718,7</b>
Provisions	31,9	26,1
Current liabilities	320,5	173,7
<b>Total liabilities</b>	<b>352,3</b>	<b>199,8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 121,6</b>	<b>918,5</b>
Basic shareholders' equity per share, SEK	6,98	6,52
Diluted shareholders' equity per share, SEK	6,94	6,51

## CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

	Full year 2018	Full year 2017
Amounts in SEK M		
<b>Equity at the beginning of the period</b>	<b>718,7</b>	<b>729,4</b>
Net profit for the period	87,3	38,7
Other comprehensive income for the period	17,2	5,1
<i>Net comprehensive income for the period</i>	<i>104,5</i>	<i>43,8</i>
Dividend	-55,1	-55,0
Share based payments, equity settled	1,3	0,5
<i>Total transactions with owners of the Group</i>	<i>-53,9</i>	<i>-54,5</i>
<b>Equity at the end of the period</b>	<b>769,3</b>	<b>718,7</b>
<b>Attributable to:</b>		
- Owners of the parent company	769,3	718,7

## CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY

	Q4 2018	Q4 2017	Full year 2018	Full year 2017
Amounts in SEK M				
Net profit before tax	26,6	16,1	88,8	51,7
Adjustment for non-cash items	10,0	3,3	28,4	18,5
- of which depreciations and amortizations	5,0	3,9	20,9	14,8
-whereof other non-cash items	4,9	-0,6	7,5	3,7
Paid income tax	-1,5	-1,7	-3,4	-7,0
Change in working capital	24,1	6,9	-30,1	-71,4
<b>Net cash flow from operating activities</b>	<b>59,1</b>	<b>24,6</b>	<b>83,7</b>	<b>-8,2</b>
<b>Net cash used in investing activities</b>	<b>-6,1</b>	<b>-8,0</b>	<b>-27,6</b>	<b>-29,8</b>
<b>Net cash used in financing activities</b>	<b>-</b>	<b>-</b>	<b>-55,2</b>	<b>-55,0</b>
<b>Net cash flow for the period</b>	<b>53,1</b>	<b>16,6</b>	<b>0,9</b>	<b>-92,9</b>
Cash and cash equivalents at beginning of period	117,5	151,5	166,8	261,3
Exchange rate losses/gains in cash and cash equivalents	0,4	-1,3	3,4	-1,6
<b>Cash and cash equivalents at end of period</b>	<b>171,0</b>	<b>166,8</b>	<b>171,0</b>	<b>166,8</b>
Unutilized bank overdraft facility	50,0	50,0	50,0	50,0
<b>Available funds at end of period</b>	<b>221,0</b>	<b>216,8</b>	<b>221,0</b>	<b>216,8</b>

## KEY FIGURES

	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Amounts in SEK M					
Order intake	274	286	520	189	231
Order intake - rolling 4 quarters	1 268	1 225	1 174	872	872
Net sales	386,5	406,0	222,0	180,0	253,0
Net sales - rolling 4 quarters	1 194,5	1 061,0	848,8	833,5	827,8
Operating profit	29,0	31,0	20,1	9,0	16,9
Operating profit - rolling 4 quarters	89,1	77,0	66,5	57,5	55,7
Net profit for the period	25,8	27,4	28,4	5,8	10,8
Cash flow from operating activities	59,1	-52,6	49,1	28,0	24,6
Cash flow from operating activities - rolling 4 quarters	83,7	49,2	111,7	24,4	-8,2
Number of employees, end of period	115	113	111	104	104
Equity/assets ratio	69%	60%	68%	77%	78%

#### PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Full year 2018	Full year 2017
Net sales	1 057,4	704,8
Cost of goods sold	-889,7	-580,0
<b>Gross profit</b>	<b>167,6</b>	<b>124,8</b>
Selling and administrative expenses	-78,1	-58,3
Research and development costs	-25,7	-18,7
Other income and expenses	5,1	-4,8
<b>Operating profit</b>	<b>68,9</b>	<b>42,9</b>
Net financial items	-5,2	-3,8
<b>Net profit before tax</b>	<b>63,8</b>	<b>39,1</b>
Income tax	3,3	-8,7
<b>Net profit for the period</b>	<b>67,1</b>	<b>30,4</b>

#### PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Full year 2018	Full year 2017
Net profit for the period	67,1	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	2,9	-2,9
Tax attributable to items in other comprehensive income	-0,6	0,6
<b>Comprehensive income for the period</b>	<b>2,3</b>	<b>-2,3</b>
<b>Net comprehensive income for the period</b>	<b>69,3</b>	<b>28,2</b>

#### PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	Dec 31 2018	Dec 31 2017
Intangible assets	42,1	36,9
Property, plant and equipment	18,7	12,1
Financial fixed assets	268,3	329,4
<b>Total non-current assets</b>	<b>329,1</b>	<b>378,4</b>
Inventories	133,0	104,8
Current receivables	314,2	202,5
Cash and cash equivalents	161,0	124,0
<b>Total current assets</b>	<b>608,2</b>	<b>431,3</b>
<b>TOTAL ASSETS</b>	<b>937,3</b>	<b>809,7</b>
Shareholders' equity	585,9	570,3
<b>Total equity</b>	<b>585,9</b>	<b>570,3</b>
Provisions	24,6	20,6
Non-current liabilities	0,1	0,1
Current liabilities	326,7	218,7
<b>Total liabilities</b>	<b>351,4</b>	<b>239,4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>937,3</b>	<b>809,7</b>

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

Amounts in SEK M	Full year 2018	Full year 2017
<b>Equity at the beginning of the period</b>	<b>570,3</b>	<b>596,6</b>
Net comprehensive income for the period	69,3	28,2
Dividend	-55,1	-55,0
Share based payments, equity settled	1,3	0,5
<b>Equity at the end of the period</b>	<b>585,9</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 with the following additions.

### New IFRSs effective from 2018

A number of new or changed IFRS has entered into force 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* – 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 has been 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 changes in recognition of leases and requires all leases to be recognized in the balance sheet. The company has operating leases for offices premises and cars which will affect financial position and key ratios at transition. The company has chosen to apply transition rules for this standard according to the simplified method with the cumulative effect of initial application of the standard on the initial application date, January 1, 2019. Comparative information will therefore not be recalculated and will continue to be reported in accordance with IAS 17 Leases and IFRIC 4 Determining Whether an Arrangement Contains a Lease. The company has chosen to exclude leases where the underlying asset is of low value. Leasing costs for former operating leases will be replaced in 2019 with depreciation of right-of-use assets and financial interest expenses on leasing liabilities. Right-of-use assets will be measured at an amount equal to the leasing liabilities on the transition date. Based on existing leases at January 1, 2019, the Group's leasing liabilities and right-of-use assets are expected to increase the balance sheet total by 5 percent, with no impact on equity.

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**

	Q4	Q4	Full year	Full year
	2018	2017	2018	2017
Amounts in SEK M				
Revenue from goods	360,6	233,1	1 111,0	750,9
Revenue from services	19,1	18,0	64,9	68,1
Revenue from licensees	6,8	1,9	18,6	8,8
<b>Total</b>	<b>386,5</b>	<b>253,0</b>	<b>1 194,5</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**

	Q4	Q4	Full year	Full year
	2018	2017	2018	2017
Amounts in SEK M				
Europe, Middle East & Africa	221,9	154,1	741,7	673,0
America	146,7	91,7	396,1	127,7
Asia & the Pacific	18,0	7,2	56,7	27,1
<b>Total net sales</b>	<b>386,5</b>	<b>253,0</b>	<b>1 194,5</b>	<b>827,8</b>

##### **NET SALES BY SALES CHANNEL**

	Q4	Q4	Full year	Full year
	2018	2017	2018	2017
Direct customers	63%	62%	66%	62%
Resellers	37%	38%	34%	38%
<b>Total</b>	<b>100%</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 related party relationship has been changed and 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 – 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

	Dec 31 2018	Dec 31 2017
Amounts in SEK M		
Financial instruments		
Derivatives used in hedge accounting (level 2)	-	0,8
Loan and trade receivables	509,3	390,3
<b>Total financial assets</b>	<b>509,3</b>	<b>391,1</b>
Derivatives used in hedge accounting (level 2)	-	5,4
Other financial liabilities	282,9	141,8
<b>Total financial liabilities</b>	<b>282,9</b>	<b>147,2</b>

### Note 5 – Share savings program 2018

At the Annual General Meeting on April 26, 2018, a decision was made on a performance-related share savings program. The program is directed to 8 senior executives, whereby the participant after an initial investment in Pricer's Class B share receives a matching share award and a performance share award per invested Class B share. Following the vesting period of three years the share awards will entitle the participants to receive one matching share and up to five performance shares depending on the outcome of the performance condition. At the end of the reporting period, 8 senior executives had subscribed. From the 2018 share savings program, a maximum of 409 thousand shares can be transferred free of charge to the participants in June 2021, in the event that the pre-defined performance targets are fully met.

## 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 customs authorities, landlords and prepayments from customers. Blocked funds in the companies' bank accounts are available for the bank guarantees.

### PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Parent company		Group	
	Dec 31 2018	Dec 31 2017	Dec 31 2018	Dec 31 2017
Amounts in SEK M				
Pledged assets				
Floating charges	59,6	59,6	59,6	59,6
Blocked funds	-	-	0,9	0,8
<b>Total</b>	<b>59,6</b>	<b>59,6</b>	<b>60,5</b>	<b>60,5</b>
Contingent liabilities				
Bank guarantee	-	-	0,9	0,8
Customs authorities	0,1	0,2	0,1	0,2
Landlords	1,7	1,7	1,7	1,7
Prepayment guarantee	13,0	-	13,0	-
<b>Total</b>	<b>14,8</b>	<b>1,9</b>	<b>15,7</b>	<b>2,7</b>

### Alternative performance measures

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

	Dec 31 2018	Dec 31 2017
Amounts in SEK M unless otherwise stated		
<b>RESULTS DATA</b>		
<b>Operating expenses</b>		
Selling and administrative expenses	-162,6	-136,6
Research and development costs	-25,7	-18,7
<b>Operating expenses</b>	<b>-188,3</b>	<b>-155,4</b>
<b>Operating expenses adjusted for items affecting comparability</b>		
Operating expenses	-188,3	-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>-188,3</b>	<b>-153,9</b>
<b>MARGIN DATA</b>		
Net Sales	1 194,5	827,8
Gross Profit	272,2	216,0
<b>Gross profit margin, %</b>	<b>22,8%</b>	<b>26,1%</b>
Operating profit	89,1	55,7
<b>Operating margin, %</b>	<b>7,5%</b>	<b>6,7%</b>
<b>FINANCIAL DATA</b>		
<b>Equity/assets ratio</b>		
Total assets	1 121,6	918,5
Equity	769,3	718,7
<b>Equity/assets ratio, %</b>	<b>69%</b>	<b>78%</b>
<b>RETURN DATA</b>		
<b>Equity per share basic/diluted</b>		
Number of outstanding shares, thousand	110 267	110 267
Dilution, thousand	637	228
Equity TSEK	769 301	718 705
<b>Equity per share basic, SEK</b>	<b>6,98</b>	<b>6,52</b>
<b>Equity per share diluted, SEK</b>	<b>6,94</b>	<b>6,50</b>
<b>Earnings per share, before and after dilution</b>		
Average number of outstanding shares, thousand	110 267	110 149
Dilution, thousand	637	228
Net profit, TSEK	87 275	38 675
<b>Earnings per share, before dilution</b>	<b>0,79</b>	<b>0,35</b>
<b>Earnings per share, after dilution</b>	<b>0,79</b>	<b>0,35</b>

ALTERNATIVE PERFORMANCE MEASURES	DEFINITIONS	PURPOSE
<b>RESULTS DATA</b>		
Change in Net sales adjusted for currency translation difference	The relationship between Net sales for the period recalculated with the comparative period's exchange rate and 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 MEASURES	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	The relationship between Order intake for the period recalculated with the comparative period's exchange rate and 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).

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