

**PRICER**

BRINGING TRUST TO RETAIL



## Year-end Report 2019

### SEK 237.8 M

Net sales  
in the quarter

### 10.1%

Operating margin in  
the quarter

### SEK 19.2 M

Net profit for the  
quarter

### Record-high order intake and cash flow

- The Board of Directors proposes an increased dividend of 33 percent to SEK 0.80 per share

#### Fourth quarter 2019

- Net sales amounted to SEK 237.8 M (386.5), a decrease of 38 percent compared to the same period last year.
- Operating profit amounted to SEK 24.0 M (29.0), which corresponds to an operating margin of 10.1 percent (7.5).
- Order intake was SEK 843 M (274), an increase of 208 percent compared to the same period last year. Order intake for the quarter includes a major order of around SEK 625 M from a leading US grocery store chain.
- Order backlog amounted to SEK 731 M (224), of which the majority of deliveries are planned to start in Q2 2020 and be completed before the end of 2020.
- Profit for the period was SEK 19.2 M (25.8). IFRS 16 had a negative impact on profit of SEK -0.2 M.
- Earnings per share (basic and diluted) were SEK 0.17 (0.23).
- Cash flow from operating activities was SEK 123.1 M (59.1).

#### Full-year 2019

- Net sales amounted to SEK 1,002.9 M (1,194.5), a decrease of 16 percent compared to the same period last year.
- Operating profit amounted to SEK 100.4 M (89.1), which corresponds to an operating margin of 10.0 percent (7.5).
- Order intake was SEK 1,504 M (1,268), an increase of 19 percent compared to the same period last year.
- Profit for the period was SEK 97.7 M (87.3). IFRS 16 had a negative impact on profit of SEK -0.9 M.
- Earnings per share were SEK 0.89 (0.79) (basic) and SEK 0.88 (0.79) (diluted).
- Cash flow from operating activities was SEK 149.1 M (83.7).
- The Board of Directors proposes a dividend of SEK 0.80 (0.60) per share.

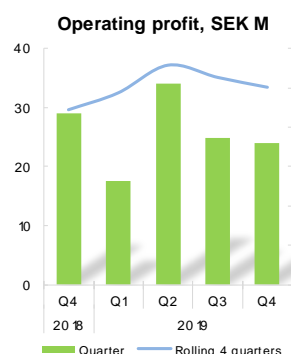
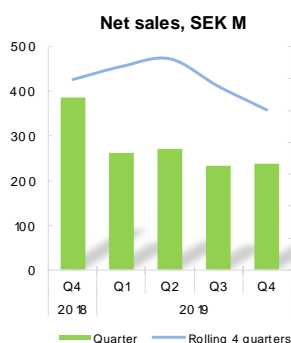
As of January 1, 2019, the company applies IFRS 16 to the Group's leases. Data from previous years has not been restated. The equity/assets ratio decreased by 4 percentage points due to an increase in the balance sheet total.

Amounts in SEK M unless otherwise stated	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Order intake	843	274	1 504	1 268
Net sales	237,8	386,5	1 002,9	1 194,5
Gross margin, %	36,3%	20,6%	33,0%	22,8%
Operating profit	24,0	29,0	100,4	89,1
Operating margin, %	10,1%	7,5%	10,0%	7,5%
Cash flow*	123,1	59,1	149,1	83,7
Net profit for the period	19,2	25,8	97,7	87,3
Basic earnings per share, SEK	0,17	0,23	0,89	0,79

\*Cash flow from operating activities



## Another record-setting year in terms of profitability and order intake creates a positive outlook for the future



## Comments from CEO Helena Holmgren

2019 ended in the best possible way. A few days before the end of the year, we received our largest order to date worth approximately SEK 625 M from an existing US customer to install Pricer's system in an additional 450 stores during 2020. The order demonstrates that our system is well positioned to address the digitization challenges faced by retailers. In total, order intake for the fourth quarter amounted to SEK 843 M and for the full year SEK 1.5 BN.

Net sales for the fourth quarter amounted to SEK 238 M and for the full year SEK 1 BN, which is a decrease compared to the corresponding periods the previous year. The timing of large customer projects creates volatility in both order intake and net sales, which has been mentioned many times before. Our overall assessment holds – that market activity is high and our investments in sales and marketing activities have generated interest in our products in several markets. There continues to be considerable market potential since the penetration of ESL (Electronic Shelf Label) systems is very low, and the paper label remains the main competitor.

The improved gross margin in the fourth quarter contributes to stable profitability. As in previous quarters, the product and contract mix, combined with optimized component purchasing and good delivery planning, had a positive impact on the gross margin. The cash flow from operating activities increased and amounted to SEK 149 M for the full year, which is partly a result of our focus on the company's working capital.

Competition in the market continues to be tough. We remain convinced that the benefits of our unique system's functionality, for example speed, reliability, scalability and battery life, respond better to the challenges facing the retail industry than any of our competitors' systems. Our objective is to continuously improve the speed and efficiency of communication in the store, both in terms of consumer information such as price and product information, as well as to support staff in carrying out various time-consuming processes more efficiently.

Few players in the market doubt that the physical retail industry will be more data driven in the future. E-commerce, thanks to its access to data and increasingly advanced algorithms, has taken forecasting and statistical predictability to new levels. In addition, data analysis increases the possibility of tailoring the shopping experience to the individual regardless of the platform the consumer chooses for the transaction. Pricer is continuing to develop its offering within this exciting area, and our launch of the shelf-mounted camera, which enables data analysis based on the actual status in the store, is an important first step.

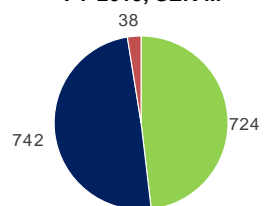
It is too early to draw any conclusions about the effects of the corona virus on our production and delivery capacity. We are following the developments closely and are in daily dialogue with our suppliers. For deliveries in the near-term, our inventory levels are sufficient.

In summary, we head into 2020 with a record-large order backlog of just over SEK 730 M in a market that shows clear signs of continued strong growth. This is a very exciting time for Pricer, and I look back on 2019 with pride. We not only established a strong position in several geographic markets but also took significant steps forward in our product development, from which we expect to benefit in future customer projects.

Helena Holmgren  
President and CEO



Order intake per region  
FY 2019, SEK M



■ Europe, Middle East & Africa  
■ Americas  
■ Asia & the Pacific

**The follow-up order in the North American market shows confidence and future growth opportunities**

**Digitalization of the retail industry continues to drive strong demand for our ESL systems**

Order intake, SEK M



## Market development

### NET SALES BY GEOGRAPHICAL REGION

Amounts in SEK M	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Europe, Middle East & Africa	201,1	221,9	807,7	741,7
Americas	34,3	146,7	122,7	396,1
Asia & the Pacific	2,4	18,0	72,5	56,7
<b>Total net sales</b>	<b>237,8</b>	<b>386,5</b>	<b>1 002,9</b>	<b>1 194,5</b>

Countries that distinguished themselves with high growth rates in the fourth quarter are Italy, Norway and Canada.

Within the Europe, Middle East & Africa region, good growth compared to the previous year was reported for Italy, Belgium and Norway. In Italy, the installations at the grocery chain Tosano were completed in the fourth quarter. Our largest market in the region, France, continues to provide a stable contribution to net sales, even if a few exchange and upgrade projects were postponed due to strategic reassessments regarding digitization. Several procurement projects that are significant in nature are ongoing in the region, and market activity continues to be high.

Within the Americas region, we are particularly proud of the order of SEK 625 M from an existing US customer, which further strengthens our position on the market. The activity level in both the USA and Canada continues to be high, and we consider the conditions for future growth to be very good. We are also pleased to see strong growth in smaller markets in Latin America, albeit from low levels.

The Asia & Pacific region recorded a downturn in the fourth quarter, which is primarily explained by the timing between quarters, while the full year shows favorable growth and we are seeing continued good business opportunities in the region in the future.

The digitization trend within the retail industry continues to be very strong. A number of independent analysts predict that the market for ESL systems will show annual growth of 20 percent on average in the next few years. We have noted that market activity is high in several countries, and the number of ongoing system evaluations in various procurement phases was higher at the end of 2019 than at the end of 2018.

### Order intake for Q4 and FY 2019

Order intake for the fourth quarter amounted to SEK 843 M (274), an increase of 208 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, order intake increased by 195 percent. Order intake is spread across a large number of customers on several geographic markets, with the USA, France and Norway as the largest individual contributors. The order intake for the quarter, as previously announced in a press release, includes a large follow-up order of approximately SEK 625 M from a leading US retail chain for the installation of Pricer's system in an additional 450 stores in the USA in 2020.

Order intake amounted to SEK 1,504 M (1,268) for the full year, an increase of 19 percent compared to the same period last year. Adjusted for exchange rate fluctuations, order intake rose by 12 percent. The USA, France, Italy, and Norway comprise the largest countries. The order intake has a wide geographic spread and contains several new customers from the last year.

## Net sales and profit in Q4 and FY 2019

### NET SALES IN MAJOR CURRENCIES

Amount in SEK M unless otherwise stated	Reported current period	Reported prior period	Reported change	Reported change	Whereof F/X	Adjusted for F/X
<b>Fourth quarter compared with the same period last year</b>						
EUR	149,1	182,2	-33,1	-18%	2%	-21%
USD	87,0	202,3	-115,3	-57%	3%	-60%
Other	1,7	2,0	-0,2	-12%	0%	-12%
<b>Total</b>	<b>237,8</b>	<b>386,5</b>	<b>-148,7</b>	<b>-38%</b>	<b>2%</b>	<b>-41%</b>
<b>January - December compared with the same period last year</b>						
EUR	626,3	585,4	40,8	7%	3%	4%
USD	371,7	604,4	-232,7	-39%	4%	-42%
Other	5,0	4,7	0,3	6%	0%	5%
<b>Total</b>	<b>1 002,9</b>	<b>1 194,5</b>	<b>-191,6</b>	<b>-16%</b>	<b>3%</b>	<b>-19%</b>

From January 2019, Pricer calculates currency effects using the current period's rates compared to the previous period's volumes in local currency.

Currency effects had a positive impact on net sales due to a depreciation in SEK against EUR and USD compared to Q4 2018 and FY 2018. Currency effects also had a positive impact on gross profit since the company has a higher volume in net sales compared to costs. The absolute majority of the company's costs for goods sold were in USD, while net sales were generated primarily in EUR and USD.

### NET SALES AND PROFIT, SEK M

	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net sales	237,8	386,5	1 002,9	1 194,5
Cost of goods sold	-151,4	-306,7	-672,0	-922,3
Gross profit	86,4	79,8	331,0	272,2
Gross margin	36,3%	20,6%	33,0%	22,8%
Operating expenses	-59,6	-53,8	-227,2	-188,3
Other income and expenses	-2,8	3,0	-3,3	5,2
Operating profit	24,0	29,0	100,4	89,1
Operating margin	10,1%	7,5%	10,0%	7,5%

#### Fourth quarter

Net sales amounted to SEK 237.8 M (386.5) in the quarter, a decrease of 38 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, net sales decreased by 41 percent. The decrease is primarily due to the large US customer project that was under way in Q3 and Q4 2018. Net sales in Q4 2019 were spread across a large number of customers, the majority of which are in Europe. In Italy, the installations at the grocery chain Tosano were completed in the fourth quarter.

Gross profit amounted to SEK 86.4 M (79.8), and the gross margin amounted to 36.3 percent (20.6) for the quarter. The improvement in the gross margin continues to be primarily an effect of the product and contract mix. In addition, the outcome for product warranties was lower than expected, leading to an adjustment in the warranty provisions, and obsolescence in inventory was lower than the previously included obsolescence risk, two factors that together improved the gross margin for the quarter by just over two percentage points. Fewer large customer projects were subject to tough competition compared to last year, while the underlying flow of small and mid-sized customer projects has been higher. Positive currency effects, lowered prices on a number of standard components, an increased share of sea freight instead of air freight, and a higher degree of automation in production contributed to the improvement in the gross margin.

Operating expenses increased to SEK -59.6 M (-53.8) for the quarter, primarily as a result of increased costs for staff and consultants related to investments in product development and a stronger market presence in a number of geographic markets. These steps were taken to meet the increased demand emerging from both customer dialogues and pilot installations and for broader use of the system in supporting more processes with new customer applications.

Other income and expenses amounted to SEK -2.8 M (3.0) and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.

Operating profit amounted to SEK 24.0 M (29.0), which corresponded to an operating margin of 10.1 percent (7.5). The combination of lower net sales and a higher gross margin led to a decrease in the operating profit but an increase in the operating margin.

Financial items, primarily consisting of currency revaluation of balance sheet items such as cash and cash equivalents and the Parent Company's loans to subsidiaries in foreign currency, had a negative impact on the quarter and amounted to SEK -4.0 M (-2.4), which was largely the outcome of negative translation effects on bank holdings in USD.

Tax for the quarter amounted to SEK -0.9 M (-0.8), of which SEK -0.3 M (0.9) refers to deferred tax and SEK -0.6 M (-1.7) to current tax. The current tax rate amounted to -3 percent (-6), and the reported total tax rate amounted to -4 percent (-3). The low tax rate is due to the capitalization during the quarter of part of a previously non-recognized tax loss carried forward. Deferred tax assets related to capitalized losses carried forward amounted in the balance sheet on December 31, 2019, to SEK 70.4 M (70.4).

Profit for the period was SEK 19.2 M (25.8). The decrease compared to the same period last year can be linked to a decrease in the operating profit and weaker net financial items.

The new accounting principle IFRS 16 Leases is applied as of January 1, 2019. Operating expenses for previous operating leases of SEK 3.4 M were replaced by depreciation on right-of-use assets of SEK -3.3 M and interest rate expenses for lease liabilities of SEK -0.4 M. Comparative figures have not been restated.

Translation differences in other comprehensive income of SEK -10.0 M (-0.3) consisted of currency revaluation of net assets in foreign subsidiaries.

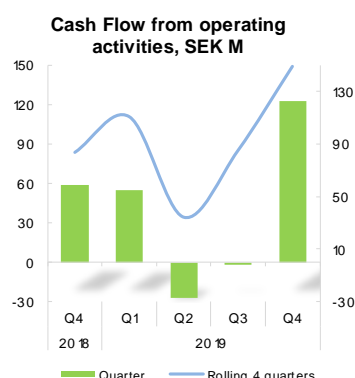
#### Full-year 2019

Net sales amounted to SEK 1,002.9 M (1,194.5) for the full year, a decrease of 16 percent compared to the same period last year. Adjusted for exchange rate fluctuations, net sales decreased by 19 percent. The decrease is primarily due to the large US customer project that primarily was under way in Q3 and Q4 2018. Net sales for the full year were spread across a large number of customers, the majority of which are in Europe.

Gross profit amounted to SEK 331.0 M (272.2), and the gross margin amounted to 33.0 percent (22.8) for the period. The change in the gross margin continued to be primarily the result of the product and contract mix as well as positive currency effects, lowered prices on a number of standard components and a higher degree of automation in production. A greater share of sea freight instead of air freight also had a positive impact.

Operating expenses increased to SEK -227.2 M (-188.3) for the period, primarily as a result of increased costs for staff and consultants for investments in product development and an increased market presence on a number of geographic markets, including North America and Southern Europe. These steps were taken to meet the increased demand emerging from both customer dialogues and pilot installations and for broader use of the system in supporting more processes with new customer applications.

Other income and expenses amounted to SEK -3.3 M (5.2) for the period and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.



Operating profit amounted to SEK 100.4 M (89.1), which corresponded to an operating margin of 10.0 percent (7.5). Higher gross profit led to an increase in both the operating profit and the operating margin.

Financial items, which consist primarily of currency revaluation of balance sheet items such as cash and cash equivalents, impacted the period positively and amounted to SEK 0.8 M (-0.3).

Tax for the period amounted to SEK -3.5 M (-1.5), of which SEK 0.3 M (3.2) refers to deferred tax and SEK -3.8 M (-4.7) to current tax. The current tax rate amounted to -4 percent (-5), and the reported total tax rate amounted to -4 percent (-2). The low tax rate is due to the capitalization during the period of part of a previously non-recognized tax loss carried forward.

Profit for the period was SEK 97.7 M (87.3). The increase compared to the same period last year is due to the increase in operating profit.

The new accounting principle IFRS 16 Leases has been applied as of January 1, 2019. Operating expenses for previous operating leases of SEK 11.2 M were replaced by depreciation on right-of-use assets of SEK -11.0 M and interest rate expenses for lease liabilities of SEK -1.1 M. Comparative figures have not been restated.

Translation differences in other comprehensive income of SEK 6.7 M (14.9) consisted of currency revaluation of net assets in foreign subsidiaries.

## Cash flow, investments and financial position

### Fourth quarter

Cash flow from operating activities amounted to SEK 123.1 M (59.1) for the fourth quarter. Change in working capital during the quarter had a positive impact of SEK 96.6 M (24.1) on the cash flow from operating activities, primarily due to a decrease in inventory and trade receivables. The capital tie-up from standard in-stock products that occurred in primarily in Q2 2019 was utilized, which contributed to the strong cash flow. Cash flow from operating activities should be analyzed over time.

Cash flow from investing activities amounted to SEK -14.9 M (-6.1) in the fourth quarter and consisted primarily of capitalized development expenditure of SEK -12.7 M (-4.7) for continued investments in product development and investments in property, plant and equipment of SEK -2.2 M (-0.2) attributable to production equipment.

Cash outflow from financing activities amounted to SEK -3.1 M (-0.0) in Q4 and referred to leases reported in accordance with IFRS 16 Leases. Comparative figures for lease contracts have not been restated, so the cash flow for leases was reported instead as part of the operating activities.

Cash and cash equivalents amounted to SEK 194.2 M (171.0) on December 31, 2019. In addition to cash and cash equivalents, the company has an unutilized overdraft facility of SEK 50 M (50).

### Full-year 2019

Cash flow from operating activities amounted to SEK 149.1 M (83.7) for the period. The change in working capital had a positive impact on the cash flow from operating activities of SEK 11.5 M (-30.1), primarily as a result of a reduction in outstanding trade receivables, which increased cash flow, as well as a decrease in trade payables and an increase in capital tie-up in inventory, which reduced cash flow.

Cash flow from investing activities amounted to SEK -50.0 M (-27.6) during the full year and consisted primarily of capitalized development expenditure of SEK -39.0 M (-18.5) and



investments in property, plant and equipment of SEK -11.0 M (-8.7). The investments refer in part to production equipment for the unit outside of China that has been established to increase scalability in the delivery chain, work that has been accelerated with the aim of minimizing the effect of import duties to the USA. The investments also refer to automated processes for increased efficiency in the supplier chain.

Cash flow from financing activities amounted to SEK -76.3 M (-55.2) during the full year and referred to the dividend of SEK -66.2 M (-55.1) in accordance with a resolution by the Annual General Meeting on April 25, 2019. Cash flow also referred to leases of SEK -10.1 M (0.0), reported in accordance with IFRS 16 Leases. Comparative figures for lease contracts have not been restated, so the cash flow for leases was reported instead as part of the operating activities.

### Equity

Pricer is holding 705,000 treasury shares in order to meet the promise of matching and performance shares under the outstanding performance share plans from 2017, 2018, and 2019. The value of the promise is expensed during the vesting period.

From the 2017 performance share plan, a maximum of 228,000 shares can be transferred free of charge in June 2020 to the participants. Given the reporting results for 2017–2019, the full outcome is estimated to be SEK 228,000 shares, which corresponds to six shares per invested share.

From the 2018 performance share plan, a maximum of 409,000 shares can be transferred free of charge in June 2021 to the participants. For more information about the performance share plans from 2017 and 2018, please refer to Note 4 of the 2018 Annual Report.

From the performance share plan that was resolved at the 2019 AGM, a maximum of 316,000 shares can be transferred free of charge to the participants in June 2022. Read more under Note 4 2019 Share Performance Plan in this interim report.

On June 27, 2019, 475,000 warrants expired without redemption from the warrant program resolved upon in 2016. There are no outstanding warrants as at December 31, 2019.

#### ISSUED AND OUTSTANDING SHARES

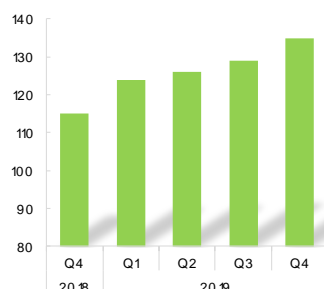
Stated in thousands of shares	Class A	Class B	Total
Outstanding shares at the beginning of the year	226	110 746	110 972
Issued and converted shares in the year	-	-	-
Issued at the end of the period	226	110 746	110 972
Treasury shares	-	-705	-705
Outstanding shares at end of period	226	110 041	110 267

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

### Employees

The average number of employees during the fourth quarter was 134 (113), and the number of employees at the end of the period was 135 (115). The average number including hired staff and consultants was 159 (126) in the fourth quarter and 156 (129) at the end of the period. The average number of employees for the full year was 127 (109) and including hired staff and consultants was 148 (121). The organization was strengthened in several areas, such as product development and sales. Due to the greater rate of innovation to respond to the new challenges in the retail industry and expand the utilization rate of ESL systems, we have expanded the R&D organization. We also strengthened our presence in a number of geographic markets, including North America and Southern Europe, with the aim of managing both the increased demand and the growing installed customer base.

Number of employees



### Parent Company

The Parent Company's net sales amounted to SEK 848.7 M (1,057.4), and the profit for the period amounted to SEK 143.3 M (67.1). The Parent Company's net financial items included dividends from subsidiaries with SEK 52.8 M (0.0). The Parent Company's cash and cash equivalents amounted to SEK 167.9 M (161.0) at the end of the period.

### Risks and uncertainty factors

Pricer's earnings 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 apply primarily to the development of the market for digital shelf edge labels and systems as well as large currency fluctuations, but also to political factors affecting trade such as import duties. In view of the client structure and the scope of the agreement, a delay in the installations or large fluctuations in exchange rates can have a significant effect in any given quarter. For other risks, please refer to the 2018 Annual Report, pages 20-21 and 52-54.

It is too early to draw any conclusions about the effects of the corona virus on our production and delivery capacity. We are following the developments closely and are in daily dialogue with our suppliers. For deliveries in the near-term, our inventory levels are sufficient.

### Forecast

No forecast is provided for 2020.

### New accounting principles

Pricer applies IFRS 16 Leases as of January 1, 2019. Read more under Note 1 Accounting Principles.

### Events after the end of the reporting period

No significant events occurred after the end of the reporting period.

As a result of the reorganization that was completed in January 2020 with the primary aim of clarifying roles and responsibilities, a decision was made to reduce the number of members in Group management from ten to seven. In addition to President and CEO Helena Holmgren, the management team will consist of Susanne Andersson, CFO; Edvin Ruud, VP Sales; Nils Hulth, Chief Product Officer; Magnus Larsson, VP Customer Operations; Jörgen Jost auf der Stroth, VP Supply Chain & Procurement; and Charles Jackson, Head of Americas Region.

### Proposed dividend for 2020 Annual General Meeting

The Board will propose that the AGM approve a dividend of SEK 0.80 (0.60) per share for 2019, which corresponds to SEK 88.2 M (66.2). At the end of the year, Pricer had no debt, with the exception of leasing liabilities, and cash and cash equivalents amounted to SEK 194.2 M. The Board of Directors considers shareholder value at this point to be best created by primarily supporting the need for working capital to achieve organic growth and future investment needs.

### Nomination Committee and Annual General Meeting

The Nomination Committee's proposal for the Board of Directors will be presented later in a separate press release. Other proposals will be included in the notice of the Annual General Meeting.

The Annual General Meeting will be held in Stockholm on May 6, 2020, at 2:00 PM at Kapitel 8 Klara Strand, Klarabergsviadukten 90, Stockholm, Sweden. The notice will be duly distributed. The final day to request a matter to be added to the agenda for the Annual General Meeting is





**Next interim report  
to be published on  
April 24, 2020**

March 25, 2020. The 2019 Annual Report will be published on Pricer's website no later than March 25, 2020, and sent to those who requested one.

## Financial Calendar

March 25, 2020	Annual Report 2019
April 24, 2020	Interim Report January–March 2020
May 6, 2020	Annual General Meeting
July 21, 2020	Interim Report January–June 2020
October 23, 2020	Interim Report January–September 2020

The Board of Directors and CEO hereby certify that this year-end report for the Parent Company and the Group provides a true and fair view of the results of the operations, financial position and performance of the Group and describes the risks and significant uncertainties to which the Parent Company and other companies in the Group are exposed.

This year-end report for Pricer AB (publ) was submitted on the authorization of the Board of Directors.

Stockholm, February 13, 2020

Pricer AB (publ)

Helena Holmgren  
*President and CEO*

This report has not been subject to an audit.

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 Market Act. The information was submitted through the agency of the contact person mentioned below for publication on February 13, 2020, at 1:00 PM CET.*

## For more information, please contact:

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## Financial Reporting

### CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net sales	237,8	386,5	1 002,9	1 194,5
Cost of goods sold	-151,4	-306,7	-672,0	-922,3
<b>Gross profit</b>	<b>86,4</b>	<b>79,8</b>	<b>331,0</b>	<b>272,2</b>
Selling and administrative expenses	-50,3	-45,1	-191,4	-162,6
Research and development costs	-9,3	-8,8	-35,8	-25,7
Other income and expenses	-2,8	3,0	-3,3	5,2
<b>Operating profit</b>	<b>24,0</b>	<b>29,0</b>	<b>100,4</b>	<b>89,1</b>
Net financial items	-4,0	-2,4	0,8	-0,3
<b>Net profit before tax</b>	<b>20,0</b>	<b>26,6</b>	<b>101,3</b>	<b>88,8</b>
Income tax	-0,9	-0,8	-3,5	-1,5
<b>Net profit for the period</b>	<b>19,2</b>	<b>25,8</b>	<b>97,7</b>	<b>87,3</b>

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Net profit for the period	19,2	25,8	97,7	87,3
<i>Items that are or may be reclassified to profit or loss for the period</i>				
Translation differences	-10,0	-0,3	6,7	14,9
Cash flow hedges	-	0,5	-	2,9
Tax attributable to items in other comprehensive income	-	-0,1	-	-0,6
<b>Other comprehensive income for the period</b>	<b>-10,0</b>	<b>0,1</b>	<b>6,7</b>	<b>17,2</b>
<b>Net comprehensive income for the period</b>	<b>9,1</b>	<b>25,9</b>	<b>104,5</b>	<b>104,5</b>

Net profit for the period attributable to:

Owners of the Parent Company	19,2	25,8	97,7	87,3
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Net comprehensive income for the period attributable to:

Owners of the Parent Company	9,1	25,9	104,5	104,5
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### EARNINGS PER SHARE

	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Basic earnings per share, SEK	0,17	0,23	0,89	0,79
Diluted earnings per share, SEK	0,17	0,23	0,88	0,79
Number of shares before dilution, millions	110,3	110,3	110,3	110,3
Diluted number of shares, millions	111,2	110,9	111,2	110,9


**CONSOLIDATED BALANCE SHEET IN SUMMARY**

	<b>Dec 31 2019</b>	<b>Dec 31 2018</b>
Amounts in SEK M		
Intangible assets	325,8	301,5
Property, plant and equipment	24,3	22,3
Right-of-use asset	53,8	-
Deferred tax assets	76,3	76,1
<b>Total non-current assets</b>	<b>480,2</b>	<b>399,8</b>
Inventories	218,7	189,0
Current receivables	227,8	361,8
Cash and cash equivalents	194,2	171,0
<b>Total current assets</b>	<b>640,8</b>	<b>721,8</b>
<b>TOTAL ASSETS</b>	<b>1 121,0</b>	<b>1 121,6</b>
Equity attributable to holders of the parent company	810,2	769,3
<b>Total equity</b>	<b>810,2</b>	<b>769,3</b>
Provisions	31,6	31,9
Non-current liabilities	43,1	-
Current liabilities	236,1	320,5
<b>Total liabilities</b>	<b>310,8</b>	<b>352,3</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 121,0</b>	<b>1 121,6</b>
Basic shareholders' equity per share, SEK	7,35	6,98
Diluted shareholders' equity per share, SEK	7,29	6,94

**CHANGES IN CONSOLIDATED EQUITY IN SUMMARY**

	<b>Full year 2019</b>	<b>Full year 2018</b>
Amounts in SEK M		
<b>Equity at the beginning of the period</b>	<b>769,3</b>	<b>718,7</b>
Net profit for the period	97,7	87,3
Other comprehensive income for the period	6,7	17,2
<i>Net comprehensive income for the period</i>	<i>104,5</i>	<i>104,5</i>
Dividend	-66,2	-55,1
Share based payments, equity settled	2,6	1,3
<i>Total transactions with owners of the Group</i>	<i>-63,6</i>	<i>-53,9</i>
<b>Equity at the end of the period</b>	<b>810,2</b>	<b>769,3</b>
<b>Attributable to:</b>		
- Owners of the parent company	810,2	769,3


**CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY**

	<b>Q4</b>	<b>Q4</b>	<b>Full year</b>	<b>Full year</b>
Amounts in SEK M	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
Net profit before tax	20,0	26,6	101,3	88,8
Adjustment for non-cash items	7,5	10,0	39,3	28,4
- of which depreciations and amortizations	9,9	5,0	37,7	20,9
- whereof other non-cash items	-2,4	4,9	1,6	7,5
Paid income tax	-1,0	-1,5	-2,8	-3,4
Change in working capital	96,6	24,1	11,5	-30,1
<b>Net cash flow from operating activities</b>	<b>123,1</b>	<b>59,1</b>	<b>149,1</b>	<b>83,7</b>
<b>Net cash used in investing activities</b>	<b>-14,9</b>	<b>-6,1</b>	<b>-50,0</b>	<b>-27,6</b>
<b>Net cash used in financing activities</b>	<b>-3,1</b>	<b>-</b>	<b>-76,3</b>	<b>-55,2</b>
<b>Net cash flow for the period</b>	<b>105,1</b>	<b>53,1</b>	<b>22,9</b>	<b>0,9</b>
Cash and cash equivalents at beginning of period	89,6	117,5	171,0	166,8
Exchange rate losses/gains in cash and cash equivalents	-0,5	0,4	0,3	3,4
<b>Cash and cash equivalents at end of period</b>	<b>194,2</b>	<b>171,0</b>	<b>194,2</b>	<b>171,0</b>
Unutilized bank overdraft facility	50,0	50,0	50,0	50,0
<b>Available funds at end of period</b>	<b>244,2</b>	<b>221,0</b>	<b>244,2</b>	<b>221,0</b>

**KEY FIGURES**

	<b>Q4</b>	<b>Q3</b>	<b>Q2</b>	<b>Q1</b>	<b>Q4</b>
Amounts in SEK M	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>
Order intake	843	222	230	208	274
Order intake - rolling 4 quarters	1 504	934	998	1 287	1 268
Net sales	237,8	232,5	270,7	261,9	386,5
Net sales - rolling 4 quarters	1 002,9	1 151,6	1 325,1	1 276,4	1 194,5
Operating profit	24,0	24,8	34,1	17,6	29,0
Operating profit - rolling 4 quarters	100,4	105,4	111,6	97,6	89,1
Net profit for the period	19,2	27,0	32,2	19,3	25,8
Cash flow from operating activities	123,1	-1,8	-27,3	55,1	59,1
Cash flow from operating activities - rolling 4 quarters	149,1	85,2	34,4	110,8	83,7
Number of employees, end of period	135	129	126	124	115
Equity/assets ratio	72%	72%	66%	66%	69%


**PARENT COMPANY INCOME STATEMENT IN SUMMARY**

Amounts in SEK M	Full year 2019	Full year 2018
Net sales	848,7	1 057,4
Cost of goods sold	-620,1	-889,7
<b>Gross profit</b>	<b>228,7</b>	<b>167,6</b>
Selling and administrative expenses	-97,9	-78,1
Research and development costs	-35,8	-25,7
Other income and expenses	-3,3	5,1
<b>Operating profit</b>	<b>91,7</b>	<b>68,9</b>
Net financial items	52,2	-5,2
<b>Net profit before tax</b>	<b>143,9</b>	<b>63,8</b>
Income tax	-0,6	3,3
<b>Net profit for the period</b>	<b>143,3</b>	<b>67,1</b>

**PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME**

Amounts in SEK M	Full year 2019	Full year 2018
Net profit for the period	143,3	67,1
<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>-</b>	<b>2,3</b>
<b>Net comprehensive income for the period</b>	<b>143,3</b>	<b>69,3</b>


**PARENT COMPANY BALANCE SHEET IN SUMMARY**

	<b>Dec 31 2019</b>	<b>Dec 31 2018</b>
Amounts in SEK M		
Intangible assets	62,5	42,1
Property, plant and equipment	21,6	18,7
Financial fixed assets	268,5	268,3
<b>Total non-current assets</b>	<b>352,6</b>	<b>329,1</b>
Inventories	170,8	133,0
Current receivables	192,6	314,2
Cash and cash equivalents	167,9	161,0
<b>Total current assets</b>	<b>531,3</b>	<b>608,2</b>
<b>TOTAL ASSETS</b>	<b>883,8</b>	<b>937,3</b>
Shareholders' equity	665,6	585,9
<b>Total equity</b>	<b>665,6</b>	<b>585,9</b>
Provisions	23,6	24,6
Non-current liabilities	0,1	0,1
Current liabilities	194,6	326,7
<b>Total liabilities</b>	<b>218,2</b>	<b>351,4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>883,8</b>	<b>937,3</b>

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

	<b>Full year 2019</b>	<b>Full year 2018</b>
Amounts in SEK M		
<b>Equity at the beginning of the period</b>	<b>585,9</b>	<b>570,3</b>
Net comprehensive income for the period	143,3	69,3
Dividend	-66,2	-55,1
Share based payments, equity settled	2,6	1,3
<b>Equity at the end of the period</b>	<b>665,6</b>	<b>585,9</b>





## Note 1 — Accounting Principles

This year-end report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Annual Accounts Act. The year-end report for the Parent Company was prepared in accordance with Chapter 9 of the Annual Accounts Act and RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Council. The same accounting principles and bases for calculation were applied for the Group and the Parent Company, as in the latest annual report, with the following additions.

### **New IFRS effective from 2019 — IFRS 16 Leases**

*IFRS 16 Leases* entered into force on January 1, 2019. The standard changes the reporting of leases and requires all leases to be recognized in the balance sheet. The company has operating leases for office premises and cars, which affects the financial position and key ratios at transition. The company has chosen to apply the transition rules for this standard in accordance with the simplified approach, which recognizes the accumulated effect of an initial application of the standard on the first day of application, January 1, 2019. Comparative information will not be restated, and it will continue to be reported in accordance with *IAS 17 Leases* and *IFRIC 4 Determining Whether an Arrangement Contains a Lease*. The company has opted to exclude leases in which the value of the underlying asset is low. Leasing expenses for earlier operating leases will be replaced as of January 1, 2019, with write-downs on right-of-use assets and financial interest expenses for lease liabilities. Right-of-use assets will be measured at an amount corresponding to the lease liabilities on the date of transition. On January 1, 2019, the change in the reporting of leases impacted the balance sheet total by SEK 60.7 M (corresponding to 5 percent) without having an impact on equity. The Group's weighted average marginal lending rate amounted to 2.4 percent. See more lease disclosures below. The Parent Company applies the exemption set out in RFR 2 and is continuing to report all leases as operating leases.

### **IFRS 16 – TRANSITION DISCLOSURES**

	<b>Jan 1 2019</b>
Amounts in SEK M	
<b>Lease liability</b>	
Operating leases as of 31 December 2018	64,5
Discounting with the Group's weighted average marginal lending rate	-3,8
Lease liability for operating leases as of 31 December 2018	60,7
Additional liabilities for financial leases as of 31 December 2018	1,1
<b>Lease liability recorded 1 January 2019</b>	<b>61,8</b>
<b>Right-of-use asset</b>	
Lease liability recorded 1 January 2019	60,7
Additional assets for financial leases as of 31 December 2018	1,2
<b>Right-of-use asset recorded 1 January 2019</b>	<b>61,9</b>

### **LEASE LIABILITY**

	<b>Dec 31 2019</b>	<b>Jan 1 2019</b>
Amounts in SEK M		
Within one year	11,4	10,1
Between one and five years	38,8	43,0
More than five years	4,5	8,7
<b>Total</b>	<b>54,6</b>	<b>61,8</b>

### **RIGHT-OF-USE ASSET**

	<b>Dec 31 2019</b>	<b>Jan 1 2019</b>
Amounts in SEK M		
Premises	50,8	60,0
Cars	3,0	1,8
<b>Total</b>	<b>53,8</b>	<b>61,9</b>



## Note 1 — Accounting Principles: IFRS 16 Leases, cont'd.

### COST AND CASH FLOW INFORMATION

Amounts in SEK M	Q4 2019	Full year 2019
Depreciation of right-of use assets	3,3	11,0
(of which premises)	2,9	9,9
(of which cars)	0,4	1,1
Interest expense for lease liabilities	0,4	1,1
Cash flow for leases	3,1	10,1

## Note 2 — Revenue from Contracts with Customers

### BREAKDOWN OF REVENUE

Amounts in SEK M	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Revenue from goods	218,3	360,6	924,3	1 111,0
Revenue from services	16,3	19,1	64,3	64,9
Revenue from licensees	3,3	6,8	14,3	18,6
<b>Total</b>	<b>237,8</b>	<b>386,5</b>	<b>1 002,9</b>	<b>1 194,5</b>

The company has allocated discounts proportionally for all performance obligations in the agreement except for when there is observable proof that the entire discount refers to one or several, but not all, performance obligations.

### NET SALES BY SALES CHANNEL

	Q4 2019	Q4 2018	Full year 2019	Full year 2018
Direct customers	56%	66%	47%	63%
Resellers	44%	34%	53%	37%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

## Note 3 — Related party transactions

Significant related party transactions are described in Note 23 of the consolidated financial statements in the 2018 annual report. No related party relationships changed, and no significant transactions took place with related parties that significantly affect the Group's or Parent Company's financial position or earnings compared to the description in the 2018 annual report.

## Note 4 — Share Performance Plan 2019

The AGM on April 25, 2019, resolved on a share performance plan (LTI 2019) that targets ten senior executives. After an initial investment by the participant in Pricer's B-share, the participant receives one matching share right and one performance-based share right per invested share. Following the vesting period of three years, the share rights entitle the participants to receive one matching share and up to five performance shares depending on the outcome of the performance conditions. At the end of the subscription period, ten senior executives had subscribed. From the 2019 performance share plan, a maximum of 316,000 shares can be transferred free of charge to the participants in June 2022 in the event the predefined performance targets are fully met.



## Note 5 — Financial instruments

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

### FINANCIAL INSTRUMENTS

	Dec 31 2019	Dec 31 2018
Amounts in SEK M		
Loan and trade receivables	406,0	519,8
<b>Total financial assets</b>	<b>406,0</b>	<b>519,8</b>
Lease liabilities	54,6	1,1
Other financial liabilities	176,5	240,6
<b>Total financial liabilities</b>	<b>231,2</b>	<b>241,7</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 customs authorities, landlords and advance payments from customers. Blocked funds in the companies' bank accounts are available for bank guarantees.

### PLEDGED ASSETS AND CONTINGENT LIABILITIES

	Parent company		Group	
	Dec 31 2019	Dec 31 2018	Dec 31 2019	Dec 31 2018
Amounts in SEK M				
<b>Pledged assets</b>				
Floating charges	59,6	59,6	59,6	59,6
Blocked funds	-	-	0,9	0,9
<b>Total</b>	<b>59,6</b>	<b>59,6</b>	<b>60,6</b>	<b>60,5</b>
<b>Contingent liabilities</b>				
Bank guarantee	-	-	0,9	0,9
Customs authorities	0,1	0,1	6,0	0,1
Landlords	1,7	1,7	1,7	1,7
Prepayment guarantee	-	13,0	-	13,0
<b>Total</b>	<b>1,8</b>	<b>14,8</b>	<b>8,6</b>	<b>15,7</b>



## Alternative key ratios

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 and loss and development in a consistent manner. The reconciliation and definitions of the alternative key ratios and measures used in this report and that cannot be inferred directly from the financial statements are presented below.

	Dec 31 2019	Dec 31 2018
Amounts in SEK M unless otherwise stated		
<b>PERFORMANCE MEASURE</b>		
<b>Operating expenses</b>		
Selling and administrative expenses	-191,4	-162,6
Research and development costs	-35,8	-25,7
<b>Operating expenses</b>	<b>-227,2</b>	<b>-188,3</b>
<b>Operating expenses adjusted for items affecting comparability</b>		
Operating expenses	-227,2	-188,3
<b>Operating expenses adjusted for items affecting comparability</b>	<b>-227,2</b>	<b>-188,3</b>
<b>MARGIN RATIOS</b>		
Net Sales	1 002,9	1 194,5
Gross Profit	331,0	272,2
<b>Gross profit margin, %</b>	<b>33,0%</b>	<b>22,8%</b>
Operating profit	100,4	89,1
<b>Operating margin, %</b>	<b>10,0%</b>	<b>7,5%</b>
<b>CAPITAL AND FINANCIAL RATIOS</b>		
<b>Equity/assets ratio</b>		
Total assets	1 121,0	1 121,6
Equity	810,2	769,3
<b>Equity/assets ratio, %</b>	<b>72%</b>	<b>69%</b>
<b>RETURN RATIOS</b>		
<b>Equity per share basic/diluted</b>		
Number of outstanding shares, million	110,3	110,3
Dilution, million	1,0	0,6
Equity	810,2	769,3
<b>Equity per share basic, SEK</b>	<b>7,35</b>	<b>6,98</b>
<b>Equity per share diluted, SEK</b>	<b>7,29</b>	<b>6,94</b>
<b>Earnings per share, before and after dilution</b>		
Average number of outstanding shares, million	110,3	110,3
Dilution, million	1,0	0,6
Net profit	97,7	87,3
<b>Earnings per share, before dilution, SEK</b>	<b>0,89</b>	<b>0,79</b>
<b>Earnings per share, after dilution, SEK</b>	<b>0,88</b>	<b>0,79</b>



ALTERNATIVE KEY RATIOS	DEFINITION	REASON FOR USE
<b>PERFORMANCE MEASURE</b>		
Change in net sales adjusted for exchange rate fluctuations / change in local currency	Relationship between the period's net sales and the comparative period's net sales translated using the period's exchange rates.	This measure is used by management to follow 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 reorganizations.	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 minus 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 has more influence over than net profit.
Rolling four quarters	Financial KPIs and measurements based on the four most recent quarters.	Rolling four quarters are used to show financial development over time adjusted for any seasonal effects.
<b>MARGIN RATIOS</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>CAPITAL AND FINANCIAL RATIOS</b>		
Equity/asset ratio	Equity as a percentage of total assets.	A traditional measure that gives an indication of the company's ability to pay its debts.
<b>RETURN RATIOS</b>		
Equity per share, before/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 warrants or performance share plans.	This measure is used to show development of equity per share over time and enable comparability with other companies.



ALTERNATIVE KEY RATIOS	DEFINITION	REASON FOR USE
Earnings per share, before/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 warrants or performance share plans.	This measure is used to show development of earnings per share over time and to enable comparability with other companies.
<b>OTHER RATIOS</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 exchange rate fluctuations	Relationship between the period's order intake and the comparative period's order intake translated using the period's exchange rates.	This measure is used by management to follow 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 backlog gives an indication of net sales development from a short to mid-term perspective.

## About Pricer

Pricer offers solutions to the retail industry for more efficient and safer price information through electronic display and information systems. Pricer's systems significantly increase the utility for consumers and in-store productivity. Pricer's platform is based on two-way communication to ensure traceability and an efficient use of resources. Pricer's system leads to increased productivity in-store and makes things easier for customers.

Pricer, which was founded in Uppsala in 1991, is the leading supplier of electronic display and information systems for the retail industry. With the most comprehensive ESL solution, Pricer has installations in more than 50 countries and the majority of the world market for ESL systems. Customers include many of the world's leading store chains and several of the largest retail chains in Europe, Japan and the USA. In cooperation with qualified partners, Pricer offers a total integrated solution with add-on products, applications and services.

The Pricer share is quoted on the Small Cap list of Nasdaq Stockholm. For more information, please visit [www.pricer.com](http://www.pricer.com).

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