

PRICER

BRINGING TRUST TO RETAIL

**Q1 • INTERIM REPORT • January– March 2020****SEK 225.9 M**Net sales
in the quarter**3.3%**Operating margin
in the quarter**SEK 14.8 M**Net profit for the
quarter**High order intake and gross margin****COVID-19: minor negative effect on net sales due to delayed deliveries, primarily in southern Europe****Q1 2020**

- Net sales amounted to SEK 225.9 M (261.9), a decrease of 14 percent compared to the same period last year.
- Operating profit amounted to SEK 7.3 M (17.6), which corresponds to an operating margin of 3.3 percent (6.7).
- Order intake was SEK 371* M (208), an increase of 79 percent compared to the same period last year.
- Order backlog amounted to SEK 933* M (169), of which the majority is expected to be delivered in 2020.
- Profit for the period was SEK 14.8 M (19.3).
- Earnings per share (basic and diluted) were SEK 0.13 (0.18).
- Cash flow from operating activities was SEK 2.2 M (52.3).

*– order intake for the first quarter and order backlog as per March 31, 2020, have been adjusted to reflect the agreement reached with Best Buy for a reduced scope of the project of 150 stores in accordance with the communication on April 23, 2020

Amounts in SEK M unless otherwise stated	Q1 2020	Q1 2019	Rolling 4 Q	Full year 2019
Order intake	371	208	1 667	1 504
Net sales	225,9	261,9	967,0	1 002,9
Gross margin, %	31,4%	29,1%	33,7%	33,0%
Operating profit	7,3	17,6	90,2	100,4
Operating margin, %	3,3%	6,7%	9,3%	10,0%
Cash flow ¹⁾	2,2	52,3	95,2	145,3
Net profit for the period	14,8	19,3	93,2	97,7
Earnings per share, SEK ²⁾	0,13	0,18	0,85	0,89

1) Cash flow from operating activities

2) Basic earnings per share





Continued high activity on the market but with a risk for delays in customers' investment decisions

Comments from CEO Helena Holmgren

First and foremost, I would like to say a heartfelt Thank You to all the employees at Pricer who are doing their best to adapt to the new reality that has descended upon us and that on many fronts has introduced a number of limitations and restrictions in both our private and our professional lives. It is with pride, happiness and gratitude that I have observed that the innovativeness of my colleagues to maintain a good level of service, high productivity and continued sense of community through these challenging times has been outstanding. Always with the customers in focus, and always with the belief that we will come out of this stronger. Thank you!

Net sales during the first quarter amounted to SEK 226 M, which was lower compared to the same period last year. The decrease was primarily due to a considerably higher order backlog at the beginning of the year for deliveries planned for the first quarter in 2019 compared to 2020. Of the total order backlog of SEK 731 M at the beginning of 2020, approximately SEK 625 M was related to the American customer project which is scheduled to begin in the second quarter of the year. As previously communicated, in late March as more countries introduced restrictions on people's movement and limitations on store operations, we noted in addition that a number of store installations primarily in southern Europe were being postponed, which had somewhat of a negative impact on net sales in the quarter.

On the North American market, many retail chains, including our American customer Best Buy, turned their stores to a curbside service model at the end of March, thus closing the stores to customers and other external parties. Due to this shift, Pricer and Best Buy have reached an agreement to reduce the pace of the roll-out of Pricer's ESL system from the previously planned 680 stores to around 490 stores in 2020. An additional 40 stores remain in the order backlog and are planned for delivery during Q1 2021, while 150 stores have been removed from the order backlog. Adjusted for this change, order intake was SEK 371 M in the first quarter.

Order backlog at the end of the first quarter, adjusted for the above change with regards to the American customer project, was record high at SEK 933 M, of which a total of around SEK 820 M is related to the major American customer project. Given the high order backlog, we expect continued high delivery activity during the year, even if some deliveries and store installations are postponed in the second quarter while waiting for stores to open and staff to become available.

The underlying demand for Pricer's system for in-store digital communication continues to be high. A number of evaluation projects have been postponed largely due to practical reasons, but most customer dialogues and negotiations are continuing according to plan. We are expecting some delay in customers' investment decisions near-term, mainly because the focus of many retail chains has temporarily shifted to securing daily store operations and security for both employees and customers. In addition, there is currently a general sense of uncertainty that is having a general impact on investment decisions.

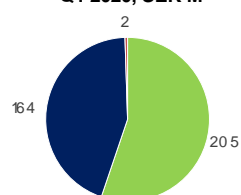
Pricer has focused its product development for a long time on solutions that improve the efficiency of many resource-intensive store processes such as in-store picking, shelf replenishment, inventory-taking, etc. In the wake of COVID-19, we are seeing how grocery stores in particular are struggling to meet the sharp increase in demand for various e-commerce solutions and how the shelves are empty much too often. The need for automation and streamlining of stores processes has never been greater, and we expect continued high demand for our solutions as societies open up and business returns to more normal forms.

COVID-19 is affecting us as individuals and our business on a daily basis. New challenges are constantly emerging, and the conditions for the business are more variable than ever before. It is currently not possible to quantify the impact, but it is probable that the financial effects will be larger in the second quarter than in the first quarter due to the closure of several markets that began in March. We are fully focused on continuing to develop solutions that increase our competitiveness and thus in the long term strengthen our position on the market.

Helena Holmgren
President and CEO

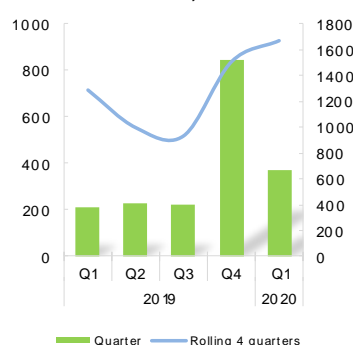


Order intake per region in Q1 2020, SEK M



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

Order intake, SEK M



Market development

NET SALES BY GEOGRAPHICAL REGION

Amounts in SEK M	Q1 2020	Q1 2019	Full year 2019
Europe, Middle East & Africa	195,6	221,8	807,7
Americas	29,1	20,7	122,7
Asia & the Pacific	1,2	19,4	72,5
Total net sales	225,9	261,9	1 002,9

Several markets showed a strong start of the year, for example France, Norway, USA and Canada. In March, as COVID-19 spread throughout society, many countries introduced restrictions that limited people's movement and stores' business hours. After an intense start to the year, a number of deliveries were postponed during the last weeks of the quarter, primarily in France, while waiting for stores to once again be available for installations.

Before countries imposed travel restrictions and closed their borders, Pricer participated at a number of important events during the first quarter. The annual retail trade show NRF was held in New York in January, and it was just as well-visited as usual. Euroshop, a large retail trade show that is arranged every third year, took place in Düsseldorf and also pulled large crowds. A record number of visitors came to our booth at both of these shows, and it was impossible to miss that solutions for in-store digital communication are of high strategic importance for retail chains all over the globe.

At Euroshop, we launched Pricer Plaza, a new platform for store management that enables cloud-based solutions and business models. In addition to Pricer Plaza making it easier for customers to implement add-on modules for more efficient store processes other than price updates, it will also facilitate and improve integrations with third-party solutions. In order to enable a greater utilization rate of the Pricer system, primarily with regard to the flash function, new label models with enhanced battery capacity and other improved features were launched as a complement to the existing product range.

Order intake in Q1 2020

Order intake for the first quarter amounted to SEK 371 M (208), an increase of 79 percent compared to the same quarter last year. Adjusted for exchange rate fluctuations, order intake increased by 74 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.

Order intake for the first quarter has been adjusted to reflect the agreement reached between Pricer and Best Buy on April 23, to reduce the scope of the project to install Pricer's ESL system by 150 stores due to the restrictions introduced to slow the spread of COVID-19.



Net sales and profit/loss in Q1 2020

NET SALES AND PROFIT, SEK M

	Q1 2020	Q1 2019	Full year 2019
Net sales	225,9	261,9	1 002,9
Cost of goods sold	-155,1	-185,6	-672,0
Gross profit	70,9	76,2	331,0
Gross margin	31,4%	29,1%	33,0%
Operating expenses	-65,5	-58,0	-227,2
Other income and expenses	2,0	-0,7	-3,3
Operating profit	7,3	17,6	100,4
Operating margin	3,3%	6,7%	10,0%

ADJUSTED FOR F/X

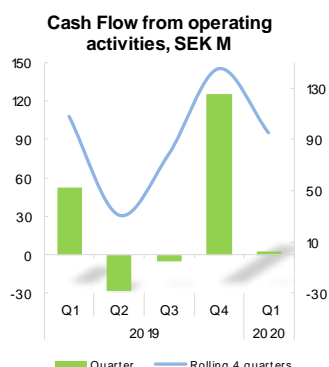
Amount in SEK M unless otherwise stated	Reported current period	Reported change	Adjusted for F/X
January - March compared with the same period last year			
Net sales	225,9	-14%	-16%
Cost of goods sold	-155,1	-16%	-20%
Gross profit	70,9	-7%	-7%
Operating expenses	-65,5	13%	12%
Other income and expenses	2,0	-	-
Operating profit	7,3	-58%	-53%

Net sales amounted to SEK 225.9 M (261.9) in the quarter, a decrease of 14 percent compared to the same quarter last year. Net sales in Q1 2020 were spread across a large number of customers, the majority of which are in Europe. The decrease in net sales compared to the last year was primarily due to the lower order backlog at the beginning of the period for deliveries planned in the first quarter. A number of store installations were also postponed, primarily in France, as a result of temporary governmental restrictions related to COVID-19, which had a negative impact on net sales. Adjusted for exchange rate fluctuations, net sales decreased by 16 percent. Currency effects had a positive impact on net sales due to a depreciation in SEK against EUR and USD compared to Q1 2019.

Gross profit amounted to SEK 70.9 M (76.2), and the gross margin amounted to 31.4 percent (29.1) for the quarter. The change in the gross margin continued to be primarily an effect of the product and contract mix where most of the deliveries consisted of small and medium-sized customer projects. The majority of the company's costs for goods sold were in USD, while net sales were generated primarily in EUR and USD. Currency effects had a neutral impact on gross profit/loss since SEK depreciated more against USD than EUR.

Operating expenses increased to SEK -65.5 M (-58.0) in the quarter, an increase of 13 percent compared to the same quarter last year. The increase was primarily a result of increased costs for yearly market events and trade shows as well as for staff and consultants related to investments regarding an expanded customer offering on the service side, product development and a strengthened market presence in a number of geographical markets, including the USA. Adjusted for exchange rate fluctuations, operating expenses increased by 12 percent. Operating expenses are primarily in SEK, but they are also in EUR and USD.

Other income and expenses amounted to SEK 2.0 M (-0.7) and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.



Operating profit amounted to SEK 7.3 M (17.6), which corresponded to an operating margin of 3.3 percent (6.7). Lower gross profit combined with an increase in operating expenses resulted in a decrease in the operating profit and 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 positive impact on the quarter and amounted to SEK 8.2 M (2.3), which was largely the outcome of positive translation effects on currency accounts in USD and EUR.

Tax for the quarter amounted to SEK -0.7 M (-0.5), of which SEK 0.1 M (0.5) refers to deferred tax and SEK -0.8 M (-1.1) to current tax. The current tax rate amounted to -5 percent (-6), and the reported total tax rate amounted to -5 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 Tuesday, March 31, 2020, to SEK 70.4 M (70.4).

Profit for the period was SEK 14.8 M (19.3). The decrease compared to last year can be linked to a decrease in the operating profit but stronger net financial items.

Translation differences in other comprehensive income of SEK 21.1 M (5.8) consisted of currency revaluation of net assets in foreign operations.

Cash flow, investments and financial position

First quarter

Cash flow from operating activities amounted to SEK 2.2 M (52.3) in the first quarter. The change in working capital during the quarter had a negative impact on cash flow from operating activities of SEK -19.0 M (25.4). The ongoing ramp-up in the production rate to deliver the order backlog resulted in higher receivables from suppliers for component purchases, which had a negative impact on cash flow. Accounts receivables also increased during the quarter due to both the payment terms of the customer mix and timing effects from invoicing. A decrease in inventories and an increase in accounts payable had a positive impact on cash flow. Cash flow from operating activities should be analyzed over time.

Cash flow from investing activities amounted to SEK -21.2 M (-10.7) in the first quarter and consisted primarily of capitalized development expenditure of SEK -14.6 M (-7.8) for continued investments in product development and investments in property, plant and equipment of SEK -6.6 M (-2.9) attributable to production equipment.

Cash outflow from financing activities amounted to SEK -2.9 M (-2.2) during the first quarter and referred to amortization of lease liabilities.

Cash and cash equivalents amounted to SEK 180.1 M (213.5) on March 31, 2020. In addition to cash and cash equivalents, the company has an unutilized overdraft facility of SEK 50 M (50).



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.

From the 2019 performance share plan, a maximum of 316,000 shares can be transferred free of charge in June 2022 to the participants.

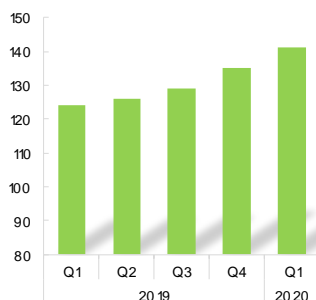
For more information about the performance share plans from 2017, 2018 and 2019, please refer to Note 4 of the 2019 Annual Report.

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

Number of employees



Employees

The average number of employees during the first quarter was 138 (121), and the number of employees at the end of the period was 141 (124). The average number including hired staff and consultants was 162 (140) in the first quarter and 168 (146) at the end of the period. 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 trade and broaden the system's area of use, we have expanded the R&D organization. We also strengthened our presence in a number of geographic markets with the aim of managing both the increased demand and the growing installed customer base.

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 of Group management from ten to seven.

Parent Company

The Parent Company's net sales amounted to SEK 210.4 M (237.5), and the profit for the period amounted to SEK 13.3 M (20.9). The Parent Company's cash and cash equivalents amounted to SEK 125.1 M (192.7) 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. More information regarding risks is available in the 2019 Annual Report; see page 22 and Note 20.

Regarding potential effects of COVID-19

Given the company's record-high order backlog and improvements in the production line, we make the assessment that the effects of COVID-19 are currently limited. A number of countries introduced restrictions that reduce the possibilities for retail trade to efficiently conduct business. It is probable that these measures will lead to postponed deliveries and store installations as well as related financial timing effects.

The need for many retail chains to focus on the operational shift resulting from the restrictions will probably lead to postponed investment decisions in a number of Pricer's most important markets and thus affect our order intake in the future.

The situation in the production line has recovered well since the beginning of the year, and lead times have improved. However, uncertainty is high, and the situation is changing. The limitation on movement between countries and quarantine rules when moving between countries create new logistical challenges in terms of both availability and lead times.

It is not possible to quantify the financial effects of COVID-19. The company is following developments carefully and maintaining a close dialogue with both suppliers and customers to mitigate the risks that will follow in the footsteps of the virus. Pricer has a strong financial position and continues to have a large net cash position, and the company is not planning to significantly reduce its operations.

Forecast

No forecast is provided for 2020.

New accounting principles

The same accounting principles and bases for calculation were applied for the group and the parent company as in the latest annual report.

Events after the end of the reporting period

As a result of the restrictions imposed to limit the spread of COVID-19, Pricer and Best Buy reached an agreement on April 23 to reduce the roll-out rate for the ongoing project to equip around 680 stores with Pricer's digital price labeling system to around 490 stores in 2020. An additional 40 stores remain in the order backlog and are planned for delivery during Q1 2021, while 150 stores in total have been removed from the order backlog. Order intake for Q1 2020, and order backlog as of March 31, 2020, have been adjusted in this report as above



**Next interim report
will be published on
July 21, 2020**

Proposed dividend for 2020 Annual General Meeting

The Board's proposal for the appropriation of profits is that a dividend be paid of SEK 0.80 per share (0.60), which corresponds to SEK 88.2 M (66.2). Given the prevailing macroeconomic uncertainty from COVID-19, the Board considers it to be prudent at this point in time to divide the payment in two tranches of SEK 0.40 each. The record dates are proposed as May 8, 2020, and November 6, 2020. If the AGM resolves in accordance with the proposal, the dividends are expected to be distributed through Euroclear Sweden AB on May 13, 2020, and November 11, 2020. The Board's reasoning is presented on page 59 of the 2019 Annual Report.

Financial Calendar

May 6, 2020	Annual General Meeting
July 21, 2020	Interim Report January – June 2020
October 23, 2020	Interim Report January – September 2020

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

Stockholm, April 24, 2020

Pricer AB (publ)

Helena Holmgren
President and CEO

This report has not been subject to an audit.

This information is information that Pricer AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted through the agency of the contact person mentioned below for publication on April 24, 2020, at 8:30 AM CET.

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

For more information, please contact:

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Email: ir@pricer.com



Financial Reporting

CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q1 2020	Q1 2019	Full year 2019
Net sales	225,9	261,9	1 002,9
Cost of goods sold	-155,1	-185,6	-672,0
Gross profit	70,9	76,2	331,0
Selling expenses	-38,7	-31,1	-121,8
Administrative expenses	-17,1	-18,4	-69,6
Research and development costs	-9,7	-8,5	-35,8
Other income and expenses	2,0	-0,7	-3,3
Operating profit	7,3	17,6	100,4
Net financial items	8,2	2,3	0,8
Net profit before tax	15,6	19,9	101,3
Income tax	-0,7	-0,5	-3,5
Net profit for the period	14,8	19,3	97,7
Net profit for the period attributable to:			
Owners of the Parent Company	14,8	19,3	97,7

EARNINGS PER SHARE

	Q1 2020	Q1 2019	Full year 2019
Basic earnings per share, SEK	0,13	0,18	0,89
Diluted earnings per share, SEK	0,13	0,17	0,88
Number of shares before dilution, millions	110,3	110,3	110,3
Diluted number of shares, millions	111,2	110,9	111,2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q1 2020	Q1 2019	Full year 2019
Net profit for the period	14,8	19,3	97,7
<i>Items that are or may be reclassified to profit or loss for the period</i>			
Translation differences	21,1	5,8	6,7
Other comprehensive income for the period	21,1	5,8	6,7
Net comprehensive income for the period	35,9	25,1	104,5
Net comprehensive income for the period attributable to:			
Owners of the Parent Company	35,9	25,1	104,5


CONSOLIDATED BALANCE SHEET IN SUMMARY

Amounts in SEK M	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019
ASSETS					
Intangible assets	352,3	325,8	325,1	314,8	306,8
Property, plant and equipment	29,0	24,3	23,3	23,2	21,5
Right-of-use assets	53,0	53,8	53,7	54,5	56,7
Deferred tax assets	76,5	76,3	76,7	76,7	76,6
Total non-current assets	510,7	480,2	478,7	469,2	461,6
Inventories	188,4	218,7	269,2	263,0	214,2
Trade receivables	193,2	147,6	204,9	239,7	211,2
Prepaid expenses and accrued income	13,1	12,2	26,5	22,7	23,3
Other current receivables	142,5	68,1	41,8	67,8	81,9
Cash and cash equivalents	180,1	194,2	89,6	104,3	213,5
Total current assets	717,4	640,8	632,0	697,5	744,1
TOTAL ASSETS	1 228,1	1 121,0	1 110,6	1 166,7	1 205,7
EQUITY AND LIABILITIES					
EQUITY					
Share capital	111,0	111,0	111,0	111,0	111,0
Other capital contributions	404,8	404,4	404,4	404,4	404,4
Reserves	56,0	34,9	34,9	34,9	34,9
Accumulated profits including profit for the year	274,8	259,9	250,3	215,9	244,9
Shareholder's equity attributable to the Parent Company's shareholders	846,6	810,2	800,6	766,2	795,2
LIABILITIES					
Non-current provisions	16,3	15,4	16,5	15,9	15,3
Non-current lease liabilities	42,2	43,1	43,3	44,2	46,6
Total non-current liabilities	58,5	58,5	59,8	60,1	61,9
Advances from customer	9,1	8,3	20,0	4,1	8,5
Trade payables	199,6	155,5	130,5	223,4	213,6
Current lease liabilities	11,9	11,5	11,1	10,6	10,1
Other current liabilities	11,9	9,0	7,8	13,5	13,1
Accrued expense and deferred income	73,6	51,7	62,4	70,5	85,5
Current provisions	16,8	16,2	18,5	18,2	17,9
Total current liabilities	322,9	252,2	250,2	340,4	348,6
Total liabilities	381,5	310,8	310,0	400,5	410,5
TOTAL EQUITY AND LIABILITIES	1 228,1	1 121,0	1 110,6	1 166,7	1 205,7
Basic shareholders' equity per share, SEK	7,68	7,35	7,26	6,95	7,21
Diluted shareholders' equity per share, SEK	7,61	7,29	7,20	6,89	7,17


CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	3 mths 2020	Full year 2019	9 mths 2019	6 mths 2019	3 mths 2019
Equity at the beginning of the period	810,2	769,3	769,3	769,3	769,3
Net profit for the period	14,8	97,7	78,6	51,6	19,3
Other comprehensive income for the period	21,1	6,7	16,7	10,2	5,8
<i>Net comprehensive income for the period</i>	<i>35,9</i>	<i>104,5</i>	<i>95,3</i>	<i>61,8</i>	<i>25,1</i>
Dividend	-	-66,2	-66,2	-66,2	-
Share based payments, equity settled	0,4	2,6	2,2	1,3	0,8
<i>Total transactions with owners of the Group</i>	<i>0,4</i>	<i>-63,6</i>	<i>-64,0</i>	<i>-64,8</i>	<i>0,8</i>
Equity at the end of the period	846,6	810,2	800,6	766,2	795,2
Attributable to:					
- Owners of the parent company	846,6	810,2	800,6	766,2	795,2


CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY

Amounts in SEK M	Q1 2020	Q1 2019	Full year 2019
OPERATING ACTIVITIES			
Operating profit	7,3	17,6	100,4
Adjustment for non-cash items	15,2	10,7	39,3
- of which depreciations and amortizations	9,8	10,4	37,7
- whereof other non-cash items	5,4	0,4	1,6
Interest received	-	-	0,6
Interest paid	-0,4	-0,2	-1,3
Paid income tax	-0,9	-1,1	-2,8
Cash flow from operating activities before changes in working capital	21,2	27,0	136,1
<i>Cash flow from changes in working capital</i>			
Increase(-)/decrease(+) inventories	33,9	-23,3	-28,5
Increase(-)/decrease(+) trade receivables	-45,1	67,9	129,6
Increase(-)/decrease(+) other current receivables	-74,4	-20,1	6,7
Increase(+)/decrease(-) trade payables	47,6	3,4	-56,9
Increase(+)/decrease(-) other current liabilities	19,0	-2,5	-41,7
Cash flow from changes in working capital	-19,0	25,4	9,2
Cash flow from operating activities	2,2	52,3	145,3
INVESTING ACTIVITIES			
Acquisition of intangible assets	-14,6	-7,8	-39,0
Acquisition of tangible assets	-6,6	-2,9	-11,0
Cash flow from investing activities	-21,2	-10,7	-50,0
FINANCING ACTIVITIES			
Amortization of lease liabilities	-2,9	-2,2	-10,1
Dividend paid	-	-	-66,2
Net cash used in financing activities	-2,9	-2,2	-76,3
Net cash flow for the period	-21,9	39,4	19,1
Cash and cash equivalents at beginning of period	194,2	171,0	171,0
Exchange rate losses/gains in cash and cash equivalents	7,8	3,1	4,1
Cash and cash equivalents at end of period	180,1	213,5	194,2
Unutilized bank overdraft facility	50,0	50,0	50,0
Available funds at end of period	230,1	263,5	244,2


PARENT COMPANY INCOME STATEMENT IN SUMMARY

Amounts in SEK M	3 mths 2020	3 mths 2019	Full year 2019
Net sales	210,4	237,5	848,7
Cost of goods sold	-169,1	-185,1	-620,1
Gross profit	41,3	52,4	228,7
Selling expenses	-18,2	-5,5	-22,2
Administrative expenses	-10,9	-19,5	-75,7
Research and development costs	-9,7	-8,5	-35,8
Other income and expenses	2,0	-0,7	-3,3
Operating profit	4,5	18,3	91,7
<i>Result from financial items:</i>			
Result from participations in group companies	-	-	50,0
Interest income and similar profit/loss items	8,6	2,6	2,4
Interest expenses and similar profit/loss items	0,0	-0,1	-0,2
Profit/loss before tax	13,1	20,7	143,9
Income tax	0,2	0,2	-0,6
Net profit for the period	13,3	20,9	143,3

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	3 mths 2020	3 mths 2019	Full year 2019
Net profit for the period	13,3	20,9	143,3
<i>Comprehensive income for the period</i>			
<i>Items that are or may be reclassified to profit or loss for the period</i>			
Comprehensive income for the period	-	-	-
Net comprehensive income for the period	13,3	20,9	143,3


PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019
ASSETS					
Non-current assets					
Intangible assets	72,5	62,5	54,3	48,3	43,7
Property, plant and equipment	26,2	21,6	20,1	20,5	19,2
<i>Financial assets</i>					
Participations in group companies	187,1	186,9	186,7	186,5	186,3
Receivables from group companies	6,6	6,3	8,3	7,0	6,1
Deferred tax assets	75,4	75,3	76,2	76,1	76,0
<i>Total financial assets</i>	<i>269,1</i>	<i>268,5</i>	<i>271,2</i>	<i>269,5</i>	<i>268,4</i>
Total non-current assets	367,8	352,6	345,6	338,3	331,4
Current assets					
Inventories, etc.	114,3	170,8	211,1	202,4	144,5
<i>Current receivables</i>					
Trade receivables	98,5	56,7	79,4	91,8	94,9
Receivables from current group companies	98,6	65,4	116,2	127,0	68,4
Other current receivables	137,5	62,9	35,9	62,5	73,5
Prepaid expenses and accrued income	7,6	7,6	20,1	15,6	17,8
Total current receivables	342,1	192,6	251,5	297,0	254,6
Cash and cash equivalents	125,1	167,9	66,9	80,7	192,7
Total current assets	581,4	531,3	529,5	580,1	591,8
TOTAL ASSETS	949,2	883,8	875,0	918,4	923,2


PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	Mar 31 2020	Dec 31 2019	Sep 30 2019	Jun 30 2019	Mar 31 2019
EQUITY AND LIABILITIES					
Shareholders' equity					
<i>Restricted equity</i>					
Share capital	111,0	111,0	111,0	111,0	111,0
Statutory reserve	104,8	104,8	104,8	104,8	104,8
Legal reserve for internally generated development expenditure	69,9	59,4	50,9	34,9	39,9
	285,7	275,3	266,7	250,8	255,7
<i>Non-restricted equity</i>					
Share premium reserve	207,9	207,4	207,0	206,2	205,9
Retained earnings	172,4	207,4	207,0	206,2	205,9
Net profit for the year	13,3	39,6	48,1	64,1	125,1
Total non-restricted equity	393,6	390,4	382,3	375,9	351,9
Total equity	679,4	665,6	649,0	626,7	607,6
PROVISIONS					
Provisions	24,4	23,6	26,5	26,1	25,4
Total provisions	24,4	23,6	26,5	26,1	25,4
NON-CURRENT LIABILITIES					
Non-current liabilities	0,1	0,1	0,1	0,1	0,1
Total non-current liabilities	0,1	0,1	0,1	0,1	0,1
CURRENT LIABILITIES					
Advances from customer	-	-	13,5	-	-
Trade payables	195,6	151,7	127,3	218,3	204,2
Liabilities to group companies	10,2	12,9	23,1	10,0	46,5
Other current liabilities	2,5	2,6	2,4	2,8	2,2
Accrued expenses and deferred income	37,0	27,3	33,1	34,4	37,1
Total current liabilities	245,3	194,6	199,4	265,5	290,1
TOTAL EQUITY AND LIABILITIES	949,2	883,8	875,0	918,4	923,2

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK M	3 mths 2020	Full year 2019	9 mths 2019	6 mths 2019	3 mths 2019
Equity at the beginning of the period	665,6	585,9	585,8	585,8	585,8
Net comprehensive income for the period	13,3	143,3	127,1	105,6	20,9
Dividend	-	-66,2	-66,2	-66,2	-
Share based payments, equity settled	0,4	2,6	2,2	1,3	0,8
Equity at the end of the period	679,4	665,6	649,0	626,7	607,6



KEY FIGURES

	Q1	Q4	Q3	Q2	Q1
Amounts in SEK M	2020	2019	2019	2019	2019
Order intake	371	843	222	230	208
Order intake - rolling 4 quarters	1 667	1 504	934	998	1 287
Net sales	225,9	237,8	232,5	270,7	261,9
Net sales - rolling 4 quarters	967,0	1 002,9	1 151,6	1 325,1	1 276,4
Operating profit	7,3	24,0	24,8	34,1	17,6
Operating profit - rolling 4 quarters	90,2	100,4	105,4	111,6	97,6
Net profit for the period	14,8	19,2	27,0	32,2	19,3
Cash flow from operating activities	2,2	125,9	-4,8	-28,1	52,3
Cash flow from operating activities - rolling 4 quarters	95,2	145,3	78,6	30,9	108,0
Number of employees, end of period	141	135	129	126	124
Equity/assets ratio	69%	72%	72%	66%	66%



Note 1 — Accounting Principles

This interim report for the Group was prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Annual Accounts Act. The interim 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.

Note 2 — Revenue from contracts with customers

BREAKDOWN OF REVENUE

	Q1 2020	Q1 2019	Full year 2019
Amounts in SEK M			
Revenue from goods	209,6	243,9	924,3
Revenue from services	13,1	13,4	64,3
Revenue from licensees	3,2	4,5	14,3
Total	225,9	261,9	1 002,9

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

	Q1 2020	Q1 2019	Full year 2019
Direct customers	48%	44%	47%
Resellers	52%	56%	53%
Total	100%	100%	100%

Note 3 — Leases

RIGHT-OF-USE ASSET

	Mar 31 2020	Mar 31 2019	Dec 31 2019
Amounts in SEK M			
Premises	49,7	58,5	50,8
Cars	3,3	1,6	3,0
Total	53,0	60,1	53,8

LEASE LIABILITY

	Mar 31 2020	Mar 31 2019	Dec 31 2019
Amounts in SEK M			
Within one year	11,9	10,5	11,5
Between one and five years	38,2	42,6	38,6
More than five years	4,1	7,1	4,5
Total	54,1	60,2	54,6



Note 3 — Leases (cont'd)

COST AND CASH FLOW INFORMATION

Amounts in SEK M	Q1 2020	Q1 2019	Full year 2019
Depreciation of right-of use assets	3,1	2,3	11,0
(of which premises)	2,8	2,0	9,9
(of which cars)	0,3	0,3	1,1
Interest expense for lease liabilities	0,3	0,2	1,1
Amortization of lease liabilities	2,9	2,2	10,1

Note 4 — 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

Amounts in SEK M	Mar 31 2020	Mar 31 2019	Dec 31 2019
Loan and trade receivables	330,6	496,8	406,0
Total financial assets	330,6	496,8	406,0
Lease liabilities	54,1	56,7	54,6
Other financial liabilities	199,6	213,9	176,5
Total financial liabilities	253,8	270,6	231,2

Note 5 — Related party transactions

Significant related party transactions are described in Note 23 of the consolidated financial statements in the 2019 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 2019 Annual Report.



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.

PLEGDED ASSETS AND CONTINGENT LIABILITIES

	Parent company			Group		
	Mar 31 2020	Mar 31 2019	Dec 31 2019	Mar 31 2020	Mar 31 2019	Dec 31 2019
Amounts in SEK M						
Pledged assets						
Floating charges	59,6	59,6	59,6	59,6	59,6	59,6
Blocked funds	-	13,1	-	1,0	14,0	0,9
Total	59,6	72,7	59,6	60,6	73,7	60,5
Contingent liabilities						
Bank guarantee	-	-	-	1,0	0,9	0,9
Customs authorities	0,1	0,1	0,1	6,2	5,7	5,7
Landlords	1,7	1,7	1,7	1,7	1,7	1,7
Prepayment gurantee	-	13,1	-	-	13,1	-
Total	1,8	15,0	1,8	8,9	21,4	8,3



CONSOLIDATED INCOME STATEMENT IN SUMMARY

Amounts in SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net sales	261,9	270,7	232,5	237,8	225,9
Cost of goods sold	-185,6	-180,8	-154,1	-151,4	-155,1
Gross profit	76,2	89,9	78,4	86,4	70,9
<i>Gross margin, %</i>	29,1%	33,2%	33,7%	36,3%	31,4%
Selling expenses	-31,1	-30,1	-28,6	-32,0	-38,7
Administrative expenses	-18,4	-18,3	-14,6	-18,3	-17,1
Research and development costs	-8,5	-8,6	-9,3	-9,3	-9,7
Other income and expenses	-0,7	1,3	-1,1	-2,8	2,0
Operating profit	17,6	34,1	24,8	24,0	7,3
<i>Operating margin, %</i>	6,7%	12,6%	10,7%	10,1%	3,3%
Net financial items	2,3	-0,7	3,2	-4,0	8,2
Net profit before tax	19,9	33,4	28,0	20,0	15,6
Income tax	-0,5	-1,1	-1,0	-0,9	-0,7
Net profit for the period	19,3	32,2	27,0	19,2	14,8
Net profit for the period attributable to:					
Owners of the Parent Company	19,3	32,2	27,0	19,2	14,8

EARNINGS PER SHARE

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Basic earnings per share, SEK	0,18	0,29	0,25	0,17	0,13
Diluted earnings per share, SEK	0,17	0,29	0,24	0,17	0,13
Number of shares before dilution, millions	110,3	110,3	110,3	110,3	110,3
Diluted number of shares, millions	110,9	111,2	111,2	111,2	111,2

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
Net profit for the period	19,3	32,2	27,0	19,2	14,8
<i>Items that are or may be reclassified to profit or loss for the period</i>					
Translation differences	5,8	4,4	6,5	-10,0	21,1
Other comprehensive income for the period	5,8	4,4	6,5	-10,0	21,1
Net comprehensive income for the period	25,1	36,6	33,6	9,1	35,9
Net comprehensive income for the period attributable to:					
Owners of the Parent Company	25,1	36,6	33,6	9,1	35,9


CONSOLIDATED CASH FLOW STATEMENTS IN SUMMARY

Amounts in SEK M	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
OPERATING ACTIVITIES					
Operating profit	17,6	34,1	24,8	24,0	7,3
Adjustment for non-cash items	10,7	12,3	8,8	7,5	15,2
- of which depreciations and amortizations	10,4	8,4	9,0	9,9	9,8
- whereof other non-cash items	0,4	3,9	-0,3	-2,4	5,4
Interest received	-	0,0	-	0,6	-
Interest paid	-0,2	-0,3	-0,4	-0,4	-0,4
Paid income tax	-1,1	0,1	-0,9	-1,0	-0,9
Cash flow from operating activities before changes in working capital	27,0	46,2	32,3	30,7	21,2
<i>Cash flow from changes in working capital</i>					
Increase(-)/decrease(+) inventories	-23,3	-47,5	-5,1	47,4	33,9
Increase(-)/decrease(+) trade receivables	67,9	-30,1	39,1	52,8	-45,1
Increase(-)/decrease(+) other current receivables	-20,1	18,6	21,9	-13,7	-74,4
Increase(+)/decrease(-) trade payables	3,4	5,7	-87,6	21,6	47,6
Increase(+)/decrease(-) other current liabilities	-2,5	-20,9	-5,4	-13,0	19,0
Cash flow from changes in working capital	25,4	-74,3	-37,1	95,2	-19,0
Cash flow from operating activities	52,3	-28,1	-4,8	125,9	2,2
INVESTING ACTIVITIES					
Acquisition of intangible assets	-7,8	-8,3	-10,2	-12,7	-14,6
Acquisition of tangible assets	-2,9	-4,7	-1,1	-2,3	-6,6
Cash flow from investing activities	-10,7	-13,0	-11,3	-14,9	-21,2
FINANCING ACTIVITIES					
Amortization of lease liabilities	-2,2	-2,7	-2,1	-3,1	-2,9
Dividend paid	-	-66,2	-	-	-
Cash flow from financing activities	-2,2	-68,9	-2,1	-3,1	-2,9
Net cash flow for the period	39,4	-109,9	-18,2	107,9	-21,9
Cash and cash equivalents at beginning of period	171,0	213,5	104,3	89,6	194,2
Exchange rate losses/gains in cash and cash equivalents	3,1	0,8	3,5	-3,2	7,8
Cash and cash equivalents at end of period	213,5	104,3	89,6	194,2	180,1
Unutilized bank overdraft facility	50,0	50,0	50,0	50,0	50,0
Available funds at end of period	263,5	154,3	139,6	244,2	230,1



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.

	Mar 31 2020	Mar 31 2019	Dec 31 2019
Amounts in SEK M unless otherwise stated			
PERFORMANCE MEASURE			
Operating expenses			
Selling expenses	-38,7	-31,1	-121,8
Administrative expenses	-17,1	-18,4	-69,6
Research and development costs	-9,7	-8,5	-35,8
Operating expenses	-65,5	-58,0	-227,2
Operating expenses adjusted for items affecting comparability			
Operating expenses	-65,5	-58,0	-227,2
Operating expenses adjusted for items affecting	-65,5	-58,0	-227,2
MARGIN RATIOS			
Net Sales	225,9	261,9	1 002,9
Gross Profit	70,9	76,2	331,0
Gross profit margin, %	31,4%	29,1%	33,0%
Operating profit	7,3	17,6	100,4
Operating margin, %	3,3%	6,7%	10,0%
CAPITAL AND FINANCIAL RATIOS			
Equity/assets ratio			
Total assets	1 228,1	1 205,7	1 121,0
Equity	846,6	795,2	810,2
Equity/assets ratio, %	69%	66%	72%
RETURN RATIOS			
Equity per share basic/diluted			
Number of outstanding shares, million	110,3	110,3	110,3
Dilution, million	1,0	0,6	1,0
Equity	846,6	795,2	810,2
Equity per share basic, SEK	7,68	7,21	7,35
Equity per share diluted, SEK	7,61	7,17	7,29
Earnings per share, before and after dilution			
Average number of outstanding shares, million	110,3	110,3	110,3
Dilution, million	1,0	0,6	1,0
Net profit	14,8	19,3	97,7
Earnings per share, before dilution, SEK	0,13	0,18	0,89
Earnings per share, after dilution, SEK	0,13	0,17	0,88



ALTERNATIVE KEY RATIOS	DEFINITION	REASON FOR USE
PERFORMANCE MEASURE		
Change adjusted for exchange rate fluctuations/change in local currency	Relationship between the period's profit/loss and the comparative period's profit/loss translated using the period's exchange rates.	This measure is used by management to follow underlying change in profit/loss 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 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 can influence to a greater extent 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.
MARGIN RATIOS		
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.
CAPITAL AND FINANCIAL RATIOS		
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.
RETURN RATIOS		
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.
OTHER RATIOS		
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 manufactures the world's most reliable electronic shelf-edge labels, which help retailers all over the world resolve important challenges introduced by modernization. Pricer's digital solutions optimize employee-intensive processes, ensure price information, and improve the buying experience for the customer.

With over 200 million labels installed in over 17,000 installations in more than 50 countries, Pricer is the world-leader in digital retail solutions.

For many years, Pricer's ideas, technology and employees have changed how the grocery retail trade functions and transformed an entire industry. Pricer is today the only supplier with optical wireless communication, which creates a scalable and reliable system that is not disrupted by other Wi-Fi systems. In addition, the battery performance of Pricer's labels is the market leader, featuring significantly less energy consumption than other communication systems without sacrificing speed and flexibility.

Pricer's customers today primarily operate in the grocery retail, DIY, electronics, and pharmacy industries. Customer needs and consumer preferences are the drivers for Pricer's innovative and sustainable solutions.

Pricer was founded in 1991 in Sweden, and the company's Class B share is listed on Nasdaq Stockholm Small Cap. On December 31, 2019, the Pricer Group had 135 employees.

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