

PRICER

BRINGING TRUST TO RETAIL

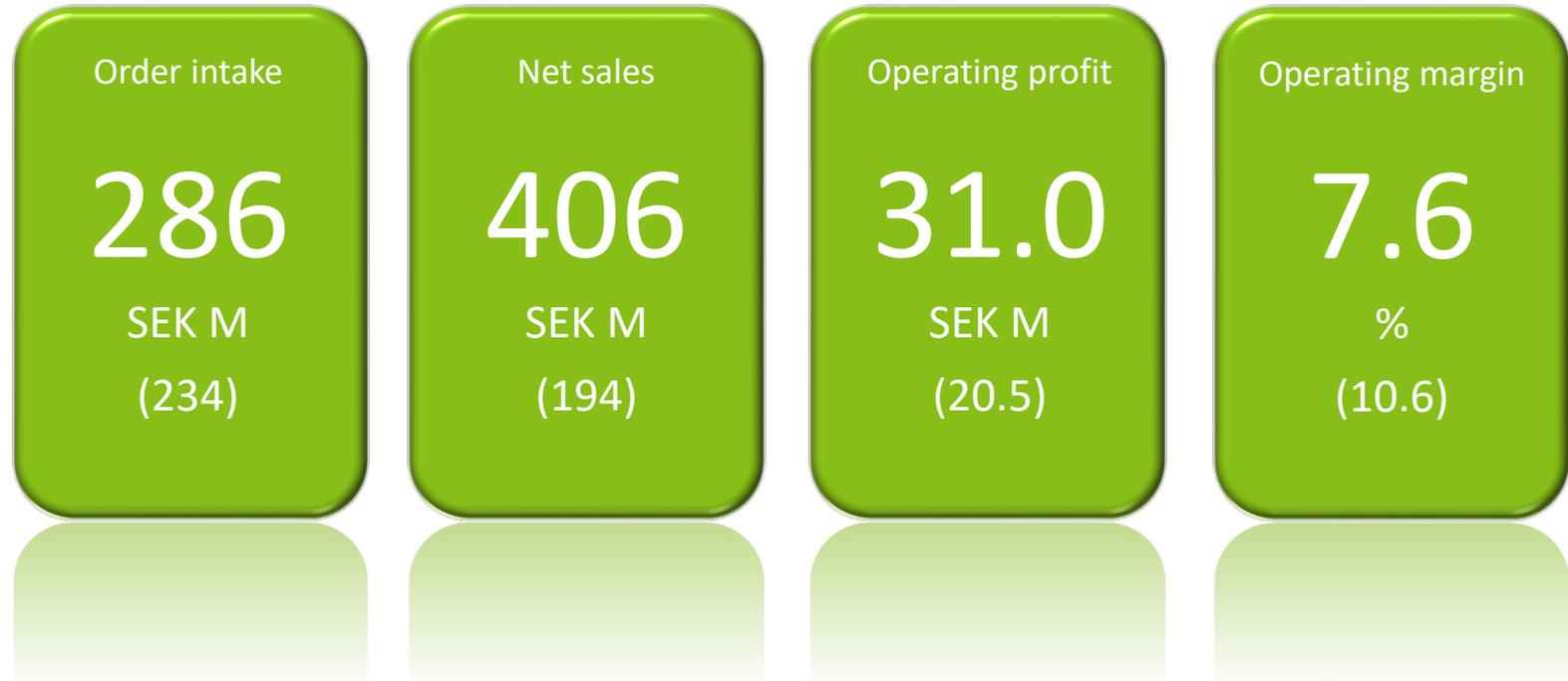


Pricer AB

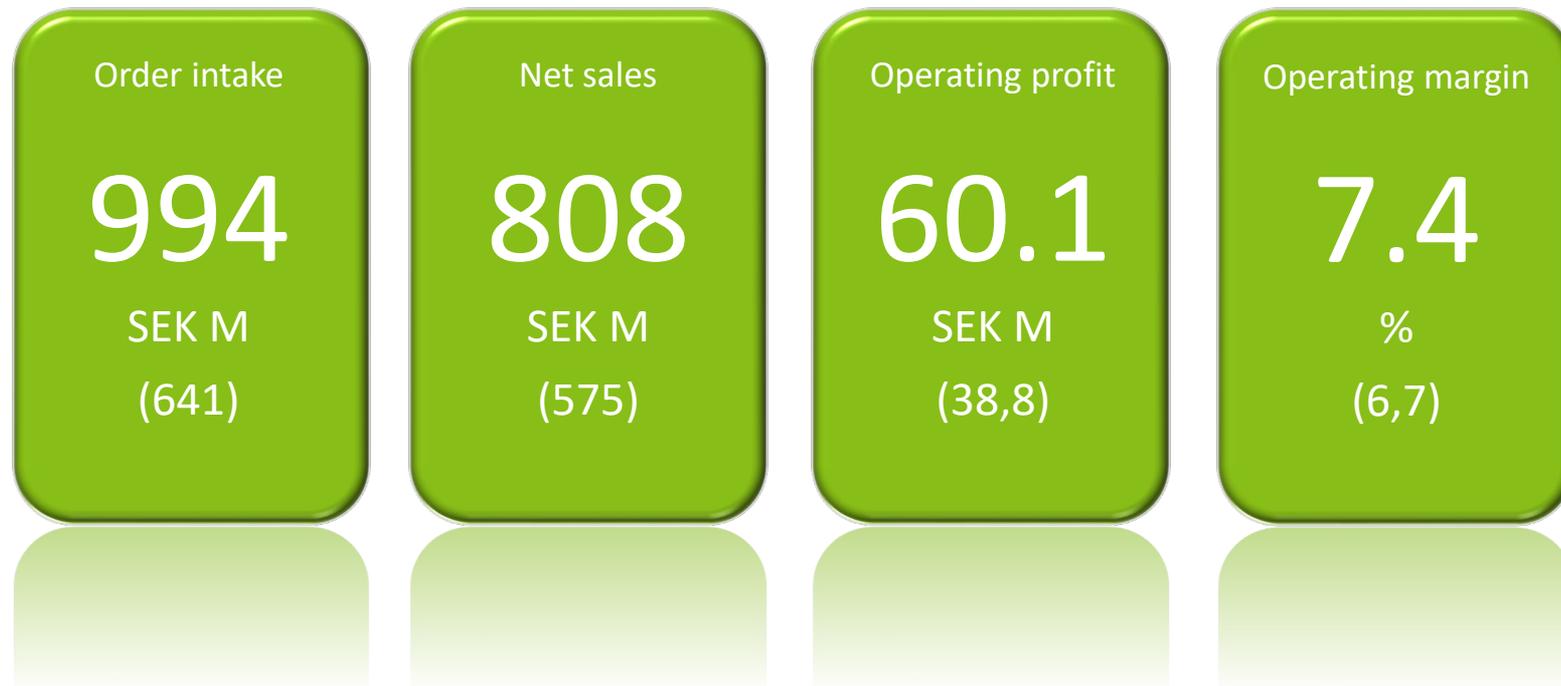
Third quarter and the period
January - September 2018

Stockholm, October 26, 2018

Third quarter; Continued strong order intake - record high net sales



January – September; Record high order intake, net sales and operating profit

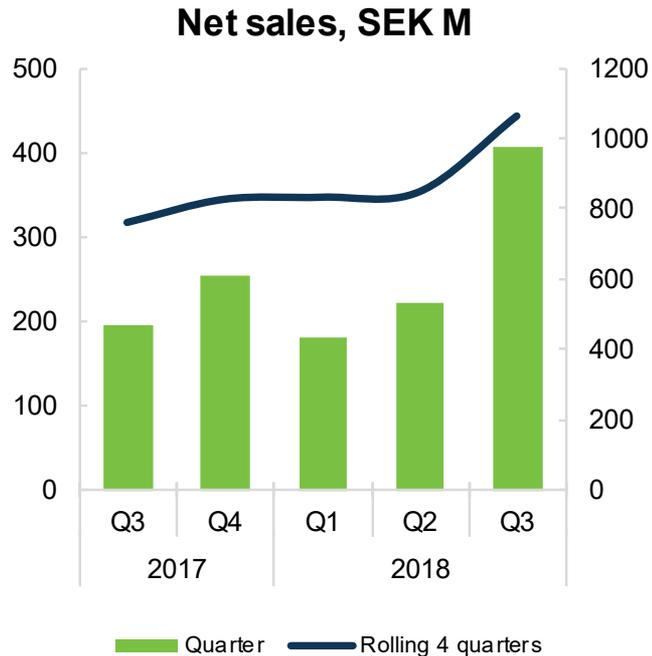


Record high order intake, rolling 4 quarters



- Continued strong order intake in the quarter; +22% compared to the same period last year
- Order intake in the third quarter was spread over several geographical markets, with France and Norway contributing most
- The order backlog remains at a high level of SEK 338 M, most of which is scheduled to be delivered before the end of the year
- The high order backlog at the close of the third quarter indicates a continued high pace of production and deliveries also for the fourth quarter

Record high net sales; rolling 4 quarters



- Strong net sales growth in the quarter; +110% compared to the same period last year
- The ongoing major US customer project represents the single largest contribution to the strong growth in the period
- Large number of customers contribute to net sales during the quarter, most of which are found in the USA, France and Italy

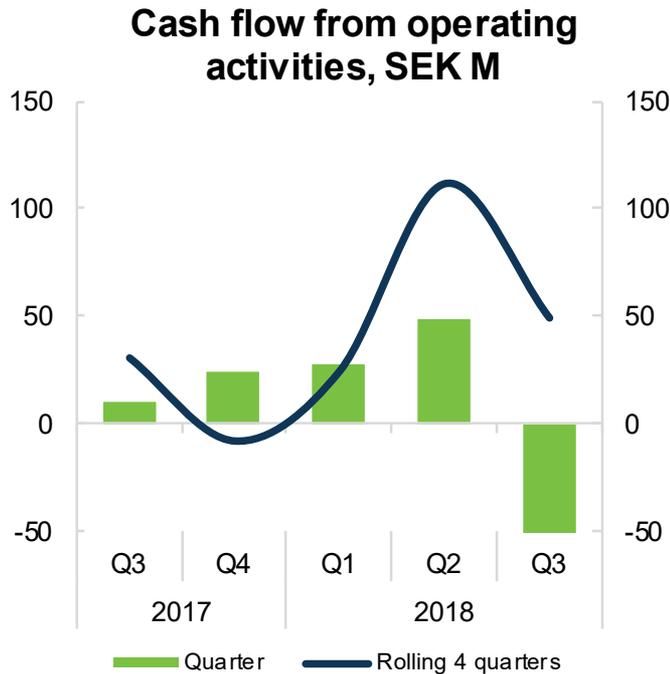
Low gross margin in the quarter as a consequence of product and contract mix



Record high operating profit; rolling 4 quarters



Negative cash flow due to increased capital tied up



- Negative cash flow from operating activities of SEK -52.6 M for the third quarter
- SEK 117,5 M in cash and cash equivalents at the close of the period
- Strong increase in net sales and a high order backlog
- Cash flow from operating activities is primarily a function of capital tied up in inventory and trade receivables, partly offset by trade payables
- Cash flow should be analysed over time
- Good scalability in Pricer's delivery capability

Third quarter in brief

- High production and delivery activity
- Ramp-up of production capacity – continued good scalability
- New rules for US import tariffs on goods manufactured in China were introduced on September 24, 2018, currently 10% but an increase to 25% has been announced.
- Competition in the market remain fierce and the price pressure is felt
- Growth in the market, high level of activity in most markets
- Helena Holmgren was appointed President and CEO of Pricer AB
- New CFO, Susanne Andersson, takes office no later than April 2019

Ny innovation; AI on shelf-edge

This product is in test- and development phase

Collection and analysis of data on how it really looks in the store

Machine learning software combined with small cameras on the shelf-edge allows unique insights in products' location, availability and other sales-related information throughout the day

Built on Pricer's existing in-store platform



Why invest in Pricer?

- Strong underlying market growth; digitization of physical retail considered necessary for maintaining competitiveness
- Unique and hard to copy technical solution; based on reliable, scalable, energy-efficient and interference-free communication
- Strong balance sheet → continued innovative strength
- Global presence with large installed base
- Long experience of developing solutions that work well in retail
- Flash functionality with quick response time in the labels combined with dynamic positioning of products in the store enables cost reductions as well as increased sales and improved customer satisfaction

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