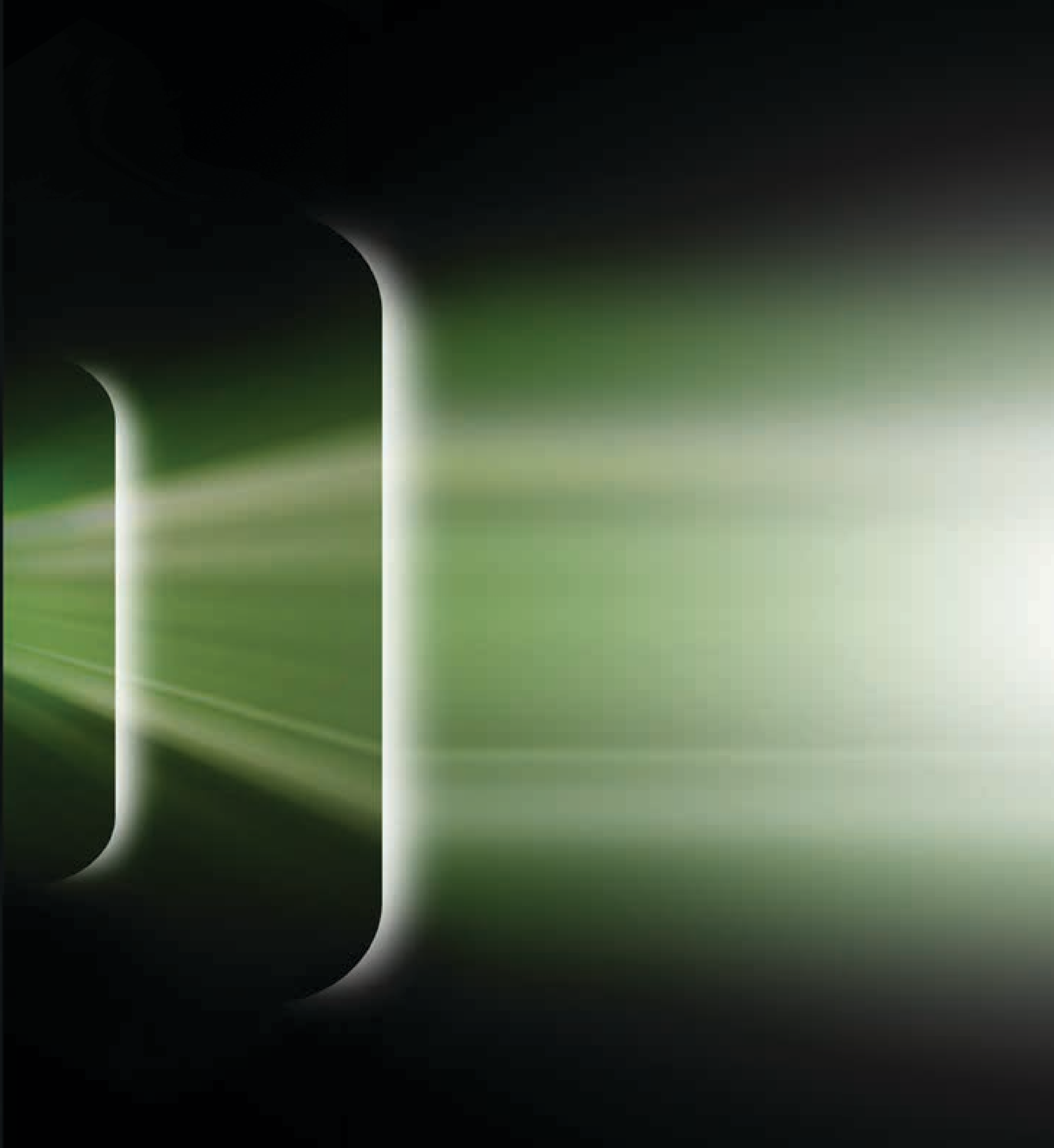
ANNUAL REPORT AND SUSTAINABILITY REPORT

2020



PRICER

BRINGING TRUST TO RETAIL

Contents

Catalyst behind the digitalization of retail

Pricer provides systems for the digitalization of the retail trade, a trend that has been increasing sharply the past five years.

Pricer manufactures the world's most reliable electronic shelf-edge labels (ESL) that are offered together with the advanced cloud platform Pricer Plaza. The system helps retailers all over the world resolve the important challenges that the continuously changing retail trade presents to stores. Pricer's digital solutions optimize employee-intensive processes, ensure price information, and improve the buying experience for the consumer. This has been particularly important in 2020 since the retail trade has faced brand-new challenges and demands from both consumers and government authorities during the COVID-19 pandemic.

With 200 million labels installed in over 17,000 installations in more than 50 countries, Pricer is the world-leader in ESL-based 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 unique 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. The system is also world leading in terms of its speed, flexibility, functionality, and reliability.

Pricer's customers today primarily operate in the grocery retail, DIY, electronics, and pharmacy industries. Customer needs and consumer preferences on these rapidly changing markets 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. In 2020, the share was listed in the Small Cap segment and changed in 2021 to the Mid Cap segment. On December 31, 2020, the Pricer Group had 150 employees.

The Board of Directors and CEO of Pricer AB (publ.), based in Stockholm with CIN 556427-7993, hereby submit the annual report for the 2020 financial year for the Parent Company and the Group. The Annual Report and the Auditor's Report are on pages 28–66. The Corporate Governance Report is on pages 20–24. The results of the year's operations and the financial position of the Parent Company and the Group are presented in the administration report and in the income statements, balance sheets, statements of comprehensive income, cash flow statements, statements of changes in equity and additional disclosures and notes, which make up the formal annual report.

The annual report is published in Swedish and English. The Swedish version is the original version and has been audited by Pricer's auditor. All values are expressed in Swedish kronor. Kronor are expressed as SEK, thousand kronor as TSEK and million kronor as MSEK. Unless otherwise specified, the figures in brackets refer to the previous year. This report contains a certain amount of forward-looking information based on the current expectations of Pricer's management. Even if the management deems the expectations found in the forward-looking information to be reasonable, no guarantees can be given that the expectations will become reality. Consequently, future outcomes may differ considerably compared with the forward-looking information, depending, for example, on changed circumstances in relation to finances, the market and the competition, regulatory requirements and other political actions, exchange rate variations and other factors.

Cover picture: Pricer's new generation of labels, SmartTAG Power and SmartTAG Power+, contains brand-new design that has been exclusively constructed with a strong focus on details. The labels reflect up to 20 percent more light to the photodiode, which means that the label uses significantly less battery when it is listening for events. Overall, this gives the labels industry-leading battery life. The illustration on the cover symbolizes these reflecting layers.

This annual report was produced in cooperation with RHR/CC in Malmö. Photo: Emma Shevtzoff and Maria Cruseman.

Highlights of 2020

Follow-up order in the USA
In February, a leading US retail chain placed an additional order to complete the installation of Pricer's digital price label system in the remaining 230 stores in the USA. The estimated value of the new order amounted to around SEK 300 M. As a consequence of COVID-19 and Best Buy's limited possibility to fully conduct business in its stores, Pricer and Best Buy reached an agreement in April to reduce the project's scope by 150 stores and delay the delivery of 40 stores. At the end of December, Best Buy placed an order for installation of an additional 119 stores.

PLUS Retail chooses Pricer Plaza and SmartTAG Power
The cooperative retail chain PLUS Retail in the Netherlands, which has more than 265 grocery stores throughout the country, signed a framework agreement in May for the implementation of Pricer's digital price label system. In May, the first order was placed for SEK 100 M. PLUS Retail is using the cloud-based platform Pricer Plaza, with the goal of increasing efficiency in several store processes, and the new generation of price labels, SmartTAG Power, in all stores. In November, a follow-up order of SEK 50 M was also placed. The total project value is estimated at SEK 165 M.

Order from French customer
An existing customer, the Carrefour retail chain, placed an order in June for Pricer's digital price label system for a total of 43 of its stores in France. The value of the order amounted to approximately SEK 50 M.

NorgesGruppen chooses StrongPoint and Pricer
Pricer's Norwegian retailer StrongPoint received an order from NorgesGruppen to install Pricer's system for digital store communication in an additional 200 stores. The order value for Pricer amounted to around SEK 65 M.

CTDA chooses Pricer as its exclusive supplier
Canadian Tire Dealer Association (CTDA), a retail network with around 500 stores throughout Canada, signed a framework agreement in July with Pricer, which thus becomes CTDA's exclusive supplier of digital price label systems. The first order amounted to around SEK 100 M.

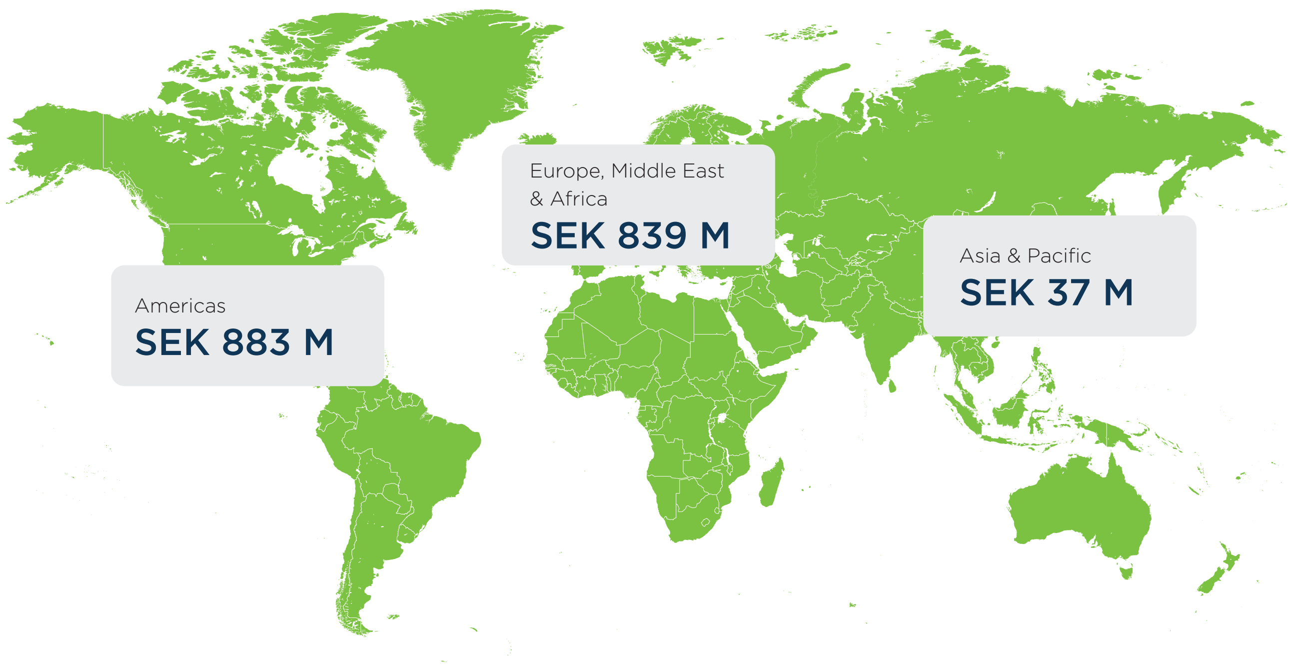
Global framework agreement with Carrefour
In November, Carrefour signed a framework agreement with Pricer, which will be the retail chain's preferred global supplier for new installations and store upgrades. The aim is to equip around 500 stores with Pricer's system before the end of 2022.

MSEK 1,759
Net sales

MSEK 155
Operating profit

8.8%
Operating margin

Net sales per market, MSEK



CEO's comments

2020 — record-high sales

In many ways, 2020 was a challenging year as the pandemic spread across the world. It feels fantastic given these circumstances to be able to present the company's strongest financial report to date and state that 2020 was a successful year for Pricer. The creativity and problem-solving ability that all our fantastic employees demonstrated during the year has made it possible for us to turn many of the challenges that appeared along our journey into possibilities that will benefit us for many years to come.

Net sales growth for FY 2020 amounted to 75 per cent compared to in 2019 and thus reached a new top listing for net sales of SEK 1,759.5 M (1,002.9). Operating profit increased by SEK 55 M to a total of SEK 155.2 M (100.4) for FY 2020, corresponding to an operating margin of 8.8 per cent (10.0).

Our business mission

We are a catalyst behind the digitalization of the retail trade. By creating solutions and services that are easy to use, implement and scale up, we make it possible for our customers to be successful in a connected world. Pricer's digital solutions optimize employee-intensive processes, ensure price information, and improve the shopping experience for the consumer.

Effects of the pandemic

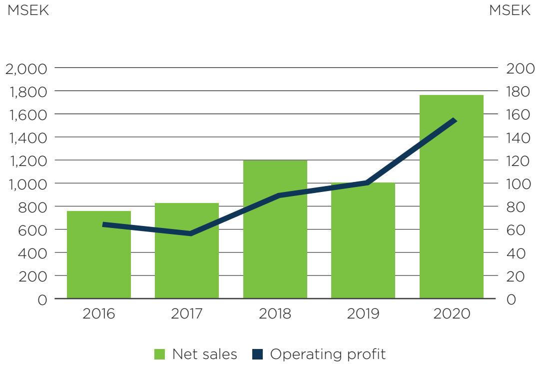
During the spring, deliveries and a number of store installations were delayed as several countries introduced restrictions on people's mobility and store operations. Stores around the world were closed to outside access, and the retail trade was forced to transition its operations at record speed. E-commerce also exploded, which introduced new challenges in handling the picking and delivery of e-commerce orders. After the immediate transition period, deliveries and installations gradually picked up speed again, and the activity level in the delivery chain was very high for the rest of the year.

The pandemic had a negative impact on profitability in a number of areas during the year. In addition to all the operational challenges related to conducting efficient operations, the access to logistics solutions represented a particular challenge and resulted in a significant increase in freight costs. Due to the production and logistics challenges in Asia in the spring, the access to components caused some difficulties in optimizing the production flow. We worked systematically to minimize the risks and secure our flows.

Despite the uncertainty in the world and the rapidly changing conditions, we did our best to be agile and adapt to the local guidelines and recommendations that were issued. Employees' health and well-being has always been our focus. It is impressive how the Pricer team has demonstrated loyalty, flexibility, and decisiveness to find new solutions and paths forward with the goal of strengthening our offer and customer relationships.

Pricer decided during the spring not to utilize furloughs or in any way draw on the government support package. Instead, we continued to studiously work our strategic markets and lay the groundwork for continued growth.

DEVELOPMENT THE PAST 5 YEARS



Accelerated need for digitalization

The pandemic has accelerated the need for store digitalization, and we view the order intake and the high demand for our solutions as a sign that we are on the right path.

Pricer has focused its product development for a long time on solutions that improve the efficiency of many employee-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 store processes has never been bigger.

The degree of penetration for ESL systems continues to be low, and the task is to replace analogue paper labels with connected digital labels. There is no missing the fact that this is an exciting time for the ESL (Electronic Shelf Label) market and Pricer in particular. The accelerated need to transition in the retail trade underlies why independent analytical institutions are predicting continued strong market growth for many years.

We see that the conditions are in place for strong market growth in Europe and North America the next few years. Our focus moving forward is to continue to build the organization and broaden our offer, in part through continued geographical expansion and an increased market presence with in-house staff in the Netherlands, Taiwan, and the UK.

Cloud solution new foundation for Pricer's system

Our cloud-based platform, Pricer Plaza, which was launched at the beginning of the year, was well-received on the market, and at the end of the year, more than 400 stores were connected. Having business-critical systems connected to the cloud is highly relevant since it decreases the need for physical presence in the store and simplifies the flow of data between different systems. The modularity

of the offer makes it easy to add new functionality as the need arises, which is particularly attractive for customers who intend to use the system as an integrated part of several different store processes.

Pricer Plaza is an important part of the shift in the company's positioning. By offering turnkey solutions that include both products and services, we are taking yet another step away from the role as a product supplier toward instead becoming a strategic partner for store digitalization.

At the end of the year, Pricer signed a global framework agreement with Carrefour to be its preferred supplier for both new ESL installations and upgrades of its installed base. Carrefour has worked with different ESL systems for a long time, and we are incredibly pleased and proud that they are continuing to show their confidence in us by expanding the new agreement to include all countries and store formats. In addition to the unique benefits of our system, such as reliability, scalability, speed and battery life, Pricer Plaza was an important component in this highly competitive assessment.

Another fantastic year

In summary, we can say that 2020 was another fantastic year for Pricer from a financial perspective, and we took another important strategic step forward with our cloud solution and by establishing a presence in several new geographic markets. We were also exposed to brand-new challenges in 2020 — and can say that employees, suppliers, and customers demonstrated an entirely new level of flexibility, innovation and decisiveness, which feels very positive and inspiring for the coming year. Thank you!

Helena Holmgren
President and CEO

Strong market growth in key sectors

Change in consumer behavior, pandemic related needs and the requirement for rapid deployment of new technologies. These are the main drivers behind the strong market growth in key sectors.

For the first 25 years of Pricer's growth in the electronic shelf label (ESL), or digital price label, market, the key market drivers were labor cost within the retail sector, combined with punitive consumer protection laws especially with regards to shelf price matching POS (point of sale) price and the rate of general price changes. The primary competition was the paper label — and in all but a few markets the paper label is still the dominant technique used for communicating price and product information at the shelf edge. However over the last 5 years the perspective and outlook for the ESL market have changed. This is due to changing consumer behavior and their preference to be able to shop via more channels, and the retailers desire to have greater flexibility in dynamic price setting and to drive even greater efficiency with in-store processes.

Electronic shelf labels now serve as a foundation for a number of processes in the retail trade, such as faster picking of online orders, product replenishment, and effective inventory and shelf management.

Digitalization of stores and e-commerce

Store digitalization is here to stay, and the retail sector is increasingly investing in technology to address changed consumer expectations on the shopping experience. Offering customers greater flexibility throughout the entire buying process and enabling a smooth transition between digital and physical shopping platforms will grow in importance. For traditional retail chains with a network of physical stores, this means a supplementary e-commerce offering. For pure e-commerce chains, this means taking a step into the physical store environment with stores or showrooms to supplement the digital offering.

COVID-19 drives rapid change in key sectors

E-commerce continues to make great strides in many markets, but until 2020 it still only represented a small share of the total amount of retail sales especially within the grocery and pharmacy sectors. While the majority of sales are still made in stores, even if the buying process increasingly includes both digital commerce sites and physical stores, COVID-19 has dramatically accelerated the use of e-commerce. BOPIS (Buy Online Pickup In Store) has expanded exponentially during 2020 especially in the critical grocery sector, which has lead to dramatically extended use of Pricer's ESL flash capability for "Click and Collect" use. Many retail chains have optimized their investments to develop new store formats and concepts to address this new reality where the boundaries between online and offline are being erased. In key ESL markets, such as France and Norway where centralization of picking services is not possible due to geographic dispersion of the population, local stores have borne the brunt of having to meet the massive increase in demand from the local inhabitants for BOPIS services.

Price-sensitive consumers

One of the large global trends also being affected by conditions during the year is that consumers are becoming more informed about price and availability, which increases the need for stores to make fast, and in many cases daily, price adjustments. The number of consumers who research a product and its price prior to purchase is increasing. Of customers who search for information online, 81 percent do so before they make a purchase. Of these customers, 89 percent start their buying process through a search engine.

Strong global market

The ESL market is a fundamental part of the smart retail market. Previous estimates of the market's growth rate vary and have been rapidly outdated by the unprecedented market conditions. While the Grocery, DIY, Consumer Electronic and Pharmacy sectors in which Pricer primarily operates have seen significant growth, the general retail market has suffered under multiple lockdowns causing cancelled investments and in many cases a complete restructuring of the industry. While it is too early to truly understand the effects on the overall ESL market in

2020/2021, it is anticipated that the overall market for ESLs is likely to be flat or significantly reduced while the aforementioned specific markets are likely to see some growth driven by specific challenges. However, it can be expected to see accelerated growth once the market returns to whatever can be considered the "new normal".

Pricer's own ongoing market analyses based on its main markets (Europe and North America) and insights from Pricer's existing and potential customers indicate that following COVID-19 the market will see accelerated growth for the following two years with an estimated annual total market growth of around 20 percent over the next five to seven years.

Retailers in key countries/regions such as Scandinavia and France have been early adopters of automated solutions in the retail trade. Additional markets that are growing and offer good growth potential for ESL suppliers include the UK, Germany, Canada, the Netherlands, Belgium and Italy.

Competition

In addition to the world-dominant paper label, there are two digital technologies in the market: systems based on optical communication technology close to the infrared frequency, which Pricer is the only supplier to offer today, and systems based on radio, primarily on 2.4 GHz (also used by Wi-Fi and Bluetooth), which is offered by our competitors. Most applications within Smart retail communicate with radio protocols, all using the same open frequencies. This causes lots of radio noise in the stores, which can disrupt the updating of digital shelf-edge labels. Stores located in shopping malls or near areas with multiple wifi networks experience a particular challenging radio environment. There are a few large competitors in the ESL market. An increasing number of actors with radio communication solutions are also trying to enter into the market with the goal of rapidly gaining market share through lower prices.

Global market trends

- A higher minimum wage increases the labor costs in stores, primarily for time-intensive manual tasks such as labeling, thus increasing the need for streamlined store operations: correct inventory levels, correct placement of products, and efficient restocking, to name a few.
- Consumers are becoming better informed about prices, which increases the need for dynamic price setting and price transparency between the digital channels and the physical store[1].
- COVID-19 has driven exponential growth in e-commerce where customers buy items online and then pick them up at the store (BOPIS/Click and Collect).
- Deployment of shelf edge payment systems using touchless technologies such as NFC (Near Field Communication) integrated into ESLs, to reduce both time in store and safeguard consumers from contact borne diseases.
- Utilization of price optimization to reduce food waste through solutions that automatically lower prices of goods as the expiration date approaches.

1 KPMG, Retail Trends 2019 – Global Consumer & Retail, February 2019.

Innovation and attentiveness to the needs of customers and consumers

Pricer's operations rest on a strong tradition of R&D to create value for customers and consumers through high-quality, reliable, and forward-looking solutions for store digitalization and streamlining of store processes.

Pricer is currently the only supplier of an ESL system working with reliable and scalable optical wireless communication technology with dependable performance. Pricer's labels are more environmentally friendly than other ESL solutions on the market since they consume significantly less energy than other communication systems, making them market-leaders in battery life.

By having an R&D-intensive organization, Pricer constantly strives to be the digital partner who can guide retail customers through the challenges of store digitalization and offer solutions and services that are reliable and easy to use, to implement and to scale up.

Product development

Pricer develops both software and hardware with the aim of developing new products and services and continuously improving the system's performance. Product development is a significant part of Pricer's operations within the parent company in Sweden. Factors such as technology trends, market trends and customer demand form the basis for the work in this department, which is agile and offers excellent capacity for providing new products and services within Pricer's scalable and modular solution.

In 2020, the R&D department prioritized the development of solutions that offered far more agility and capability to deal with rapidly changing business models. This primarily focused on implementation of cloud-based systems known as Pricer Plaza. This solution, launched early in 2020 enables a SaaS (Software as a Service) deployment model to enable lower cost and more flexibility for enhanced store operations. Examples of this include machine vision (launched as "Pricer Shelf Vision") and a low cost store associate tool ("Shelf Controller"). Pricer also initiated deployment of a wireless shelf-edge mounted camera that with the help of artificial intelligence interfaces provided by Pricer Plaza can send notifications to store staff when goods are in the wrong place or about to sell out, provide visual records of planogram compliance and provide a strong and reliable platform for new shelf and store optimization capabilities in the future.

The combination of Pricer Shelf Vision and Pricer Plaza provides a strong and reliable platform for new shelf and store optimization capabilities in the future.

Pricer Shelf Controller enables stores to deploy many more cost-efficient hand-held devices to enable store associates to perform basic functions such as label linking and unlinking, simple alerting and other functions without the need to and risk of providing every associate with a full capability PDA.

Pricer announced all of these capabilities at Euroshop and experienced very rapid uptake of the SaaS model with a projected 1.5 M ESLs under management by Pricer Plaza during 2020. Pricer Plaza allows rapid deployment of advanced capabilities to support the evolving requirements brought about by COVID-19 pandemic such as capabilities to enhance BOPIS (Buy Online Pickup In Store) and touchless/reduced contact payment and store processes.

Manufacturing and logistics

Delivering large volumes of ESLs has long been, and still is, one of Pricer's defining features. Pricer has the capacity to deliver the volumes that our existing and potential customers demand as they grow. We meet our large customers regularly to develop forecasts of future delivery needs.

Our capacity and flexibility in the production line is the result of close partnerships with several carefully selected manufacturers in China, Thailand, Cambodia and Hungary. They were chosen based on provided quality, geographic location, delivery capacity and price, which enables Pricer to optimize its production. All of our suppliers must follow Pricer's strict Code of Conduct and business ethics, which we continuously monitor. This flexibility has enabled to Pricer to meet the changing conditions in supply chain and transportation during the ongoing pandemic, providing new and existing customers with on time and expanded support as they evolve plans to meet their own challenges now and in the future.

Sales channels

Pricer's sales are primarily based on two models: direct sales and sales through resellers. On markets where Pricer does not have its own local presence, we have a well-established network of certified and trained partners for sales and support, which is an important part of Pricer's business model. The sales structure on some markets is a hybrid of both models.

Our selected partners work closely with Pricer's assigned representative for their market to ensure that customers receive the support they need in terms of sales, competence development and certification.

Platform for real-time digital communication

Pricer offers a digitalization platform for the physical retail trade – a solution that streamlines the in-store work for employees and provides a positive experience for the modern consumer.

Digitalization and streamlining of store processes

Pricer's business model is based on creating value through store digitalization and streamlining of store processes. By offering a fast, low latency, energy-efficient, robust and scalable system for automated price updates, it is possible to add additional functions and integrate with other technologies.

With extensive experience in complex system solutions

Pricer is dedicated to providing long-term support and ongoing development of its platform and maintains good production and delivery capabilities to ensure that the system is open for future integration. The system currently comprises an important component in the retailers' work to increase consumer involvement, customer satisfaction and the buying experience.

Reliable and energy-efficient systems with fastest response time

Many physical stores are facing the challenge of transitioning from a transaction-oriented to a service-oriented environment. By freeing up time for store employees, Pricer's customers can offer a higher level of service to the shoppers and thereby reach higher levels of customer satisfaction. As the boundary between e-commerce and physical stores is increasingly blurred, there is a greater need for stores to be able to update their information in real time. System requirements on stability, latency, speed and scalability are especially important in this respect. The battery performance of Pricer's labels is the market leader, featuring significantly less energy consumption than radio-based communication systems. This is all achieved without sacrificing speed and flexibility.

Rapidly deployed, highly scalable system

The strength of Pricer's system is it's ability to offer customers a modular and scalable solution that can handle the addition of new functionality. Everything from the instant scalability of Pricer Plaza, the ability to adapt to new business models and the flexibility of rapid deployment of new capabilities and features have been essential during 2020 and will only serve customers better in the future.

Flexibility to meet new challenges

The excellent flexibility and robustness of Pricer's system has been tested to an extraordinary extent during the COVID-19 pandemic with retailers having to react rapidly to meet the unprecedented demands of their new reality. Pricer's feature rich system has enabled retailers to immediately scale up their online based BOPIS offerings by enabling a rapid scaling of in-store "pick to light" and in-store product location capabilities.

Strong innovation

The system has long been able to transmit information such as price, contents, country of origin, etc., to the label. The system also has the capability to communicate with store employees or passing consumers via a flashing LED diode, thereby helping employees or consumers find the right product more quickly. This interactivity is a critical component in helping stores streamline many of their more onerous work processes than was previously possible. Development of new applications for the system is continuously ongoing as market needs and expectations change. An example of this is the system's unique ability to automatically position products in stores, an innovation that has had a major impact since it fully automates what was previously a purely manual process.

The need for a high rate of innovation in order to meet customer demand for increased system functionality is more important than ever before. Pricer has also initiated a number of partnerships with supplemental software solutions with the aim of reducing food waste in the grocery retail trade. Pricer is also involved in a large number of local initiatives and customer integrations, where the company's platform enables connection to the product in different ways by giving it digital representation at the shelf edge.

Pricer's ESL system—developed to meet the demand and requirements of retailers and consumers

RELIABLE – NOT DISRUPTED FROM WI-FI SYSTEMS

ENERGY-EFFICIENT AND SCALABLE

FASTEST UPDATE AND RESPONSE TIME

LOWEST LIFE CYCLE COST

Solutions that increase stores' productivity and enhances the buying experience

2020 has proven one of the most demanding years for retailers as they wrestle with the challenges of increased competition from online retailers along with drastic restrictions caused by COVID-19. Capabilities such as those covered here have been key to helping retailers meet these unprecedented challenges.

Click & Collect

When a consumer places an online order, a common solution is to use a nearby store as the picking location. The consumer can then collect the product at the store or have it delivered. Picking orders is a timeconsuming and costly process.

Pricer's customers use Instant Flash, a blinking function on the digital price label, to save precious seconds every time an item is picked. Based on the online order, the store employee is shown a route through the store. As the employee nears the shelf, the labels of the items that need to be picked will start to flash. Without needing to look for the item itself, the employee can quickly pick the right item by following the blinking labels.

It is not unusual for stores to do around one or two million picks a year, which offers great potential for savings. The end result is a decrease in the employee effort required to pick products and an increase in the quality of service.

Dynamic price setting

An automated price-setting process frees time for more valuegenerating processes that help customers and place key products on the shelf. In a store with paper labels, the price on the shelf can differ from the price at check-out. In a store equipped with Pricer's system, the prices are updated digitally and automatically to guarantee that the price on the shelf is always the price at check-out.

Inventory management in stores

Most modern retailers today use automatic order placement systems to order products. These systems are based on registered deliveries, cashier transactions and registered waste. In practice, there are many sources of errors. Consequently, one important task at the store is to continually coordinate potentially incorrect inventory balances — a time-consuming task that calls for good familiarity with the store. Pricer's system can be used in several different ways to improve inventory management, for example by showing the inventory levels on the label before the store opens. Staff can also be guided to potential problem-products through the blink function.

» It is not unusual today for stores to complete around one or two million picks a year, which offers great potential for savings.

Campaigns

Many retailers use campaigns to drive sales. Marketing materials known as shelf talkers are commonly placed on shelf edges to call attention to the campaigns. A campaign generally lasts for a set period of time, for example a week-end or a week. Many shelf talkers need to be put up and taken down in between two campaign periods.

Pricer's system utilizes a hand-held unit that has a map of the store showing where the campaign goods are. As the employee approaches the proper shelf, Instant Flash shows which items are in the campaign at the same time as the hand-held unit shows what needs to be done. Valuable time is saved once again, and campaigns are ensured to be executed correctly.

Shelf replenishment

Shelf replenishment is one of the most time-consuming tasks in a store. For every product that is sold, a new one needs to take its place on the shelf. With a map that shows the location of the product in the store and Pricer's Instant Flash, even an inexperienced employee is transformed into an efficient stocker. The volume of products also means that even very small savings have a large financial impact.

Guidance in the store

In large stores like supermarkets or DIY stores, it is not always easy for customers to find the item they want. The store layouts differ between stores, chains, and countries, and finding a staff member to help can be difficult. There is naturally a risk that customers will give up and leave if they cannot find the product.

Pricer offers an automated solution to the problem. By dynamically and automatically positioning every label, the system knows where all of the products in the store are located. Customers can then search for a product and find it on a map using Pricer Quick Search, which is available at an in-store terminal or as a mobile app or website.

» By dynamically and automatically positioning every label, the system knows where all of the products in the store are located.

The Pricer share

The Pricer Class B share is quoted on Nasdaq Stockholm. In 2020, the share was listed in the Small Cap segment and changed in 2021 to the Mid Cap segment. Pricer's share capital at December 31, 2020, amounted to SEK 110,971,781. The total number of shares was 110,971,781, divided between 225,523 Class A and 110,746,258 Class B shares, all with a quota value of SEK 1. Each Class A share carries five votes and each Class B share carries one vote. All shares grant equal rights to the company's assets and profits. See Note 15 for changes in the share capital during the years 2010–2020.

The company's stock was previously available for US investors via an ADR (American Depository Receipt) program through the Bank of New York Mellon. This means that the Class B share is available as a depository receipt in the USA without a formal stock market listing. In 2020, the company terminated the agreement with Bank of New York Mellon due to low transaction volume.

Trading and price trend

The share price started the year at SEK 18.70 and ended at SEK 38.75. The highest price paid during the year was SEK 41.70, quoted on December 15, 2020, and the lowest price paid was SEK 12.64, quoted on March 23, 2020. The total market capitalization at December 31, 2020, was SEK 4,266 M. Turnover for FY 2020 amounted to 152 million shares traded for a combined value of SEK 3,535 M, equal to an average daily volume of 602,000 shares with a combined value of SEK 14.0 M per trading day. The number of trades cleared for the full year was 223,000, equal to an average of 885 per trading day.

Ownership structure

The number of shareholders at December 31, 2020, was 19,470. The ten largest shareholders held 41 percent of the number of shares and 41 percent of the number of votes. Legal persons were responsible for 61 percent of the number of shares and votes. Foreign ownership amounted to 26 percent of the number of shares and votes.

Why invest in Pricer?

- Strong underlying growth in the market with a low rate of penetration. Digitalization of physical stores is necessary in order to maintain a competitive edge. Pricer is a strong partner for retailers during their digital journey.
- Most reliable system on the market. Unique functionality and a technological solution that is difficult to copy. Based on reliable, scalable, energy-efficient and interference-free communication.
- Strong balance sheet promotes innovative strength.
- Global presence with a large installed base.
- Long-standing track record of producing solutions demanded by retailers.

Dividend

Pricer's dividend policy specifies an annual dividend of at least 50 percent of the company's profit after tax. The level of the annual dividend must be adapted to the company's strategy and financial position, as well as with investment needs and risks that the Board considers relevant.

For the 2020 financial year, the Board proposes a dividend of SEK 1.00 per share equally distributed between two payment dates.

Performance share plan

The AGMs in 2017, 2018, 2019 and 2020 resolved on a performance-based share plan for certain senior executives and key employees in the Pricer Group. After an initial investment by the participant in Pricer's B-share at market price ("saving shares"), 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. For allocation, the participant must still be employed in the Pricer Group and have retained the savings shares during the vesting period.

From the 2017 performance share plan, 227,995 shares were transferred free of charge in June 2020 to the participants. Due to the fulfillment of the performance share plan, Pricer decreased its treasury shares by 227,995.

From the 2018 performance share plan, a maximum of 325,308 shares can be transferred free of charge to the participants in June 2021 in the event the predefined performance targets during the measurement period 2018–2020 are fully met.

From the 2019 performance share plan, a maximum of 240,000 shares can be transferred free of charge to the participants in June 2022 in the event the predefined performance targets during the measurement period 2019–2021 are fully met.

From the 2020 performance share plan, a maximum of 330,000 shares can be transferred free of charge to the participants in June 2023 in the event the predefined performance targets during the measurement period 2020–2022 are fully met.

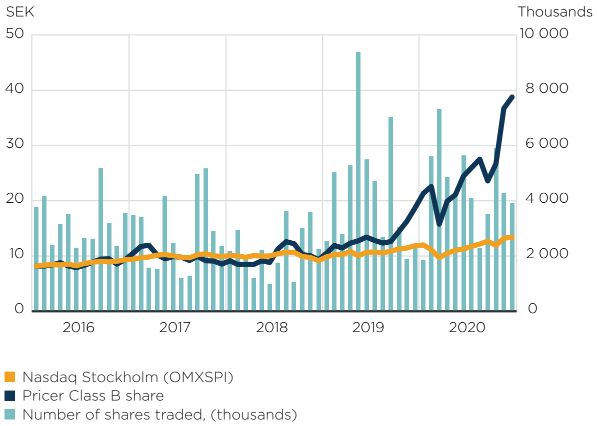
See Note 4 for further information.

Treasury shares and conversion of shares

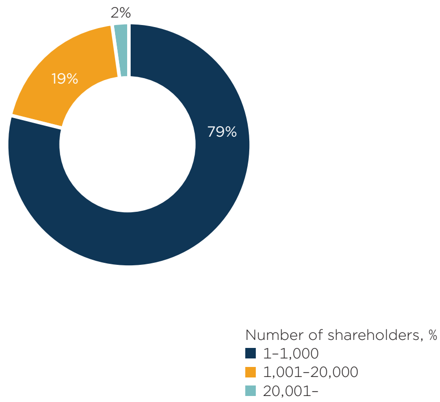
Pricer's holdings of treasury shares amounted on December 31, 2020, to 877,136 (705,131) Class B shares. These shares are held to be able to meet obligations on matching and performance shares under the outstanding performance share plans.

Holders of Class A shares may convert these to Class B shares. The request for conversion must be made in writing to the Board of Directors.

PRICER SHARE DEVELOPMENT 2016–2020



OWNERSHIP STRUCTURE, December 31, 2020



LARGE SHAREHOLDERS ON DECEMBER 31, 2020

Owners	No. of Class A shares	No. of Class B shares	Total number of shares	Share capital	Voting rights
Avanza Pension	–	11,576,980	11,576,980	10.4%	10.3%
Nordea Bank AB	–	11,515,589	11,515,589	10.4%	10.3%
Nordnet Pensionsförsäkring AB	–	6,261,770	6,261,770	5.6%	5.6%
Sifonen AB	–	3,015,000	3,015,000	2.7%	2.7%
CMU/SECFIN Pooled Account	–	2,892,259	2,892,259	2.6%	2.6%
Alcur Select	–	2,769,722	2,769,722	2.5%	2.5%
Hans Granberg	–	2,250,000	2,250,000	2.0%	2.0%
BNY Mellon SA/NV	–	1,792,032	1,792,032	1.6%	1.6%
AP3 Third Swedish National Pension Fund	–	1,735,000	1,735,000	1.6%	1.6%
Thomas Krishan	–	1,590,892	1,590,892	1.4%	1.4%
10 largest shareholders	**0**	**45,399,244**	**45,399,244**	**40.9%**	**40.6%**
Others	225,523	64,469,878	64,695,401	58.3%	58.6%
Total number of shares outstanding	**225,523**	**109,869,122**	**110,094,645**	**99.2%**	**99.2%**
Pricer's own treasury shares	–	877,136	877,136	0.8%	0.8%
Total number of shares	**225,523**	**110,746,258**	**110,971,781**	**100.0%**	**100.0%**

Source: Euroclear.

FIVE-YEAR SUMMARY FOR PRICER SHARE

	2020	2019	2018	2017	2016
SEK per share, basic					
Earnings	1.16	0.89	0.79	0.35	0.52
Dividend, paid	0.80	0.60	0.50	0.50	0.25
Shareholders' equity	7.44	7.35	6.98	6.52	6.63
Cash flow from operating activities	2.40	1.35	0.76	-0.08	1.58
P/S ratio	2.42	2.06	0.86	1.13	1.35
SEK per share, diluted					
Earnings	1.15	0.88	0.79	0.35	0.52
Shareholders' equity	7.37	7.29	6.94	6.5	6.63
Cash flow from operating activities	2.38	1.34	0.75	-0.08	1.58
P/S ratio	2.44	2.06	0.86	1.13	1.35
Share price					
Closing price for the year, Class B	38.75	18.7	9.29	8.5	9.3
Highest price paid, Class B	41.7	18.92	13.1	12.6	9.9
Lowest price paid, Class B	12.64	9.03	7.62	8.3	7.3
No. of outstanding shares on Dec. 31, thousands	110,095	110,267	110,267	110,267	110,042
Market capitalization on Dec. 31, SEK M	4,266	2,062	1,024	937	1,023
Average number of outstanding shares, 000s	110,316	110,267	110,267	110,149	109,979
Share price on Dec. 31/shareholders' equity, %	521	254	133	130	140

Sustainability for Pricer

Sustainability management
Sustainability for Pricer concerns financial, social and environmental value creation throughout the entire value chain. Pricer's sustainability management is based on ongoing stakeholder dialogue, business intelligence and the company's strategies and priorities.

Based on these aspects, Pricer determines the most essential areas given the company's operations and their impact on the environment and society. Pricer then decides on goals and activities and follows up on them within the framework of the overall strategic objectives, for which the Board and CEO are ultimately responsible. Pricer develops its work to set the company's goals and activities on an ongoing basis in order to accommodate the current needs of its various stakeholders.

Continual stakeholder dialogue
A number of stakeholders affect Pricer's sustainability management through their demands and expectations on the company. Satisfying existing requirements and being prepared for anticipated requirements are fundamental components in the company's strategy for sustainable business development.

Pricer's stakeholders are groups associated with the company that directly or indirectly affect or are affected by our operations. Pricer strives for an open dialogue with our stakeholders in order to address the issues most important to them. The company has identified five key stakeholder groups: customers, suppliers, employees, shareholders and public authorities, including their respective focus areas illustrated below.

Pricer's stakeholders and their core issues

Pricer

CUSTOMERS	SUPPLIERS	EMPLOYEES	SHAREHOLDERS	SOCIETY
Customer satisfaction Product innovation Procurements Delivery capacity	Meetings with suppliers Product development Procurements Delivery capacity Quality	Development opportunities Work environment Information to employees	Share value creation Financial stability Ownership structure	Regulatory contacts Regulatory requirements and legislation

Pricer's focus areas

Environmental impact

Employees

Supply chain

Regulatory compliance

» **Sustainability for Pricer is related to financial, social and environmental value creation throughout the entire value chain.**

Value creation for the company's stakeholders

Finances

The inputs for financial value creation consist of share capital, operating profits and the performance data for value creation as presented in the table below.

PRICER'S FINANCIAL VALUE, GENERATED AND DISTRIBUTED

MSEK	Stakeholders	2020	2019
Net sales	Customers	1,759	1,003
Total value generated		**1,759**	**1,003**
Distributed as			
Salaries and remuneration	Employees	-127	-104
Service, goods and investments	Suppliers	-1,384	-769
Social security contributions and income tax	Federal	-57	-45
Transactions with owners of the Group	Shareholders	-102	-66
Remaining in the company		**90**	**19**

Social

The inputs for social value creation are found in the expertise provided by employees, management and the Board, and continuous development is vital for long-term value creation. The company's close relationships with select suppliers are also critical.

The results of good social value creation are visible in the way Pricer's services and solutions help customers operate their businesses efficiently. The improvements are visible among Pricer's customers across various retail trade verticals, such as those in the grocery retail, DIY, home electronics and pharmacy sectors. The enhancements offered to these retail companies in turn have positive effects on the public and society.

Environmental aspects

Pricer has no in-house manufacturing. On an environmental front, Pricer actively works to reduce its environmental impact in relation to the logistics structure and in relation to the company's business travel policy.

Pricer's value chain has the following main components:

PRODUCT DEVELOPMENT	PURCHASING	DELIVERY	CUSTOMERS
Pricer develops and sells goods and services for electronic shelf label solutions. Pricer has no in-house production but undertakes environmental responsibility through established processes and routines in the product development process. For example, worn out electronics are recycled.	Pricer makes purchases at substantial amounts every financial year. Our suppliers are found primarily in Asia. All suppliers undergo an approval process in which product safety and corporate responsibility are evaluated. The suppliers sign a Supplier Code of Conduct that addresses their corporate responsibility and assures they will comply with Pricer's sustainability policy. Continuously monitored by Pricer.	Pricer ships goods from its suppliers in Asia to a logistics hub close to the customer by sea or air, depending on which is the most cost efficient and environmentally friendly. The point of departure is for customers to receive their goods based on their operational needs.	Pricer's goal is to be a world-leader in solutions for digital store communication and product positioning. Goods and services are to be delivered in a responsible manner with the highest quality.
Goal: Develop safe and high-quality products from environmentally friendly materials.	**Goal:** Collaboration with reliable suppliers that apply good business ethics and take responsibility for human rights, the environment and working conditions.	**Goal:** Optimize logistics flows for reduced climate impact and lower costs.	**Goal:** Achieve the highest possible customer satisfaction by meeting customer expectations; this should be reflected in renewed confidence through new orders.

For a description of Pricer's business model, see pages 8–9.
For a description of sustainability risks, see page 32.
For a description of the Pricer Group, see Note 24, page 59.

Environmental impact

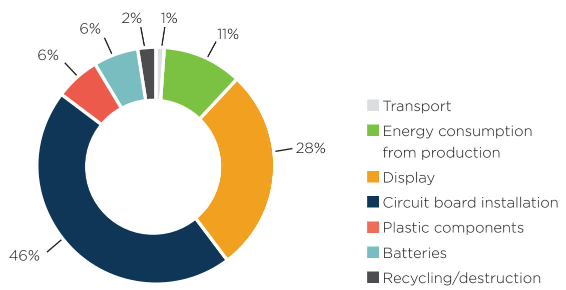
At Pricer we are convinced that sustainable business is critical for continued profitability. It is important for the company to keep its environmental footprint as small as possible — an ambition that should permeate all of our activities on a day-to-day basis. Pricer strives to minimize waste generation. One of the cornerstones of Pricer's environmental policy is to proactively avoid greenhouse emissions and make continuous improvements in the environmental area. Pricer's products should be developed with the objective of minimizing their environmental impact throughout their entire service life as well as when they are recovered and destroyed. Pricer should choose materials, technology and distribution systems that meet our goals for low environmental impact. One of the criteria for selecting our resellers is that they need to have similar ambitions in terms of the environment and that they, together with us, promote compliance with the environmental policy. Pricer offers advice and shares know-how with our customers and partners so that they can use, transport, store and scrap our products in an environmentally positive manner. Pricer's products comply with the EU's RoHS (Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment) Directive, which is aimed at reducing risks to human health and the environment by replacing and limiting hazardous chemical substances in electronic equipment. The directive also seeks to achieve profitable and sustainable material recovery of the equipment.

Pricer's ESL systems are market leading in energy efficiency with the longest battery time, which means it is the most environmentally friendly turnkey solution available on the market.

Life cycle analysis

As a further step in understanding the actual impact of Pricer's products on the environment, the company conducted a life cycle analysis. This provides a quantified result of the actual carbon dioxide equivalent a digital price label generates throughout its lifetime. Based on this analysis, Pricer can identify the impact of the products on the environment as well as the components that have the largest impact. Pricer works continuously to streamline its products. For example, we streamlined the circuit board in our newest label, SmartTAG Power, and its climate impact is 20 percent lower than the climate impact of the previous label model. We made the SmartTAG Power circuit board smaller and thinner. See the results in the pie chart below. Pricer is now analyzing the new conditions this creates for the company to actively work to streamline the company's products and reduce the environmental footprint.

Carbon dioxide equivalents (CO_2e)



» Pricer's new generation of labels has a 20 percent lower impact on the climate.

COVID-19 has had an impact on logistics, which resulted in higher volumes of air freight to be able to secure the customer service level.

GOAL 80%

The goal is for 80% of the company's intercontinental shipping to go by sea by 2020.

OUTCOME 59%

Of the company's total number of produced labels, 59% (65%) were shipped by sea from Pricer's suppliers in Asia.

Employees

PRICER'S VALUES

A key factor for Pricer's success is that employees are happy and develop. Therefore, during the year the company implemented several initiatives to recruit, maintain and develop employees and managers.

An important focus area during the year has been Pricer's unique corporate culture, and a project was started to clarify, strengthen and anchor values and behavior. This is a long-term project that will continue over the next few years. The clarification of roles, responsibility, development opportunities, and individual targets are included in the plan along with a process for performance management.

The focus has also been on developing the work of HR, leadership and work environment matters, and internal communication, implementing clearer recruitment and onboarding processes, an annual wheel for HR activities and HR systems, and clarifying Pricer's Employer Value Proposition (EVP).

Employee survey

Pricer conducted an employee survey of the entire company to provide a basis for its continued work with employee satisfaction, development, corporate culture and the work environment. A high response rate and the results indicate a high engagement level among employees and managers. Some of the questions were related to the company's handling of COVID-19 since this had a substantial impact on the working situation for the company's employees. The results show that employees have a high degree of confidence in their manager's and the management team's handling of the effects of the pandemic, and they also consider the adaptations made by Pricer to be sufficient. Pricer's employees and managers have demonstrated great flexibility in adapting their work situation while maintaining productivity. We will now further analyze the results and create an action plan for our work going forward.

Diversity and equal treatment

For Pricer, diversity and equal treatment are givens. Diversity contributes to greater creativity and adds a perspective that is important for the development of employees and the company. It reflects our customers and offers a greater understanding of the markets and cultures where the company's products and services are used. Equal treatment is an important and central component of Pricer's culture and values. No discrimination is accepted in any form at any level.

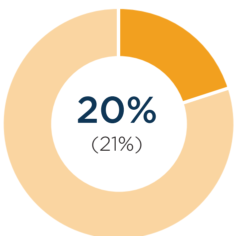
Skills development

Pricer aims to continuously track our needs in terms of resources and skills to ensure innovative leadership. Training opportunities are offered based on need and priority and in different formats, for example on-the-job training, e-learning, courses, seminars and other specialized training.

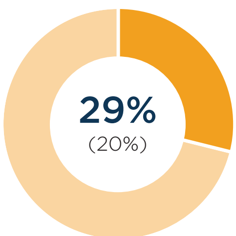
The company is working to increase diversity and equality. The technology industry has been, and remains, male-dominated. The goal is for the share of women and men to follow the general gender distribution in the industry and for every department to have female representation.

GOAL →	OUTCOME
Increase the share of women at the company and have female employees in all departments.	The graph below shows the share of women in the total number of employees and by department at the end of the year.
GOAL 0 →	**OUTCOME 0**
Zero vision for occupational injuries, illnesses and incidents.	No occupational accidents, illnesses or incidents were reported during the year.

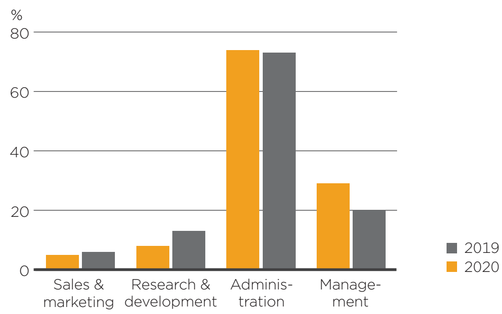
SHARE OF WOMEN IN THE TOTAL NUMBER OF EMPLOYEES



SHARE OF WOMEN IN THE MANAGEMENT GROUP



SHARE OF WOMEN PER DEPARTMENT AT END OF YEAR



Supply chain

Pricer strives to be an attractive business partner and seeks reliable, fair and reciprocal conditions for both the company and its suppliers. The underlying ambition is for the company to strive for an ethical and professional standard and aim for its suppliers, service providers and other business partners to do the same.

Pricer has required its major suppliers to comply with the company's Supplier Code of Conduct since 2016.

In 2019, these requirements were extended to include our direct component suppliers as well. In 2020, the Code of Conduct was revised to better reflect Pricer's ambitious goals and our customers' expectations. The basis for this revision is largely recognized standards and recommendations from UN Global Compact and Responsible Business Alliance Code of Conduct.

The areas that are affected in the new revision of Pricer's Supplier Code of Conduct are shown here in the illustration.

Supplier Code of Conduct

Workers' rights
- Forced labor
- Non-discriminatory
- Child labor
- Work environment
- Wages
- Union representation
- Whistleblowing

Health and safety
- Work environment
- Crisis preparedness
- Occupational injuries and work-related illness
- Sanitation

Environment
- Licenses and banned materials
- Energy consumption
- Reduced resource consumption
- Contamination and hazardous substances

Ethics
- Intangible rights
- Improper payments and benefits
- Identity protection
- Non-retaliation

In 2020, Pricer's Code of Conduct was revised to better reflect Pricer's ambitious goals and our customers' expectations. The basis for this revision is largely recognized standards and recommendations from UN Global Compact and Responsible Business Alliance Code of Conduct.

Goal		Outcome
GOAL 100% 100% of the company's production partners shall sign and follow the company's Code of Conduct.	→	**OUTCOME 100%** 100% (100) of the company's production partners have signed and are complying with the company's Code of Conduct.
GOAL 100% 100% percent of the company's direct component suppliers shall sign and follow the company's Code of Conduct.	→	**OUTCOME 100%** 100% (100) of the company's production partners have signed and are complying with the company's Code of Conduct.
GOAL 0 Zero tolerance for human rights violations.	→	**OUTCOME 0** No violations of human rights were reported in 2020.

Pricer promotes local development

Pricer contributes to local development in the community where one of our suppliers operates. Pricer and the local supplier have together promoted an initiative for a number of years that aims to support education and health care for underprivileged children in Thailand. As a result of the program, Pricer and the supplier have been able to donate funds to build a school, provide eyeglasses for students in need and donate medical equipment to a hospital.

In 2020, the activities were temporarily halted due to COVID-19. The activities will be resumed as soon as the situation allow for this.

» **In 2020, the Code of Conduct was revised to better reflect Pricer's ambitious goals and our customers' expectations.**

Compliance lays the groundwork for sustainable business

Corporate responsibility

Activities related to corporate responsibility (CR) are important for Pricer's long-term value creation and comprise the concept of sustainability as a whole — from the environment, health and safety to challenges related to regulatory compliance, business ethics and relationships with employees, customers, suppliers and society.

No matter where Pricer has operations, we adhere to laws, rules and regulations. The company respects human rights and should be known for its exemplary business ethics.

The company began the certification process for ISO 27001 and expects the process to be done by the end of 2021.

Policy documents for governance:

- Sustainability Policy
- Environmental Policy
- Code of Conduct for Suppliers
- Dividend Policy
- Finance Policy & Authorization Policy
- Information & Communication Policy
- Insider Policy
- IT Policy

Corporate governance

Good corporate governance is an important aspect of both Pricer's corporate culture and the Group's values. The aim is to support the Board and management in their efforts to increase customer benefit as well as shareholder value and transparency.

Application of the Code

Pricer AB is a publicly traded Swedish company listed on Nasdaq Stockholm. The company applies the Swedish Corporate Governance Code. More information about the Swedish Corporate Governance Code is available at the Swedish Corporate Governance Board's website, www.bolagsstyrning.se.

The company complies with Nasdaq's rules and the EU's Market Abuse Act (MAR).

Employee accountability

The company expects all of its employees never to commit, support or assist in fraud, abuse, theft, embezzlement, bribery or similar activities. Employees who suspect or have information about such irregularities involving Pricer, its employees, a consultant, any agent to Pricer or customer (including employees of customers) or anyone doing business with Pricer must immediately notify their immediate manager or Pricer's corporate management. The company has set up a whistleblowing function that can be used anonymously.

The goal is to comply with both international practice and a standard higher than that required by local legislation.

GOAL 0	OUTCOME 0
Zero tolerance of all forms of bribery, inappropriate gifts/ business entertainment or corrupt activities.	No indications of the occurrence of corrupt business practices in the Group's operations.

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of Pricer AB (publ), corporate identity number 556427-7993

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2020 on pages 14-19 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

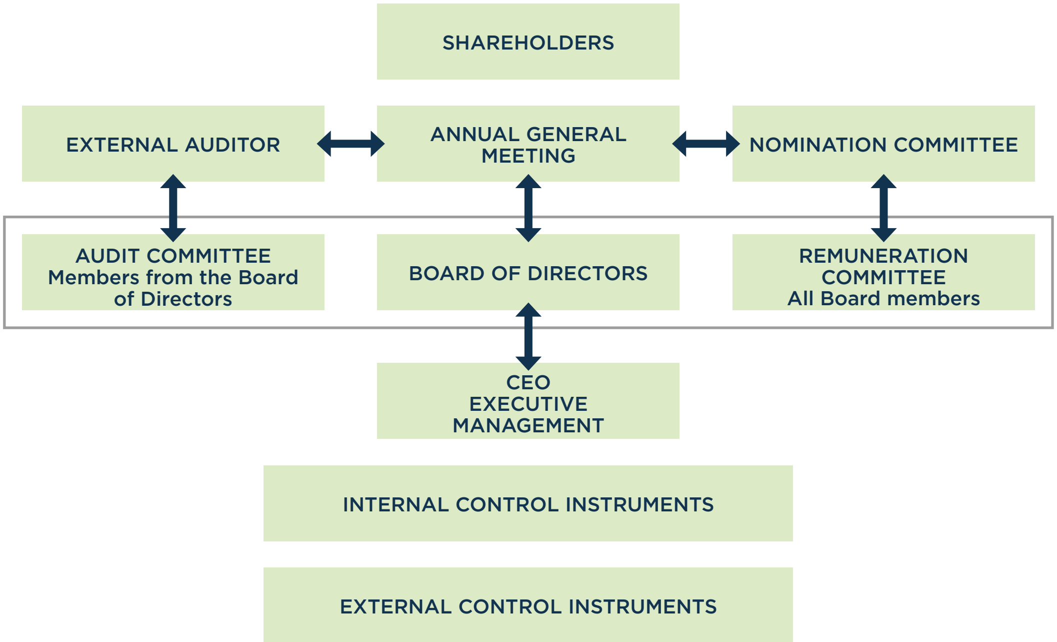
A statutory sustainability statement has been prepared.

Stockholm March 25, 2021
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Corporate Governance Report

Pricer's governance



Pricer AB (publ) is a Swedish public company domiciled in Stockholm. The company's Class B share is listed on Nasdaq Stockholm. In 2020, the share was listed in the Small Cap segment and changed in 2021 to the Mid Cap segment.

This corporate governance report has been prepared in accordance with the Annual Accounts Act and the rules in the Swedish Corporate Governance Code, "the Code" (more information about the Code is available at www.bolagsstyrning.se).

This report has been submitted by the Board of Directors of Pricer AB but is not part of the formal financial statements. According to the Board of Directors, Pricer has followed the Code in all respects during 2020. The report has been read by the company's auditor, who has issued a separate opinion that the statutory information in the corporate governance report is consistent with that in the annual report and the consolidated financial statements.

Share structure and ownership

Pricer has two classes of shares: Class A and Class B. Class A shares carry five votes per share and Class B shares carry one vote per share. On the balance sheet date, there were 225,523 Class A shares and 110,746,258 Class B shares, all with a quota value of SEK (1) each.

The number of shareholders at December 31, 2020, was 19,470. The ten largest shareholders held 41 percent of the number of shares and 41 percent of the number of votes. For more information about the shareholders, see pages 12–13.

Annual General Meeting

Pricer's highest governing body is the AGM, where all shareholders have the right to attend, have matters addressed and vote for all their shares. The AGM is held once per year (if applicable an Extraordinary General Meeting may also be held). The AGM appoints the Board members and the Chair of the Board, elects the auditors, and decides on amendments to the Articles of Association. In addition, the AGM adopts the income statements and balance sheets and approves the appropriation of the company's profit or loss. The AGM also decides on discharge from liability for the Board members and the CEO, decides on fees for the Board and auditors and establishes the principles for remuneration to the CEO and senior executives. The AGM of Pricer is normally held in April or May in Stockholm. The date and location of the AGM is announced as soon as the Board has made its decision, normally in connection with the Q3 report. Information about the date and location of the AGM can be found on the company's website www.pricer.com.

Notice of the AGM is published by announcement in the Swedish official journal Post- och Inrikes Tidningar, in the newspaper Svenska Dagbladet and on the company's website. Shareholders who are registered in their own name in the share register maintained by Euroclear Sweden AB on the record date and have notified the company by the specified date are entitled to attend the AGM and vote for their shares. Shareholders who are unable to attend may be represented by proxy.

All information about the company's general meetings is available on the company's website.

The company's Articles of Association contain no restrictions on the number of votes each shareholder may cast at a general meeting, nor is the issue of amending the Articles of Association regulated.

Nomination Committee

The Nomination Committee represent Pricer's shareholders. The tasks of the Nomination Committee are to evaluate the composition and performance of the Board and prepare proposals for approval by the AGM regarding the election of the Chair of the AGM, the Chair of the Board, Board members and auditors. The Nomination Committee should also prepare proposals for the AGM regarding fees to the Board and auditors. Finally, the Nomination Committee proposes principles for the appointment of a new Nomination Committee. Shareholders may submit proposals to the Nomination Committee in accordance with the instructions on the company's website.

According to the Code, the Nomination Committee should consist of at least three members, one of whom should be appointed the Chair. The general meeting of shareholders should appoint the members of the Nomination Committee or specify how they should be appointed.

No remuneration is paid to the Nomination Committee.

Board of Directors

Size and composition

Board members are appointed by the shareholders at the AGM for the period until the end of the next AGM. In accordance with the Code, the Chair of the Board is also appointed by the AGM.

In accordance with the Articles of Association, the Board of Pricer should consist of a minimum of three and a maximum of seven members, and the AGM should decide on the exact number of Board members. The Articles of Association contain no specific provisions regarding the appointment or dismissal of Board members.

For a presentation of the Board members, see page 25.

Role

The Chair of the Board is responsible for organizing and overseeing the work of the Board and ensuring that it is performed in accordance with the applicable rules. The Chair of the Board continuously monitors operations through a dialogue with the CEO and ensures that the Board is provided with the information and documentation necessary for it to discharge its duties. The Chair of the Board is responsible for ensuring that the work of the Board is well-organized and carried out efficiently and that the Board discharges its obligations. He is responsible for ensuring that the other Board members receive the information and documentation necessary for a high quality in the discussion and decisions and checks that the Board's decisions are carried out.

The Board is responsible for the company's strategy and organization as well as the management of the company's affairs. The Board ensures that the company's organization is designed to ensure that accounting, cash management and other financial matters are controlled in a satisfactory manner. The Board continuously monitors the financial situation of the company and the Group, which is reported monthly, to ensure that the Board can meet its assessment obligation as required by law and the listing rules. The work of the Board is governed by specially formulated working procedures. Generally, the Board handles matters of material significance to the Group, such as strategic plans, budgets and forecasts, product planning, working capital, financing and the acquisition of operations, businesses or significant investments.

Committees

The Board has appointed an Audit Committee. Within the framework of the Board's duties, the Audit Committee should, in part, monitor the company's financial reporting and prepare issues regarding the company's financial reporting and audit in accordance with Chapter 8, section 49b of the Swedish Companies Act and fulfill the duties imposed by EU Regulation No 537/2014. The Audit Committee has also regularly supported the CEO in major financing and structural issues and in preparation of these matters for the Board.

The Board of Directors decided not to establish a Remuneration Committee. The Board considers it to be more suitable for its members to discharge the tasks applied to the Remuneration Committee in accordance with the Code. The Board of Directors deals with issues related to remuneration and terms of employment for senior executives and the preparation of draft guidelines for remuneration to the CEO and senior executives, which the Board submits for resolution by the AGM.

Evaluation of the Board

The Chair of the Board is responsible for the evaluation of the Board of Directors' performance, including the contributions of individual members. This is done through a structured yearly self-assessment that is followed by discussions within the Board and the Nomination Committee, where the compiled results of the survey, including any comments made, are presented by reviewing the individual answers as well as the average and standard deviation for each question.

CEO and Executive Management

The CEO is appointed and dismissed by the Board and his/her performance is evaluated regularly by the Board, which occurs without the presence of company's management. The company's CEO supervises the ongoing operational activities. Written instructions define the division of responsibilities between the Board of Directors and the CEO. The CEO reports to the Board and presents a special CEO report at each Board meeting, which among other things contains information about how the business is performing based on the decisions taken by the Board.

The CEO prepares the agenda in consultation with the Chair ahead of each meeting and determines the required supporting data and documentation necessary to deal with the matters at hand. Other members may request that certain matters be added to the agenda. Prior to each scheduled meeting, the CEO provides the Board with a status report containing at least the following points: market, sales, production, research and development, finance, staff issues and, where appropriate, legal disputes.

Pricer's Executive Management consists of six members in addition to the CEO. Each of the members has operating responsibility for part of the organization. In January 2020, the organization was restructured and the Head of Quality & Sustainability was moved under VP Supply Chain & Procurement, VP R&D was moved under Chief Product Officer, and the Head of France was moved under VP Sales.

Pricer's CFO left the company in January 2021 for similar role at another company.

For a presentation of the members of Executive Management, see page 26.

External Auditor

The Auditor is appointed by the AGM following a proposal by the Nomination Committee. The auditing firm of Ernst & Young AB was elected auditor by the 2020 AGM until the 2021 AGM, with Authorized Public Accountant Rickard Andersson as auditor-in-charge.

Control instruments

Corporate governance within Pricer takes place through external rules such as the Swedish Companies Act, Nasdaq Stockholm's Rules for Issuers, the Swedish Corporate Governance Code ("the Code") and other relevant laws, ordinances and rules.

The internal regulatory framework that regulates the governance of Pricer consists mainly of the Articles of Association, the rules of procedure for the Board, instructions for the CEO, and other policy documents adopted by the Board for various areas, e.g. approval and authorization rules, finance, and communication.

2020 Annual General Meeting

The AGM was held on May 6, 2020, and was attended by 26 shareholders representing 9 percent of the votes and 9 percent of the number of shares in the company. Due to effects from the spread of the coronavirus, Pricer decided to take certain precautions, and participation from Pricer's management was decreased.

The AGM adopted the following resolutions:

- The income statement, balance sheet and consolidated income statement and consolidated balance sheet were adopted.
- The proposed dividend was SEK 0.80 per share was adopted, split between two payment occasions of SEK 0.40 per share each.
- The Board of Directors and the CEO were discharged from liability for the 2019 financial year.
- Re-election of Board members Knut Faremo, Hans Granberg, Jenni Virnes, Jonas Guldstrand and Thomas Krishan. Knut Faremo was elected the new Chair of the Board. Bernt Ingman declined re-election.
- Board fees for the next term of office were set at a total of SEK 1,650 T, fees for the Audit Committee were set at a total of SEK 100 T, and it was resolved that fees to the auditors would be paid in accordance with the company's approved account.
- Re-election of Ernst & Young AB as the company's auditor for the period until the end of the next AGM in accordance with the proposal of the Nomination Committee and the recommendation of the Audit Committee.
- The Nomination Committee's proposal regarding principles for appointment of the Nomination Committee for the 2021 AGM were adopted.
- The principles for remuneration to senior executives were adopted.
- Long-term incentive program according to the Board of Director's proposal.
- Authorization for the Board of Directors to decide on the issue of new Class B shares as proposed by the Board.
- Authorization for the Board of Directors to decide on the repurchase and transfer of the company's treasury shares as proposed to the AGM.
- Amendment to the Articles of Association, which entailed in part a clarified operational target, removal of the possibility to issue Class C shares, and changed limits for the number of Board members and auditors.

The AGM's decision in its entirety is set out in the full minutes of the AGM (in Swedish), which together with other information about the AGM is available on the company's website, www.pricer.com.

Work performed by the Board of Directors

The Board held 15 meetings during the 2020 financial year. The attendance of the Board members at these meetings is shown in the below table.

The CEO and CFO attend all Board meetings, except in cases where issues involve obstacles due to conflicts of interest, such as when remuneration for the CEO is determined or when the performance of the CEO is evaluated. The company's auditors attended one Board meeting in 2020. The meetings have mainly been held at the company's headquarters in Stockholm or digitally.

The Board's work in 2020 followed an annual action plan that is set for each new fiscal year. In addition to the regular action plan, the Board prepared a proposal prior to the 2020 AGM for a new long-term incentive program for Executive Management executives, which was then adopted at the AGM in 2020.

Board members' attendance 2020

BOARD AND COMMITTEES

					Attendance at meetings[1)]	
Board members	Year of election	Remuneration, TSEK	Independent in relation to the company and its management	Independent in relation to the company's larger shareholders	Board of Directors (15)	Audit Committee (5)
Bernt Ingman[2)]	2014	182	Yes	Yes	5/5	3/3
Knut Faremo, Chair	2019	482	Yes	Yes	15/15	2/2
Hans Granberg	2014	315	Yes	Yes	15/15	5/5
Jenni Virnes	2016	265	Yes	Yes	15/15	
Jonas Guldstrand	2017	265	Yes	Yes	15/15	
Thomas Krishan	2018	265	Yes	Yes	15/15	
Total remuneration:		**1,773**				

1) Refers to the period January 1–December 31, 2020.
2) Bernt Ingman declined re-election at the AGM held on May 6, 2020.

The Board serves as the Remuneration Committee and has prepared issues related to remuneration and terms of employment for Executive Management.

The Audit Committee consisted of the Board members Hans Granberg, Bernt Ingman until May 6, and Knut Faremo as of May 6, 2020. The Committee held five meetings, of which the company's auditor participated in two. The Committee's work during the year focused primarily on ongoing improvement of the reporting and analysis of the company's economic performance.

For 2020, the work of the Board of Directors has been evaluated by the Board through an online evaluation conducted by an external supplier, in which the members of the Board individually and anonymously consider statements regarding the Board as a whole, the Chair of the Board, the CEO's work in the Board and their own work. The evaluation focuses, for example, on improving the efficiency and focus areas of the Board as well as the need of specific skills and working methods. The evaluation was then presented to the Nomination Committee and has provided the basis for proposals for Board members and remuneration levels.

With regard to the company's business, stage of development and other circumstances, it is the Board's opinion that the Board has an appropriate composition characterized by diversity and breadth regarding the members' skills, experience and background.

Remuneration

Board of Directors

The 2020 AGM resolved, in accordance with the proposal from the Nomination Committee, total remuneration to the Board of SEK 1,650 T, of which SEK 550 T to be paid to the Chair of the Board and SEK 275 T to each of the other five members.

The Chair of the Board and the Board members elected to the Audit Committee would receive remuneration of SEK 50 T each.

Other than the remuneration mentioned above, no other remuneration or financial instruments were paid or made available other than pure reimbursement for outlays.

External auditors

The 2020 AGM resolved to approve the Nomination Committee's proposal that fees to the auditors be paid in accordance with the company's approved account.

CEO and senior executives

The 2020 AGM resolved to approve the Board's proposal for guidelines regarding remuneration to Executive Management. Remuneration to the CEO and senior executives is adopted by the Board.

Compliance with the Swedish stock exchange rules in 2020

During the 2020 financial year, Pricer has not been subject to any decision by Nasdaq Stockholm's disciplinary committee or the Swedish Securities Council regarding violations of Nasdaq Stockholm's regulatory framework or good practices in the stock market. In 2020, the Council for Swedish Financial Reporting Supervision reviewed the financial information in the 2019 Annual Report, and no deviation was considered to have resulted in a major impact on the financial statements for 2019.

Nomination Committee 2021

The Nomination Committee for the 2021 AGM was announced on October 28, 2020, through a press release and on the company's website. The Nomination Committee consists of Jari Ekblad, Ulf Palm and Wilhelm Gruvberg. Ulf Palm was elected Chair of the Nomination Committee. Pricer's Nomination Committee held five meetings prior to the AGM. No special remuneration was paid to the Nomination Committee members.

The members of the committee are independent in relation to the company and its management. The Nomination Committee's members are independent in relation to the company's major shareholders, with the exception of Jari Ekblad, who was nominated by Göran Sundholm and owns 11,500,000 shares in Pricer AB.

The Nomination Committee's proposal for the Board of Directors was presented on January 29 in a separate press release. Other proposals will be included in the notice of the AGM and be available at www.pricer.com. The Nomination Committee proposes that the Board of Directors consist of five members. The Nomination Committee proposes, for the period until the end of the next AGM, the re-election of Board members Knut Faremo, Hans Granberg, Jonas Guldstrand and Jenni Virnes and new-election of Göran Sundholm. Thomas Krishan has declined re-election. Knut Faremo is proposed to continue as the Chair of the Board.

Diversity policy

The Nomination Committee of Pricer AB has applied Rule 4.1 of the Swedish Code of Corporate Governance as a diversity policy in the preparation of proposals for the Board. Accordingly, Pricer's Board of Directors should consist of a well-balanced mix of skills that are essential for managing Pricer's strategic work in a responsible and successful manner. In order to achieve this, knowledge is sought in areas such as retail, digital commerce, corporate governance, compliance with rules and regulations, finance and financial analysis and remuneration issues.

Previous board experience is another important qualification. Furthermore, it is important that the Board members do not have too many executive or non-executive assignments to allow them to spend the time required for their board work for Pricer AB.

The Nomination Committee believes that breadth and diversity in areas such as age, nationality, educational background, gender, experience and expertise are represented among the proposed members of the Board.

The Nomination Committee further believes that the diversity issue is important and that it is important for future nomination committees to continue working actively to achieve a well-balanced gender distribution on the Board.

The 2020 AGM resolved in accordance with the Nomination Committee's proposal, which meant that five members were elected, one woman and four men, with a composition otherwise based on the criteria addressed by the diversity policy.

In the Nomination Committee's work prior to the 2021 AGM, the diversity policy has been applied as described above. This resulted in the Nomination Committee's proposal to the AGM of a total of five members, one woman and four men according to the notice of the AGM.

Internal control over financial reporting

The Board is responsible for internal control, pursuant to the Swedish Companies Act and the Code.

The Swedish Annual Accounts Act requires the company to prepare an annual description of the company's internal control and risk management system regarding the financial reporting. The Board has overall responsibility for the financial reporting. The Audit Committee has an important task in preparing the Board's work on quality assurance of the financial reporting. This preparation includes issues regarding internal control and compliance, control of carrying amounts, estimates, assessments and other factors that may affect the quality of the financial reports. The Committee has commissioned the company's auditor to examine in particular how well the rules for internal control, both comprehensive and detailed, are complied with in the company.

Pricer's internal control process should provide reasonable assurance regarding the quality and reliability of its financial reporting. It should also ensure that reports are prepared in accordance with the applicable laws and regulations and the requirements that apply to publicly listed companies in Sweden.

Control environment

Pricer's internal control over financial reporting is based on the organizational and system structures, decision-making paths and separation of duties that are documented and communicated in control documents, policies and manuals. The Board has adopted rules of procedure that regulate the Board's responsibilities and work on the Board's committees. To uphold an effective control environment and good internal control, the Board has delegated practical responsibility to the CEO and drafted instructions for the CEO. To safeguard the quality of the financial reporting, the company has a number of internal control instruments, such as a finance policy, approval and authorization routines, and a standard model for ongoing monthly reporting that has been designed together with the Board. Pricer uses an integrated ERP system, which handles all financial flows.

The company has set up a whistleblowing function that can be used anonymously.

Risk assessment

Regarding the financial reporting, the risks are assessed to lie primarily in the possibility that material errors may arise in the accounting for the company's financial position and results. The Board is responsible for ensuring that significant financial risks and risks of misstatement in the financial statements are identified and dealt with.

Control activities and monitoring

The company also has a number of control activities aimed at ensuring the accuracy and completeness of the financial statements. Routines and actions have been designed to manage significant risks related to the financial statements, which have been identified in the risk assessment. Control activities are available at both a general and detailed level in the Group. For example, complete monthly financial statements are prepared and monitored by the responsible unit and function managers and controllers.

Executive Management meets at least once a month for a review of the business situation. In addition, persons from the finance function maintain regular contact with the heads of Group companies to discuss current issues, review performance and financial position, and verify that processes are being followed and developed. The Board monitors the activities through monthly reports in which the CEO comments on business performance, results and financial position. Measures and activities aimed at strengthening and optimizing internal controls are implemented on a regular basis.

Internal control is monitored continuously. This is done primarily in the form of deviation reporting against budget/forecast and the previous year's outcome.

The Board reviews each interim report and discusses the content with the CFO and, when appropriate, with the company's auditor. The company monitors the areas for improvement in internal control that are reported by the external auditor.

Furthermore, the CEO and the CFO hold regular meetings with the Board's Audit Committee to discuss financial matters on an ongoing basis. The finance staff employed in the subsidiaries have explicit responsibility for reporting deviations to the central finance and controller organization.

In accordance with the rules in the Swedish Corporate Governance Code, the Board has assessed the need for a special internal audit function. Against this background, the Board of Directors is of the opinion that there is no need in the company at present.

Work performed during the year

The work to improve the company's internal control has continued through development of the integrated ERP system used by most of the company's subsidiaries, together with reporting tools to improve reporting quality and the analysis of the company's economic development.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of Pricer AB (publ), corporate identity number 556427-7993

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2020 on pages 20–24 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement.* This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm March 25, 2021
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

Board of Directors





	KNUT FAREMO	HANS GRANBERG	JENNI VIRNES	JONAS GULDSTRAND	THOMAS KRISHAN
Position in the Board	Chair of Board since 2020	Member	Member	Member	Member
Election year	2019	2014	2016	2017	2018
Born	1957	1953	1974	1966	1968
Nationality	Norwegian	Swedish	Finnish	Swedish	Swedish
Education	Major in mathematics and economics at upper secondary school in Norway	High school diploma	MSc. Industrial Engineering and Management	MSc. Business Studies and Economics	MSc. Business Studies and Economics
Other assignments	Chair of Migaya Retail Sweden AB, Migaya Nordic Retail Holding AB, Migaya Retail Norway AS, Migaya Consulting AG Switzerland and European Retail Holding Ltd Malta.	Chair of Board of Investment AB Karlsvik.	–	–	–
Previous assignments	Extensive experience as a manager and investor in retail companies. Owner or operationally involved at NorgesGruppen ASA, Dagrofa AS, Coop Sverige AB, Apoteket Hjärtat AB, Picard Sweden AB and Migaya Consulting AG.	Extensive experience as a sole-proprietor and investor in industrial and technology companies, primarily through the company Investment AB Karlsvik. Previously performed work of the Board at Gema Industri AB and as the head of sales at KGK Group.	Extensive experience as an advisor for start-up companies, strategy, business models and marketing strategies. Previously CEO of Sensisto Oy, Board Member, COO and market strategist at MariElla Labels Oy and business developer at UPM – The Biofore Company.	Extensive experience in retail in various European countries. Previous Head of Sales and Head of Logistics for the H&M Group, President of H&M France, Belgium and Luxembourg and acting President at Intersport Sverige. Retail and management consultant and Board assignments, among others as Chairman of the Board of Intersport Sverige Holding AB.	Extensive experience in corporate finance and financial advising and as a private investor in growth companies. Previously Trading Manager at Hagströmer & Qviberg.
Independence	Independent in relation to the company and its management as well as to the company's major shareholders.	Independent in relation to the company and its management as well as to the company's major shareholders.	Independent in relation to the company and its management as well as to the company's major shareholders.	Independent in relation to the company and its management as well as to the company's major shareholders.	Independent in relation to the company and its management as well as to the company's major shareholders.
Shareholding (own and closely related persons)	50,000 Class B shares	2,250,000 own and 142,300 closely related B shares and 1,764 closely related A shares	–	41,500 Class B shares	1,592,092 own and 5,003 closely related Class B shares

The information regarding Board assignments refers to December 31, 2020.

Executive Management

				
	HELENA HOLMGREN	**SUSANNE ANDERSSON**	**EDVIN RUUD**	**MAGNUS LARSSON**
Position	President and CEO	CFO	VP Sales	VP Customer Operations
Employed since	2015	2019–Jan 2021*	2018	2019
Born	1976	1971	1963	1970
Nationality	Swedish	Swedish	Norwegian	Swedish
Education	MBA	MSc. Business Studies and Economics	Cert. Computer Science, B.Sc. BA and Econ., MBA	Electrical engineer
Previous assignments	Over 15 years of experience in various financial positions in international companies with a focus on growth strategies, financial control, and change management. Acting CEO Pricer 2017–2018, CFO Pricer 2015–2017, CFO Edgeware and several different roles in finance in, for example, Justitia and EF Education.	CFO & Head of Communications ChromoGenics, VP Head of Investor Relations PostNord, CFO Nordic Mines more than fifteen years of experience with various financial and management positions within Ericsson and the telecom industry.	More than 30 years of international experience in sales and management positions within primarily telecom and the IT industry. President and CEO of Apis IP-Solutions Training AB, VP Sales EMEA på Powerwave Technologies AB, President and CEO of Climate Well AB, Operations Director Nordic in Cisco Systems, Sales Director EMEA at Ciena Europe and Sales Director of Ericsson.	More than 20 years of international experience in leading a number of executive management within sales and other forms of occupational pension is determined within the payment industry. Previous employees include Edgeware, NokiaSiems Netorks, Nordia and Sonera.
Other assignments	Board member of Hexatronic Group AB	–	–	–
Shareholding (own and closely related persons)	109,937 own and 1,540 closely related Class B shares	5,500 Class B shares	20,000 Class B shares	1,500 Class B shares

			
	NILS HULTH	**JÖRGEN JOST AUF DER STROTH**	**(DONALD) CHARLES JACKSSON**
Position	Chief Product Officer	VP Supply Chain & Procurement	Head of Americas Region
Employed since	2006	2018	2014
Born	1971	1964	1963
Nationality	Swedish	Swedish	Canadian
Education	Master's in Computer Science and Master's in Evolutionary and Adaptive Systems	Master's in Electrical Engineering	Bachelor's Degree in Business Administration
Previous assignments	More than 20 different leading positions in international highly technical B2B organization. Different positions at Pricer since 2006, including: Head of sales, Chief Digital Officer, Chief Digital Officer, President Business development (FoU). Previously President of a start-up technology company, Rotundus AB, a business coach via Uppsala Innovation Center, software developer at Biotage AB, Pyrosequencing AB and CellaVisionAB.	More than twenty years' experience as a manager within global engineering management, business development, electronic development, supply chain management, logistics, purchasing and complex product sales with experience from Europe, Asia and North America within several of the world's leading technology companies, such as Tieto, Ericsson, Teleca and Cybercom.	More than 30 years of international experience in sales and management positions, primarily within retail. Previous positions within Pricer: EVP Global Sales, Strategy & Marketing, Vice President and CEO 2016, President and CEO 2007–2010. Also Head of France & Global Sales Director, VP Strategy & Business Development at SES Imagotag 2011–2014, General Manager Europe at Boston Group and various sales and marketing positions within the technology and telecommunications industries.
Other assignments	Board member Convertus AB	–	–
Shareholding (own and closely related persons)	62,874 Class B shares	19,100 Class B shares	112,751 Class B shares

*Susanne Andersson (CFO) left Pricer in January 2021 for a similar role at another company.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Administration Report

Operations

Pricer AB (publ), CIN 556427-7993, is one of the world's leading manufacturers of Electronic Shelf Label (ESL) systems for customers in primarily grocery retail, DIY, electronics chains and the pharmacy industry. The company's ESL platform offers retailers solutions that support and optimize a number of different store processes.

Pricer's sales channels consist of direct sales to end customers and sales to resellers who are Pricer's business partners.

The Group consists of the Parent Company Pricer AB (Sweden) and the wholly owned subsidiaries Pricer S.A.S. (France), Pricer Inc. (USA), Pricer E.S.L. Israel Ltd. (Israel), Pricer GmbH (Germany), Pricer Italy Srl (Italy), and a number of smaller, primarily dormant, companies. Pricer AB also has branch offices registered in Hong Kong and Taiwan. The subsidiary in Italy and the branch in Taiwan were established in 2020.

The Parent Company is responsible for product development, purchasing and sales to subsidiaries. The company also has direct sales to some markets as well as customer service. The subsidiaries are responsible for sales and customer service in their respective markets and in some cases also nearby markets.

Pricer's unique optical system

The strength in Pricer's unique system, which is based on optical communication technology close to the infrared frequency, lies in being able to offer customers a modular and scalable solution, where new functionality can be added without having to sacrifice other needs. Competitor systems that are based on radio communication have a built-in limitation due to not only the large amount of energy that is consumed for a label to listen to the radio communication but also disruptions from other radio-based products such as telephones and computer systems. Functionality that places demands on the system's response time is added at the cost of other functionality or with a reduced lifespan since the amount of energy that is available in a label is limited and constant. Pricer's system is therefore well-suited for a greater utilization rate, which is a security for customers who do not want to limit their options for future development.

Market development

The market potential is still considered to be substantial since the penetration of ESL systems is very low, and paper labels continue to be our primary competitor.

North America has long been identified as a future growth market, and Pricer strengthened its position on the market during the year. Pricer's system is well-suited for the requirements on scalability and robustness required by the geographic distribution of stores in both the USA and Canada, where support and services are more difficult due to the long distances. The degree of penetration in digital labels is very low in all retail verticals, and the market's potential in coming years is still assessed to be large.

The penetration rate of digital labels is relatively high in several European countries, such as France and Norway, while countries like the United Kingdom and Spain have only just begun, with basically only paper labels on the shelves.

Pricer's strengthened presence in the Asia & Pacific region creates good conditions for growth in the future, if still from low levels.

Enhanced restrictions were introduced in several markets, primarily in Europe, in 2020 to reduce the spread of COVID-19. This means that a large number of retail verticals were once again forced to limit their operations, or in worst-case scenarios completely close, and the number of visitors in physical stores that were open fell sharply.

The year in review

Pricer, like other global companies, is affected by pandemics, and in 2020 the company was affected by COVID-19. During the first and second quarters, net sales and profitability were impacted negatively by the combined effects of the pandemic, primarily due to postponed customer deliveries but also due to effects that are difficult to quantify and are related to delays in new procurements and investments that have been postponed for practical reasons. Pricer has a strong financial position with a continued high net cash position and has no plans for reductions in its operations.

Order intake

Order intake amounted to SEK 1,588 M (1,504) for the full year, an increase of 5 percent compared to the same period last year. France, the USA and Canada comprise the largest countries. The order intake has a wide geographic spread and includes several new customers that signed during the year.

Order backlog at the end of 2020 amounted to SEK 495 M (731), of which the majority is expected to be delivered in H1 2021.

Net sales

Net sales amounted to SEK 1,759.5 M (1,002.9), an increase of 75 percent compared to the same period last year. Net sales were spread across a large number of customers. The majority of the sales occurred in the USA, France, the Netherlands, Norway and Canada.

Net sales in the region Americas amounted to SEK 883.0 M (122.7). The increase is primarily due to the large US customer project that was under way in Q3 and Q4 2020. For the first time, the Americas region represented the largest percentage of net sales on an annual basis.

Net sales in the region Europe, Middle East & Africa amounted to SEK 839.5 M (807.7). The European market continued to be strong in 2020, with the Netherlands and Norway the primary contributors to growth.

Net sales in the region Asia & Pacific amounted to SEK 37.0 M (72.5). The effects of the pandemic were more tangible in this part of the world for the full year.

Gross profit

Gross profit amounted to SEK 423.1 M (331.0), and the gross margin amounted to 24.0 percent (33.0). The change in the gross margin is primarily a continued consequence of the product and contract mix. Freight supply was limited due to reduced air traffic and closed borders to prevent the spread of the coronavirus, which resulted in a sharp increase in prices for both sea and air freight, making freight costs much higher than normal. The majority of the company's costs for goods sold were in USD, while net sales were generated primarily in EUR and USD.

Operating profit

Operating expenses increased to SEK –282.1 M (–227.2), an increase of 24 percent compared to the same period last year. The increase was primarily a result of increased costs for staff and consultants related to investments in a broader customer service offer, product development, IT infrastructure, and an enhanced market presence in a number of geographic markets. No state support was received during the year to dampen the effects of COVID-19.

Other income and expenses amounted to SEK 14.2 M (–3.3) and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.

Operating profit amounted to SEK 155.2 M (100.4), which corresponded to an operating margin of 8.8 percent (10.0). The increase in net sales and gross profit resulted in an increase in operating profit but with a lower operating margin.

Financial items

Financial items, which consist primarily of currency revaluation of balance sheet items such as cash and cash equivalents, had a negative impact and amounted to SEK –21.5 M (0.8).

Income tax

Tax for amounted to SEK –6.2 M (–3.5), of which SEK –1.3 M (0.3) refers to deferred tax and SEK –4.8 M (–3.8) to current tax. The current tax rate amounted to –4 percent (–4), and the reported total tax rate amounted to –5 percent (–4). The low tax rate is primarily due to the capitalization during the period of all of the parent company's previously non-recognized losses carried forward.

Net profit for the year

Profit for the year was SEK 127.5 M (97.7). The increase compared to last year can be attributable to an increase in operating profit.

New accounting principles

New and amended IFRS standards with future application are not expected to have any impact on the company's financial statements.

	GROUP	
MSEK	2020	2019
Net sales	1,759.5	1,002.9
Cost of goods sold	–1,336.4	–672.0
Gross profit	**423.1**	**331.0**
Gross margin, percent	**24.0%**	**33.0%**
Operating expenses	–282.1	–227.2
Other income and expenses	14.2	–3.3
Operating profit	**155.2**	**100.4**
Operating margin, percent	**8.8%**	**10.0%**

Assets and working capital

Total assets at year-end amounted to SEK 1,394.5 M (1,121.0) and consisted among other things of intangible assets of SEK 338.0 M (325.8), most of which are attributable to the acquisition of Eldat in 2006 and the related goodwill totaling SEK 253.3 M (263.3). The change in goodwill is explained mainly by exchange rate fluctuations for EUR, which is the currency in which goodwill is denominated.

Working capital (including current provisions) at the end of the period amounted to SEK 127.2 M (194.8).

Product development

Pricer conducts two types of product development. The first is hardware-related and aims to continuously improve the system's performance and expand the product portfolio in order to optimally address the market. The second is software-related and addresses functionality in the system as a whole. Product development is directed by the Parent Company in Sweden.

Due to the greater rate of innovation to respond to the new challenges in the retail trade and expand the utilization rate of ESL systems, we have expanded the R&D organization. Expenses amounted to SEK –55.4 M (–35.8), equal to 20 percent (16) of total operating expenses and 3 percent (4) of net sales. In addition, SEK 45.6 M (39.0) of the costs for development expenditure during the year were capitalized as non-current intangible assets for development projects.

Cash flow, investments and financial position

Cash flow from operating activities amounted to SEK 264.9 M (145.3). The change in working capital had a positive impact of SEK 61.2 M (9.2) on cash flow from operating activities, primarily due to an increase in inventory and trade receivables, which decreased cash flow, and an increase in trade payables, which increased cash flow.

Cash flow from investing activities amounted to SEK –61.9 M (–50.0) and consisted primarily of capitalized development expenditure of SEK –45.6 M (–39.0) and investments in property, plant and equipment of SEK –16.3 M (–11.0) attributable primarily to production equipment.

Cash flow from financing activities amounted to SEK –113.2 M (–76.3) year and referred to the dividend of SEK –88.3 M (–66.2), amortization of lease liabilities of SEK –11.0 M (–10.1), allocation of treasury shares of SEK 2.1 M (–) and the buy-back of shares of SEK –16.0 M (–).

Exchange rate differences in cash and cash equivalents amounted to SEK –21.5 M (4.1), which was a result of negative translation effects on currency accounts in USD and EUR.

Cash and cash equivalents amounted to SEK 262.4 M (194.2) on December 31, 2020. In addition to cash and cash equivalents, the company has an unutilized overdraft facility of SEK 50 M (50).

Parent Company

The Parent Company's net sales amounted to SEK 1,672.1 M (848.7), and the profit for the year amounted to SEK 97.4 M (143.3). Profit from financial items decreased since the item last year also included dividends from subsidiaries of SEK 52.8 M. The Parent Company's cash and cash equivalents amounted to SEK 225.1 M (167.9) at the end of the period.

Employees

There were 144 employees (127) on average during the year. The number of employees at year-end was 150 (135); including hired staff and consultants the number was 182 (155). The organization was strengthened in several areas, such as customer project development, support, product development, and sales. In order to further meet the challenges within the digitalization of physical stores that the retail trade is facing, and to broaden the system's area of use, the company continued to expand its 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.

Equality

Pricer's overall objective is for its work with equality to be a natural and integral part of all operations. This applies to all types of workplaces, levels and even the company's management and decision-making bodies. The conditions, rights and development opportunities for women and men should be equal throughout the entire Group. Working conditions and opportunities for advancement should not be dependent on factors such as gender, nationality or ethnic origin.

Sustainability Report

Pricer AB presents its sustainability report for the 2020 financial year as a separate report on pages 14–19.

Environmental impact

The company's products meet the requirements established by the EU Directive RoHS (Restriction of the use of certain hazardous substances in electrical and electronic equipment). The Directive aims to reduce the risks for people's health and the environment by replacing and limiting harmful chemicals in electrical and electronic equipment. The Directive should also improve the possibility for profitable and sustainable material recovery from waste from electric and electronic equipment. The Group also complies with other legal environmental requirements regarding recovery of batteries and electronic waste. The Group conducts no operations requiring permits according to the applicable environmental legislation.

Seasonal variations

Pricer's operations show no clear seasonal variations. Customer demand and the willingness of customers to invest can vary between quarters. Income, profit and cash flow should therefore be assessed over a longer time horizon.

Acquisitions, transfers and treasury shares

From the 2017 performance-based share plan, 227,995 shares were transferred free of charge in June 2020 to the participants. Due to the fulfillment of the performance-based share plan, Pricer decreased its treasury shares by 227,995.

In December 2020, a total of 400,000 shares were repurchased. The buy-back program was conducted in accordance with the Regulation (EU) No. 596/2014 (the Market Abuse Regulation) and Commission Delegated Regulation (EU) No 2016/1052 (the Safe Harbour Regulation).

Pricer's holdings of treasury shares amounted on December 31, 2020, to 877,136 (705,131) Class B shares. These shares are held to be able to meet obligations on matching and performance shares under the outstanding performance-based share plans.

For more information about the performance-based share plans, please refer to Note 4 of the annual report. More information about the Pricer share can be found on pages 12–13.

The Board of Directors' proposal of guidelines for remuneration to senior executives

These guidelines apply to the CEO and individuals who are members of Pricer's Executive Management team. The guidelines shall be applied to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the 2021 AGM.

The guidelines do not apply to remuneration specifically decided by the general meeting. The company has established annual performance-based share plans. These have been decided by the general meeting and are therefore not subject to these guidelines.

The proposed guidelines submitted to the 2021 AGM for resolution do not contain any material changes in relation to the company's existing remuneration guidelines. Note 4 accounts for the expensed remuneration to the CEO and other senior executives.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Pricer is a leading global actor within digital store communication and offers solutions that both increase stores' productivity and enhance the end customer's shopping experience. Pricer's platform is fast, robust, scalable, and continuously developed with new functionality. Pricer's goal is to use its digital communication platform, which consists of both hardware and advanced software functionality, to create an in-store platform that enables faster and better decision-making based on the KPIs that are most important for the business. In order to strengthen its position on the market, the company follows a strategy that consists of four focus areas: product and system development, purchasing & logistics, service offers, and sustainability. A prerequisite for the successful implementation of Pricer's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and keep qualified employees. The objective of Pricer's remuneration policy for senior executives is therefore to offer competitive remuneration on market terms in order to attract, motivate, and keep competent and skilled employees. These guidelines enable the company to offer senior executives a competitive total remuneration. For more information about the company's business strategy, please refer to the company's website, www.pricer.com.

Remuneration shall consist of a fixed salary, variable cash remuneration, pension benefits, and other benefits. In addition, the general meeting can – independent of these guidelines – resolve on, for example, share-based and share price-based payments. The total compensation shall be on market terms and promote the interests of shareholders by enabling the company to attract and keep senior executives.

The variable salary is based on the outcome in relation to established financial targets. Fulfillment of targets for payment of variable cash remuneration shall be measurable over a period of one year. The CEO and other senior executives can receive a maximum of 50 percent of one annual salary. Variable cash remuneration shall not qualify for pension benefits. Variable cash remuneration shall be linked to pre-determined, well-defined and measurable financial targets for the Group, such as growth of sales and operating profit development. Individual measurable financial targets may also occur. Weighting is done relatively between the targets based on which focus shall be given to management. The targets shall be designed in such a manner as to promote Pricer's business strategy and long-term interests, including its sustainability, by, for example, being linked to the business strategy or promoting the senior executive's long-term development within Pricer.

Senior executives' pension benefits, which include health insurance benefits, are defined contribution. For the CEO and other senior executives, a provision is made for an amount corresponding to at the most 25 percent of the fixed annual salary.

Other benefits may include, for example, health insurance and a company car. Such benefits may amount to at the most 10 percent of the fixed annual salary.

Additional cash remuneration may be awarded as a one-time arrangement under extraordinary circumstances with the aim of recruiting or keeping senior executives. Such remuneration may not exceed an amount corresponding to one year's fixed salary. Decisions regarding such remuneration shall be made by the Board of Directors.

Senior executives outside of Sweden whose employment terms are governed by rules other than those in Sweden may be subject to different conditions due to legislation or market practice, and these guidelines may be adapted accordingly. In such cases, the overarching objective of these guidelines shall be observed to the greatest extent possible.

Determination of the outcome for variable cash remuneration, etc.

The Board of Directors, in the capacity as the company's Remuneration Committee, shall prepare, monitor and evaluate matters pertaining to variable cash remuneration. After the measurement period for the targets for awarding variable cash remuneration has ended, it shall be determined to which extent these targets have been satisfied. Evaluation regarding fulfillment of financial targets shall be based on established financial information for the relevant period. Remuneration to the CEO and other senior executives shall be decided by the Board of Directors in its capacity as the company's Remuneration Committee.

Variable cash remuneration can be paid after the measurement period ended or following a period of deferment. The Board of Directors shall have the possibility, under applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds.

Employment term and termination of employment

Senior executives shall be employed until further notice. Severance pay and fixed salary during the notice period may not exceed an amount corresponding to twelve months' fixed salary for the CEO and other senior executives. At resignation by a senior executive, the notice period may amount to six months. A senior executive's own resignation does not trigger any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for any loss of income and shall only be paid to the extent the previously employed executive is not entitled to severance pay for the same period. The remuneration may be paid during the time the non-compete undertaking applies, however not for longer than twenty-four months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors prepares matters regarding remuneration and other employment conditions for the company management, and the Board of Directors, in its entirety, acts as the Renumeration Committee. The members of the Board are all independent in relation to the company and its management. This work also includes preparing proposals for new guidelines for renumeration to senior executives. The guidelines shall be in force until new guidelines are adopted by the general meeting. The CEO and other members of the company management do not participate in the Board of Directors' processing of and decisions regarding remuneration-related matters in so far as they are affected by such matters. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it for resolution at the AGM. If the Board of Directors decides to establish a Remuneration Committee, what is stated in these guidelines regarding the Board of Directors, in its capacity as the Remuneration Committee, shall apply to the Remuneration Committee.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Risks and risk management

In its operations, Pricer is exposed to various types of operating, market and financial risks. The company's risk management aims to identify, control and prevent these risks in the operations. Most the company's risks are continuously being managed by the Parent Company through its responsibility for product and project development, sourcing of goods, sales and customer support. The Group's financial risks are managed by the Parent Company. The subsidiaries within the Group are currently managing on an ongoing basis market and business risks primarily related to their respective customers and markets.

Insurance

Pricer has Group-wide insurance policies that are revised annually by an independent external party. The insurance policies cover property, interruptions, product responsibility, cyber threats, transport, and liability insurance for Board members and senior executives.

RISK	DESCRIPTION	MANAGEMENT
SUSTAINABILITY RISKS		
Environmental impact	For Pricer, environmental impacts arise primarily from rules and requirements regarding carbon dioxide emissions and that these rules and requirements are continuously being tightened.	The company is working continuously to improve its deliveries and its supply chain. Effective warehousing makes it possible to better meet market requirements with a lower impact on the environment.
Work environment, health and safety	There is a risk that Pricer will not achieve its targets regarding diversity and zero-tolerance with regard to discrimination and harassment. There is also a risk that the company may be negatively impacted by accidents or incidents in connection with installations on a customer's premises that are carried out by the company or its partners.	Pricer educates and informs all employees about the company's policy on these questions. Work-related accidents that may primarily occur are fall from height accidents during installation of the company's equipment at a customer. In order to reduce the risk of such accidents occurring, the company has initiated a training program.
Supply chain	According to Amnesty International, there are a number of countries where there is a high risk of violation of human rights such as child labor or forced labor. Pricer has suppliers in a number of these countries.	For Pricer, it is vital that human rights are respected. The company places the same requirements on its suppliers. Pricer carries out regular controls and follows up on any short-comings to ensure that they are addressed.
Regulatory compliance	Corruption and bribery exist in a number of markets where Pricer is active through sales and/or purchase of goods. There is a risk that employees carry out corrupt activities.	Pricer is working to actively distribute the company's Code of Conduct and the value the company sees in compliance with it. There are internal control routines to detect and prevent deviations. The company has established the possibility for employees to anonymously report any irregularities (whistleblowing).
BUSINESS RISKS		
Customers	A large share of Pricer's sales come from a small number of customers and markets.	The company is working actively to widen its customer base and geographic spread.
Suppliers	Pricer has a need for stable and competent suppliers to ensure the supply of products on time and with high quality. Due to COVID-19, the access to components has been restricted, and both lead times and prices may be affected. Access to logistics solutions has also been sharply reduced as a result of the ongoing pandemic.	The company divides its production between a number of suppliers to create a flexible production solution. The company also uses standard components as far as possible.
Skills and manpower	Strong growth and profitability require access to key skills in a number of areas.	Pricer is working actively to make the company an attractive workplace based on knowledge, experience sharing and diversity. Through knowledge transfer and work processes, Pricer is taking steps to ensure that expertise is retained within the company.
IT & information security	Pricer's operations are highly dependent on a well-functioning IT environment. Interruptions and disruptions in IT system can have an impact on these operations. Furthermore, intrusions into the IT environment or deficiencies in the processing of customer or employee information or business-critical data handled in the IT environment can lead to lower confidence in the company and have a negative impact on the Group's bottom line.	Pricer works continuously to streamline and digitalize its operations. Work on information security also intensified during the year, in part in efforts to comply with ISO 27001. Pricer regularly reviews what it can do to further mitigate its risks by utilizing new technologies, for example artificial intelligence, to more effectively prevent virus attacks and intrusions and train employees.
MARKET RISKS		
Competitors	Today there are only a few companies and smaller regional businesses that have similar products and compete with Pricer. If the sector were to undergo a restructuring, for example if one or more competitors were to enter into an alliance with a strong partner, this could constitute a threat to other players in the market.	Pricer has a strong market presence through a large installed base and a recognized brand in a number of its key markets. Pricer's local presence is supplemented with a wide partner network, which enables close collaboration with both existing and new customers. This ensures that the company safeguards its position and thereby defends its market shares.
Competing technologies	Pricer uses near-infrared light technology in its ESL systems, which ensures more secure and faster transmission than the competing radio technology. New competing technologies could constitute a threat in the future.	The infrared technology used by Pricer ensures more secure and faster transmission than the competing radio technology. However, the company closely monitors activities among the competitors to stay abreast of any new technological advances.
Development projects	There is a risk that newly developed products will not fulfill the technical functionality requirements or meet expectations, which could lead to a risk of impairment of capitalized development projects and higher warranty costs.	Pricer continuously monitors demand for the company's various products to ensure that the need for impairment does not arise. The company offers customary warranties for customer installations.
FINANCIAL RISKS		
Foreign currencies	Changes in exchange rates can have a negative impact on profit, the balance sheet and cash flow. Pricer is exposed to currency risk primarily through sales in EUR and USD and purchasing in USD.	Pricer continuously follows its net exposure in each currency. In some cases, the company uses currency clauses in price quotations and agreements. The company strives to match income and expenses in the same currency to the greatest extent possible, particularly through increased sales in USD.
Interest rates	Changes in market rates can have a negative impact on the income statement, balance sheet and cash flows. Exposure to interest rate risk arises mainly from outstanding external loans.	Pricer had no external borrowing during the year. The company's financial policy requires the company to maintain a low risk profile and for financial investments to have a maximum maturity of one year.
Credit/ Counterparty risk	The risk that a counterparty in a transaction will fail to meet its financial obligations, and that collateral, if any, will not be sufficient to cover the company's receivable.	Pricer's credit risk refers primarily to trade receivables. A credit limit is set for the counterparty, and this limit contains an assessment of how trade receivable losses can be minimized.
Refinancing risk and liquidity risk	The risk is associated with the limited access to financing possibilities when loans fall due and that it will not be possible to meet payment obligations as a result of insufficient liquidity.	Pricer had no non-current loans during the year, which reduces the need for refinancing. The company also has access to an unutilized bank overdraft facility corresponding to SEK 50 M.

For financial risks, please refer to the disclosures in Note 20.

Corporate Governance Report

The corporate governance report can be found on pages 20–24.

Legal disputes

As part of Pricer's ongoing operations, the company is sometimes involved in legal disputes. At present, there are no disputes that are assessed to have the potential for a material impact on Pricer's results or financial position.

Events after the balance sheet date

In February 2021, Pricer's Norwegian retailer, StrongPoint AS, signed a new agreement with NorgesGruppen for the delivery of Pricer's ESL system in 350 stores, corresponding to an order value of around SEK 110 M. Pricer has recruited Susanna Zethelius as the new CFO and member of Executive Management. Susanna will take office no later than September 1, 2021.

Outlook

Several factors indicate a bright future for Pricer. The company's long-term and continuous product development have given the company a technical platform that stands out as the market's most efficient and high-performing digital shelf-edge system. Pricer's market presence, direct or indirect through various partners, has created the conditions for in-depth knowledge about customers and markets far beyond what most of the company's competitors have succeeded in establishing. The digital transformation of the retail trade that is taking place among several of Pricer's customers is expected to continue and accelerate. As the ESL system addresses a growing number of store processes in addition to price updates, the cost-benefit analysis is changing fundamentally. This is predicted to open up both new geographical markets and new market segments, and thereby expand the addressable total market.

Uncertainty about the course of the pandemic is still high. The ESL market as a whole is showing strength and growth, but there are signs of an increasingly stressed situation in terms of access to standard components that are used by several different industries, which has affected both lead times and prices. Access to logistics solutions is also significantly reduced due to the ongoing pandemic. Pricer is continuing to follow the guidelines and recommendations set up in each country where the company is active. The health of the staff has continued to be Pricer's top priority.

Forecast

No forecast is issued for the financial year 2021.

Dividend Policy

Given the background of Pricer's strong financial development, the Board has decided to revise the previous dividend policy. Pricer's new dividend policy specifies an annual dividend of at least 50 percent of the company's profit after tax. The level of the annual dividend must be adapted to the company's strategy and financial position, as well as with investment needs and risks that the Board considers relevant.

Proposed appropriation of profits

The Annual General Meeting has at its disposal (in SEK):

Share premium reserve	196,192,964
Retained earnings	70,396,272
Net profit for the year	97,427,816
Total	**364,017,052**

The Board of Directors proposes that the available funds are to be used as follows:

Dividend of SEK 1.00/share	110,094,645
Amount to be carried forward	253,922,407
Total	**364,017,052**

The Board's reasoned statement regarding the proposed appropriation of profits can be found on page 61.

Amounts and dates

All amounts are presented in Swedish kronor (SEK). Thousands of SEK is written as SEK T, and millions is abbreviated as SEK M. The period covered for items in the income statement is January 1–December 31 and for items in the balance sheet December 31. Rounding-off differences may arise.

Consolidated Income Statement

Amounts in TSEK	Note	2020	2019
Net sales	2	1,759,483	1,002,909
Cost of goods sold		–1,336,379	–671,956
Gross profit		**423,104**	**330,953**
Selling expenses		–148,726	–121,848
Administrative expenses		–77,992	–69,601
Research and development costs		–55,372	–35,775
Other income and expenses	20	14,171	–3,303
Operating profit	4, 5, 6, 21	**155,185**	**100,426**
Financial income		205	2,146
Financial expenses		–21,749	–1,318
Financial items	7	**–21,544**	**828**
Profit/loss before tax		**133,641**	**101,254**
Income tax	8	–6,165	–3,514
Net profit for the year		**127,476**	**97,740**
Net profit for the year attributable to:			
Owners of the Parent Company		127,476	97,740
Earnings per share	16	**2020**	**2019**
Earnings per share, basic, SEK		1.16	0.89
Earnings per share, diluted, SEK		1.15	0.88

Consolidated Statement of Comprehensive Income

Amounts in TSEK	2020	2019
Net profit for the year	**127,476**	**97,740**
Items that are or may be reclassified to profit or loss for the year		
Translation differences	–19,107	6,787
Other comprehensive income	**–19,107**	**6,787**
Comprehensive income for the year	**108,369**	**104,527**
Net comprehensive income for the year attributable to:		
Owners of the Parent Company	108,369	104,527

The breakdown between Selling expenses and Administrative expenses has been reviewed in 2020 and adjusted retroactively for the comparative figure for 2019 to improve comparability between the years.

Consolidated Balance Sheet

Amounts in TSEK	Note	2020	2019
ASSETS	1		
Intangible assets	9	338,048	325,823
Property, plant and equipment	10	30,271	24,295
Right-of-use asset	21	43,683	53,775
Deferred tax assets	8	75,010	76,345
Total non-current assets		**487,012**	**480,238**
Inventories	13	301,527	218,679
Trade receivables	20	235,587	147,552
Prepaid expenses and accrued income	14	9,506	12,164
Other current receivables	12	98,450	68,127
Cash and cash equivalents	25	262,414	194,232
Total current assets		**907,484**	**640,754**
TOTAL ASSETS		**1,394,496**	**1,120,992**
EQUITY AND LIABILITIES	1		
EQUITY	15		
Share capital		110,972	110,972
Other capital contributions		393,159	404,415
Reserves		15,801	34,908
Accumulated profits including profit for the year		299,113	259,942
Shareholder's equity attributable to the Parent Company's shareholders		**819,045**	**810,237**
LIABILITIES			
Provisions	17	24,042	15,407
Non-current lease liabilities	21	33,528	43,106
Total non-current liabilities		**57,570**	**58,513**
Advances from customers		6,429	8,335
Trade payables	20	384,374	155,502
Current lease liabilities	21	11,772	11,543
Other current liabilities	18	19,517	8,997
Accrued expenses and deferred income	19	72,984	51,674
Provisions	17	22,805	16,191
Total current liabilities		**517,881**	**252,242**
Total liabilities		**575,451**	**310,755**
TOTAL EQUITY AND LIABILITIES		**1,394,496**	**1,120,992**

Changes in consolidated equity

		Shareholder's equity attributable to the Parent Company's shareholders				
Amounts in TSEK	**Note**	**Share capital**	**Other capital contributions**	**Reserves**	**Retained earnings incl. profit for the year**	**Total equity**
Equity at start of period 1/1/2019		**110,972**	**401,846**	**28,121**	**228,362**	**769,301**
Net profit for the year					**97,740**	**97,740**
Other comprehensive income, items that may be reclassified to profit and loss:						
Exchange rate differences when translating foreign operations				6,787		6,787
Other comprehensive income				**6,787**		**6,787**
Comprehensive income for the year		**–**	**–**	**6,787**	**97,740**	**104,527**
Dividend					–66,160	–66,160
Share-based payments, equity-settled			2,569			2,569
Total transactions with owners of the Group		*–*	*2,569*	*–*	*–66,160*	*–63,591*
Equity at end of period 12/31/2019	15	**110,972**	**404,415**	**34,908**	**259,942**	**810,237**
Equity at start of period 1/1/2020		**110,972**	**404,415**	**34,908**	**259,942**	**810,237**
Net profit for the year					**127,476**	**127,476**
Other comprehensive income, items that may be reclassified to profit and loss:						
Exchange rate differences when translating foreign operations				–19,107		–19,107
Other comprehensive income				**–19,107**		**–19,107**
Comprehensive income for the year		**–**	**–**	**–19,107**	**127,476**	**108,369**
Repurchase of own shares			–16,032			–16,032
Decrease in treasury shares			2,143			2,143
Dividend					–88,305	–88,305
Share-based payments, equity-settled			2,633			2,633
Total transactions with owners of the Group		*–*	*–11,256*	*–*	*–88,305*	*–99,561*
Equity at end of period 12/31/2020	15	**110,972**	**393,159**	**15,801**	**299,113**	**819,045**

Consolidated Cash Flow Statement

Amounts in TSEK	Note	2020	2019
	25		
Operating activities			
Operating profit		155,185	100,426
Adjustments for non-cash items		54,126	39,258
Interest received		205	621
Interest paid		–1,279	–1,317
Income tax paid		–4,624	–2,839
Cash flow from operating activities before changes in working capital		**203,613**	**136,150**
Changes in working capital			
Increase(–)/decrease(+) inventories		–87,292	–28,531
Increase(–)/decrease(+) trade receivables		–76,960	129,629
Increase(–)/decrease(+) other current receivables		–28,704	6,713
Increase(+)/decrease(–) trade payables		217,561	–56,928
Increase(+)/decrease(–) other current liabilities		36,633	–41,699
Cash flow from changes in working capital		**61,238**	**9,184**
Cash flow from operating activities		**264,851**	**145,334**
Investing activities			
Acquisition of intangible fixed assets		–45,611	–39,006
Acquisition of property, plant and equipment		–16,319	–10,955
Cash flow from investing activities		**–61,930**	**–49,961**
Cash flow from financing activities			
Amortization of lease liabilities		–11,033	–10,107
Dividend paid		–88,305	–66,160
Decrease in treasury shares		2,143	–
Repurchase of own shares		–16,032	–
Cash flow from financing activities		**–113,227**	**–76,267**
Cash flow for the year		**89,694**	**19,105**
Cash and cash equivalents at beginning of year		194,232	171,035
Exchange rate differences in cash and cash equivalents		–21,511	4,092
Cash and cash equivalents at end of year		**262,414**	**194,232**

Parent Company Income Statement

Amounts in TSEK	Note	2020	2019
Net sales	2	1,672,061	848,730
Cost of goods sold		–1,392,216	–620,050
Gross profit		**279,845**	**228,680**
Selling expenses		–65,123	–51,826
Administrative expenses		–54,298	–46,088
Research and development costs		–55,372	–35,775
Other income and expenses	20	14,290	–3,307
Operating profit	4, 5, 21	**119,342**	**91,684**
Result from financial items:	7		
Result from participations in group companies		–	49,974
Interest income and similar profit/loss items		228	2,416
Interest expenses and similar profit/loss items		–20,614	–192
Profit/loss before tax		**98,956**	**143,882**
Income tax	8	–1,528	–550
Net profit for the year		**97,428**	**143,332**

Parent Company Statement of Comprehensive Income

Amounts in TSEK	2020	2019
Net profit for the year	**97,428**	**143,332**
Items that are or may be reclassified to profit or loss for the year		
Other comprehensive income	**–**	**–**
Comprehensive income for the year	**97,428**	**143,332**

The breakdown between Selling expenses and Administrative expenses has been reviewed in 2020 and adjusted retroactively for the comparative figure for 2019 to improve comparability between the years.

Parent Company Balance Sheet

Amounts in TSEK	Note	2020	2019
ASSETS	1		
Non-current assets			
Intangible assets	9	84,679	62,471
Property, plant and equipment	10	28,537	21,608
Financial assets			
Participations in group companies	24	190,937	186,937
Receivables from group companies	11	11,679	6,319
Deferred tax asset	8	73,765	75,253
Total financial assets		*276,381*	*268,509*
Total non-current assets		**389,597**	**352,588**
Current assets			
Inventories, etc.	13	184,768	170,750
Current receivables			
Trade receivables	20	79,927	56,730
Receivables from group companies	11	153,249	65,383
Other current receivables	12	91,742	62,944
Prepaid expenses and accrued income	14	6,965	7,569
Total current receivables		**331,883**	**192,626**
Cash and bank balances	25	225,071	167,884
Total current assets		**741,722**	**531,260**
TOTAL ASSETS		**1,131,319**	**883,848**

Amounts in TSEK	Note	2020	2019
EQUITY AND LIABILITIES	1		
Shareholders' equity	15		
Restricted equity			
Share capital		110,972	110,972
Statutory reserve		104,841	104,841
Legal reserve for internally generated development expenditure		83,669	59,442
Total restricted equity		299,482	275,255
Non-restricted equity			
Share premium reserve		196,193	207,449
Retained earnings		70,396	39,595
Net profit for the year		97,428	143,332
Total non-restricted equity		364,017	390,376
Total equity		**663,499**	**665,631**
PROVISIONS			
Provisions	17	33,454	23,559
Total provisions		**33,454**	**23,559**
NON-CURRENT LIABILITIES			
Non-current liabilities to group companies	11	100	100
Total non-current liabilities		**100**	**100**
CURRENT LIABILITIES			
Advances from customers		489	–
Trade payables	20	378,227	151,709
Liabilities to group companies	11	18,077	12,914
Other current liabilities	18	3,105	2,634
Accrued expenses and deferred income	19	34,368	27,301
Total current liabilities		**434,266**	**194,558**
TOTAL EQUITY AND LIABILITIES		**1,131,319**	**883,848**

Parent Company Statement of Changes in Equity

Amounts in TSEK	Note	Restricted equity: Share capital	Restricted equity: Statutory reserve	Restricted equity: Legal reserve for internally generated development expenditure	Non-restricted equity: Share premium reserve	Non-restricted equity: Reserves	Non-restricted equity: Retained earnings incl. profit for the year	Total
Equity at start of period 1/1/2019		**110,972**	**104,841**	**36,226**	**204,881**		**128,972**	**585,891**
Net profit for the year							**143,332**	**143,332**
Other comprehensive income, items that may be reclassified to profit and loss:								
Other comprehensive income								
Comprehensive income for the year							**143,332**	**143,332**
Legal reserve for internally generated development expenditure				23,216			–23,216	–
Dividend							–66,160	–66,160
Share-based payments, equity-settled					2,568			2,568
Total transactions with owners of the Parent Company		*–*	*–*	*23,216*	*2,568*	*–*	*89,376*	*–63,592*
Equity at end of period 12/31/2019	15	**110,972**	**104,841**	**59,442**	**207,449**	**–**	**182,928**	**665,631**
Equity at start of period 1/1/2020		**110,972**	**104,841**	**59,442**	**207,449**	**–**	**182,928**	**665,631**
Net profit for the year							**97,428**	**97,428**
Other comprehensive income, items that may be reclassified to profit and loss:								
Other comprehensive income								
Comprehensive income for the year							**97,428**	**97,428**
Legal reserve for internally generated development expenditure				24,227			–24,227	–
Repurchase of own shares					–16,032			–16,032
Decrease in treasury shares					2,143			2,143
Dividend							–88,305	–88,305
Share-based payments, equity-settled					2,633			2,633
Total transactions with owners of the Parent Company		*–*	*–*	*24,227*	*–11,256*	*–*	*–112,532*	*–99,561*
Equity at end of period 12/31/2020	15	**110,972**	**104,841**	**83,669**	**196,193**	**–**	**167,824**	**663,499**

Parent Company Cash Flow Statement

Amounts in TSEK	Note	2020	2019
	25		
Operating activities			
Operating profit		119,342	91,684
Adjustments for non-cash items		40,342	29,189
Interest received		228	621
Interest paid		–157	–190
Income tax paid		288	–
Cash flow from operating activities before changes in working capital		**160,043**	**121,304**
Changes in working capital			
Increase(–)/decrease(+) inventories		–14,683	–37,484
Increase(–)/decrease(+) trade receivables		–33,959	48,146
Increase(–)/decrease(+) other current receivables		–94,492	66,046
Increase(–)/decrease(+) trade payables		215,374	–54,310
Increase(–)/decrease(+) other current liabilities		12,863	–25,466
Cash flow from changes in working capital		**85,103**	**–3,068**
Cash flow from operating activities		**245,146**	**118,236**
Investing activities			
Acquisition of intangible fixed assets		–45,528	–38,973
Acquisition of property, plant and equipment		–15,609	–10,172
Increase (–)/decrease(+) in non-current receivables from Group companies		–5,360	172
Cash flow from investing activities		**–66,497**	**–48,973**
Cash flow from financing activities			
Dividend paid		–88,305	–66,160
Decrease in treasury shares		2,143	–
Repurchase of own shares		–16,032	–
Cash flow from financing activities		**–102,194**	**–66,160**
Cash flow for the year		**76,455**	**3,103**
Cash and cash equivalents at beginning of year		167,884	160,988
Exchange rate differences in cash and cash equivalents		–19,268	3,793
Cash and cash equivalents at end of year		**225,071**	**167,884**

Notes to the financial statements

(Amount in TSEK unless otherwise stated.)

NOTE 1 GENERAL ACCOUNTING PRINCIPLES

CORPORATE INFORMATION

The annual report and consolidated financial statements for 2020 were approved for publication by the Board of Directors on March 25, 2021, and were put before the AGM for adoption on April 29, 2021.

Pricer AB (publ) is a Swedish-registered public limited company domiciled in Stockholm, Sweden. The company's Class B share is listed on Nasdaq Stockholm. In 2020, the share was listed in the Small Cap segment and changed in 2021 to the Mid Cap segment.

The address to the head office is P.O. Box 215, SE-101 24 Stockholm, Sweden, and the visiting address is Västra Järnvägsgatan 7, SE-111 64 Stockholm, Sweden.

COMPLIANCE WITH STANDARDS AND LAWS

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the interpretations issued by the IFRS Interpretations Committee (IFRSIC) as endorsed for application in the EU. The Group also applies the *Annual Accounts Act*(1995:1554), the Swedish Financial Reporting Council's recommendation RFR 1, *Supplementary Reporting Rules for Groups*, and statements from the Swedish Financial Reporting Board.

The annual report of the Parent Company are prepared in accordance with the *Annual Accounts Act* (1995:1554), the Swedish Financial Reporting Council's recommendation RFR 2, *Accounting for Legal Entities*, and statements from the Swedish Financial Reporting Board. RFR 2 means that in the annual report for the legal entity, the Parent Company applies both the EU-endorsed IFRSs and statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between accounting and taxation. The recommendation states which exceptions and additions to IFRS are required. Any deviations are described in the section on accounting policies of the Parent Company.

PRESENTATION OF THE ANNUAL REPORT

The financial statements are denominated in SEK thousands (TSEK) unless otherwise specified. The Parent Company's functional currency is the Swedish krona (SEK), which is also the reporting currency for the Parent Company and Group. This means that the consolidated financial statements are reported in SEK. Assets and liabilities are measured at historical cost, aside from certain financial assets and liabilities that are measured at fair value.

The annual report is prepared in accordance with IAS 1 *Presentation of Financial Statements*, meaning among other things that separate statements are prepared for profit or loss, other comprehensive income, financial position, changes in equity and cash flows, and that description of applied accounting policies and disclosures is provided in the notes.

New IFRS effective from 2021

New and amended IFRS standards with future application are not expected to have any impact on the company's financial statements.

BASIS OF CONSOLIDATION

Subsidiaries are companies that are under the control of Pricer AB. Control exists if the parent company has power over the subsidiary, has exposure to variable returns from its involvement and is able to use its power to affect the amount of the returns.

The financial statements of subsidiaries are consolidated from the date of acquisition until the date when control ceases.

Acquisition method

Business combinations are recognized according to the acquisition method, which means that the acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis determines the fair value of the identifiable assets acquired, liabilities assumed and any non-controlling interests on the date of the acquisition.

Foreign currency

Transactions in foreign currency

Monetary assets and liabilities in foreign currency are translated into the functional currency at balance sheet date rates. Exchange rate differences arising on translation are recognized in profit or loss. Exchange rate fluctuations arising from operating receivables and liabilities are recognized in other income and expenses in operating profit, while exchange rate fluctuations arising from financial receivables and liabilities are recognized in net financial items. Non-monetary assets and liabilities measured at historical cost are translated to the functional currency on the transaction date. Non-monetary assets and liabilities measured at fair value are translated to the functional currency at the rate prevailing on the date of the measurement at fair value.

Financial statements of foreign operations

The assets and liabilities of foreign operations are translated from the foreign entity's functional currency into the Group's presentation currency, SEK, at the exchange rates in effect on the balance sheet date. Income and expenses of foreign operations are translated into SEK at a monthly average rate. Translation differences arising on the translation of foreign operations are recognized in other comprehensive income and are accumulated in a separate component in equity, the foreign currency translation reserve.

Net investments in foreign operations

Monetary non-current receivables from a foreign operation for which settlement is not planned and is unlikely to occur in the foreseeable future are in practical terms part of the net investment in the foreign operation. An exchange rate difference that arises on monetary long-term receivables is recognized cumulatively in a separate component of equity, the foreign currency translation reserve. When a foreign operation is disposed of, the cumulative amount of the exchange rate differences attributable to monetary non-current receivables is reclassified from the translation reserve in equity and recognized in profit or loss.

Elimination of intra-group transactions

Receivables, liabilities, income and expenses, as well as unrealized gains and losses arising when a group company sells a good or service to another group company, are eliminated in full.

CLASSIFICATION

Non-current assets and non-current liabilities essentially comprise amounts that are expected to be recovered or settled more than twelve months after the balance sheet date. Current assets and current liabilities essentially comprise amounts that are expected to be recovered or settled within twelve months from the balance sheet date.

SIGNIFICANT ESTIMATES AND ASSUMPTIONS

When preparing financial statements in accordance with IFRS, management is required to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these estimates and assumptions. Refer to the following notes for more disclosures:

Note 2 — Revenue recognition
Note 8 — Recognition and measurement of deferred tax asset
Note 9 - Impairment testing for goodwill and capitalized development projects
Note 13 — Measurement of inventories
Note 17 — Warranty commitments

SIGNIFICANT DIFFERENCES BETWEEN THE ACCOUNTING PRINCIPLES OF THE GROUP AND THE PARENT COMPANY

The Parent Company applies the same accounting policies as the Group with the following exceptions.

In the Parent Company, shares in subsidiaries are recognized in accordance with the cost method. The value of the participations is tested for impairment as soon as there are indications that the value has diminished.

As of the financial year 2016, the Parent Company makes provisions for capitalized development expenditure for software/computer programs to the reserve for capitalized development expenditure within restricted equity. The reserve is reduced by amortization of the capitalized development expenditure.

The Parent Company reports leasing expenses on a straight-line basis in the income statement during the period in question.

OTHER ACCOUNTING PRINCIPLES

For other accounting principles, see additional disclosures in each respective note.

NOTE 2 BREAKDOWN OF REVENUE

ACCOUNTING PRINCIPLES

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's revenue can be allocated into revenue from goods, services and licenses. Revenue is generated primarily from direct sales to customers or sales through resellers, and goods/service are often packaged in a bundled obligation. This obligation is transferred to the customer when the risk is transferred, which is the same as when control of the goods is transferred.

Revenue is recognized only in cases where it is likely that the economic benefits will flow to the Group. There is no recognition if there is a considerable degree of uncertainty regarding payment, the attributable costs or risk of return or if the seller retains operational involvement to the degree usually associated with ownership. Revenue is recognized at the fair value of the consideration received, or is expected to be received, with a deduction for granted discounts.

Revenue from goods

Revenue from the sale of goods is recognized when Pricer has transferred all significant risks and benefits associated with the right of ownership to the product. In most cases, this occurs when the legal right of ownership has been transferred and the goods have been physically handed over to the buyer. The customer is thereby considered to have control over the goods and the ability to use or benefit from the goods. In cases where the significant risks associated with ownership of the goods have not been transferred, the sale has not been completed and the revenue is therefore not recognized.

Revenue from services

Maintenance and service revenue is generated mainly through service contracts at a fixed price and is recognized on a straight-line basis over the term of the contract. Consulting services are normally carried out on running account, and revenue is recognized in pace with completion of this work. Goods and services can be combined in different combinations in a joint obligation for a customer. The total revenue from such an obligation is only recognized after delivery of the package has been approved by the customer.

Revenue from licensees

License revenue gives the customer the right to use a license issued by the company. Revenue is therefore recognized when this right is transferred.

Significant estimates and assumptions: Revenue recognition

The company assesses the value of work completed in relation to the terms of the customer contract, the estimated total contract costs and the stage of completion of the contract in order to determine the amount to be recognized as revenue.

BREAKDOWN OF REVENUE

	Group		Parent Company	
	2020	2019	2020	2019
Revenue at a certain point in time:				
Revenue from goods	1,670,435	924,324	1,645,478	831,111
Revenue from licensees	16,561	14,304	8,651	6,962
Revenue over time:				
Revenue from services	72,487	64,281	17,932	10,657
Total	**1,759,483**	**1,002,909**	**1,672,061**	**848,730**

The Parent Company's income includes intra-Group sales of SEK 1,127 M (410).

NET SALES BY SALES CHANNEL

	2020	2019
Direct customers	72%	47%
Resellers	28%	53%
Total	**100%**	**100%**

BACKLOG DISTRIBUTION

	2020	2019
Within one year	494,702	731,359
Between one to two years	–	–
Total	**494,702**	**731,359**

CONTRACT BALANCE

	Group	
	2020	2019
Trade receivables	**235,587**	**147,552**
Contract assets		
Accrued income (Note 14)	747	1,983
Total contract assets	**747**	**1,983**
Contract liabilities		
Advances from customers	6,429	8,335
Deferred income (Note 19)	25,300	13,108
Total contract liabilities	**31,729**	**21,443**
Income recognized during the year from:		
Amounts included in the contract's liability balance at beginning of year	21,443	51,219
Met performance obligations in previous years	–	–
Transaction price allocated to outstanding performance obligations		
Within one year	31,729	21,443
Later than one year	–	–

NOTE 3 OPERATING SEGMENTS

ACCOUNTING PRINCIPLES

OPERATING SEGMENT REPORTING

An operating segment is a part of the Group that engages in business operations from which it may earn income and incur expenses and for which discrete financial information is available. The results of an operating segment are reviewed regularly by the chief operating decision-maker to assess the performance and make decisions about the allocation of resource to the segment. Pricer has only one operating segment.

Pricer develops and markets a complete system consisting of components for communication in a store environment. The components are never sold separately except as additions to existing systems. Therefore, the various product components do not constitute separate operating segments. The system is sold to customers in more than 50 countries worldwide. Customer activities are to a large extent directed towards large global retail chains. For external reporting, net sales are broken down into three geographical areas and reported externally in order to provide comments on and analysis of market development, but these areas are not a basis for internal guidance and monitoring and therefore do not constitute different operating segments. Sales are made both directly to customers and via resellers, but this division does not constitute different operating segments in the operations. Furthermore, sales are made to different categories of the retail trade such as groceries, discretionary goods, DIY, etc., that also do not constitute different operating segments. Pricer's operations are not divided into different operating segments but rather are monitored in their entirety. Consequently, the entire Pricer business constitutes a single operating segment.

NET SALES BY MARKET

	Group	
	2020	2019
Europe, Middle East & Africa	839,440	807,668
Americas	883,001	122,703
Asia & Pacific	37,042	72,538
Total	**1,759,483**	**1,002,909**

Revenue from external customers by geographical domicile

Revenue is allocated by country based on the domicile of the external customer.

NET SALES BY COUNTRY

	Group	
	2020	2019
Sweden	35,741	36,089
USA	703,168	48,198
France	313,647	369,087
Netherlands	157,609	6,957
Norway	155,566	107,979
Other countries	393,752	434,599
Total	**1,759,483**	**1,002,909**

Of Pricer's total net sales in 2020, one customer accounts for more than 10 percent. Sales to this customer amounted to SEK 680 M, which corresponds 39 percent of net sales. In 2019 one customer accounted for more than 10 percent of the company's net sales, SEK 108 M, which corresponded to 11 percent of the company's total sales in 2019.

NON-CURRENT ASSETS BY COUNTRY

	Group	
	2020	2019
Sweden	24,092	31,059
China	20,158	14,226
Thailand	5,018	2,813
France	15,638	18,662
Other countries	9,048	11,310
Total	**73,954**	**78,070**

Non-current assets per country include property, plant and equipment and right-of-use assets. In China and Thailand, this refers primarily to machinery and other technical installations located at suppliers.

NOTE 4 EMPLOYEES AND PERSONNEL COSTS

ACCOUNTING PRINCIPLES

EMPLOYEE BENEFITS

Current remuneration to employees

Employees within the Group receive remuneration in the form of a fixed basic salary, fixed hourly rate, benefits, and pension provisions. Some employees, as a supplement to the fixed basic salary, also receive a variable commission-based salary component, which is capped.

Defined contribution plans

All pension solutions in the Group are classified as defined contribution plans. Consequently, the company's obligation is limited to the amount it agrees to contribute. In such cases, the size of employee's pension depends on the contributions that the company pays to the plan or to an insurance company and the contributions' return on capital. The employee thus bears the actuarial risk (that the remuneration will be lower than expected) and the investment risk (that the invested assets will not suffice to pay out the expected remuneration). The company's obligations regarding payments to defined contribution plans are recognized as an expense in the income statement as they are earned over time by the employee rendering services for the company.

Termination benefits

A provision is recognized in connection with termination of employment only if the company is demonstrably committed to terminate employment before the normal retirement date or when termination benefits take the form of an offer to encourage voluntary redundancy. When compensation is paid as an offer to encourage voluntary redundancy, a cost is recognized if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based payment

Share-based payments refer to employee benefits, including senior executives in accordance with the performance-based share plans that were adopted. Expenses for employee benefits are recognized as the value of services received, allocated over the vesting periods of the plans, measured at the fair value of the granted equity instruments. The fair value is determined on the date of allocation, or in other words the date on which Pricer and the employees have agreed on the terms and conditions of the plans. Since the plans are settled with equity instruments, they are classified as "equity settled" and an amount corresponding to the recognized expense for employee benefits is recognized directly in shareholders' equity (other contributed capital).

The performance-based share plan contains two types of rights. Matching share rights grant entitlement to Pricer shares if the participant remains in employment and retains the saving share that must initially be purchased. Performance shares grant entitlement to shares under the same conditions and if certain target ratios for the Group are met. The recognized expense is initially based on, and regularly adjusted in relation to, the number of share rights that are expected to be vested by considering the expected and actual fulfillment of the conditions of the Group's financial targets.

If participants lose share rights, the effect is recorded in the income statement. When rights are exercised, social security contributions are paid in certain countries for the value of the employee's benefits. An expense and a provision are recognized, allocated over the vesting period, for these social security contributions. The provision for social security contributions is based on the number of share rights that are expected to be vested and the fair value of the share rights on each reporting date and, finally, on redemption/matching.

AVERAGE NUMBER OF EMPLOYEES

	2020		2019	
	Number	of whom, men	Number	of whom, men
Parent Company				
Sweden	69	84%	60	81%
Taiwan	1	100%	–	–
Hong Kong	3	100%	4	100%
Italy	4	100%	2	100%
Total Parent Company	**77**	**86%**	**66**	**83%**
Subsidiaries				
USA	13	77%	10	83%
Israel	1	100%	1	100%
Germany	3	70%	3	100%
France	50	71%	47	73%
Total subsidiaries	**67**	**73%**	**61**	**78%**
Total Group	**144**	**80%**	**127**	**80%**

GENDER DISTRIBUTION IN MANAGEMENT ON BALANCE SHEET DATE

	Group		Parent Company	
	2020	2019	2020	2019
	% of women	% of women	% of women	% of women
Board of Directors	20%	17%	20%	17%
Senior executives	25%	20%	29%	25%

SALARIES, OTHER REMUNERATION, PENSION COSTS ACCORDING TO DEFINED CONTRIBUTION PLANS AND SOCIAL SECURITY EXPENSES

	Group		Parent Company	
	2020	2019	2020	2019
Board and CEO	7,249	5,577	7,249	5,577
(of which variable salary*)	2,742	1,286	2,742	1,286
Other senior executives	18,274	18,465	12,721	13,270
(of which variable salary*)	6,985	3,930	5,026	3,770
Other employees	101,143	80,437	52,157	39,136
(of which variable salary*)	11,529	9,783	3,196	1,213
Total salaries and other remuneration	**126,667**	**104,478**	**72,128**	**57,983**
(of which variable salary*)	21,255	14,999	10,964	6,269
Social security expenses, Board and CEO	3,626	2,742	3,626	2,742
Social security expenses, other senior executives	7,037	7,211	6,781	6,792
Social security expenses, other employees	41,612	31,883	20,205	14,829
Total social security expenses	**52,275**	**41,836**	**30,611**	**24,363**
of which:				
Pension costs, Board and CEO	673	641	673	641
Pension costs, other senior executives	1,598	1,841	1,520	1,765
Pension costs, other employees	7,126	4,731	6,434	4,317
Total pension costs	**9,396**	**7,213**	**8,627**	**6,723**

The company does not have any outstanding pension commitments on behalf of the Board and CEO. The category "Other senior executives" consisted during most of the year of 6 (9) individuals at the Group level, including 5 (7) in the Parent Company.

*Variable salary includes bonuses and performance-based share plans.

BENEFITS TO SENIOR EXECUTIVES

Remuneration principles

Fees to the Board of Directors are paid in accordance with a resolution by the AGM, which has also resolved on guidelines for remuneration to senior executives. These guidelines are presented in the Administration Report on pages 30–31. During the year, the Board prepared a proposal for a remuneration structure for senior executives within the guidelines resolved by the AGM. Based on this remuneration structure, the Board has authorized the Chair to reach an agreement with the CEO regarding salary and other benefits. The remuneration and benefits of senior executives who report directly to the CEO are determined by the CEO after consultation with the Board of Directors. The main principle is to offer senior executives competitive remuneration and terms of employment. When deciding actual levels for remuneration, factors such as competence, experience and performance are considered. Remuneration to senior executives consists of basic salary, variable salary, in certain cases pension in the form of defined contribution pension premium payments, other benefits and a long-term incentive scheme in the form of performance-based share plans. Other benefits may include a company car and health care insurance. All pension plans in the Group are defined contribution plans. The terms of the CEO's pension amount to 25 percent of the fixed salary. The retirement age for the CEO and other senior executives is 65.

Remuneration to the Board

During the 2020/2021 mandate period (until the AGM on April 29, 2021), fees to the Board of Directors amount to a total of SEK 1,650 T to be paid in an amount of SEK 550 T to the Chair and SEK 275 T to each of the other members (a total of five Board members). Fees to the Chair and members of the Board's Audit Committee of SEK 50 T each were also paid. The costs were allocated over the mandate period. In addition, the company has reimbursed Board members for various minor cost outlays on a minor scale.

During the 2019/2020 mandate period (until the AGM on May 6, 2020), fees to the Board of Directors amounted to a total of SEK 1,720 T to be paid in an amount of SEK 495 T to the Chair and SEK 245 T to each of the other members (a total of six Board members). Fees to the Chair and members of the Board's Audit Committee of SEK 50 T each were also paid. The costs were allocated over the mandate period.

Remuneration to senior executives

Remuneration to the CEO and other senior executives is shown in the table. For senior executives, the variable salary for 2020 was based on the Group's operating profit, operating profit growth, and individual targets. The variable salary is individualized and at the most for 2020 may equal 50 percent of the fixed salary.

The period of notice for the CEO is six months when notice is given by both the company and the employee. If notice is given by the company, the company also pays severance pay corresponding to six fixed monthly salaries. The notice period for other senior executives varies, although it never exceeds twelve months. The CEO and a few other senior executives are subject to non-competition clauses during the notice period. The executives receive benefits during the notice period and the period covered by the non-compete undertaking. Other senior executives are not entitled to severance pay.

Loans and other transactions with related parties

No loans, guarantees or sureties have been issued on behalf of any member of the Board or senior executives in the Group. Nor are there any past or present business transactions between the company and members of the Board, senior executives or the auditors that have had a material impact on the Group's profit or financial position.

REIMBURSEMENT AND OTHER BENEFITS TO SENIOR EXECUTIVES

GROUP 2020	Basic salary/ fees	Variable component	Performance-based share plan	Pension	Other remuneration*	Total
Helena Holmgren, President and CEO	2,646	1,318	1,424	673	185	6,246
Other members of Executive Management (six people)	10,604	4,090	2,895	1,598	848	20,035
	13,250	**5,408**	**4,319**	**2,271**	**1,033**	**26,281**
Board of Directors						
Bernt Ingman (Chairman, through 6 May)	181	–	–	–	–	181
Knut Faremo (Chariman, as of 6 May)	482	–	–	–	–	482
Hans Granberg	315	–	–	–	–	315
Jenni Virnes	265	–	–	–	–	265
Jonas Guldstrand	265	–	–	–	–	265
Thomas Krishan	265	–	–	–	–	265
	1,773	**–**	**–**	**–**	**–**	**1,773**
	15,023	**5,408**	**4,319**	**2,271**	**1,033**	**28,054**

GROUP 2019	Basic salary/ fees	Variable component	Performance-based share plan	Pension	Other remuneration*	Total
Helena Holmgren, President and CEO	2,520	799	487	641	176	4,623
Other members of Executive Management (nine people)	13,571	1,848	2,082	1,842	1,242	20,585
	16,091	**2,647**	**2,569**	**2,483**	**1,418**	**25,208**
Board of Directors						
Bernt Ingman (Chair)	528	–	–	–	–	528
Hans Granberg	270	–	–	–	–	270
Jenni Virnes	237	–	–	–	–	237
Jonas Guldstrand	237	–	–	–	–	237
Thomas Krishan	237	–	–	–	–	237
Knut Faremo (as of 25 April)	163	–	–	–	–	163
	1,672	**–**	**–**	**–**	**–**	**1,672**
	17,763	**2,647**	**2,569**	**2,483**	**1,418**	**26,880**

* Other remuneration and benefits consist primarily of car benefits and change in vacation pay liability.

Performance-based share plan

The AGMs in 2017, 2018, 2019 and 2020 resolved on a performance-based share plan (LTI) for certain senior executives and key employees in the Pricer Group. After an initial investment by the participant in Pricer's B-share at market price ("saving shares"), 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. The total number of Class B shares that each performance share right grants entitlement to depends on the Board's attainment of certain levels established by the Board for value creation in the Pricer Group. Performance-based conditions are based on the earnings per share during the three-year vesting period (relative weight 100%). For allocation, the participant must still be employed in the Pricer Group and have retained the savings shares during the vesting period.

If the price of the Class B share were to increase more than 150 percent during the three-year vesting period, the number of Class B shares to which the share rights are entitled will decrease, by which the maximum value that each participant can receive under LTI is limited to the value corresponding to a maximum allocation of Class B shares given an increase in the share price of 150 percent during the vesting period.

From the 2017 performance-based share plan, 227,995 shares were transferred free of charge in June 2020 to the participants. Due to the fulfillment of the performance-based share plan, Pricer decreased its treasury shares by 227,995.

The following summary shows the maximum number of shares that can be transferred at no charge to participants in each of the outstanding performance-based share plans in the event the pre-determined performance targets are fully met during the measurement period.

In 2020 the costs for matching/performance shares were recognized in the Group at an amount of SEK 4.8 M (2.6), of which SEK 4.8 M (2.6) in the Parent Company with an offset in equity. In addition, social security expenses in the Group of SEK 3.0 M were reported, of which SEK 3.0 M in the Parent Company with offset in accrued social security expenses.

SUMMARY OF SHARE-BASED INCENTIVE PROGRAMS FOR EMPLOYEES

Performance-based share plan	LTI 2020	LTI 2019	LTI 2018	LTI 2017
Performance period	2020–2022	2019–2021	2018–2020	2017–2019
Allocated share rights	375,000	315,522	408,890	228,190
Expiration date	5/31/2023	5/31/2022	5/31/2021	5/31/2020
Type of shares	B	B	B	B
Matching share rights	62,500	52,587	68,148	38,032
Performance share rights	312,500	262,935	340,742	190,158
Outstanding January 1, 2020	**–**	**315,522**	**408,890**	**228,190**
Granted	375,000	–	–	–
Transferred	–	–	–	–227,995
Forfeited	–45,000	–75,522	–83,582	–195
Outstanding, December 31, 2020	**330,000**	**240,000**	**325,308**	**–**
Remaining exercise period, months, as per December 31, 2020	29	17	5	–
Outstanding, January 1, 2019	**–**	**–**	**408,890**	**228,190**
Granted	–	315,522	–	–
Transferred	–	–	–	–
Forfeited	–	–	–	–
Outstanding, December 31, 2019	**–**	**315,522**	**408,890**	**228,190**
Remaining exercise period, months, as per December 31, 2019		29	17	5

Forfeited share rights for the 2018–2020 performance-based share plans refer to participants who are no longer employed by the Pricer Group.

NOTE 5 FEES TO AUDITORS

	Group		Parent Company	
	2020	2019	2020	2019
Fees to Ernst & Young				
Audit services	1,274	1,131	868	734
Other services	–	–	–	–
Total	**1,274**	**1,131**	**868**	**734**

Audit services comprise examination of the annual report, bookkeeping and administration of the Board and CEO, other tasks assigned to the company's auditors and advice or other assistance arising from observations made during the review or execution of such other tasks.

NOTE 6 OPERATING EXPENSES ALLOCATED BY COST TYPE

	Group		Parent Company	
	2020	2019	2020	2019
Cost of goods sold, excluding depreciation	1,305,890	648,732	1,361,727	596,913
Personnel costs	170,579	139,499	90,635	73,770
Amortization/ depreciation and impairment	45,537	37,690	32,664	25,538
Other operating expenses	96,462	73,259	81,983	57,518
Total	**1,618,468**	**899,180**	**1,567,009**	**753,739**

NOTE 7 FINANCIAL ITEMS

ACCOUNTING PRINCIPLES

FINANCIAL INCOME AND EXPENSES

Financial income consists of interest income on investments. Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method. Exchange gains and losses on financial receivables and liabilities are recognized in their net amount.

	Group	
	2020	2019
Interest income	205	621
Net exchange rate fluctuations	–	1,525
Financial income	**205**	**2,146**
Interest expenses	–1,279	–1,318
Net exchange rate fluctuations	–20,470	–
Financial expenses	**–21,749**	**–1,318**
Financial items	**–21,544**	**828**

	Parent Company	
	2020	2019
Impairment of participations in subsidiaries Pricer GmbH	–	–2,817
Dividend from subsidiary Pricer SAS	–	52,791
Result from participations in group companies	**–**	**49,974**
Interest income	93	621
Interest income, group companies	135	230
Net exchange rate fluctuations	–	1,565
Interest income and similar profit/loss items	**228**	**2,416**
Interest expenses	–157	–192
Net exchange rate fluctuations	–20,457	–
Interest expenses and similar profit/loss items	**–20,614**	**–192**

NOTE 8 TAX ON PROFIT FOR THE YEAR AND DEFERRED TAX ASSETS

ACCOUNTING PRINCIPLES

TAXES

Income tax consists of current tax and deferred tax. Taxes are recognized in profit/loss for the year except for when the underlying transaction is recognized as other comprehensive income or equity, in which case the associated tax effect is recognized in other comprehensive income or equity.

Current tax is tax that is to be paid or recovered with regard to the current year using the tax rates that have been enacted or substantively enacted by the balance sheet date. Tax adjustments pertaining to previous periods are also included here.

Deferred tax is calculated using the asset-liability method, which is based on temporary differences between the carrying amount and taxable values of assets and liabilities. Temporary differences are not reflected in consolidated goodwill, and nor are they reflected for differences that arise on initial recognition of assets and liabilities other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit. Temporary differences associated with investments in subsidiaries or associated companies are not recognized to the extent that it is probable that reversal will not occur in the foreseeable future. Deferred tax is measured on the basis of how the carrying amount of the assets or liabilities is expected to be realized or settled.

Deferred tax is estimated using the tax rates/laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets in respect of deductible temporary differences and unutilized loss carry-forwards are recognized to the extent that it is probable that these will be utilized. The value of accrued tax receivables is reduced when it is no longer considered probable that they can be utilized.

Any additional income tax that arises for dividends is reported when the dividend is recognized as a liability.

Deferred tax assets are set off against deferred tax liabilities when the asset and liability refer to the same taxation authority.

Significant estimates and assumptions: Measurement and recognition of deferred tax assets

When preparing the financial statements, the company calculates income tax for each tax jurisdiction where the Group is active, as well as deferred taxes attributable to temporary differences.

Deferred tax assets are recognized to the extent that it is probable that they can be utilized against future taxable profits within the foreseeable future.

REPORTED IN THE INCOME STATEMENT

	Group		Parent Company	
Reported tax	**2020**	**2019**	**2020**	**2019**
Current tax	–4,816	–3,806	–40	–
Deferred tax expense	–1,349	292	–1,488	–550
Total reported tax expense on profit for the year	–6,165	–3,514	–1,528	–550

The differences between reported tax and an estimated tax expense based on the calculated tax rate are as follows:

	Group		Parent Company	
Reconciliation of effective tax	**2020**	**2019**	**2020**	**2019**
Profit/loss before tax	133,641	101,254	98,955	143,882
Tax according to applicable tax rate for the Parent Company (21.4%)	–28,599	–21,668	–21,176	–30,791
Effect of applicable tax rates for foreign subsidiaries	–2,522	–833	–	–
Non-deductible expenses	–731	–710	–129	–794
Non-taxable income	620	382	–	11,297
Utilized previous loss carry-forwards that have not been recognized	25,194	20,610	18,825	20,073
Non-recognized tax losses carried forward	–	–858	–	–
Other	–127	–437	952	–335
Reported effective tax	**–6,165**	**–3,514**	**–1,528**	**–550**
Effective tax rate	*–4.6%*	*–3.5%*	*–1.5%*	*–0.4%*

REPORTED IN THE BALANCE SHEET DEFERRED TAX ASSET

	Group		Parent Company	
Change in deferred tax asset	**2020**	**2019**	**2020**	**2019**
Opening carrying amount	76,345	76,051	75,253	75,803
Provisions	2,038	–550	2,038	–550
Loss carry-forward	–3,526	–	–3,526	–
Other	153	844	–	–
Closing carrying amount	**75,010**	**76,345**	**73,765**	**75,253**

	Group		Parent Company	
Deferred tax asset	**2020**	**2019**	**2020**	**2019**
Provisions	6,891	4,853	6,891	4,853
Loss carry-forward	66,874	70,400	66,874	70,400
Other	1,245	1,092	–	–
Closing carrying amount	**75,010**	**76,345**	**73,765**	**75,253**

For the deferred tax asset, a majority of the deferred taxes have been recognized at 20.6 percent (20.6).

Tax loss carry-forward	Recognized loss carry-forward		Non-recognized loss carry-forward		Total	
	2020	2019	2020	2019	2020	2019
Sweden – Parent Company	324,630	341,748	–	87,966	324,630	429,714
Sweden – subsidiaries	–	–	–	4,331	–	4,331
Israel	–	–	177,225	187,715	177,225	187,715
USA	–	–	51,491	85,364	51,491	85,364
Other countries	–	–	7,493	7,891	7,493	7,891
Total	**324,630**	**341,748**	**236,209**	**373,267**	**560,839**	**715,015**

The Group's total loss carry-forward as at December 31, 2020, amounted to SEK 560.8 M (715.0), of which SEK 324.6 M (341.7) for which a deferred tax asset was recognized and for which the remainder, SEK 236.2 M (373.3), was not. All recognized loss carry-forwards refer to the Parent Company.

Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognized only to the extent it is probable that these will lead to lower taxes paid in the future.

When assessing the Parent Company's recognized deferred tax asset, only a short forecast period of 3–5 years was considered.

Regarding the loss carry-forwards in the US, these refer to state tax and have a time limitation of 20 years, after which the majority expire within 3 years and all of them within 7 years. Other loss carry-forwards do not have an expiration date.

Loss carry-forwards outside of Sweden are affected by currency translation.

NOTE 9 INTANGIBLE ASSETS

ACCOUNTING PRINCIPLES

INTANGIBLE ASSETS

Goodwill

Goodwill is measured at cost less accumulated impairment. Goodwill is allocated to cash-generating units and tested for impairment at least once annually.

Capitalization of development projects

All research costs are recognized as expenses in the period in which they arise. Development expenditure can be capitalized in the balance sheet if the technical and commercial feasibility of the product or process has been established and the company has adequate resources to complete its development and then intends to use or sell the intangible asset, according to IAS 38. Amortization usually commences at product launch. The carrying amount includes all directly attributable costs, e.g. for materials and services, remuneration to employees, registration of a legal entitlement, patents and licenses.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost less accumulated amortization and impairment. Other intangible assets refer primarily to one-off costs (non-recurring engineering) for development and testing of new products.

Amortization of intangible assets

Amortization is applied on a straight-line basis over the estimated useful life of the asset, which is assessed annually. Goodwill and R&D assets that are not yet ready for use are tested for impairment annually or as soon as there are indications that the asset in question has diminished in value. Intangible assets with definite useful lives are tested for impairment when they are available for use.

Estimated useful lives:
- market, patent and license rights: 5–10 years
- capitalized development projects: 3 years
- other intangible assets: 3–5 years

Impairment of property, plant and equipment and intangible assets

The Group's reported assets are tested for impairment annually.

If there is any indication of impairment, the asset's recoverable value is calculated (see below). The recoverable value of goodwill and other intangible assets that are not ready for use is also calculated annually. If it is not possible to establish an essentially independent cash flow associated with a particular asset when testing for impairment, the assets are grouped at the lowest level for which it is possible to identify an essentially independent cash flow (known as a cash-generating unit).

When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, an impairment loss is recognized. An impairment loss is charged to net profit for the year. Impairment losses on assets belonging to a cash-generating unit (group of units) are primarily allocated to goodwill. Thereafter, the carrying amounts of other assets in the cash-generating unit (group of units) are reduced on a pro rata basis.

The recoverable amount is the higher of fair value less selling costs and value in use. When calculating value in use, future cash flows are discounted using a discounting factor that reflects the risk-free interest rate and the risks specific to the asset.

Significant estimates and assumptions: Impairment testing for goodwill and capitalized development projects

The Group tests the reported goodwill values for impairment once a year. The recoverable value of cash-generating units is determined by calculating the discounted cash flow on which the recoverable value is based. The calculations are based on certain assumptions about the future of the Group on the date of the test. Key assumptions that can affect the value of goodwill are growth, the margin and the discount rate.

For capitalized development projects, a corresponding assessment is made regarding the impairment need for the assets not yet in use or in the presence of other indicators that can influence the assets' value.

GROUP 2020	Market, patent and license rights	Capitalized development projects	Goodwill	Other intangible assets	Total intangible assets
Accumulated cost					
At beginning of year	440	101,116	263,297	4,828	369,681
Purchases during the year	–	45,528	–	–	45,528
Disposals	–75	–	–	–	–75
Impairment	–	–2,294	–	–	–2,294
Exchange rate difference	–17	–	–9,992	48	–9,961
At year-end	348	144,350	253,305	4,876	402,879
Accumulated amortization					
At beginning of year	–406	–40,830	–	–2,622	–43,858
Disposals	76	–	–	–	76
Amortization for the year	–17	–19,275	–	–1,756	–21,048
Exchange rate difference	–	–	–	–1	–1
At year-end	–347	–60,105	–	–4,379	–64,831
Carrying amount	**1**	**84,245**	**253,305**	**497**	**338,048**

GROUP 2019	Market, patent and license rights	Capitalized development projects	Goodwill	Other intangible assets	Total intangible assets
Accumulated cost					
At beginning of year	433	66,139	259,302	6,671	332,545
Purchases during the year	–	38,974	–	31	39,005
Disposals	–	–	–	–1,864	–1,864
Impairment	–	– 3,997	–	–	–3,997
Exchange rate difference	7	–	3,995	–10	3,992
At year-end	440	101,116	263,297	4,828	369,681
Accumulated amortization					
At beginning of year	–364	–28,010	–	–2,681	–31,055
Disposals	–	–	–	1,487	1,487
Impairment	–	2,652	–	–	2,652
Amortization for the year	–36	–15,472	–	–1,429	–16,937
Exchange rate difference	–6	–	–	1	–5
At year-end	–406	–40,830	–	–2,622	–43,858
Carrying amount	**34**	**60,286**	**263,297**	**2,206**	**325,823**

PARENT COMPANY 2020	Capitalized development projects	Other intangible assets	Total intangible assets
Accumulated cost			
At beginning of year	101,116	4,807	105,923
Purchases during the year	45,528	–	45,528
Disposals	–	–	–
Impairment	–2,294	–	–2,294
At year-end	144,350	4,807	149,157
Accumulated amortization			
At beginning of year	–40,829	–2,623	–43,452
Disposals	–	–	–
Impairment	–	–	–
Amortization for the year	–19,276	–1,750	–21,026
At year-end	–60,105	–4,373	–64,478
Carrying amount	**84,245**	**434**	**84,679**

PARENT COMPANY 2019

	Capitalized development projects	Other intangible assets	Total intangible assets
Accumulated cost			
At beginning of year	66,139	6,671	72,810
Purchases during the year	38,974	–	38,974
Disposals	–	–1,864	–1,864
Impairment	–3,997	–	–3,997
At year-end	101,116	4,807	105,923
Accumulated amortization			
At beginning of year	–28,010	–2,680	–30,690
Disposals	–	1,487	1,487
Impairment	2,653	–	2,653
Amortization for the year	–15,472	–1,429	–16,901
At year-end	–40,829	–2,623	–43,452
Carrying amount	**60,287**	**2,184**	**62,471**

DISTRIBUTION OF AMORTIZATION AND IMPAIRMENT

	Group		Parent Company	
Amortization and write-downs are recognized on the following lines in the statement of consolidated comprehensive income	**2020**	**2019**	**2020**	**2019**
Cost of goods sold	21,570	16,816	21,570	16,816
Selling expenses	1,574	1,252	1,568	1,217
Administrative expenses	198	214	182	214
Research and development costs	–	–	–	–
Total	**23,342**	**18,282**	**23,320**	**18,247**

In 2020, impairment losses were recorded at a value of SEK 2,294 T (1,345) for development projects that will not be launched.

Impairment testing of goodwill
Pricer's balance sheet contains a goodwill item of SEK 253.3 M (263.3) from the acquisition of Eldat in 2006. The goodwill item is accounted for in EUR, which means that it is affected by exchange rate movements. The goodwill item has been tested for impairment by discounting future cash flows from the operations, whereby value in use was estimated as follows:

The acquisition of Eldat gave Pricer a clear position as the market leader in the ESL industry. The goodwill item that arose on the acquisition has been tested for impairment based on the Pricer Group's strategic plan and a discounted cash flow from the same. Eldat was previously an autonomous cash-generating unit but is now fully integrated with the rest of the Pricer Group. The shared customer base represents an asset for the Group as a whole.

The impairment test is based on multi-year forecast for the Group together with the company's other assessments about the Group's future development and risks. The forecast is based on a continuation of the positive business development in the market for Pricer's products and growth in sales. After the first three years, growth is assumed to be in line with the ESL market at around 20 percent (20), and after five years a perpetual growth rate of 2 percent (2) is assumed.

The expected increase in gross profit as a result of anticipated volume expansion will require more resources. But despite this, Pricer expects the costs, which mainly consist of personnel related expenses, to be contained so that they increase at a lower rate than gross profit. Some of the cash flow generated by the business will be tied up in higher working capital.

Pricer is making limited investments in the product facilities in addition to capitalized product development and possible acquisitions of intangible assets. This is in part because manufacturing is outsourced to external suppliers.

The forecast cash flow has been discounted using an estimated average weighted cost of capital to calculate a recoverable amount. The estimated average weighted cost of capital is 13 percent (12) before tax. The weighted cost of capital was based on a capital structure that is primarily equity and only a small amount of debt.

The estimated recoverable amount does not indicate any need for impairment. The recoverable amount is also compared to the company's market capitalization.

A sensitivity analysis of the changes in assumptions made, such as expected growth in sales in combination with a higher gross margin and discount rate, indicates that impairment is highly unlikely even with slower market development and/or higher yield requirements.

NOTE 10 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING PRINCIPLES

PROPERTY, PLANT AND EQUIPMENT
Items of property, plant and equipment are recognized at cost less accumulated depreciation and impairment. Cost includes the purchase price and all costs necessary to bring the asset to working condition for its intended use.

The carrying amount of an item of property, plant and equipment is derecognized from the statement of financial position on disposal or when it is withdrawn for use and no future economic benefits are expected from its use or withdrawal/disposal. The gain or loss on disposal or withdrawal is the difference between the proceeds and the carrying amount less direct selling costs. This gain or loss is recognized in other operating income/expense. Subsequent expenditure is added to the historical cost only when it is probable that the future economic benefits associated with the asset will flow to the company and the cost can be measured reliably. All other subsequent expenditure is expensed as incurred.

Depreciation occurs on a straight-line basis over the estimated useful life. Leased assets are also depreciated over the estimated useful life or, if it is shorter, over the contractual term of the lease.

Estimated useful lives:
– incurred costs on third-party property: according to the term of the contract
– machinery and other technical installations: 3–5 years
– equipment, tools, fixtures and fittings: 3–5 years

GROUP 2020

	Incurred costs on third-party property	Plant and machinery	Equipment, tools, and fixtures and fittings	Cars	Total property, plant and equipment
Accumulated cost					
At beginning of year	3,920	2,905	48,899	–	55,725
Purchases during the year	–	–	17,107	–	17,107
Sales and disposals	–661	–416	–2,911	–	–3,988
Exchange rate difference	–149	–101	–425	–	–675
At year-end	3,110	2,388	62,670	–	68,168
Accumulated amortization					
At beginning of year	–3,184	–2,570	–25,676	–	–31,430
Amortization for the year	–198	–130	–10,084	–	–10,412
Disposals	661	416	2,185	–	3,262
Exchange rate difference	144	94	445	–	683
At year-end	–2,577	–2,190	–33,130	–	–37,897
Carrying amount	**533**	**198**	**29,540**	**–**	**30,271**

GROUP 2019

	Incurred costs on third-party property	Plant and machinery	Equipment, tools, and fixtures and fittings	Cars	Total property, plant and equipment
Accumulated cost					
At beginning of year	4,034	3,145	39,888	1,912	48,979
Purchases during the year	–	10	12,356	–	12,366
Sales and disposals	–174	–287	–3,358	–	–3,819
Reclassification	–	–	–	- 1,912	–1,912
Exchange rate difference	60	37	13	–	110
At year-end	3,920	2,905	48,899	–	55,725
Accumulated amortization					
At beginning of year	–2,978	–2,698	–20,329	–705	–26,710
Amortization for the year	–338	–131	–7,510	–	–7,979
Disposals	174	287	2,148	–	2,609
Reclassification	–	–	–	705	705
Exchange rate difference	–42	–28	15	–	–55
At year-end	–3,184	–2,570	–25,676	–	–31,430
Carrying amount	**736**	**335**	**23,223**	**–**	**24,295**

PARENT COMPANY 2020

	Plant and machinery	Equipment, tools, and fixtures and fittings	Total property, plant and equipment
Accumulated cost			
At beginning of year	1,063	43,542	44,605
Disposals	–104	–2,155	–2,259
Purchases during the year	–	16,545	16,545
At year-end	959	57,932	58,891
Accumulated amortization			
At beginning of year	–1,063	–21,934	–22,997
Disposals	104	1,884	1,988
Amortization for the year	–	–9,345	–9,345
At year-end	959	–29,395	–30,354
Carrying amount	**–**	**–28,537**	**28,537**

PARENT COMPANY 2019

	Plant and machinery	Equipment, tools, and fixtures and fittings	Total property, plant and equipment
Accumulated cost			
At beginning of year	1,350	35,918	37,268
Disposals	-287	-3,356	-3,643
Purchases during the year	–	10,980	10,980
At year-end	1,063	43,542	44,605
Accumulated amortization			
At beginning of year	-1,350	-17,254	-18,604
Disposals	287	2,237	2,524
Amortization for the year	–	- 6,917	-6,917
At year-end	-1,063	-21,934	-22,997
Carrying amount	**–**	**21,608**	**21,608**

DISTRIBUTION OF DEPRECIATION

	Group		Parent Company	
Depreciation is recognized on the following lines in the statement of consolidated comprehensive income	**2020**	**2019**	**2020**	**2019**
Cost of goods sold	8,919	6,408	8,919	6,321
Selling expenses	310	389	29	112
Administrative expenses	1,058	1,087	272	389
Research and development costs	125	95	125	95
Total	**10,412**	**7,979**	**9,345**	**6,917**

NOTE 11 RECEIVABLES AND LIABILITIES FROM GROUP COMPANIES

	Parent Company	
Non-current receivables	**2020**	**2019**
At beginning of year	6,319	6,491
Changes during the year	6,638	-295
Translation differences	-1,278	123
Carrying amount	**11,679**	**6,319**
Current receivables	**2020**	**2019**
At beginning of year	65,383	161,384
Changes during the year	101,458	-95,727
Translation differences	-13,592	-274
Carrying amount	**153,249**	**65,383**
Non-current liabilities	**2020**	**2019**
At beginning of year	100	100
Changes during the year	–	–
Translation differences	–	–
Carrying amount	**100**	**100**
Current liabilities	**2020**	**2019**
At beginning of year	12,914	87,384
Changes during the year	5,245	-74,591
Translation differences	-82	121
Carrying amount	**18,077**	**12,914**

The above receivables and liabilities to subsidiaries run indefinitely. The counterparties referred to primarily the subsidiaries Pricer SAS and Pricer Inc.

NOTE 12 OTHER CURRENT RECEIVABLES

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
VAT and tax asset	2,986	2,680	2,563	2,671
Receivables from suppliers	87,238	58,565	87,238	58,565
Other	8,226	6,882	1,941	1,708
Total	**98,450**	**68,127**	**91,742**	**62,944**

NOTE 13 INVENTORIES

ACCOUNTING PRINCIPLES

INVENTORIES

Inventories, which consist of raw materials and consumables (components) and finished goods and goods for resale are measured at the lower of cost and net realizable value. The risk of obsolescence has therefore been taken into account. The cost of inventories is calculated through application of weighted average cost per unit and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and realizing the sale.

Significant estimates and assumptions: Valuation of inventories
When measuring the value of inventories, the company makes assessments regarding the net realizable value, which can affect the carrying amount.

	Group		Parent Company	
	2020	**2019**	**2020**	**2019**
Raw materials and consumables	–	12,898	–	12,898
Finished goods and goods for resale	301,527	205,781	184,768	157,852
Total	**301,527**	**218,679**	**184,768**	**170,750**

The Group's inventory value includes a provision for obsolescence of in total SEK -4.6 M (-4.9).

NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	2020	2019	2020	2019
Marketing expenses	1,046	3,123	927	2,319
Licensing expenses	2,637	2,022	2,363	1,857
Leasing expenses	1,852	1,867	1,852	1,867
Other prepaid expenses	3,224	3,169	1,823	1,526
Accrued income	747	1,983	–	–
Total	**9,506**	**12,164**	**6,965**	**7,569**

NOTE 15 EQUITY

ACCOUNTING PRINCIPLES

EQUITY

Costs attributable to the issue of new shares or options are recognized in equity as a reduction in the proceeds generated. The repurchase of own shares is classified as treasury shares and reported as a deduction from equity.

Share capital

The item share capital refers only to the Parent Company.

CHANGES IN SHARE CAPITAL 2010–2020

Year		No. of shares	Change in share capital MSEK
2010	At beginning of year	1,016,132,200	101.6
2010	Conversion/issue of shares	39,385,963	3.9
2011	Issue of shares from employee stock options	11,509,870	1.2
2011	Reverse split 10:1	-960,325,229	-
2011	Issue of shares from employee stock options	1,762,344	1.8
2012	Issue of shares from employee stock options	1,426,633	1.4
2013	Issue of shares for performance-based share plans	750,000	0.8
2014	Issue of shares for performance-based share plans	330,000	0.3
2020	**Number of shares at year-end**	**110,971,781**	**111.0**

The registered share capital at December 31, 2020, amounted to 110,971,781 shares with a quota value of SEK 1.00.

TREASURY SHARES

Number of Class B treasury shares	
Treasury shares at beginning of year	705,131
Decrease in treasury shares	-227,995
Repurchase of own shares	400,000
Number of treasury B shares at year-end	**877,136**

DISTRIBUTION OF SHARE CAPITAL BY SHARE CLASS

	Class A	Class B	Total
Number	225,523	110,746,258	110,971,781
Quota value per share	1	1	1
Voting rights per share	5	1	-

GROUP

Other capital contributions

Pertains to equity contributed by the shareholders. As of January 1, 2006, allocations to the share premium reserve are also recognized as capital contributions.

Reserves

The foreign currency translation reserve consists of all exchange rate differences arising on translation of the financial statements of foreign operations that present their financial statements in a currency other than that in which the consolidated financial statements are presented.

The hedging reserve comprises the effective portion of the accumulated net change in the fair value of a cash flow hedging instrument attributable to hedging transactions that have not yet taken place.

The consolidated closing balance of SEK 15.8 M (34.9) is attributable to exchange rate differences arising on the translation of foreign operations.

Retained earnings

Retained earnings include profit for the year and accumulated profits from previous years. During the period, an amount corresponding to the net asset of internally generated intangible assets was transferred from retained earnings to the reserve for capitalized development costs.

PARENT COMPANY

Statutory reserve

The statutory reserve consists of amounts transferred to the share premium reserve prior to January 1, 2006.

Reserve for capitalized development expenditure

The amount transferred from retained earnings corresponds to the net asset of internally generated intangible assets capitalized in the balance sheet as of January 1, 2016 and is exclusively attributable to the Parent Company.

LEGAL RESERVE FOR INTERNALLY GENERATED DEVELOPMENT EXPENDITURE

	Parent Company	
	2020	2019
At beginning of year	59,442	36,226
Change during the year	24,227	23,216
Carrying amount	**83,669**	**59,442**

Share premium reserve

When new shares are issued at a premium, meaning that the prices to be paid for a share exceeds the previous quota value of the share, an amount corresponding to the amount received in excess of the share's quota value is transferred to the share premium reserve. Amounts transferred to the share premium reserve prior to January 1, 2006, are included in non-restricted equity.

NOTE 16 EARNINGS PER SHARE

ACCOUNTING PRINCIPLES

EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit for the year attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. To calculate diluted earnings per share, the average number of shares is adjusted for the dilutive effects of potential ordinary shares originating from options issued to employees and rights to matching and performance shares during the period. Warrants and share rights are not considered dilutive if profit for the period is negative. The dilutive effect arises only when the strike price is lower than the listed price and is greater the wider the spread between the strike price and the listed price. The strike price is adjusted by making an addition for the value of future services associated with the employee stock option program that is recognized as share-based payments. Matching shares are considered dilutive if profit for the period is positive. Performance shares are dilutive to the extent that the profitability targets have been met at the reporting date. When calculating the dilutive effect of matching and performance shares, an adjustment is made for the value of future services.

	Before dilution		After dilution	
	2020	2019	2020	2019
Earnings per share, SEK	1.16	0.89	1.15	0.88
Number of shares, thousands	110,316	110,267	111,212	111,105

Basic earnings per share

Basic earnings per share are calculated based on profit for the year attributable to owners of the Parent Company of SEK 127,476 T (97,740) and the basic weighted average number of shares outstanding during the year, 110,316,000 shares (110,267,000 shares).

Diluted earnings per share

Diluted earnings per share are calculated based on profit for the year attributable to owners of the Parent Company of SEK 127,476 T (97,740) and the diluted weighted average number of shares outstanding during the year. The dilutive effects arise from the company's outstanding rights to matching and performance shares.

Weighted average number of shares after dilution: 111,212,000 shares (111,105,000 shares).

Potentially dilutive instruments

Profit for 2020 was positive and part of the shares included in earlier years' performance-based share plans are dilutive, and profit was also positive in 2019. If profit for future periods is positive and all the other prerequisites for dilution are present, then dilutive effects may arise.

NOTE 17 PROVISIONS

ACCOUNTING PRINCIPLES

PROVISIONS

A provision is made when the Group has an existing legal or constructive obligation that has arisen as the result of a past event, it is probable that an outflow of financial resources will be required to settle the obligation and the amount can be estimated reliably.

Warranties

A provision for warranties is recognized when the underlying products or services are sold. The provision is based on historical data on guarantees and a total appraisal of conceivable outcomes in relation to the probabilities to which the outcomes are linked.

Significant estimates and assumptions: Warranty obligations

Pricer markets its products with product warranties which in some cases can extend over several years. There is therefore a risk that the installed products may need to be replaced during the warranty period or for market reasons. Provisions to reserves are made based on historical outcomes, which have provided a reliable provision in comparison with actual outcomes.

WARRANTY PROVISIONS

	Group		Parent Company	
	2020	2019	2020	2019
Carrying amount at beginning of year	23,559	24,559	23,559	24,559
Provisions	17,090	7,700	17,090	7,700
Amount utilized	–7,195	–8,700	–7,195	–8,700
Carrying amount	**33,454**	**23,559**	**33,454**	**23,559**
Of which, non-current	11,151	7,853	11,151	7,853

Warranty provisions pertain primarily to certain obligations for products sold in both prior years and 2020. The provision is based on calculations made on the basis of outcomes during 2020 and prior years. Pricer markets its products with traditional product warranties, normally 2–3 years but which in some cases can extend over several years.

PROVISIONS

	Group		Parent Company	
	2020	2019	2020	2019
Warranties	33,454	23,559	33,454	23,559
Obligation for recycling of ESL	7,748	5,924	–	–
Other	5,645	2,115	–	–
Total	**46,847**	**31,598**	**33,454**	**23,559**
Of which, non-current	24,042	15,407	11,151	7,853

NOTE 18 OTHER CURRENT LIABILITIES

	Group		Parent Company	
	2020	2019	2020	2019
Withholding tax, employee	2,355	2,233	1,528	1,288
VAT payable	13,587	3,557	–	–
Social security contributions	3,049	2,930	1,248	1,182
Other liabilities	526	277	329	164
Total	**19,517**	**8,997**	**3,105**	**2,634**

NOTE 19 ACCRUED EXPENSES AND DEFERRED INCOME

	Group		Parent Company	
	2020	2019	2020	2019
Vacation pay liability	7,517	4,959	4,128	2,411
Accrued salaries	17,159	13,410	8,643	5,859
Social security expenses	6,551	3,920	5,124	2,357
Accrued consultant expenses	4,316	2,423	4,316	2,423
Other accrued expenses	12,141	13,854	5,592	9,665
Deferred income	25,300	13,108	6,565	4,586
Total	**72,984**	**51,674**	**34,368**	**27,301**

NOTE 20 FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

ACCOUNTING PRINCIPLES

FINANCIAL INSTRUMENTS

The purchase or disposal of financial instruments is recognized on the transaction date, which is the date when the company undertakes to purchase or dispose of the asset.

The financial instruments reported in the balance sheet include cash and cash equivalents, loan receivables, trade receivables, financial investments and derivatives. On the liability side, they include trade payables, borrowings, lease liabilities, and derivatives. Financial instruments also include financial guarantees such as sureties given, etc.

A financial asset or liability is recognized in the balance sheet when the company becomes party to the contractual conditions of the instrument. Trade receivables are recognized in the balance sheet when an invoice has been sent. Trade payables are recognized when an invoice has been received.

A financial asset is derecognized from the balance sheet when the company's rights under the agreement have been realized or expired. The same applies to a part of a financial asset. A financial liability is derecognized from the balance sheet when the obligation specified in the agreement has been discharged or is otherwise extinguished. The same applies to a part of a financial liability.

Impairment of financial assets

At each reporting date, the company assesses whether there is objective evidence that an asset or group of assets is impaired. Objective evidence consists of observable events that have occurred and adversely affect the ability to recover the cost of the asset.

The company classifies trade receivables as doubtful when it is considered unlikely that they will be paid. Impairment of receivables is established by reference to historical experience of customer defaults on similar receivables.

A financial asset and a financial liability when there is a legal right of set-off.

Classification and measurement

Non-derivative financial instruments are initially measured at cost, corresponding to the fair value of the instrument plus transaction costs for all financial instruments except those in the category of financial assets at fair value through profit or loss, which are measured at fair value excluding transaction costs. A financial instrument is initially classified based on the purpose for which the instrument was acquired. This classification determines how the financial instrument is subsequently measured, as described below.

Cash and cash equivalents consist of cash on hand and deposits with banks and equivalent institutions as well as current investments that have a term to maturity of less than three months and are exposed to only an insignificant risk of changes in value.

Financial assets at amortized cost

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. These assets are measured at amortized cost. Amortized cost is determined on the basis of the effective interest rate that was calculated at the time of acquisition. Trade receivables are measured at the amount in which they are expected to be received, i.e. after deductions for bad debts.

Financial liabilities at amortized cost

Loans and other financial liabilities, e.g. trade payables, are included in this category. The liabilities are valued at amortized cost.

Hedging instruments at fair value via other comprehensive income

Currency exposure in future flows may be hedged through currency forwards. The forward contract that hedges this cash flow is recognized where applicable in the balance sheet at fair value. Changes in fair value attributable to exchange rate fluctuations on the forward contract are recognized, after consideration to the tax effect, in other comprehensive income when hedge accounting is applied. Any hedge inefficiency is recognized in profit or loss. When the hedged flow is recognized in the income statement, the value change on the forward contract is reclassified from other comprehensive income to operating profit, where it meets the currency effect for the hedged flow. The hedged flows can be both contractual and forecasted transactions.

Given the nature of its business, the Group is exposed to various types of financial risk, including fluctuations in the company's earnings and cash flow caused by changes in exchange rates, interest rates, and refinancing and credit risks.

Risks are managed by a finance policy adopted by the Board with the purpose of limiting and controlling these risks. The policy establishes a framework of guidelines and rules in the form of risk mandates and limits for financial activities. The Group's financial transactions are executed centrally by the Parent Company. The Parent Company's finance department has responsibility for the Group's cash management and ensures that any cash requirements of the subsidiaries are satisfied. The overriding goal of the finance department is to arrange cost-effective financing and to minimize any negative effects of market fluctuations on consolidated earnings resulting from market fluctuations.

Currency risk

Currency risk refers to the risk that changes in exchange rates can have a negative impact on profit, the balance sheet and cash flow.

The Group is exposed to different types of currency risk. The main exposure relates to purchases and sales in foreign currencies, where the risks include the effects of fluctuations in the currencies on customer and supplier invoices, as well as the currency risk resulting from expected or contracted payment flows (transaction exposure).

Pricer is also exposed to currency risks in financial assets, primarily loans to subsidiaries and bank deposits in foreign currencies.

Furthermore, currency risks also arise in connection with the translation of foreign subsidiaries' assets and liabilities into the Parent Company's functional currency (translation exposure).

PERCENTAGE OF SALES AND COSTS BY CURRENCY

	EUR	USD	SEK and other currencies
Sales	35 (62) %	64 (37) %	1 (1) %
Costs	6 (15) %	77 (67) %	17 (18) %

In 2020, the breakdown of Pricer's net sales was 35 percent (62) in EUR, 64 percent (37) in USD and 1 percent (1) in other currencies. The cost of goods sold was almost exclusively denominated in USD, and operating expenses was equally split between EUR and SEK with a minor share in USD.

Currency effects in net financial items amounted to SEK –20.5 M (1.5) and consisted of currency translation of loan receivables for subsidiaries and cash and cash equivalents.

Pricer's net assets in foreign currency at year-end 2020, amounted to SEK 450.0 M (502.0).

Hedging of forecast future currency flows via forward contracts is permitted for specific contracts with the intention of reducing transaction exposure. In the accounts, hedge accounting is applied when the requirements for it have been met and the effectiveness test of the contracts determines that the hedge was effective. As at December 31, 2020 and 2019, respectively, there were no outstanding forward contracts.

Sensitivity analysis

EUR strengthened against SEK by 5 percent, resulting in a positive impact on operating profit of SEK 58 M and on equity of SEK 79 M since Pricer's income in EUR was higher than its expenses in EUR in 2020 and the company holds net assets in EUR.

USD strengthened against SEK by 5 percent, resulting in a negative impact on operating profit of SEK 6 M and on equity of SEK 4 M, since Pricer's expenses in USD were higher than its income in USD in 2020, somewhat offset by net assets in USD.

The above effects are calculated on conditions in 2020 and events that should be seen as isolated without any measures taken to compensate for any loss of income.

SPECIFICATION OF OTHER INCOME AND EXPENSE

	Group		Parent Company	
	2020	2019	2020	2019
Realized exchange gains/ losses	17,841	–2,555	17,952	–2,571
Unrealized exchange gains/ losses	–3,670	–748	–3,662	–736
Total	**14,171**	**–3,303**	**14,290**	**–3,307**

Realized and unrealized exchange gains refer primarily to trade receivables denominated in EUR and USD, respectively, and realized and unrealized exchange losses refer primarily to trade payables denominated in USD.

Interest rate risk

Interest rate risk is the risk that changes in market rates will have a negative impact on the income statement, balance sheet and cash flow. Exposure to interest rate risk arises mainly from outstanding external loans.

At present, Pricer has no assets carrying fixed rates of interest since its cash and cash equivalents are placed on deposit at banks. Accordingly, any change in interest rates will have a direct impact on consolidated earnings. At year-end the Group had cash and cash equivalents of SEK 262.4 M (194.2). A change of one percentage point in the interest rate would affect net financial items by SEK 2.6 M (1.9) on an annual basis.

Credit/Counterparty risk
Credit/Counterparty risk is the risk that a counterparty in a transaction will fail to meet its contractual financial obligations and that collateral, if any, will not be sufficient to cover the company's receivable. Pricer's sales are spread across a large number of customers with a wide geographic spread. The Group has established routines for how credits are to be valued and uncertain debts are to be dealt with and sets decision levels for various credit limits. Pricer has long-standing knowledge about most of its customers, which consist mainly of large retail companies and chains whose bad debt losses have been minor. Reserve for possible bad debts has been based on the customers' payment and loss history. Historical losses are adjusted to take into account current and forward-looking information that can affect the customers' ability to pay the claim.

CONCENTRATION OF CREDIT RISK IN 2020

	Number of customers	Percentage of the no. of customers	Percentage of the portfolio
Exposure < SEK 1 M	991	94%	21%
Exposure SEK 1–5 M	51	5%	43%
Exposure > SEK 5 M	6	1%	36%
Total	**1,048**	**100%**	**100%**

CONCENTRATION OF CREDIT RISK IN 2019

	Number of customers	Percentage of the no. of customers	Percentage of the portfolio
Exposure < SEK 1 M	984	96%	35%
Exposure SEK 1–5 M	27	3%	34%
Exposure > SEK 5 M	6	1%	31%
Total	**1,017**	**100%**	**100%**

AGE ANALYSIS OF TRADE RECEIVABLES

	2020	2019
Overdue but not impaired trade receivables	Overdue payments	Overdue payments
< 60 days	44,758	54,743
> 60 days	8,188	16,626
Total	**52,946**	**71,369**
Total outstanding receivables	**235,587**	**147,552**

Impaired customer receivables	2020	2019
<60 days	–	116
>60 days	3,471	1,523
Total	**3,471**	**1,639**

Reserve for bad debts	2020	2019
At beginning of year	**1,639**	**1,636**
Reserve for possible bad debts	2,909	1,947
Realized losses	-443	-102
Recovered estimated losses	-634	-1,842
Reserves at year-end	**3,471**	**1,639**

Refinancing/liquidity risk
Refinancing/liquidity risk is the risk for limited access to financing at the payment or interest reset date of existing loans and that it will not be possible to meet payment obligations as a result of insufficient liquidity. In addition to available cash and cash equivalents, at year-end Pricer had an unutilized bank overdraft facility of SEK 50 M (50). In 2020 and 2019 Pricer had no non-current loans, which has reduced the need for refinancing.

UNDISCOUNTED CONTRACTUAL COMMITMENTS FOR FINANCIAL LIABILITIES

	Less than 1 year	1–5 years	More than 5 years	Total
Group 2020				
Trade payables	384,374	–	–	384,374
Lease liabilities	12,667	32,570	2,151	47,388
Other current liabilities	91	–	–	91
Accrued expenses	16,457	–	–	16,457
Total financial liabilities	**413,589**	**32,570**	**2,151**	**448,310**
Group 2019				
Trade payables	155,502	–	–	155,502
Lease liabilities	12,531	40,740	4,559	57,830
Other current liabilities	173	–	–	–
Accrued expenses	20,847	–	–	20,847
Total financial liabilities	**189,053**	**40,740**	**4,559**	**234,352**

Financial credit risks
Pricer's financial policy regulates the handling of the financial credit risks that arise in financial management, for example in investment of liquidity. Transactions are only executed within established limits and with selected creditworthy counterparties. The policy for interest rate and credit risks is to strive for a low risk profile. Temporary surplus liquidity made be invested only in instruments issued by institutions with the highest rating and with established banking connections.

Capital management
The company's goal is to have an efficient capital structure with regard to operational and financial risks that provides a platform for the company's long-term development while at the same time ensuring that the shareholders receive a satisfactory return. Capital is defined as total equity.

Carrying amount and fair value of financial instruments
The carrying amounts of assets and liabilities in the statement of financial position may differ from their fair values, in part due to changes in market rates. Measurement of forward contracts at fair value is based on customary models with observable inputs such as interest rates and exchange rates.

For financial instruments measured at amortized cost – trade receivables, other current receivables and cash and cash equivalents, trade payables and other current interest-free liabilities – the fair value is assessed to correspond to the carrying amount. The fair values of other non-current and current liabilities are not assessed to deviate substantially from their carrying amounts.

The table below provides shows how fair value is determined for financial instruments valued at fair value in the statement of financial position. Fair value is assessed based on following three levels:

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

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

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

FINANCIAL INSTRUMENTS

	Level 1	Level 2	Level 3	12/31/2020
Financial assets	–	–	–	–
Financial liabilities	–	–	–	–
Financial items (asset (+), liability (–))	–	–	–	–

	Level 1	Level 2	Level 3	12/31/2019
Financial assets	–	–	–	–
Financial liabilities	–	–	–	–
Financial items (asset (+), liability (–))	–	–	–	–

No financial instruments were measured at fair value as at December 31, 2020 and 2019.

For the Group and the Parent Company, the majority of financial assets and liabilities fall due between 3 months and 1 year, with the exception of lease liabilities. The company's assessment is that the carrying amount is approximately the same as fair value, for example with regard to the duration and operating character of these items.

	Financial assets at amortized cost	Financial liabilities at amortized cost	Total carrying amount	Fair value
GROUP 2020				
Trade receivables	235,587	–	235,587	235,587
Accrued income	747	–	747	747
Other current receivables	90,873	–	90,873	90,873
Cash and cash equivalents	262,414	–	262,414	262,414
Total financial assets	**589,621**	**–**	**589,621**	**589,621**
Trade payables	–	–384,374	–384,374	–384,374
Lease liabilities	–	–45,300	–45,300	–45,300
Other current liabilities	–	–91	–91	–91
Accrued expenses	–	–16,457	–16,457	–16,457
Total financial liabilities	**–**	**–446,222**	**–446,222**	**–446,222**
GROUP 2019				
Trade receivables	147,552	–	147,552	147,552
Accrued income	1,210	–	1,210	1,210
Other current receivables	62,975	–	62,975	62,975
Cash and cash equivalents	194,232	–	194,232	194,232
Total financial assets	**405,969**	**–**	**405,969**	**405,969**
Trade payables	–	–155,502	–155,502	–155,502
Lease liabilities	–	–54,649	–54,649	–54,649
Other current liabilities	–	–173	–173	–173
Accrued expenses	–	–20,847	–20,847	–20,847
Total financial liabilities	**–**	**–231,171**	**–231,171**	**–231,171**
PARENT COMPANY 2020				
Trade receivables	79,927	–	79,927	79,927
Receivables from group companies	153,249	–	153,249	153,249
Other current receivables	89,179	–	89,179	89,179
Accrued income	–	–	–	–
Cash and bank balances	225,071	–	225,071	225,071
Total financial assets	**547,426**	**–**	**547,426**	**547,426**
Trade payables	–	–378,227	–378,227	–378,227
Liabilities to group companies	–	–18,177	–18,177	–18,177
Other current liabilities	–	–2	–2	–2
Accrued expenses	–	–9,908	–9,908	–9,908
Total financial liabilities	**–**	**–406,314**	**–406,314**	**–406,314**
PARENT COMPANY 2019				
Trade receivables	56,730	–	56,730	56,730
Receivables from group companies	65,383	–	65,383	65,383
Other current receivables	60,273	–	60,273	60,273
Accrued income	–	–	–	–
Cash and bank balances	167,884	–	167,884	167,884
Total financial assets	**350,270**	**–**	**350,270**	**350,270**
Trade payables	–	–151,709	–151,709	–151,709
Liabilities to group companies	–	–13,014	–13,014	–13,014
Other current liabilities	–	–164	–164	–164
Accrued expenses	–	–16,674	–16,674	–16,674
Total financial liabilities	**–**	**–181,561**	**–181,561**	**–181,561**

NOTE 21 LEASES

ACCOUNTING PRINCIPLES

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 primarily 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.

Like in previous years, the Parent Company reports all leasing as operating leasing, and costs are recognized in profit or loss during each respective period.

The following are disclosures of carrying amounts for rights-of-use per underlying asset class. Most of the Group's operating leases consist of leasing expenses for the Parent Company's premises and office facilities for the Group's subsidiaries, Pricer SAS and Pricer Inc. Possibilities for extension or termination have not been considered since the company does not have reasonable assurance that it will utilize these alternatives.

RIGHT-OF-USE ASSETS — GROUP

	2020			2019		
	Premises	Cars	Total	Premises	Cars	Total
Opening balance	50,789	4,193	54,980	–	–	–
Reclassification of assets for previously recognized finance leases (Note 10)	–	–	–	–	1,206	1,206
Lease liabilities, operating leases at the date of transition to IFRS 16	–	–	–	60,031	1,828	61,859
New contracts	1,684	1,639	3,323	–	2,161	2,161
Reassessment of the lease liability	–	–	–	–	–	–
Rights-of-use that expired	–	-227	-227	–	–	–
Amortization for the year	-10,443	-1,340	-11,783	-9,912	-1,130	-11,042
Exchange rate difference	-1,641	-971	-2,612	670	128	798
Carrying amount	**40,389**	**3,294**	**43,683**	**50,789**	**4,193**	**54,980**

The following clarifies the maturity dates for carrying amounts of lease liabilities. Undiscounted contractual commitments for leasing and other financial liabilities are set out in Note 20.

LEASING LIABILITIES — GROUP

	12/31/2020	12/31/2019
Current — less than one year	11,772	11,543
Non-current — between one and five years	31,395	38,630
Non-current — More than five years	2,133	4,476
Total	**45,300**	**54,649**

Financial liabilities to credit institutions consist entirely of lease liabilities. Changes in liabilities attributable to the financing activities are presented in the following table.

LIABILITIES ATTRIBUTABLE TO THE FINANCING ACTIVITIES — GROUP

	2020	2019
Liability recorded January 1	54,649	61,792
New contracts	3,323	2,161
Amortization of lease liabilities	-11,033	-10,107
Reassessment of the liability	–	–
Accrued interest rates and fees	–	–
Rights-of-use that expired	-227	–
Exchange rate difference	-1,412	803
Carrying amount	**45,300**	**54,649**

Amounts reported in the income statement attributable to leases are presented in the following table.

AMOUNTS REPORTED IN THE INCOME STATEMENT — GROUP

	2020	2019
Depreciation of right-of-use assets	11,783	11,042
Interest expenses for lease liabilities	1,122	1,127
Variable lease expenses not included in the measurement of lease liabilities	1,199	1,004
Costs attributable to short-term leases	–	–
Costs attributable to low-value leases	462	269
Total	**14,566**	**13,442**

Cash outflow attributable to the lease liabilities is presented in the following table.

CASH OUTFLOW — GROUP

	2020	2019
Interest expenses for lease liabilities	1,122	1,127
Amortization of lease liabilities	11,033	10,107
Total	**12,155**	**11,234**

The Parent Company has operating leases for primarily rental contracts. The reported in the Parent Company for leases amounted to SEK 8,935 T (9,000) during the year. Disclosures about the Parent Company's non-cancellable lease payments are presented below.

NON-CANCELLABLE LEASE PAYMENTS FOR OPERATING LEASES – PARENT COMPANY

	2020	2019
Current — less than one year	8,274	7,986
Non-current — between one and five years	17,941	24,022
Non-current — More than five years	256	–
Total	**26,470**	**32,008**

NOTE 22 PLEDGED ASSETS AND CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES
CONTINGENT LIABILITY
A contingent liability is a possible obligation arising from past events and whose existence is confirmed only by the occurrence of non-occurrence of one or more uncertain future events. Contingent liabilities are not recognized as liabilities or provisions since it is not probable that an outflow of resources will be required or the amount cannot be measured reliably.

	Group		Parent Company	
	2020	2019	2020	2019
Pledged assets				
For own liabilities and provisions				
Floating charges	59,625	59,625	59,625	59,625
Blocked funds	–	927	–	–
Total	**59,625**	**60,552**	**59,625**	**59,625**

	Group		Parent Company	
	2020	2019	2020	2019
Contingent liabilities				
Bank guarantee	–	885	–	–
Customs services	5,057	144	144	144
Rent guarantees	1,700	1,700	1,700	1,700
Advance guarantees	–	12,956	–	12,956
Total	**6,757**	**15,685**	**1,844**	**14,800**

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.

NOTE 23 RELATED PARTY TRANSACTIONS

The Parent Company has a related party relationship with its subsidiaries, see Note 24. The counterparties referred to primarily the subsidiaries Pricer SAS and Pricer Inc.

SUMMARY OF RELATED PARTY TRANSACTIONS:

	Year	Sales of goods and services to related parties	Purchase of services from related parties	Interest income	Receivables from related parties at December 31	Liabilities to related parties at December 31
Subsidiaries	2020	1,126,894	–4,263	135	164,928	18,177
Subsidiaries	2019	410,324	–1,907	230	71,702	13,014

Transactions with key management personnel
Individuals in senior positions receive no benefits other than Board fees and salary. See also Note 4 Employees and personnel costs.
There have been no significant transactions with related parties that have had a material impact on Pricer's financial standing or results.

NOTE 24 PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	2020	2019
Accumulated cost		
At beginning of year	1,154,142	1,150,413
Shareholder contributions paid	574	3,729
Group contributions paid	4,435	–
Repaid shareholder contributions	–1,009	–
At year-end	**1,158,142**	**1,154,142**
Accumulated impairment losses		
At beginning of year	–967,205	–964,388
Impairment	–	–2,817
At year-end	–967,205	–967,205
Carrying amount participations in Group companies	**190,937**	**186,937**

Impairments in 2019 refer to Pricer GmbH and are due to loss coverage via shareholder contributions.

SPECIFICATION OF PARENT COMPANY SHAREHOLDINGS AND PARTICIPATIONS IN SUBSIDIARIES:

Subsidiary/CIN/Domicile	Participation, %	Number of shares/ participations	Currency	12/31/2020 Carrying amount	12/31/2019 Carrying amount
Pricer Consulting AB, 556429-6027, Stockholm, Sweden	100	1,000	SEK	100	100
Pricer Communication AB, 556450-7563, Stockholm, Sweden	100	100,000	SEK	9,045	4,981
Pricer Explorative Research (PER) AB, 556454-7098, Stockholm, Sweden	100	260	SEK	527	260
Pricer SAS, RCS 395 238 751, Paris, France	100	2,138	EUR	170,228	170,708
Pricer Inc., 22-3215520, Delaware, USA	100	223,000	USD	10,698	10,652
Pricer GmbH, HR B 13017, Marktoberdorf, Bavaria, Germany	100	25,000	EUR	236	236
Pricer Italy Srl, 11384260961, Milan, Italy	100	1	EUR	104	–
Pricer E.S.L. Israel Ltd , 511838732, Tel Aviv, Israel	100	56,667,922	ILS	0	0
Participations in group companies				**190,937**	**186,937**

NOTE 25 CASH FLOW STATEMENT

	Group		Parent Company	
	2020	2019	2020	2019
Cash and cash equivalents				
Cash and cash equivalents include the following sub-components:				
Cash and bank balances	262,414	194,232	225,071	167,884
Total as per the statement of financial position	**262,414**	**194,232**	**225,071**	**167,884**
Total according to the cash flow statement	**262,414**	**194,232**	**225,071**	**167,884**

Adjustments for non-cash items	Group		Parent Company	
	2020	2019	2020	2019
Depreciation/amortization	43,244	36,347	30,371	24,195
Impairment	2,294	1,344	2,294	4,161
Accrued costs of performance-based share plan	2,633	2,569	2,633	2,569
Exchange rate differences/ translation differences	-5,764	-659	-4,851	-736
Change in provisions	11,719	-343	9,895	-1,000
Non-cash items	**54,126**	**39,258**	**40,342**	**29,189**

NOTE 26 APPROPRIATION OF PROFITS

ACCOUNTING PRINCIPLES

DISTRIBUTION OF CAPITAL TO SHAREHOLDERS

The dividend proposed by the Board of Directors is recognized as a liability after it has been approved by the AGM.

The Annual General Meeting has at its disposal:	**SEK**
Share premium reserve	196,192,964
Retained earnings	70,396,272
Net profit for the year	97,427,816
Total amount available	**364,017,052**

The Board of Directors proposes that the available funds are to be used as follows:

Dividend SEK 1.0/share, total of 110,094,645 shares	110,094,645
Total amount to dissolve from retained earnings	**110,094,645**
Carried forward to new account	**253,922,407**

It is proposed that the payment of the dividend be split into two tranches of SEK 0.50 each. Proposed record dates are May 3 and November 3, 2021. If the AGM resolves in accordance with the proposal, the dividend is expected to be distributed through Euroclear Sweden AB on May 6 and November 8, 2021. The Board's reasoning is presented on page 61.

NOTE 27 SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

In February 2021, Pricer's Norwegian retailer, StrongPoint AS, signed a new agreement with NorgesGruppen for the delivery of Pricer's ESL system in 350 stores, corresponding to an order value of around SEK 110 M. Pricer has recruited Susanna Zethelius as the new CFO and member of Executive Management. Susanna will take office no later than September 1, 2021.

The Board's proposed appropriation of profits

THE ANNUAL GENERAL MEETING HAS AT ITS DISPOSAL	SEK
Share premium reserve	196,192,964
Retained earnings	70,396,272
Net profit for the year	97,427,816
Total amount available	**364,017,052**
The Board of Directors proposes that the available funds are to be used as follows: Dividend SEK 1.0/share, total of 110,094,645 outstanding shares	110,094,645
Total amount to dissolve from retained earnings	**110,094,645**
Carried forward to new account	**253,922,407**

The payment of the dividend is proposed to be split into two tranches of SEK 0.50 each and distributed in May and November 2021.

In view of the Board's proposed appropriation of profits, the Board of Directors hereby issues the following statement in accordance with Chapter 18, section 4 of the Swedish Companies Act (2005:551).

The nature and scope of the business are described in the Articles of Association and published annual reports.

The operations conducted by the company do not give rise to any risks beyond those that exist or can be assumed to exist in the industry or the risks that are otherwise associated with the conduct of business in general. For information about significant events, see the Administration Report.

The financial position of the Parent Company and the Group at December 31, 2020, is presented in the most recently published annual report. The annual report also describes the policies applied for the measurement of assets, provisions and liabilities. On December 31, 2020, the Parent Company had an equity/assets ratio of 59 percent and the Group of 59 percent. Following a maximum dividend, the equity/assets ratios of the Parent Company and Group would be 54 percent and 55 percent, respectively. This is deemed satisfactory in view of the company's current development. Liquidity in the Parent Company and Group, particularly in light of the available unutilized bank overdraft facility, is deemed to continue to be sufficient. In the Board's opinion, the proposed dividend will not prevent the company, or other companies in the Group, from continuing their operations, meeting their obligations in the short and long term or making the necessary development projects and other investment projects. The liquidity forecast also includes preparedness for dealing with variations in day-to-day payment obligations. The Board's assessment is that the amount of equity, as reported in the most recently published annual report, stands in reasonable proportion to the scope of the company's operations and the risks associated with the conduct of the company's business in respect of the now proposed dividend.

With consideration to the above and all other circumstances that have come to the Board's knowledge, the Board's opinion is that an overall assessment of the financial position of the Parent Company and the Group will show that the dividend is justifiable with regard to the requirements placed by the operations' nature, scope and risks on the amount of equity in the Parent Company and the Group and the Group's consolidation requirements, liquidity and position in general.

The proposed dividend can thereby be warranted in view of that stated in Chapter 17, section 3, paragraphs 2 and 3 of the Swedish Companies Act (the principle of prudence).

Board of Directors' and Managing Director's Affirmation Statement

The Board and CEO hereby give their assurance that the annual report was prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements were prepared in accordance with the international accounting standards referred to in the European Parliament's and Council's regulation (EC) No. 1606/2002 of 19 July 2002 concerning the application of international accounting standards.

The annual and sustainability reports and the consolidated financial statements provide a true and fair view of the results of operations and financial position of the Parent Company and the Group. The administration report for the Parent Company and the Group provide a true and fair view of the results of operations, financial position and performance of the Group and describe the risks and significant uncertainties to which the Parent Company and other companies in the Group are exposed.

The annual and sustainability reports and the consolidated financial statements, as presented above, were approved for publication by the Board and CEO on March 25, 2021. The income statement and balance sheet of the Parent Company and the statement of comprehensive income and statement of financial position for the Group will be submitted to the Annual General Meeting for approval on April 29, 2021.

Stockholm, March 25, 2021

Knut Faremo
Chair

Hans Granberg

Jenni Virnes

Jonas Guldstrand

Thomas Krishan

Helena Holmgren
President and CEO

Our audit report was submitted on March 25, 2021

Ernst & Young AB

Rickard Andersson
Authorized Public Accountant
Auditor in Charge

Auditor's report

To the general meeting of the shareholders of Pricer AB (publ), corporate identity number 556427-7993

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Pricer AB (publ) for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 28–62 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

A corporate governance statement has been prepared. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts, and the corporate governance statement is in accordance with the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue recognition

Description	How our audit addressed this key audit matter
Revenues for 2020 amounted to 1 759 MEK in the consolidated statement of comprehensive income. Revenue is recognized when it is likely that the future economic benefits will flow to the company and the benefits can be measured reliably. Revenue from license agreements with end customers is recognized in connection with delivery or installation, depending on the structure of the agreement, and revenue from license agreements with partner companies is recognized in connection with delivery. Support revenue is recognized on a straight-line basis over the term of the agreement. Recognition of revenue related to the sale of licenses to end customers requires management to estimate when in time the delivery or partial delivery has been fulfilled. This means that the Group's revenue includes a certain degree of estimates and that the Group's revenue is significant, for which reason revenue recognition has been deemed a key audit matter. A description of the assumptions underlying the company's revenue recognition is provided in the section on accounting policies, Note 1–3.	We have reviewed revenue recognition to ensure that it is carried out in accordance with IFRS. We have among other things performed detailed analytical procedures where we utilized data analysis tools and an analytical review of agreements and tax allocations in connection with the closing of the accounts to assess the relevance of revenue recognition. We have particularly focused on reviewing new and more complex customer agreements and an increased level of substantive testing in respect of revenue cut off around the year end date. We have also assessed the appropriateness and transparency of disclosure in the financial statement.

Impairment of goodwill and shares in subsidiaries

Description	How our audit addressed this key audit matter
Goodwill is recognized at 253 MSEK (263 MSEK) in the statement of financial position for the Group at 31 December 2020 and shares in subsidiaries are recognized at 191 MSEK (187 MSEK) in the Parent Company's balance sheet. As stated in Note 9, an impairment test carried out annually of when there is an indication of a lasting decrease in value. Goodwill is allocated to cash-generating units and in cases where the carrying amount exceeds the estimated recoverable amount, the asset is written down to the recoverable amount. The recoverable amount is determined by calculating value in use and Note 9 presents the assumptions about future earnings growth that have been applied in calculating value in use. No indications of impairment have been found for 2020. Note 9 describes the estimates and assumptions that have made. As a result of the key estimates and assumptions required to calculate value in use, we have deemed measurement of goodwill and shares in subsidiaries to be key audit matters.	In our audit we have evaluated the company's process for conducting the impairment test. We have reviewed how cash-generating units are identified in relation to the established criteria and compared how the company monitors goodwill internally. With the help of valuation experts, we have evaluated the applied valuation methods and calculation models, assessed the reasonableness of the assumptions made and sensitivity analyses for changed assumptions and made comparisons against historical outcomes and the precision of previous forecasts. We have evaluated the reasonableness of the applied discount rate and long-term growth rate for the respective units through comparisons with other companies in the same industry. We have also assessed whether the information provided is sufficient and appropriate.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 2–27. The remuneration report for financial year 2020 is considered other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual report and consolidated financial statements, we have also audited the administration of the Board of Directors and the CEO of Pricer AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated (loss be dealt with) in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the CEO in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Swedish Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Swedish Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Ernst & Young AB, Box 7850, 103 99 Stockholm, Sweden, was appointed auditor of Pricer AB (publ) by the general meeting of the shareholders on May 6, 2020, and has been the company's auditor since April 23, 2015.

Stockholm, March 25, 2021
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant

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.

ALTERNATIVE KEY RATIOS	DEFINITION	REASON FOR USE
PERFORMANCE METRIC		
Change in net sales adjusted for exchange rate fluctuations	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 the operating activities, such as personnel costs 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 metric 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-based share plans.	This measure is used to show development of equity per share over time and enable comparability with other companies.
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-based share plans.	This measure is used to show development of earnings per share over time and to enable comparability with other companies.
P/S ratio	The share price on the balance sheet date divided by net sales per the average numbers of shares.	This measure is used to show the 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.

Alternative key ratios

AMOUNTS IN SEK M UNLESS OTHERWISE STATED	2020	2019
PERFORMANCE METRIC		
Operating expenses		
Selling expenses	–148.7	–124.0
Administrative expenses	–78.0	–67.5
Research and development costs	–55.4	–35.8
Operating expenses	**–282.1**	**–227.2**
Operating expenses adjusted for items affecting comparability		
Operating expenses	–282.1	–227.2
– Of which items affecting comparability	–	–
Operating expenses adjusted for items affecting comparability	**–282.1**	**–227.2**
MARGIN RATIOS		
Net sales	1,759.5	1,002.9
Gross profit	423.1	331.0
Gross margin, percent	**24.0**	**33.0**
Operating profit	155.2	100.4
Operating margin, percent	**8.8**	**10.0**
CAPITAL AND FINANCIAL RATIOS		
Equity/asset ratio		
Total assets	1,394.5	1,121.0
Equity	819.0	810.2
Equity/assets ratio, percent	**59%**	**72%**
RETURN RATIOS		
Equity per share, before/after dilution		
Number of outstanding shares, millions	110.2	110.3
Dilution effect, millions	0.9	1.0
Equity	819.0	810.2
Equity per share, basic, SEK	**7.43**	**7.35**
Equity per share, diluted, SEK	**7.37**	**7.29**
Earnings per share, before/after dilution		
Average number of outstanding shares, millions	110.3	110.3
Dilution effect, millions	0.9	1.0
Profit/loss for the period	127.5	97.7
Earnings per share, basic, SEK	**1.16**	**0.89**
Earnings per share, diluted, SEK	**1.15**	**0.88**
P/S ratio		
Net sales	1,759.5	1,002.9
Average number of outstanding shares, millions	110.3	110.3
Net sales per average number of shares, SEK	15.59	9.10
Share price as end of period, Class B	38.75	18.70
P/S ratio, SEK	**2.43**	**2.06**

Five-year overview – Group

ALL AMOUNTS IN SEK M UNLESS OTHERWISE STATED	2020	2019	2018	2017	2016
KEY RATIOS					
Net sales	1,759.5	1,002.9	1,194.5	827.8	757.6
Gross profit	423.1	331.0	272.2	216.0	213.2
Operating expenses	-282.1	-227.2	-188.3	-155.4	-149.6
Items affecting comparability	–	–	–	-1.5	-3.0
Operating expenses adjusted for items affecting comparability	-282.1	-227.2	-188.3	-153.9	-146.6
Operating profit	155.2	100.4	89.1	55.7	64.1
Working capital	127.2	194.8	212.9	186.9	115.5
Cash flow from operating activities	264.9	145.3	83.7	-8.2	174.0
Financial data					
Equity/assets ratio, percent	59	72	69	78	78
Margin ratios					
Gross margin, percent	24.0	33.0	22.8	26.1	28.1
Operating margin, percent	8.8	10.0	7.5	6.7	8.5
Return ratios					
Equity per share, basic	7.4	7.4	7.0	6.5	6.6
Equity per share, diluted	7.4	7.3	6.9	6.5	6.6
Basic earnings per share	1.16	0.89	0.79	0.35	0.52
Diluted earnings per share	1.15	0.88	0.79	0.35	0.52
P/S ratio	2.43	2.06	0.86	1.13	1.35
Other data					
Order intake	1,588	1,504	1,268	872	783
Backlog on December 31	495	731	224	133	95
Average number of employees	144	127	109	101	90
Number of employees at end of year	150	135	115	104	93

Addresses

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Shareholder information

Annual General Meeting (AGM)

The AGM will be held on April 29, 2021. Due to the spread of COVID-19, the Board of Directors has decided that the AGM will be held without the physical presence of shareholders, proxies and external parties. Shareholders will instead be able to exercise their voting right via absentee ballot prior to the meeting. However, shareholders will have the opportunity to ask questions in writing via email prior to the meeting.

Shareholders are welcome to send any questions by email to ir@pricer.com in accordance with instructions under the heading Right to request disclosures. The questions and answers will be published on the company's website www.pricer.com/sv/om-pricer/bolagsstyrning/arsstamma/ no later than five days prior to the meeting together with a webcast of the Chair of the Board's and the CEO's reflections regarding 2020.

Information about the resolutions of the meeting will be published Thursday, April 29, 2021, as soon as the outcome of the absentee ballots is compiled.

Right to participate at the AGM

Shareholders who would like to participate in the AGM must be entered in the share register maintained by Euroclear Sweden AB by April 21, 2021, and must notify the company of their intention to participate by submitting their absentee ballot such that it has been received no later than Wednesday, April 28, 2021.

Nominee-registered shares

In order to be entitled to participate in the general meeting, a shareholder who has registered their shares in the name of a nominee, in addition to announcing their intention to participate in the general meeting by submitting an absentee ballot, must request that their shares be registered in their own name so the shareholder is entered into the register of shareholders as per the record date Wednesday, April 21, 2021. This registration may be temporary (so-called voting right registration) and is requested with the nominee in accordance with the nominee's procedures and in advance as determined by the nominee. Voting right registration completed by the relevant nominee no later than Friday, April 23, 2021, will be considered when preparing the shareholder register.

Absentee Ballot

The Board of Directors has decided that shareholders may exercise their voting right at the Annual General Meeting only via absentee ballot pursuant to section 22 of the Temporary Exemptions to Facilitate the Execution of General Meetings in Companies and Associations Act (2020:198). A special form must be used for the absentee ballot. The absentee ballot form is available on the company's website, www.pricer.com. The form also serves as notification of intention to participate in the AGM.

The shareholder may not add special instructions or conditions to the absentee ballot. If this occurs, the entire absentee ballot will be invalid.

Votes received later than April 28, 2021, will be disregarded.

Powers of attorney

If shareholders submit absentee ballots through proxy, an original written and dated power of attorney signed by the shareholder must be appended to the absentee ballot form. The power of attorney form is available on the company's website, www.pricer.com. If the shareholder is a legal person, the certificate of registration or other authorization document must be attached to the form.

Right to request disclosures

Upon request by any shareholder and where the Board believes that such may take place without significant harm to the company, the Board and the CEO shall provide information about the circumstances that could influence the assessment of a matter on the agenda and the company's relationship with another Group company. The request for such disclosures must be submitted in writing to Pricer AB, Attn: AGM, Box 215, 101 24 Stockholm, Sweden, or via email to ir@pricer.com no later than Monday, April 19, 2021.

Disclosures are provided by being made available at the Company on the Company's website www.pricer.com/sv/om-pricer/bolagsstyrning/arsstamma/ at the address Pricer AB, Västra Järnvägsgatan 7, 111 64 Stockholm, Sweden, no later than April 24, 2021, and sent to the shareholders who have submitted a request and provided their address.

Personal data processing

For information about how your personal data will be processed, see https://www.euroclear.com/dam/ESw/Legal/Integritetspolicy-bolagsstammor-svenska.pdf.

Proposed dividend

The Board will propose that the AGM approve a dividend of SEK 1.00 per share for the 2020 financial year and that the payment be split into two tranches of 0.50 SEK each and distributed in May and November 2021.

Financial calendar

In 2021, the quarterly financial reports will be published as follows:

April 23, 2021	Interim Report January–March 2021
July 20, 2021	Interim Report January–June 2021
October 22, 2021	Interim Report January–September 2021

Distribution of financial information

Press releases, interim reports, annual reports and share price data are presented on the company's website www.pricer.com. Subscription to information via email is offered on the website, where there is also an archive containing older interim reports and annual reports.

The printed annual report is distributed to shareholders upon request.

Pricer's milestones

1991 Pricer is founded in June. Development of the first ESL system begins.

1993 The first Pricer system is installed for the ICA supermarket chain in Sweden.

1995 Contract for installations in 53 Metro stores in Germany.

1996 Pricer is listed on the O list of the Stockholm Stock Exchange.

1997 Pricer acquires Intactix, a systems provider for retail space management. A cooperation has been initiated with Telxon, which delivers mobile data capture solutions.

1998 Cooperation with Ishida of Japan is initiated.

1999 Deliveries to the Metro stores are completed.

2000 Intactix is sold to US-based JDA Software Group.

2001 A sizable order is placed through Pricer's partner in Japan, Ishida.

2002 A large-scale action program is launched to restructure and streamline operations for increased customer focus.

2003 The development company PIER AB is formed. Pricer acquires a majority holding in the software company Appulse Ltd. in India. StoreNext becomes a new partner in the US market.

2004 Pricer wins a major order from the French chain Carrefour. Through partner Ishida, Ito Yokado awards Pricer a sizable contract in the Japanese market. IBM becomes a new partner in the US.

2005 Substantial increase in sales. Carrefour expands its installation in France. The Continuum product family is launched.

2006 Eldat Communication Ltd. in Israel is acquired. The holding in Appulse Ltd. is sold.

2007 The integration of Eldat is completed. Pricer reports positive earnings.

2008 More prevalent breakthrough for the DotMatrix™ product. Pricer maintains its market leading position.

2009 Pricer surpasses 5,000 store installations. Pricer ESL and DotMatrix™ reach new customer segments.

2010 Significant increase in net sales and profit. Several important framework agreements signed.

2011 Continued significant growth in revenue and profit leading to the best year ever for Pricer.

2012 Pricer maintains its market leading position.

2013 100 million labels installed.

2014 Pricer launches a new digital strategy that gives the store a solution not only for pricing but also for streamlining processes, consumer contact, campaigns and forecasts.

2015 Record-high order intake and sales driven by sharply increased demand for digital shelf edge solutions with graphic e-paper. The loss is turned into profit.

2016 Pricer introduces automated product positioning, with a system that uses electronic shelf labels to help shoppers and employees find products in the store.

2017 The year that retailers to a greater extent began implementing retail automation based on ESL, with automatic product positioning for customers and employees, and Instant Flash to streamline the larger and more important store processes.

2018 Pricer conducts a major roll-out in the US, and for the first time in the company's history, sales surpass SEK 1 billion.

2019 Pricer introduces a shelf-edge camera that enables unique insight on an ongoing basis into products' placement, availability, and other sales-sensitive information.

2020 Pricer launches Pricer Plaza, a cloud-based platform for scalable handling, monitoring and integration of digital retail systems.

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