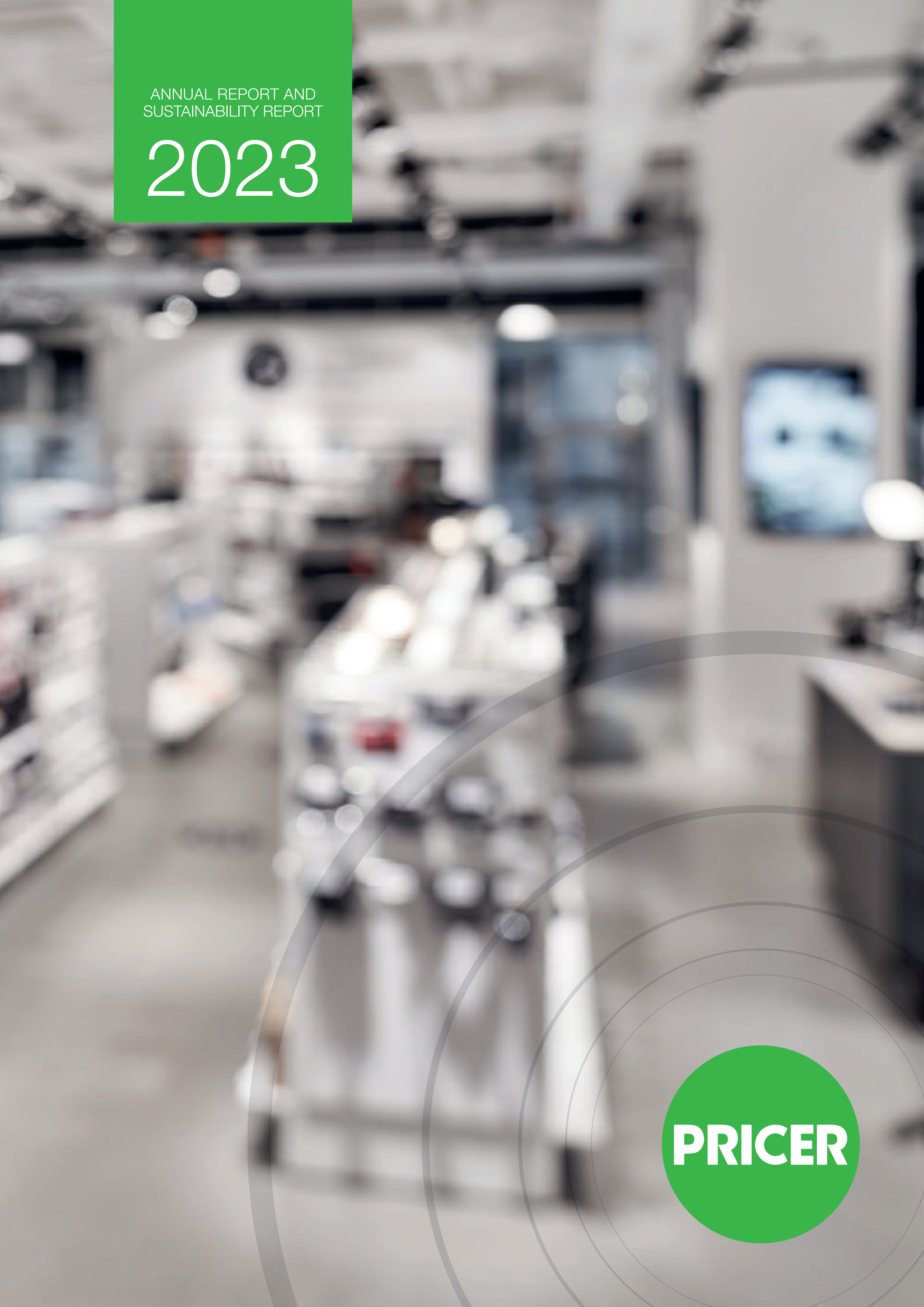
# ANNUAL REPORT AND SUSTAINABILITY REPORT

# 2023



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The Board of Directors and CEO of Pricer AB (publ.), based in Stockholm with CIN 556427-7993, hereby submit the annual report for the 2023 financial year for the Parent Company and the Group.

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 is abbreviated SEK, thousand kroner SEK T, and million kroner SEK M. Unless otherwise specified, the figures in parentheses refer to the previous year. This report contains some forward-looking information that is based on the 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.

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

# Scalable solutions for in-store communication

Pricer is a global leader in solutions for automation and communication in physical stores with a focus on driving digitalization and changing the retail trade. With its innovative cloud-based platform Pricer Plaza, the company helps retailers streamline their operations, improves the buying experience, and increases sales. Pricer's solutions are based on electronic shelf labels and digital signage and enable retailers to communicate with their customers, employees and suppliers. As a strong partner to retailers worldwide, Pricer is at the forefront of technological developments in the retail trade. Pricer is shaping the future of retail by offering solutions for automation and communication that drive success and growth for the company's customers.

Behind Pricer's industry-leading fast, robust and scalable platform, which is continuously updated with new functionality, lies 30 years of innovation.

Pricer operates in a growing market, and the company's solutions help retailers solve the important challenges that the ever-changing retail trade poses to their stores. The system is a central part of the digitalization of the retail trade, a trend that has increased significantly in recent years.

Pricer's unique technology provides a reliable, robust, scalable and completely interference-free system that is also a global leader in terms of speed, flexibility, longevity and functionality.

Today, Pricer has installed more than 310 million labels in over 25,000 stores in more than 70 countries.

Pricer's customers primarily operate in the grocery, DIY, electronics and pharmacy verticals. Customer needs and consumer preferences on these rapidly changing markets are always the basis for Pricer's offer.

Pricer was founded in 1991 in Sweden, and the company's Class B share is quoted in the Mid Cap segment of Nasdaq Stockholm.

On December 31, 2023, the Pricer Group had 221 employees.

## Vision

Retail's first choice in in-store automation and communication

## Highlights of 2023

**French DIY chain Brico Dépôt places order for SEK 90 M**
French Brico Dépôt signed a framework agreement and installed the cloud-based platform Pricer Plaza and digital labels for a value of SEK 90 M.

**Pricer starts production in Europe**
Pricer opened its new production facility in Germany. Moving production closer to customers is a strategic choice that strengthens the company's competitiveness and introduces shorter lead times, increased flexibility for customers, a lower carbon footprint, and increased production capacity.

**Carrefour chooses Pricer as its exclusive supplier**
The retail chain Carrefour, which has been a customer of Pricer for 20 years, renewed its trust and chose Pricer as its exclusive supplier of solutions based on electronic shelf labels for three years.

**Food wholesaler installs in 49 stores**
In June, an international food wholesale chain ordered Pricer's labels for 49 stores in France, corresponding to a value of approximately SEK 70 M.

**Directed share issue and fully guaranteed rights issue**
In June, Pricer announced its decision to carry out a capital raise through a directed new issue and a fully guaranteed new issue of shares with preferential rights for existing shareholders. In August, Pricer announced the outcome of its rights issue, which was significantly oversubscribed. The company raised a total of SEK 301 M through the issues.

**Norwegian grocery retailer places order for SEK 80 M**
In September, Pricer's partner StrongPoint signed an agreement with one of the largest grocery retailers in Norway to upgrade its current Pricer installation. The value of the contract was approximately SEK 80 M.

**Co-operative retailer S-gruppen chooses Pricer**
After extensive evaluations of Pricer's digital store solution, Finnish S-gruppen signed a five-year framework agreement with Pricer. S-gruppen has more than 1,000 stores in Finland.

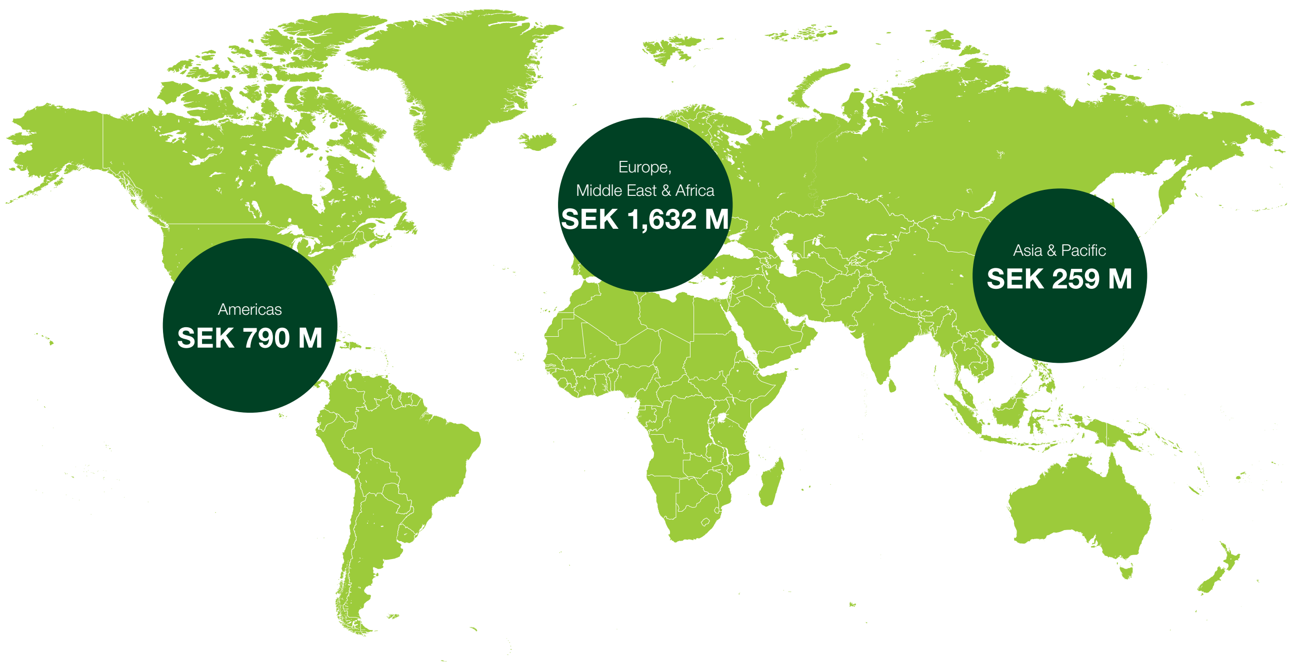
**Pricer starts a cost-savings program of SEK 50 M**
In mid-December, Pricer communicated a costs savings program with expected savings of around SEK 50 M a year and the intention to implement a restructuring of the operations. The restructuring is estimated to cost approximately SEK 19 M and was charged to the fourth quarter of 2023.

SEK 2,681 M
Net sales

SEK 15 M
Operating profit

+11 %
Order intake

## Net sales per market, SEK M



# A year of contrasts

The year was marked by contrasts – both strong sales growth and the restructuring and cost reduction program that ended the year.

In 2023, the momentum we entered the year with continued. It showed in the form of strong sales growth and a final quarter with the highest sales ever in Pricer's history.

**Strong driving forces in the market**

We are pleased that our sales strategy to win new customers and grow with existing customers in new markets has continued to yield results, in terms of both turnover and order intake. Turnover increased by 18 percent compared to the previous year. The focused work to increase the gross margin has also yielded results, although in the last quarter it was affected downward by a one-off cost for the impairment of older components and labels. However, we see continued improvement in our margins due to the improvement work that is ongoing in several areas.

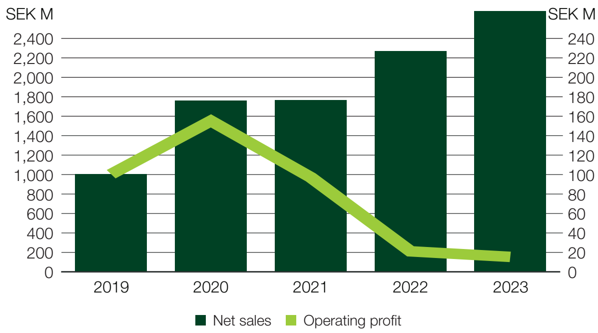
In addition to our updated sales strategy, we are getting an extra boost from strong underlying market trends, such as historically high and sustained inflation, labour shortages and cost increase, which have created a new and favorable macroeconomic situation. Taken together, this means that customer interest to invest in digital solutions that streamline work in store, strengthen the customer experience, and increase revenue is at an all-time high.

During the year, this manifested itself in renewed trust from customers such as Carrefour, which signed an exclusive framework agreement for the delivery of Pricer's solutions to stores in France, Spain, Belgium, Italy, Romania and Poland. Among new major customers, the Finnish grocery chain S-gruppen is a clear example of a customer who sees store digitalization as a strategically important area for continued competitiveness.

The customer dialogues we started in Great Britain after the Retail Technology Show in London last spring led to several pilot installations, and after the turn of the year we were able to announce that a completely new type of customer for Pricer, Outdoor and Cycle Concepts Ltd (O&CC), the largest retail chain for outdoor, running and winter sports in the UK, is installing Pricer's digital solution in all its stores with labels that have been specially adapted to the clothing department.

In general, Europe accounted for strong growth during the year, and turnover increased by 48 percent compared to the previous year. In the North American market, we see a continued strong interest in digitalization among existing and potential customers, even though several projects with an expected start in 2023 have been delayed and our largest customer in Canada has temporarily reduced the pace of installation.

**DEVELOPMENT THE PAST 5 YEARS**




» **It is gratifying that our sales strategy to win new customers and grow with existing customers in new markets has continued to yield results, in terms of both turnover and order intake.**

**›› During the year, we further developed our cloud platform Pricer Plaza to meet customers' needs for a scalable, user-friendly platform that is fully in line with their own cloud strategies.**

**Attractive portfolio that meets customers' needs**
During the year, we further developed our cloud platform Pricer Plaza to meet customers' needs for a scalable, user-friendly platform that is fully in line with their own cloud strategies. Pricer Plaza and the SaaS solution that the platform offers are also key in our efforts to increase our recurring revenue. During the year, we invested in support for our existing customers to migrate from local solutions to Pricer Plaza, and going forward we will apply a SaaS First strategy.

The strong interest in our new four-color labels that we have seen earlier accelerated in 2023 and resulted in new customers. Four-color labels enable more appealing and creative store promotions. Demand for energy-intensive color labels offers unique possibilities for Pricer, which has the market's most energy-efficient solution.

The thin and robust label HangTAG, which was launched last year, has generated a lot of interest during the year. It takes up minimal space and is extremely well suited for stores with many products in a small area. This is an excellent example of how, in close collaboration with leading retailers around the world, we can develop products that solve their challenges.

**Transformation for long-term competitiveness and profitable growth**
During the past two years, we have worked actively to create the right conditions to increase our competitiveness and ensure profitable and long-term growth. In the spring of 2022, we updated our go-to-market strategy to accelerate growth, and in 2023 we secured financing and strengthened the balance sheet to continue growing at a rapid pace. In December, we announced a costs-savings program with expected savings of approximately SEK 50 M annually and a restructuring of the operations with the goal of creating a more efficient organization and clear focus areas and building new competence to better address future market needs. The work to transform the operations will continue during the year, and I am convinced that we will be well-equipped to meet customers' future needs while ensuring long-term competitiveness and profitable growth.

**Retail's first choice**
We are working hard to generate clear customer benefits and satisfied customers and to strengthen the attractiveness of the physical store. Our vision to be retail's first choice in in-store automation and communication guides us in all our decisions and is a strong contributor to several of the new contracts won during the year. In combination with our strong customer relationships, fantastic employees, and strong offer in a growing market, we have every reason to be optimistic about the future.

*Magnus Larsson*
President and CEO

# Financial targets

As a consequence of the transformation that the company is undergoing, which has beencommunicated previously, and an increased focus on profitable growth, the Board of Directors of Pricer AB has established the following long-term financial targets:

**Sales growth**
The annual sales growth should be in line with the market or at least 15 percent.

**Operating margin**
The operating margin (EBIT margin) should be more than 8 percent.

# The Pricer share

The Pricer Class B share is quoted on Nasdaq Stockholm. The share is listed in the Mid Cap segment. Pricer's share capital on December 31, 2022, amounted to SEK 163,965,137. The total number of shares was 163,965,137, divided between 225,523 Class A shares and 163,739,614 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 2011–2023.

**Trading and price trend**
The Pricer share started the financial year at SEK 16.36 and ended the year at SEK 7.80. The highest price paid during the year was SEK 19.00, quoted on February 9, 2023, and the lowest price paid was SEK 6.05, quoted on October 26, 2023. The total market capitalization at December 31, 2023, was SEK 1,275 M. Turnover for FY 2023 amounted to 75 million shares traded for a combined value of SEK 670 M, equal to an average daily volume of 296,000 shares at a value of SEK 2.7 M per trading day. The number of trades cleared for the full year was 66,000, equal to an average of 263 per trading day.

**Ownership structure**
There were 17,176 shareholders on December 31, 2023. The ten largest shareholders held 50.7 percent of the number of shares and 50.4 percent of the number of votes. Legal persons represented 43 percent of the number of shares and votes. Foreign ownership amounted to 37 percent of the number of shares and votes.

**Dividend**
The Board of Directors of Pricer intends to reinvest the company's generated cash flow in growth initiatives and therefore does not intend to propose any dividend in the short or medium term.

**Performance share plan**
The Annual General Meetings held in 2019, 2020, 2021, 2022 and 2023 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 Class 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 2020 performance share plan, 20,000 shares were transferred free of charge in June 2023 to the participants. Due to this, Pricer decreased its treasury shares by 20,000.

From the 2021 performance share plan, a maximum of 120,000 shares can be transferred free of charge to the participants in June 2024 in the event the predefined performance targets during the measurement period 2021–2023 are fully met.

From the 2022 performance share plan, a maximum of 52,000 shares can be transferred free of charge to the participants in June 2025 in the event the predefined performance targets during the measurement period 2022–2024 are fully met.

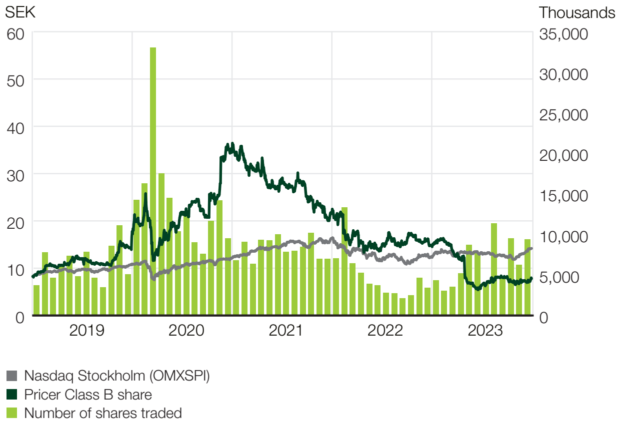
The Annual General Meeting held on June 7, 2023, resolved to approve the presented proposal for the incentive program in the form of a performance share plan. However, the Board of Directors decided that no performance share plan will be introduced for 2023.

See Note 4 for further information.

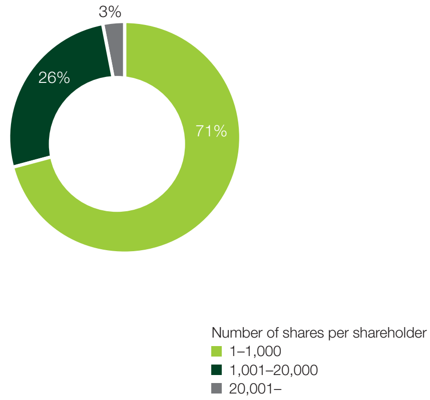
**Treasury shares and conversion of shares**
Pricer's holdings of treasury shares amounted on December 31, 2023, to 599,134 Class B shares. These shares are held to be able to meet obligations on matching and performance shares under the outstanding performance share plans.

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 2019–2023




### OWNERSHIP STRUCTURE DECEMBER 31, 2023




### LARGE SHAREHOLDERS ON DECEMBER 31, 2023

| Owner | No. of Class A shares | No. of Class B shares | Total number of shares | Share capital | Voting rights |
|---|---|---|---|---|---|
| Sterling Strategic Value Fund | – | 16,660,298 | 16,660,298 | 10.2% | 10.1% |
| Göran Sundholm | – | 15,475,220 | 15,475,220 | 9.4% | 9.4% |
| Quaero Capital S.A. | – | 12,281,112 | 12,281,112 | 7.5% | 7.4% |
| Avanza Pension | – | 8,250,122 | 8,250,122 | 7.0% | 7.0% |
| Nordnet Pensionsförsäkring | – | 7,720,231 | 7,720,231 | 4.7% | 4.7% |
| Lars Ingvarsson | – | 5,423,545 | 5,423,545 | 3.3% | 3.3% |
| Retraites Populaires | – | 4,136,305 | 4,136,305 | 2.5% | 2.5% |
| Arbona AB (publ) | – | 2,492,997 | 2,492,997 | 2.1% | 2.1% |
| Tredje AP-fonden | – | 3,454,957 | 3,454,957 | 2.1% | 2.1% |
| Hans Granberg | 1,789 | 2,909,934 | 2,911,723 | 1.8% | 1.8% |
| **10 largest shareholders** | **1,789** | **78,804,721** | **78,806,510** | **50.7%** | **50.4%** |
| Others | – | 84,934,893 | 85,158,627 | 49.3% | 49.6% |
| **Total number of shares outstanding** | **225,523** | **163,140,480** | **163,366,003** | **99.6%** | **99.6%** |
| Pricer's treasury Class B shares | – | 599,134 | 599,134 | 0.4% | 0.4% |
| **Total number of shares** | **225,523** | **163,739,614** | **163,965,137** | **100%** | **100%** |

Source: Euroclear.

### FIVE-YEAR SUMMARY FOR PRICER SHARE

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **SEK per share, basic** | | | | | |
| Earnings | –0.35 | 0.44 | 0.72 | 1.16 | 0.89 |
| Dividend, paid | – | 1.00 | 1.00 | 0.80 | 0.60 |
| Shareholders' equity | 5.86 | 6.64 | 7.22 | 7.44 | 7.35 |
| Cash flow from operating activities | –0,71 | 2.56 | –1.58 | 2.40 | 1.35 |
| P/S ratio | 0.48 | 0.80 | 1.53 | 2.42 | 2.06 |
| **SEK per share, diluted** | | | | | |
| Earnings | –0.35 | 0.44 | 0.71 | 1.15 | 0.88 |
| Shareholders' equity | 5.85 | 6.62 | 7.17 | 7.37 | 7.29 |
| Cash flow from operating activities | –0,71 | 2.56 | –1.57 | 2.38 | 1.34 |
| P/S ratio | 0.48 | 0.80 | 1.53 | 2.44 | 2.06 |
| **Share price** | | | | | |
| Closing price for the year, Class B | 7.80 | 16.36 | 24.50 | 38.75 | 18.7 |
| Highest price paid, Class B | 19 | 25.44 | 41.40 | 41.7 | 18.92 |
| Lowest price paid, Class B | 6.05 | 14.93 | 22.34 | 12.64 | 9.03 |
| No. of outstanding shares on Dec. 31, thousands | 163,366 | 110,324 | 110,324 | 110,095 | 110,267 |
| Market capitalization on Dec. 31, SEK M | 1,274 | 1,805 | 2,703 | 4,266 | 2,062 |
| Average number of outstanding shares, 000s | 137,081 | 110,353 | 110,228 | 110,316 | 110,267 |
| Share price on Dec. 31/shareholders' equity, % | 133 | 247 | 339 | 521 | 254 |

# Business model with customer value in focus

Retail has changed dramatically in recent years following new consumer behavior patterns, a shift toward more online shopping and the closure of stores, and the impact from trends such as increased inflation, challenges in the supply chain, and a labor shortage. As a result, the need for store digitalization is greater than ever.

Pricer offers retailers around the world a scalable, future-proof and reliable platform for store digitalization and streamlining of in-store work.

**Value proposition**

The basis for Pricer's offer is the cloud-based management system Pricer Plaza. This solution enables a SaaS (Software as a Service) deployment model that generates lower costs and more flexibility in store operations. Retailers benefit in that, among other things, they can centrally manage and control pricing, product information and promotions on all their electronic shelf labels in all connected stores regardless of number and geographic location, they always have access to the latest functions, and the solution is scalable so stores can be easily added and removed.

Pricer's solutions make it possible for retailers to communicate with their customers to improve the customer experience, efficiently handle processes in the stores and lower costs.

With the most energy-efficient solution on the market, Pricer is an important part of the stores' and consumers' focus on sustainability.

The increased interest in digital signage creates completely new business opportunities for retailers, who can now sell advertising space on the store shelves where consumers make their purchase decisions.

**Customers worldwide**

Pricer's solutions are installed in more than 25,000 stores in over 70 countries worldwide. Our customers primarily operate in the grocery, DIY, consumer electronics, and pharmacy verticals, and they include many of the world's leading chains.

Pricer values long-term customer relationships and constantly strives to be the partner who can guide retail trade customers through the challenges of store digitalization and offer solutions and services that are reliable and easy to use, implement and scale up.

**Manufacturing and logistics**

The company's capacity and scalability in the production line is the result of a close partnership with carefully selected manufacturers in China, Thailand, Cambodia and Hungary. They were chosen based on factors such as quality, geographic location, delivery capacity and price.

During the year, the availability of components, including semiconductors, has improved. This has contributed to cost reductions for the company on components, not least customized components (ASIC) and displays. Transport costs have also decreased in general.

Pricer works with long-term forecasts in its supply chain, which has made it easier to maintain a high rate of production.

During the spring, an automated manufacturing facility became operational in Germany to shorten delivery times to customers on the European market and reduce transports, thus reducing the company's climate footprint. Pricer is now taking steps to meet the expected volume increase with a facility that complements Pricer's existing production facilities in Asia. The goal is also to strengthen Pricer's competitiveness, reduce the exposure to geopolitical risks and have more sustainable production. During the second half of the year, the facility underwent final adjustments to increase the production capacity.

**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, there is a well-established network of 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.

**Research and development**

Pricer's R&D team is working to develop new products and services and continuously improve the performance of existing solutions. Innovation and product development are a significant part of Pricer's operations, and this work is based on factors such as technology and market trends as well as cooperation with leading retailers around the world. Pricer continues to prioritize the development of solutions that help customers smoothly and efficiently adapt to rapidly changing business models. The focus was on further developing Pricer Plaza.
In 2021, Pricer became certified in accordance with ISO/IEC 27001, an international standard for information security. To comply with the standard, Pricer implemented a management system for information security. During the fall of 2023, an external audit showed that Pricer continued to comply with the standard.


# Pricer should be retail's first choice

Pricer's goal is to grow in line with the market by marketing innovative and unique solutions within the automation of store shelves and store communication.

In order to achieve its goals, the company has identified five strategic areas, which are described below.

| RETAIL'S FIRST CHOICE | CONTINUOUS GROWTH | CLOUD TECHNO-LOGY | OPERATIONAL EXCELLENCE | EMPLOYEES AND CULTURE |
|---|---|---|---|---|
| Superior customer experi-ence in all contact with Pricer | Grow in line with the market | All Pricer solutions must be based on cloud technology | Efficien-cy and digitalization of all staff functions | Strive to be the best for our employ-ees and our environment |

**Retail's first choice**

With solutions that match customers' needs better than our competitors' solutions, and with a business model and sales strategies adapted to the retail trade of both today and tomorrow, Pricer should be retail's first choice. Investments to develop the organization, including the strengthened organizations for sales, production and delivery, have generated results in line with the plans for growth. Going forward, the focus will be on strategic sales, market expansion and investments in key markets, but also on developing new business models to increase recurring revenue.

**Continuous growth**

The market for Pricer's solutions is growing, and Pricer should grow in line with the market.

The global market penetration of an electronic shelf label system is estimated to be 5–7 percent of the addressable market. A number of clear global factors are driving demand on the market, such as the continued high inflation rate, which requires many—and fast—price adjustments in stores and is a challenge to handle manually. There is a labor shortage on most markets, for example in North America, which is also driving the need for automated processes in stores. Growth was noted in all primary store segments.

Pricer has developed new go-to-market plans to support growth in select markets. There is a strong focus on growth markets such as the USA, the UK, Spain, Germany, Australia and Japan. On established markets, for example France, Scandinavia, New Zealand, Italy and Canada, the goal is to maintain and grow in line with the market.

**Focus on cloud technology**

The product and solution portfolio, with cloud-based Pricer Plaza system as the base, will develop toward providing and activating new functionality primarily through cloud-based solutions as either subscription services or consumption-based services. To make this possible, the continued development of Pricer Plaza and new functionality is in focus. The solution is a central part of the efforts to increase recurring revenue, which in turn contribute to increasing profitability.

**Operational excellence**

Operational excellence refers to the company actively working to optimize internal processes with the goal of digitalizing and automating all parts of the operations where possible. This work will continuously improve the company's efficiency and ability to meet set growth targets and lead to improved profitability.

**Employee engagement and the environment**

Pricer's employees are the company's most important asset for achieving the company's targets. Pricer's corporate culture should be influenced by employee engagement, which creates a positive corporate culture, better cooperation, higher satisfaction and a number of other benefits for the individual and the organization. In order to achieve this, leadership is a central part of the company's work going forward. During the year, work began on implementing the company's new values, which will guide decisions and actions.

Pricer is striving to ensure that its environmental footprint is as small as possible, and the environment is a central part of the company's sustainability work. There are several key areas going forward, for example energy consumption. Pricer's system and labels already today have industry-leading battery performance with significantly less energy consumption than competing labels. Efforts to further reduce energy consumption continue to be in focus. Pricer has also established automated production in Europe and is planning for similar facilities in other markets in order to move production closer to customers with the aim of reducing transports and increasing flexibility.


# Solutions that strengthen brick-and-mortar retail in a digital world

Pricer offers physical stores worldwide digital automation and communication solutions that help shopkeepers streamline in-store work, thus lowering operating costs, and communicate with their customers through various in-store screens, which improves the customer experience.

The strength of Pricer's system is its ability to offer customers a modular and scalable solution that is also the market's most energy efficient. The system is fast, low latency, energy-efficient and robust, and it can be integrated with other technologies.

Everything from developing and implementing the Pricer Plaza cloud platform to its ability to instantly scale-up and adapt to new business models has been in focus in recent years. The system offers an SaaS solution (Software as a Service) that provides lower costs and increased flexibility in the stores' operations and can be easily updated with new functionality for all connected stores in the chain, regardless of size and geographical location.

With a single point of contact, the store gain a complete overview of all connected stores in the chain and can manage price changes, product information and promotions in all or select stores.

**Digital labels**

In the store, communication takes place via digital screens or labels, so-called electronic shelf labels. These labels enable retailers to make immediate price changes and optimize in-store work. The labels are also a dynamic link between the product and the consumer. In addition to communicating the offer, the labels can also make changes in real time to not only price, but also campaigns, product information, country of origin, and much more.

Pricer's products and solutions thus enable communication and streamlining, which increases customers' sales, lowers their costs, and creates an improved customer experience in their stores. Pricer is working actively to contribute to strengthening the attraction of the physical store, which generates clear customer benefit and satisfied customers.

In addition to communicating information via screens, the system has the capability to communicate with store employees or passing consumers via a flashing LED diode, Instant Flash, thereby helping employees or consumers find the right product more quickly. This interactivity is critical for enabling stores to now streamline many of their more time-intensive work processes. There is a considerable need for a high rate of innovation to meet customers' preference for increased system functionality.

In addition, there is a large number of strategic partnerships within retail technology. Here Pricer's platform enables connection to the product in different ways by giving it digital representation at the shelf edge.

Below are a number of examples of how Pricer's solution can be used in stores worldwide to streamline store operations and create an improved shopping experience for consumers.

**Dynamic pricing**

The line between physical stores and e-commerce is rapidly disappearing. Store visitors expect a cohesive experience, with a single, correct price regardless of the channel. With Pricer's system, the store can guarantee that the price is synchronized in all channels and is always the same on the shelf and at checkout.

By transitioning from manual to automated price changes in a store or an entire store chain, this also frees up time for more value-generating tasks such as helping customers or replenishing the shelves.

**Inventory management in stores**

Most modern retailers today use automatic order placement to order products. These systems are based on registered deliveries, cashier transactions and registered waste. In practice, there are many sources for error, which results in the theoretical inventory balance being just that: theoretical. Consequently, one key task at the store is to continually reconcile 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 flash function.

**E-commerce pick**

When a consumer places an order online, the order is often picked in a nearby store. The consumer can then collect the order at the store or have it delivered. For the store, the picking itself is time-consuming and costly. With the flashing function on the labels, stores save important time at each pick. 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 flashing labels. It is not unusual today 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.

**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 the label's blink function, 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.

**Campaigns**

In stores, sales are often driven with the help of campaigns. Marketing materials known as shelf talkers are commonly placed on shelf edges to call attention to campaigns. 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. Valuable time is saved once again, and campaigns are ensured to be executed correctly.

Another type of digital in-store advertisement is digital signage, which creates entirely new business opportunities and thus increased revenue from store campaigns and advertisements. This is a valuable tool for creating an attractive and consistent communication in the store with consumers. During the year, Pricer has had several pilot installations and there is strong interest from customers.

**Guidance in the store**

In a large store, 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.

Pricer offers a solution where each label is dynamically and automatically positioned so the system knows where all products are in the store. 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.

**Reduced food waste**

Around one-third of all food that is produced is never eaten, and a large part of this waste occurs in the stores. Being wasteful with food costs money, but it is primarily important to resolve this issue from a sustainability perspective. Pricer's solution enables smooth and quick price adjustments for the store, which allows the store to adjust the price of outgoing products and thereby reduce food waste.

# Digitalization essential for growing global retail

Store digitalization is here to stay, and the retail sector is increasingly investing in technology to address changed consumer expectations on the shopping experience, streamline work in the store, and increase sales.

Retail has always been dynamic and managed to meet ever-changing demands from consumers while also meeting and adapting to new conditions. Despite the recent challenges, global retail is strong and growing. A contributing factor is the increasing digitalization of stores.

Several major global retailers mention their digitalization strategy as a strong differentiator, a key competitive advantage, and an enabler for greater efficiency and profit. Carrefour, which has been a Pricer customer for a long time, has an explicit digital strategy. CEO Alexandre Bompard said the goal is to transform Carrefour into a "digital retail company that places digital and data at the heart of all its operations and its value creation model."

Below are some of the driving forces in Pricer's market.

**Three macroeconomic challenges**

Today, retail is facing what the analysis company Gartner[1] calls a triple squeeze, a macroeconomic situation where three very different but essential factors are converging: historically high and sustained inflation, labor shortages and expensive labor, and continued disruptions in the supply chain. Overall, this makes retailers more likely to invest in digital solutions that streamline the in-store work, such as solutions based on electronic labels for automation and communication in stores, optimizing operations, strengthening the customer experience, and increasing cost efficiency and productivity.

**Altered consumer behavior**

Consumers expect a more flexible buying process with seamless transitions between digital and physical sales platforms, and retailers who successfully manage this are likely to gain a competitive advantage.

Although growth in e-commerce is strong in many markets, the majority of all sales still take place in physical stores. At the same time, consumers' demands for flexible delivery options and same-day delivery are increasing. Services where customers order online for home delivery or in-store pick-up are growing, especially in the important grocery vertical. This has led to Pricer's store automation system taking on even more central importance since it is used to streamline the picking of e-commerce orders in-store.

In addition to driving demand for Pricer's solution given the sheer number of price changes the stores must make, inflation is also influencing consumers' price awareness. The number of consumers who research a product and its price prior to purchase is increasing. Eighty-one percent of consumers search for information online before making a purchase. Of these consumers, 89 percent start their buying process through a search engine, according to Pricer's consumer report[2]. Consumers expect the same price when they visit the physical store as they have seen online. Studies show that consumers react very negatively to price and promotion inconsistencies in-store and online.

**A profitable system**

In order to lower their costs, retailers need to ensure that work in the store becomes more efficient. By focusing on advanced functionalities such as geopositioning of products, replenishment, and inventory management, and the integration of AI to drive gap detection, verify compliance of the position of products on shelves, alert staff and reduce food waste, Pricer makes a strong


1 Retail CIO Priorities 2023: Insights for Technology and Service Provider Product Plans, Gartner, May 2023
2 Consumer Insight Report 2021 – Retail Europe. Available for download at pricer.com.


contribution to creating a compelling business case for solutions for automation and communication in stores.

Going forward, we expect strong growth in a number of regions, including the UK, Australia and the USA, where many retailers have been waiting for the multicolor labels Pricer has now released.

At the end of 2022, the analysis company Forrester published a study entitled "The Total Economic Impact of Pricer." This report aims to provide a better understanding of both how stores can meet operational challenges through digitalization and automation of store processes and the benefits and costs of an investment in Pricer's solution.

Forrester has performed its own calculations based on interviews and data from three of Pricer's grocery customers. With Pricer's solution, the interviewed chains stated that they have achieved significant time savings and efficiencies, not only through the automation of price labeling, but also when it comes to other in-store tasks such as picking e-commerce orders and stocking the shelves.

The study shows that stores efficiently using several of the functions in Pricer's solutions see a return on their investment in only 18 months. The study can be downloaded from pricer.com.

**In pursuit of increased sales**

In addition to improving the shopping experience and streamlining in-store work, electronic shelf label solutions can contribute to increased sales. Because Pricer's solution can be used to change prices in real time, stores can quickly and easily adjust prices and offers in either a single store or entire chains. This makes it possible, for example, to quickly respond to competitors' pricing or adjust prices depending on products' expiration dates, which also reduces food waste.

Furthermore, the stores can connect the electronic labels to their inventory systems and thus gain a better overview of stock levels and a basis for decisions about where the products can be placed in-store for optimal exposure. This can reduce the risk of overstock or sold-out items.

There is enormous growth in retail-owned digital platforms that sell advertising space, which means that retail continues to be interested in the future development of the platforms. In Pricer's digital signage solution, electronic shelf labels are integrated with the displays to create customer experience and engagement where it matters most for a purchase – at the store shelf.

**Global market trends driving demand for Pricer's offering**

- The retail trade's focus on full store digitalization, where solutions based on electronic shelf labels and digital signage (used for advertising, special offers and product information in stores) take a given place in the system together with checkout systems, warehouse systems, etc.
- Inflation, which leads to more frequent price changes.
- Lack of staffing, for example in the USA and the UK.
- Increases to the minimum wage, which increase labor costs in stores, especially for time-consuming manual tasks such as price labeling. They also increase the need to streamline operations and ensure that inventory management and replenishment of goods work smoothly.
- 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 stores.
- E-commerce where consumers can order online and pick up the items in-store.
- Introduction of contactless payment systems, where payment is integrated with systems based on electronic shelf labels. This reduces the time that consumers spend in the store, and is also a service that is appreciated by customers.
- Utilization of price optimization to reduce food waste through solutions that automatically lower prices of goods as the expiration date approaches.
- Use of AI to deliver more immediate insights is resulting in more rapid resolution of issues with inventory, shortages or sudden changes in consumer behavior.

# Sustainability for Pricer

**Sustainability governance**

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.

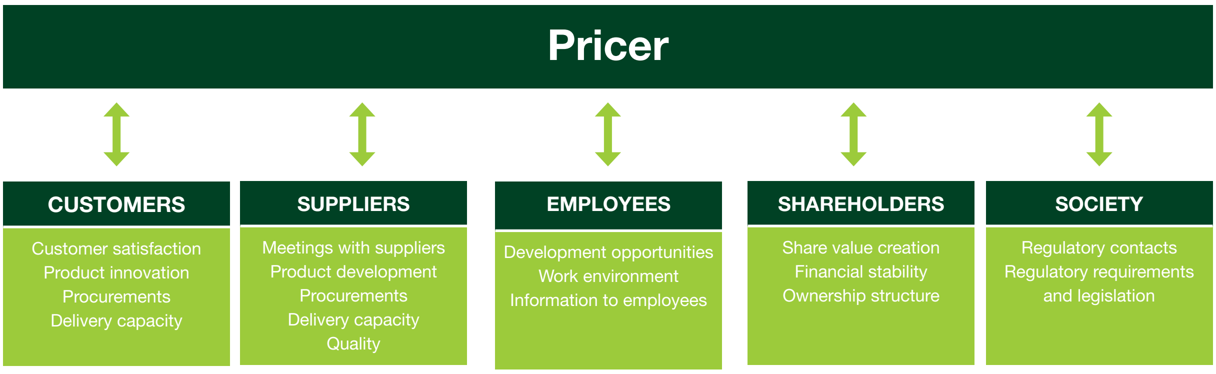
Based on these aspects, Pricer determines the most essential areas given the company's operations and their impact on the environment and society. Pricer then decides on goals and activities and follows up on them within the framework of the overall strategic objectives, for which the Board and CEO are 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's focus areas


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

# Value creation for the company's stakeholders

**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 the grocery retail, DIY, consumer electronics and pharmacy sectors. The enhancements offered to these retail companies in turn have positive effects on the public and society.

**Environmental aspects**
On an environmental front, Pricer actively works with new technology to be able to reduce the environmental impact from its future products, for instance through the partnership with Epishine.

## 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 and Europe to a logistics hub close to the customer by sea or air, depending on which is most cost efficient and environmentally friendly. The point of departure is for the customer 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 serious 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 33.
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 the company's 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 gas 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 shares advice and know-how with its customers and partners so that they can use, transport, store and scrap the company's products in an environmentally positive manner. Pricer's products comply with the EU's RoHS Directive (Restriction of the use of certain hazardous substances in electrical and electronic equipment), which is aimed at reducing risks to human health and the environment by replacing and limiting hazardous chemical substances in electric and electronic equipment. The directive also seeks to achieve profitable and sustainable material recovery of equipment.

Pricer's solution based on electronic shelf labels are market leading in energy efficiency with the longest battery lifetime, which means it is the least environmentally burdensome turnkey solution available on the market.

### Production in Europe

As part of the work to reduce its climate footprint, Pricer is supplementing its current production sites with a supplier in Europe. This creates good conditions for reducing many and long transports and significantly reducing the need to use air transport to one of the company's main markets.

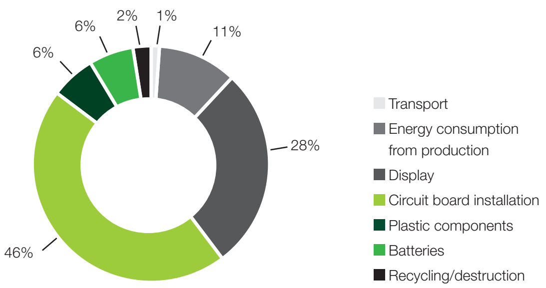
### Benchmarking

To gain better insight into the overall sustainability work in relation to similar companies, Pricer has also been evaluated by an external party, EcoVadis. Pricer was awarded the bronze level as a result of this evaluation, which means that the company belongs to the top half of the companies that were evaluated. Such an evaluation also gives Pricer the opportunity to identify areas in which the company is strong, but primarily also where improvements can be made.

### 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 an electronic shelf label generates throughout its lifetime. Based on this analysis, Pricer can identify the size of 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, the circuit board in a SmartTAG Power label enables a climate impact that is 20 percent lower than the impact of the previous label model thanks to a more efficient design. 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 ($CO_2e$)**




**In order to meet increased costs for financed capital, Pricer has made an active choice to reduce the share of sea freight in 2023.**

## GOAL 80%

The goal is for 80% of the company's intercontinental shipping to go by sea by 2023.

## OUTCOME 29%

Of the company's total number of produced labels, 29% (61%) were shipped by sea from Pricer's suppliers in Asia.

# Employees

**Employees and their development**

Pricer's successes are largely due to its employees. This means that their commitment and development is an important focus. They serve as the basis for activities such as recruiting, onboarding, dialogue between employees and managers, and training.

During 2023, Pricer implemented several initiatives to strengthen its corporate culture. At the beginning of the year, the company adopted a set of values, and the implementation of these values has been ongoing throughout the year. An important part has been that all teams have carried out workshops regarding the work with the values and discussed their impact on day-to-day activities. In addition, Pricer initiated a global leadership forum, where all global managers have met both physically and digitally to strengthen and further develop leadership and culture. Performance reviews between managers and employees, with follow-up reviews after six months, underwent development and were established on a common platform. The reviews are now directly linked to the company's strategy and objectives, which are broken down into individual goals for the employee. In this way, it becomes clear for each employee how they contribute to the overall goals and that each individual is important to the whole.

Digital working methods that were developed during the pandemic have become a natural part of everyday life. This places greater demands on communication both within and between departments, which today is working well and is continuously improved. Given that the company's employees are located in around ten different countries, everyone is used to working and communicating digitally.

The results from the employee survey in 2023 have been reviewed by management, at the company level, and at the team level, and actions have been taken within the areas that need to be developed.

We continued Initiatives related to system support and process development during the year, taking large strides forward.

**Diversity and equal treatment**

Equality and diversity are fundamental, and Pricer does not tolerate any discrimination, in any form.

**Skills development**

Pricer aims to continuously track its needs in terms of resources and skills to ensure the company's leadership and secure necessary skills going forward. To the greatest extent possible, Pricer would like to promote specialists and managers internally, and 2023 was a positive year in this respect with several employees receiving internal promotions. Furthermore, training opportunities are offered based on prioritized needs 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.**

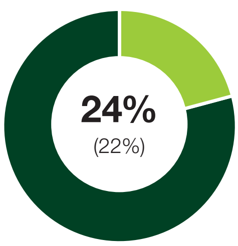
## GOAL

Increase the share of women at the company and have female employees in all departments.

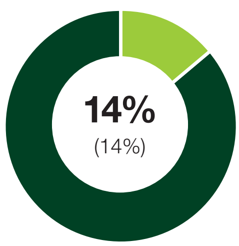
## OUTCOME

The graphs show the share of women in the total number of employees and by department at the end of the year.

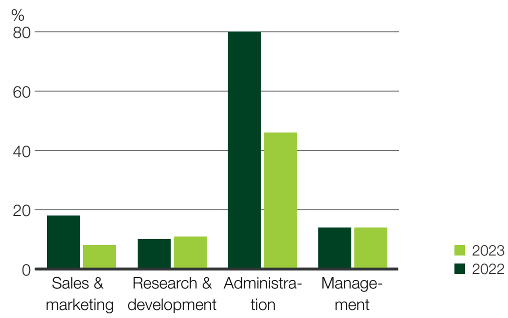
**SHARE OF WOMEN IN TOTAL NUMBER OF EMPLOYEES**




**SHARE OF WOMEN IN MANAGEMENT GROUP**




**SHARE OF WOMEN PER DEPARTMENT AT END OF YEAR**



# Supply chain

Pricer would like to be an attractive business partner and seeks reliable, fair and reciprocal conditions for both the company and its suppliers. The 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.

For many years, Pricer has required its major suppliers to comply with the company's Supplier Code of Conduct.

This has been extended to include our direct component suppliers as well. The basis for this code of conduct is largely recognized standards and recommendations from UN Global Compact and the Responsible Business Alliance Code of Conduct.

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

**Supplier Code of Conduct**

**Social**
- 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**
- Intellectual property rights
- Improper payments and benefits
- Identity protection
- Non-retaliation

| | | |
|---|---|---|
| Pricer requires all product suppliers and direct component suppliers to sign the Code of Conduct for Suppliers. This Code is based largely on recognized standards and recommendations from UN Global Compact and the Responsible Business Alliance Code of Conduct. | **GOAL 100%**<br>100% of the company's production partners must sign and follow the company's Code of Conduct. | **OUTCOME 100%**<br>100% (100) of the company's production partners have signed and are complying with the company's Code of Conduct. |
| | **GOAL 100%**<br>100% percent of the company's direct component suppliers must sign and follow the company's Code of Conduct. | **OUTCOME 100%**<br>100% (91) of the company's direct component suppliers have signed and follow the company's Code of Conduct. |
| | **GOAL 0**<br>Zero tolerance for human rights violations. | **OUTCOME 0**<br>No violations of human rights were reported in 2023. |

» **Pricer strives to be an attractive business partner and seeks reliable, fair and reciprocal conditions for both the company and its suppliers.**

# 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, the company adheres to laws, rules and regulations, respects human rights, and is known for its exemplary business ethics.

At the end of 2021, the company became certified in accordance with ISO27001, a standard for information security. The standard helps Pricer fulfill the three dimensions of information security: confidentiality, integrity and availability. It also equips the company with a systematic process-based method of working to continuously improve information security. During the fall of 2023, Pricer passed an external audit.

**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.

**Policy documents for governance:**
- Policy documents for governance:
- Sustainability Policy
- Environmental Policy
- Code of Conduct for Suppliers
- Dividend Policy
- Finance Policy & Attest Policy
- Information & Communication Policy
- Insider Policy
- IT Policy

The company complies with Nasdaq's rules and the EU's Market Abuse Regulation (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 direct manager or Pricer's executive management. During the year, Pricer introduced a new online whistleblower system for reporting suspected irregularities simply and anonymously. The system is accessed via Pricer's website or pricer.whistlelink.com.

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

**GOAL 0**
Zero tolerance for all forms of bribery, inappropriate gifts/ business entertainment or corrupt activities.

**OUTCOME 0**
No indications of the occurrence of corrupt business practices in the Group's operations.

**Auditor's report on the statutory sustainability report**
*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 2023 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.

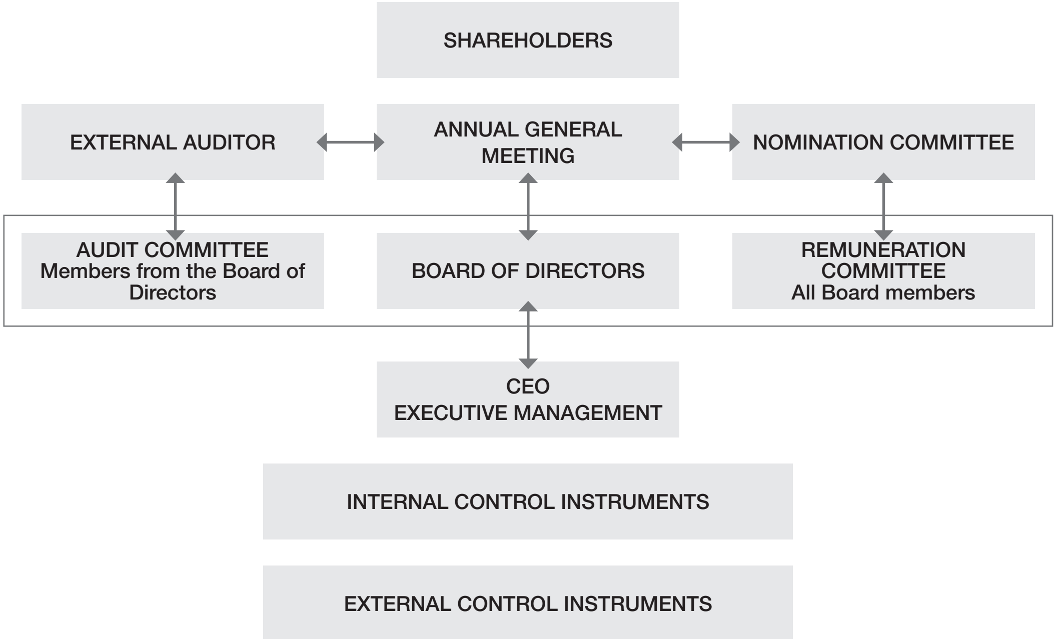
**Opinion**
A statutory sustainability statement has been prepared.

Stockholm, March 28, 2024
Ernst & Young AB

*Jakob Wojcik*
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 quoted on the Mid Cap list of Nasdaq Stockholm.

This corporate governance report has been prepared in accordance with the Swedish 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 2023. 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 share classes: Class A shares and Class B shares. 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 163,739,614 Class B shares, all with a quota value of SEK 1 each.

There were 17,176 (18,355) shareholders as at December 31, 2023. The ten largest shareholders held 51 percent of the number of shares and votes. For more information about shareholders, see pages 6–7.

**Annual General Meeting**

Pricer's highest governing body is the Annual General Meeting (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 Gazette (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 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.

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 this work is performed in accordance with the applicable rules. The chair of the Board continuously monitors operations through a dialogue with the President 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 high-quality discussions and decisions and verifies 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 enable the verification of the accounting, cash management and other financial matters 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 rules of procedure. 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, in part, should monitor the company's financial reporting and prepare matters 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 matters and in the preparation of these matters for the Board.

The Board of Directors has 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 prepares matters related to remuneration and terms of employment for senior executives and draft guidelines for remuneration to the CEO and senior executives, which the Board submits to the AGM for resolution.

*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 their performance is evaluated regularly by the Board without the presence of company's management. The company's CEO supervises the ongoing operating 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 developing 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 the as a minimum the following points: the market, sales, production, research and development, finance, staff and, where appropriate, legal disputes.

Pricer's Executive Management is comprised of, in addition to the CEO, members who bear operating responsibility for the various parts of the organization.

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 Ernst & Young AB was elected auditor by the 2023 AGM until the 2024 AGM, with Authorized Public Accountant Jakob Wojcik 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., attest and authorization rules, finance, and communication.

**2023 Annual General Meeting**

Pricer AB's AGM was held on June 7, 2023. At the meeting, 24 percent of the votes and 24 percent of the number of shares in the company were represented.
The AGM adopted the following resolutions:

- To adopt the income statement, balance sheet and consolidated income statement and consolidated balance sheet.
- To discharge the Board of Directors and the President from liability for the 2022 financial year.
- To re-elect Board members Hans Granberg, Jonas Guldstrand and Jenni Virnes and to elect new members Bernt Ingman, Ole Mikael Jensen, Torbjörn Möller and Emil Ahlberg. Knut Faremo and Irene Waldermarsson declined re-election. To elect Bernt Ingman chair of the Board.
- To pay Board fees for the next term of office of SEK 650 T to the chair and SEK 325 T to each Board member. To pay fees for the chair and member of the Board's Audit Committee of SEK 50 T each. To pay fees for the auditors in accordance with invoices approved by the company.
- To re-elect 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.
- To adopt the Nomination Committee's proposed principles for appointment of the Nomination Committee for the 2023 AGM.
- To adopt the principles for remuneration to senior executives.
- To approve the long-term incentive program according to the Board of Director's proposal.
- To authorize the Board of Directors to decide on the issue of new Class B shares as proposed by the Board.
- To authorize the Board of Directors to decide on a new share issue.
- To authorize the Board of Directors to decide on the repurchase and transfer of the company's treasury shares as proposed to the AGM.

The AGM's resolutions in their entirety are set out in the full minutes of the AGM, 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 2023 financial year. The attendance of the Board members at these meetings is shown in the following table.

The CEO and CFO attend all Board meetings, except when the Board is addressing topics associated with a conflict of interest, for example adoption of remuneration for the CEO or evaluation of the performance of the CEO. The company's auditors attended one Board meeting in 2023. The meetings have mainly been held at the company's headquarters in Stockholm or digitally.

The Board's work in 2023 followed an annual action plan that is set for each new fiscal year.

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

The Audit Committee consisted of Board members Hans Granberg and Knut Faremo until the 2023 AGM, after which they

**Board members' attendance 2023**

| Board and committees | | | | | Attendance at meetings[1] | |
|---|---|---|---|---|---|---|
| Board members | Year of election | Fees, TSEK | Independent in relation to the company and its management | Independent in relation to the company's major shareholders | Board of Directors (15) | Audit Committee (5) |
| Knut Faremo, chair until June 7, 2023 | 2019 | 305 | Yes | Yes | 8/8 | 3/3 |
| Hans Granberg | 2014 | 375 | Yes | Yes | 14/15 | 3/3 |
| Jenni Virnes | 2016 | 325 | Yes | Yes | 15/15 | |
| Jonas Guldstrand | 2017 | 325 | Yes | Yes | 15/15 | |
| Irene Waldemarson, until June 7, 2023 | 2022 | 142 | Yes | Yes | 7/7 | |
| Bernt Ingman, chair from June 7, 2023 | 2023 | 395 | Yes | Yes | 7/7 | 2/2 |
| Ole Mikael Jensen, from June 7, 2023 | 2023 | 211 | Yes | Yes | 7/7 | 2/2 |
| Torbjörn Möller, from June 7, 2023 | 2023 | 183 | Yes | Yes | 7/7 | |
| Emil Ahlberg, from June 7, 2023 | 2023 | 211 | Yes | Yes | 7/7 | 2/2 |
| **Total fees:** | | **2,472** | | | | |

1) Refers to the period January 1–December 31, 2023. 2) Knut Faremo and Irene Waldermarsson stepped down at the AGM held on June 7, 2023. 3) Bernt Ingman, Ole Mikael Jensen, Torbjörn Möller and Emil Ahlberg were elected at the AGM held on June 7, 2023.

were replaced by Bernt Ingman, Ole Mikael Jensen and Emil Ahlberg. The committee held five meetings, of which the company's auditor participated in three.

For 2023, the work of the Board of Directors has been evaluated by the Board through an online evaluation and individual interviews, 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 has then been used as a basis for the Nomination Committee's proposed 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 its composition is appropriate and features diversity and breadth regarding the members' skills, experience and background.

**Remuneration**

*Board of Directors*

The 2023 AGM resolved in accordance with the proposal from the Nomination Committee on total remuneration to the Board of SEK 2,600 T, of which SEK 650 T will be paid to the chair of the Board and SEK 325 T to each of the other six members.

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

No other remuneration or financial instruments were paid or made available other than pure reimbursement for outlays.

*External auditors*

The 2023 AGM resolved to approve the Nomination Committee's proposal that fees to the auditors be paid in accordance with invoices approved by the company.

*CEO and senior executives*

The 2023 AGM resolved to approve the Board's proposed guidelines regarding remuneration to senior executives. The Board of Directors determines remuneration to the CEO and senior executives.

*Compliance with the Swedish stock exchange rules in 2023*

No violations of applicable stock exchange rules or of good practice on the stock market have been reported regarding Pricer AB by Nasdaq Stockholm's disciplinary committee or the Swedish Securities Council during 2023.

**Nomination Committee 2024**

The Nomination Committee for the 2024 AGM was announced on November 7, 2023, through a press release and on the company's website. The Nomination Committee consists of Göran Sundholm, Giulia Nobili and Marc St John Webb. Giulia Nobill was elected chair of the Nomination Committee. Pricer's Nomination Committee held four 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 Göran Sundholm, who owns 16,559,406 shares in Pricer AB and Giulia Nobil who represents Sterling Strategic Value Fund which owns 16,660,298 shares in Pricer.

The Nomination Committee's proposals will be presented in the notice of meeting and be made available on www.pricer.com.

**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, e-commerce, corporate governance, compliance with rules and provisions, 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 age, nationality, educational background, gender, experience and expertise are represented among the proposed members of the Board.

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

The 2024 AGM resolved in accordance with the Nomination Committee's proposal, which meant that seven members were elected, one woman and six men, with a composition otherwise based on the criteria addressed by the diversity policy.

In the Nomination Committee's work prior to the 2023 AGM, the diversity policy has been applied as described above.

**INTERNAL CONTROL OF 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 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, attest 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 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. Procedures and measures have been designed to manage material risks related to the financial statements as 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 to review the business operations. In addition, persons from the finance function maintain regular contact with the heads of Group companies to discuss current issues, performance and the financial position and follow up that processes are being followed and developed. The Board of Directors monitors the operations through monthly reports from the President regarding business developments, performance and the 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 the budget/forecast and the previous year's outcome.

The Board reviews each interim report and discusses the content with the CFO and, when appropriate, the company's auditor. The company monitors the areas for improvement in its internal control as identified 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. Give the background presented above, the Board of Directors is of the opinion that there is currently no need for such function in the company.

**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 along 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, 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 2023 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.

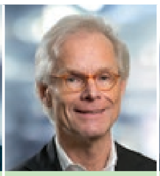
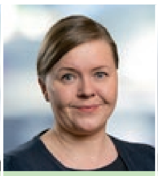
**Opinion**

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 28, 2024
Ernst & Young AB

*Jakob Wojcik*
Authorized Public Accountant

# Board of Directors

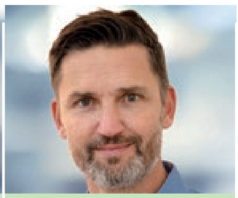
| | **Bernt Ingman** | **Hans Granberg** | **Jenni Virnes** | **Jonas Guldstrand** | **Ole Mikael Jensen** | **Torbjörn Möller** | **Emil Ahlberg** |
|---|---|---|---|---|---|---|---|
| **Role on the Board** | Chair of the Board | Member | Member | Member | Member | Member | Member |
| **Election year** | 2023 | 2014 | 2016 | 2017 | 2023 | 2023 | 2023 |
| **Born** | 1954 | 1953 | 1974 | 1966 | 1969 | 1965 | 1976 |
| **Nationality** | Swedish | Swedish | Finnish | Swedish | Danish | Swedish | Swedish |
| **Education** | Business Studies and Economics, Management training CEDEP/INSEAD, Fontainebleau | High school diploma | MSc. Industrial Engineering and Management | Business Studies and Economics | Business Studies and Economics | Master's degree in electrical engineering from KTH Royal Institute of Technology | M.Sc. from Stanford University, M.Sc. from Chalmers University of Technology, has studied economics at Harvard University |
| **Other assignments** | Chair of TagMaster AB, President of Handelsbanken's local office in Kista. Board member of Embracer Group AB. | Chair of Board of Investment AB Karlsvik. | – | – | CEO and chair of Jensen Investor Partner 3 ApS (Denmark) with subsidiaries. Board member of Montefiorito Srl. Societa' Agricola (Italy). Board chair of X10 Growth Capital ApS (Denmark) and Rico Gruppen Holding AS (Norway) with subsidiaries. | Co-founder & COO of CPARTA Cyber Defense AB. | CEO and founder of PLUS Asset Management with the index fund business PLUSfonder. |
| **Previous assignments** | Many years of experience from various positions within Finance at international industrial and technology companies. Former CFO at listed companies such as Husqvarna, Munters, Gunnebo, Doro and Alimak. More than 25 years of extensive experience as Board chair and Board member in listed and private companies, e.g., Micro Systemation AB, TagMaster AB and Beijer Ref AB. Board member of Pricer AB 2014–2020 and Board chair 2017–2020. | Extensive experience as a sole-proprietor and investor in industrial and technology companies, primarily through the company Investment AB Karlsvik. Previously various Board roles at Gema Industri AB, among others, and as the head of sales at the KGK Group. | Extensive experience as an advisor for start-up companies, strategy, business models and marketing strategies. Former 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 Board chair of Intersport Sverige Holding AB. | Internationally leading positions and 25 years of experience in the global construction and building materials industry, mainly NCC, Stark Group and Wolseley plc (today Ferguson plc) where he was part of the management team. In recent years, he has been an advisor to private equity companies, investment funds and banks around the world. He has also been chair of and an investor in a number of small and medium-sized companies. | Extensive experience in various COO positions within corporate management, product development and supply chain management in companies such as Cparta Cyber Defense, Tobii Technology AB, EA DICE and Pricer AB where he was Group Chief Operations Officer and member of executive management 2015–2018. | Extensive experience from entrepreneurship, Board work and investment activities from various positions within, among others, Investor AB, Provider Venture Partners and Grönklittsgruppen. |
| **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. | 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)** | 147,000 Class B | 2,909,934 B shares and 1,789 A shares | – | 88,113 Class B shares | – | 1,432 Class B shares | 367,285 Class B shares |

The information regarding Board assignments refers to December 31, 2023 and holdings of shares refers to March 18, 2024.

# Executive Management




| | Magnus Larsson | Claes Wentzel | Chris Chalkitis | Jörgen Jost auf der Stroth |
|---|---|---|---|---|
| **Position** | President and CEO | Acting CFO | Chief Digital Officer | Vice President Operations |
| **Employed since** | 2019, Acting President February–December 2022 | 2024 | 2019 | 2018 |
| **Born** | 1970 | 1962 | 1969 | 1964 |
| **Nationality** | Swedish | Swedish | Swedish | Swedish |
| **Education** | Electrical engineer | Business Studies and Economics | Certified Engineer | Master's in Electrical Engineering |
| **Previous assignments** | More than 20 years of international experience in a number of management positions within sales and other forms of service operations, primarily within the telecom industry. Previous employees include Edgeware, Nokia Siemens Networks, Nokia and Sonera. | CFO Newsec AB, Resurs Holding AB (publ.), Starbreeze AB (publ.) and Catena Media PLC, as well as acting CFO Pricer AB (publ.). | A number of key roles in the communication, data and electronics industry in both product development and end-to-end service development in various technological areas for companies such as Vireone AB (founder and President), Apsis, Com Hem, Tele 2 and Ericsson. Various roles at Pricer since 2019. | 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. |
| **Other assignments** | – | Board chair of Sozap AB (publ.), Board member WenCon AB and Wenthzel Holding AB. | – | – |
| **Shareholding (own and closely related persons)** | 27,220 Class B shares | 200,000 Class B shares | 20,000 Class B shares | 76,500 Class B shares |

| | Mats Arnehall | Finn Wikander |
|---|---|---|
| **Position** | Chief Commercial Officer | Chief Product Officer |
| **Employed since** | 2013 | 2023 |
| **Born** | 1965 | 1975 |
| **Nationality** | Swedish | Swedish |
| **Education** | High school diploma, Internal trainee program | International Master's of Economics |
| **Previous assignments** | More than 25 years of international experience from management positions in sales management and business development within high-performance retail trade organizations (Coop Sverige, Coca-Cola Company and HL Display). Area Sales Director Nordics, Baltics, Asia at Pricer 2013–2022. | Chief Product Officer, Clear Channel Scandinavia (2012–2023); President, Nova/Agentum; Customer Marketing Manager, Philips Consumer Lifestyle; Product Marketing Manager, Apple; Key Account Manager, Silicon Graphics. |
| **Other assignments** | – | – |
| **Shareholding (own and closely related persons)** | 40,200 Class B shares | – |

Former CFO Susanna Zethelius left the company in February 2024. The information regarding holdings of shares refers to March 18, 2024.

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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 E.S.L. Israel Ltd. (Israel), Pricer GmbH (Germany), Pricer Etiquetas Electronicas de Mexico S.A. de C.V. (Mexico) and Pricer Holding AB (Sweden). Pricer Holding AB in turn owns Pricer S.A.S. (France), Pricer Inc. (USA), Pricer Italy Srl (Italy), Pricer Iberia SL (Spain) and Pricer UK&I Ltd (England) as well as a small number of essentially dormant companies. Pricer AB also has branch offices registered in Hong Kong and Taiwan.

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

Store digitalization is here to stay, and the retail sector is increasingly investing in technology to address changed consumer expectations on the shopping experience, streamline work in the store, and increase sales. The market potential and demand for digital solutions for automation and communication in stores therefore continues to be very large.

## The year in review

The cloud-based platform Pricer Plaza forms the basis of the of Pricer's offering and was further developed during the year to meet customer needs. During the year, the thin and and robust label HangTAG, which is aimed at the building materials trade, an industry where interest in digital solutions with electronic shelf labels is increasing. The label has been extremely well received, as has the previously launched new generation of labels, SmartTAG Color. The great interest that has been noted previously accelerated during the year with new customers as a result.

The geographical spread of sales is large and Pricer has a broad, stable and growing customer base without dependence on individual large customers. During the year, Pricer received renewed confidence from existing customers such as Carrefour, and new customers such as the Finnish co-operative retail chain co-operative retail chain S Group. In December 2023, Pricer launched a restructuring programme aimed at saving SEK 50 million per year. The result will be charged with SEK 18 M in 2023 as a result of this programme.

*Order intake*

Order intake amounted to SEK 2,573 M (2,325), an increase of 11 percent compared to the same period last year. Canada, France and Italy are 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 2023 amounted to SEK 394 M (493), of which the majority is expected to be delivered in Q1 2024.

*Net sales*

Net sales amounted to SEK 2,681.2 M (2,267.8), an increase of 18.2 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 France, Canada and Italy.

*Gross profit*

Gross profit amounted to SEK 454.6 M (375.0), and the gross margin amounted to 17.0 percent (16.5). The gross margin is positively affected by, among other things, declining component prices, new suppliers, an increased degree of recurring revenue and increased customer prices. This is somewhat offset by the customer mix and impairment of of inventory.

*Operating profit*

Operating expenses increased to SEK –444.8 M (–362.8), an increase of 22.6 percent compared to the same period last year. The increase is driven in part by an increase in the number of employees and costs that are non-recurring in nature for, among other things, the implementation of strategic initiatives taken by the company to improve profitability and growth in the long run. Other income and expenses amounted to SEK 5.6 M (8.9) and consisted of the net effect of realized and unrealized currency revaluations of trade receivables and trade payables.

Operating profit amounted to SEK 15.4 M (21.1), which corresponds to an operating margin of 0.6 percent (0.9). An increase in operating costs resulted in a decrease in both the operating profit and the operating margin.

*Financial items*
Financial items had a negative impact on the full year and amounted to SEK –56.2 M (–16.7), which related to interest expenses for the loan from Ture Invest, negative translation effects on foreign currency accounts and interest expenses for lease liabilities.

*Income tax*
Tax amounted to SEK –7.5 M (0.4), of which SEK 0 M (5.9) refers to deferred tax and SEK –7.5 M (–5.6) to current tax. The current tax rate amounted to 18 percent (–126), and the reported total tax rate amounted to 18 percent (9). A deferred tax asset is reported for all of the Parent Company's tax loss carry forwards as of year-end 2020.

*Net profit for the year*
Net profit for the year was SEK –48.3 M (4.8). The decrease compared to last year can be attributable to a decrease in operating profit.

**Assets and working capital**
Total assets at year-end amounted to SEK 2,008.1 M (2,037.2) and consisted among other things of intangible assets of SEK 398.3 M (396.6), most of which are attributable to the acquisition of Eldat in 2006 and the related goodwill totaling SEK 280.0 M (280.8). 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 316,2 M (238.4).

**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 lies with the Parent Company in Sweden.

| | Group | |
|---|---|---|
| **SEK M** | **2023** | **2022** |
| Net sales | 2,681.2 | 2,267.8 |
| Cost of goods sold | –2,226.5 | –1,892.8 |
| **Gross profit** | **454.6** | **375.0** |
| **Gross margin, percent** | **17.0%** | **16.5%** |
| Operating expenses | –444.8 | –362.8 |
| Other income and expenses | 5.6 | 8.9 |
| **Operating profit** | **15.4** | **21.1** |
| **Operating margin, percent** | **0.6%** | **0.9%** |

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 –65.5 M (–51.9), corresponding to 15 percent (14) of total operating expenses and 2 percent (2) of net sales. In addition, SEK 47.8 M (55.4) 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 –116.0 M (282.7) for the period. The change in working capital had a negative impact on cash flow from operating activities of SEK –160.4 M (184.6), primarily due to normalized payment terms to suppliers.

Cash flow from investing activities amounted to SEK –90.8 M (–87.7) during the period and consisted primarily of capitalized development expenditure of SEK –47.8 M (–55.4) and investments in property, plant and equipment of SEK –43.0 M (–32.4) attributable to production equipment and investments in increased production capacity.

Cash flow from financing activities amounted to SEK 251.0 M (3.8) during the period and referred to the new issue of SEK 300.9 M (0), dividend of SEK 0 M (–110.3), amortization of lease liabilities of SEK –14.2 M (–13.5), allocation of treasury shares of SEK 0.5 M (0.4), non-current liabilities of SEK –5.9 M (240), factoring expenses of SEK –10.0 M (–1.2) and a change in utilized bank facilities of SEK 0 M (–111.5).

Exchange rate differences in cash and cash equivalents amounted to SEK –6.2 M (2.1) due to positive translation effects on currency accounts.

Cash and cash equivalents amounted to SEK 255.6 M (217.5) on December 31, 2023. And interest-bearing loans of SEK 250 M (250).

**Parent Company**

The Parent Company's net sales amounted to SEK 2,304.2 M (1,908.4), and the profit/loss for the year amounted to SEK –63.7 M (–33.3). The Parent Company's cash and cash equivalents amounted to SEK 168.8 M (186.4) at the end of the period.

**Employees**

There were 206 employees (188) on average during the year. The number of employees at year-end was 221 (193). Including hired staff and consultants, the number was 236 (209). The organization was strengthened in several areas, such as product development and business development, service deliveries, and sales. Pricer established a presence on new markets and strengthened its presence in a number of geographic regions with the aim of handling both the increase in demand and services related to 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 2023 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. However, 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 2020 performance-based share plan, 20,000 Class B shares were transferred free of charge in June 2023 to the participants. Due to the fulfillment of the performance share plan, Pricer decreased its treasury shares by 20,000 Class B shares.

Pricer's holdings of treasury shares amounted on December 31, 2023, to 599,134 (619,134) Class B shares. These shares are held to be able to meet obligations on matching and performance shares under the outstanding performance share plans.

For more information about the performance share plans, please refer to Note 4 of the annual report. More information about the Pricer share can be found on pages 6–7.

**The Board of Directors' proposed guidelines for remuneration to senior executives**

These guidelines apply to the CEO, the working chair of the Board, and 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 2023 AGM.

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

The proposed guidelines submitted to the 2024 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 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 should not qualify for pension benefits. Variable cash remuneration should 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 the focus to 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 must 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 should 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, will prepare, monitor and evaluate matters pertaining to variable cash remuneration. After the measurement period for the targets for awarding variable cash remuneration has ended, a determination is made to which extent these targets have been satisfied. Evaluation regarding fulfillment of financial targets should be based on established financial information for the relevant period. Remuneration to the CEO and other senior executives will 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 has ended or following a period of deferment. The Board of Directors will be able to reclaim in whole or in part, under applicable law or contractual provisions, variable remuneration paid on incorrect grounds.

*Employment term and termination of employment*
Senior executives must be permanently employed. Severance pay and fixed salary during the notice period may not exceed an amount corresponding to twelve months' fixed salary for the President and other senior executives. For resignation at the request of a senior executive, the notice period is six months and there is no right to severance pay.

However, remuneration may be paid for non-compete undertakings. Such remuneration should compensate for any loss of income and 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*
During preparation of the Board of Directors' proposals 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 Remuneration 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 remuneration 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' discussions 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.

**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**
Pricer appoints Claes Wenthzel as acting CFO as of February 12. Furthermore, Pricer has signed a framework agreement with the British outdoor chain O&CC and the premium delicatessen chain Prezzemollo & Vitale (P&V) who have chosen Pricer as their provider for automation and communication in stores and digital labels.

**Outlook**
The retail trade is facing macroeconomic challenges such as historically high and persistent inflation as well as a labor shortage and expensive labor. This makes retailers more likely to invest in digitalization, such as solutions based on electronic labels for automation and communication in stores, with the aim of optimizing operations, strengthening the customer experience, and increasing cost efficiency and productivity.

In addition to this, there are a number of other factors that indicate good future development for Pricer. The company's long-term and continuous product development have given the company a technical platform that is the market's most efficient and high-performing system. The company's market presence, directly or indirectly via various partners, enables excellent customer and market knowledge.

Since Pricer's solution addresses more store processes than just price updates, the investment calculation has also changed fundamentally. This is predicted to open up both new geographical markets and new market segments and thereby expand the addressable total market.

Pricer is carefully following the global uncertainty as a result of the war in Ukraine and the conflict in Israel. However, Pricer has very limited exposure to affected markets and is experiencing a limited impact on its operations. The company is also following the uncertainties in the Red Sea.

**Forecast**

No forecast is issued for the 2024 financial year.

**Dividend Policy**

The Board of Pricer intends to reinvest the company's generated cash flow in growth initiatives and therefore does not intend to propose any dividend in the short or medium term.

**Proposed appropriation of profits**

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

| | |
|---|---|
| Share premium reserve | 192,646,361 |
| Retained earnings | –86,069,678 |
| Net profit for the year | –63,698,035 |
| **Total** | **42,878,648** |

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

| | |
|---|---|
| Carried forward to new account | 42,878,648 |
| **Total** | **42,878,648** |

**Amounts and dates**

All amounts are presented in Swedish kronor (SEK). SEK thousand is abbreviated as SEK T, and SEK million is abbreviated as SEK M. The period referred to is January 1–December 31 for income statement-related items and December 31 for balance sheet-related items. Rounding-off differences may arise.

### 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 risks 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 shortcomings 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. With regard to the situation in Russia and Ukraine, Pricer has a very limited exposure to the affected markets and sees no direct impact on the business | The company divides its production between a number of suppliers to create a flexible production solution. The company also uses standard components as much as possible. The company has maintained in 2023 its strategy to hold inventory to secure deliveries to customers. |
| 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 systems 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. With regard to information security, Pricer became ISO 27001 certified in 2021. An ISO audit was performed in 2023. Pricer regularly reviews what can be done to further mitigate its risks by utilizing new technologies to more effectively prevent virus attacks and intrusions and provide training for employees. |
| **MARKET RISKS** | | |
| Competition | 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. |
| 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 risks of impairment of capitalized development expenditure 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 monitors 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. The company also has the option of currency hedging if necessary. |
| 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. | The company's financial policy requires the company has a low risk profile and for financial investments to have a maximum maturity of one year. |
| Credit/ Counterparty risk | This risk entails 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. Pricer also cooperates with factoring partners, which further reduces credit risk. |
| 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. | During the year, Pricer met the criteria regarding a new issue specified in connection with the loan from Ture Invest in December 2022. This means equity was strengthened by SEK 281 M. The company also has overdraft facilities of SEK 48 M. |

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

# Consolidated Income Statement

| Amounts in TSEK | Note | 2023 | 2022 |
|---|---|---|---|
| Net sales | 2 | 2,681,153 | 2,267,787 |
| Cost of goods sold | | –2,226,522 | –1,892,779 |
| **Gross profit** | | **454,631** | **375,008** |
| | | | |
| Selling expenses | | –216,937 | –203,094 |
| Administrative expenses | | –162,400 | –107,792 |
| Research and development costs | | –65,500 | –51,923 |
| Other income | 20 | 14,205 | 76,713 |
| Other expenses | 20 | –8,629 | –67,821 |
| **Operating profit** | 4, 5, 6, 21 | **15,370** | **21,091** |
| | | | |
| Financial income | | –2,055 | 2,062 |
| Financial expenses | | –54,120 | –18,735 |
| **Financial items** | 7 | **–56,175** | **–16,673** |
| | | | |
| **Profit/loss before tax** | | **–40,805** | **4,418** |
| | | | |
| Income tax | 8 | –7,455 | 380 |
| **Net profit for the year** | | **–48,260** | **4,798** |
| | | | |
| **Net profit for the year attributable to:** | | | |
| Owners of the Parent Company | | –48,260 | 4,798 |
| | | | |
| **Earnings per share** | 16 | | |
| Earnings per share, basic, SEK | | –0.35 | 0.04 |
| Earnings per share, diluted, SEK | | –0.35 | 0.04 |

# Consolidated Statement of Comprehensive Income

| Amounts in TSEK | 2023 | 2022 |
|---|---|---|
| **Net profit for the year** | **–48,260** | **4,798** |
| *Items that are or may be reclassified to profit or loss for the year* | | |
| Exchange rate differences when translating foreign operations | –7,837 | 41,423 |
| **Other comprehensive income** | **–7,837** | **41,423** |
| **Comprehensive income for the year** | **–56,097** | **46,221** |
| | | |
| **Net comprehensive income for the year attributable to:** | | |
| Owners of the Parent Company | –56,097 | 46,221 |

# Consolidated Balance Sheet

| Amounts in TSEK | Note | 2023 | 2022 |
|---|---|---|---|
| **ASSETS** | 1 | | |
| Intangible assets | 9 | 398,278 | 396,606 |
| Property, plant and equipment | 10 | 90,614 | 62,578 |
| Right-of-use asset | 21 | 18,104 | 26,407 |
| Deferred tax assets | 8 | 67,025 | 67,464 |
| **Total non-current assets** | | **574,021** | **553,055** |
| Inventories | 13 | 653,601 | 670,255 |
| Trade receivables | 20 | 287,278 | 302,952 |
| Prepaid expenses and accrued income | 14 | 26,763 | 15,144 |
| Other current receivables | 12 | 210,870 | 278,353 |
| Cash and cash equivalents | 25 | 255,558 | 217,476 |
| **Total current assets** | | **1,434,070** | **1,484,180** |
| **TOTAL ASSETS** | | **2,008,091** | **2,037,235** |
| **EQUITY AND LIABILITIES** | 1 | | |
| **EQUITY** | 15 | | |
| Share capital | | 163,965 | 110,972 |
| Other capital contributions | | 617,891 | 389,813 |
| Reserves | | 61,069 | 68,906 |
| Accumulated profits including profit for the year | | 114,251 | 162,511 |
| **Shareholder's equity attributable to the Parent Company's shareholders** | | **957,176** | **732,202** |
| **LIABILITIES** | | | |
| Provisions | 17 | 48,008 | 22,468 |
| Non-current liabilities | 20 | 240,134 | 239,956 |
| Non-current lease liabilities | 21 | 9,858 | 14,251 |
| **Total non-current liabilities** | | **298,000** | **276,675** |
| Advances from customers | | 7,743 | 25,307 |
| Trade payables | 20 | 588,214 | 842,100 |
| Current lease liabilities | 21 | 9,258 | 13,848 |
| Other current liabilities | 18 | 41,934 | 42,046 |
| Accrued expenses and deferred income | 19 | 84,220 | 83,055 |
| Provisions | 17 | 21,546 | 22,002 |
| **Total current liabilities** | | **752,915** | **1,028,358** |
| **Total liabilities** | | **1,050,915** | **1,305,033** |
| **TOTAL EQUITY AND LIABILITIES** | | **2,008,091** | **2,037,235** |

# 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 1/1/2022** | | **110,972** | **390,377** | **27,483** | **268,037** | **796,869** |
| **Net profit for the year** | | | | | **4,798** | **4,798** |
| *Other comprehensive income, items that may be reclassified to profit and loss:* | | | | | | |
| Exchange rate differences when translating foreign operations | | | | 41,423 | | 41,423 |
| **Other comprehensive income** | | | | **41,423** | | **41,423** |
| **Comprehensive income for the year** | | | | **41,423** | **4,798** | **46,221** |
| Decrease in treasury shares | | | 377 | | | 377 |
| Dividend | | | | | –110,324 | –110,324 |
| Share-based payments, equity-settled | | | –941 | | | –941 |
| *Total transactions with owners of the Group* | | | *–564* | | *–110,324* | *–110,888* |
| **Equity at end of period 12/31/2022** | 15 | **110,972** | **389,813** | **68,906** | **162,511** | **732,202** |
| | | | | | | |
| **Equity at start of period 1/1/2023** | | **110,972** | **389,813** | **68,906** | **162,511** | **732,202** |
| **Net profit for the year** | | | | | **–48,260** | **–48,260** |
| *Other comprehensive income, items that may be reclassified to profit and loss:* | | | | | | |
| Exchange rate differences when translating foreign operations | | | | –7,837 | | –7,837 |
| **Other comprehensive income** | | | | **–7,837** | | **–7,837** |
| **Comprehensive income for the year** | | | | **–7,837** | **–48,260** | **–56,097** |
| Decrease in treasury shares | | | 509 | | | 509 |
| New issue | | 52,993 | 227,582 | | | 280,575 |
| Share-based payments, equity-settled | | | –13 | | | –13 |
| *Total transactions with owners of the Group* | | *52,993* | *228,078* | | | *281,071* |
| **Equity at end of period 12/31/2023** | 15 | **163,965** | **617,891** | **61,069** | **114,251** | **957,176** |

# Consolidated Cash Flow Statement

| Amounts in TSEK | Note | 2023 | 2022 |
|---|---|---|---|
| | 25 | | |
| **Operating activities** | | | |
| Operating profit | | 15,370 | 21,091 |
| Adjustments for non-cash items | | 72,034 | 98,484 |
| Interest received | | 3,480 | 878 |
| Interest paid | | –38,038 | –17,556 |
| Income tax paid | | –8,409 | –4,762 |
| **Cash flow from operating activities before changes in working capital** | | **44,437** | **98,135** |
| | | | |
| **Changes in working capital** | | | |
| Increase(–)/decrease(+) inventories | | 9,573 | –465 |
| Increase(–)/decrease(+) trade receivables | | 4,790 | 61,602 |
| Increase(–)/decrease(+) other current receivables | | 68,247 | –55,985 |
| Increase(+)/decrease(–) trade payables | | –241,110 | 170,505 |
| Increase(+)/decrease(–) other current liabilities | | –1,904 | 8,922 |
| **Cash flow from changes in working capital** | | **–160,404** | **184,579** |
| **Cash flow from operating activities** | | **–115,967** | **282,714** |
| | | | |
| **Investing activities** | | | |
| Acquisition of intangible fixed assets | | –47,793 | –55,358 |
| Acquisition of property, plant and equipment | | –43,012 | –32,386 |
| **Cash flow from investing activities** | | **–90,805** | **–87,744** |
| | | | |
| **Cash flow from financing activities** | | | |
| Amortization of lease liabilities | | –14,229 | –13,456 |
| Non-current liabilities | | –5,881 | 239,957 |
| Factoring expenses | | –9,975 | –1,171 |
| Dividend paid | | – | –110,323 |
| New issue | | 300,939 | – |
| Transaction costs | | –20,354 | – |
| Decrease in treasury shares | | 509 | 377 |
| Net change overdraft facilities | | – | –111,544 |
| **Cash flow from financing activities** | | **251,009** | **3,840** |
| | | | |
| **Cash flow for the year** | | **44,237** | **198,810** |
| Cash and cash equivalents at beginning of year | | 217,476 | 16,547 |
| Exchange rate differences in cash and cash equivalents | | –6,155 | 2,118 |
| **Cash and cash equivalents at end of year** | | **255,558** | **217,476** |

# Parent Company Income Statement

| Amounts in TSEK | Note | 2023 | 2022 |
|---|---|---|---|
| Net sales | 2 | 2,304,229 | 1,908,433 |
| Cost of goods sold | | –2,084,666 | –1,726,551 |
| **Gross profit** | | **219,562** | **181,882** |
| | | | |
| Selling expenses | | –51,186 | –89,794 |
| Administrative expenses | | –50,900 | –74,207 |
| Research and development costs | | –26,100 | –51,923 |
| Other income and expenses | 20 | –114,391 | 8,746 |
| **Operating profit** | 4, 5, 21 | **–23,015** | **–25,296** |
| | | | |
| *Result from financial items:* | 7 | | |
| Result from participations in Group companies | | – | –4,036 |
| Interest income and similar profit/loss items | | –1,697 | 2,367 |
| Interest expenses and similar profit/loss items | | –38,367 | –10,907 |
| **Profit/loss before tax** | | **–63,076** | **–37,872** |
| | | | |
| Income tax | 8 | –622 | 4,523 |
| **Net profit for the year** | | **–63,698** | **–33,349** |

# Parent Company Statement of Comprehensive Income

| Amounts in TSEK | 2023 | 2022 |
|---|---|---|
| **Net profit for the year** | **–63,698** | **–33,349** |
| *Items that are or may be reclassified to profit or loss for the year* | | |
| **Other comprehensive income** | | |
| **Comprehensive income for the year** | **–63,698** | **–33,349** |

# Parent Company Balance Sheet

| Amounts in TSEK | Note | 2023 | 2022 |
|---|---|---|---|
| **ASSETS** | 1 | | |
| **Non-current assets** | | | |
| Intangible assets | 9 | 118,244 | 115,729 |
| Property, plant and equipment | 10 | 87,277 | 58,888 |
| | | | |
| *Financial assets* | | | |
| Participations in group companies | 24 | 10,469 | 180,136 |
| Deferred tax asset | 8 | 65,369 | 65,754 |
| *Total financial assets* | | *75,838* | *245,890* |
| **Total non-current assets** | | **281,359** | **420,507** |
| | | | |
| **Current assets** | | | |
| Inventories, etc. | 13 | 463,821 | 480,028 |
| | | | |
| *Current receivables* | | | |
| Trade receivables | 20 | 111,371 | 95,305 |
| Receivables from Group companies | 11 | 166,703 | 177,476 |
| Other current receivables | 12 | 172,955 | 259,436 |
| Prepaid expenses and accrued income | 14 | 15,338 | 11,381 |
| **Total current receivables** | | **466,367** | **543,598** |
| | | | |
| *Non-current receivables* | | | |
| Receivables from Group companies | 11 | 186,006 | 14,580 |
| **Total non-current receivables** | | **186,006** | **14,580** |
| | | | |
| Cash and bank balances | 25 | 168,787 | 186,351 |
| **Total current assets** | | **1,284,981** | **1,219,852** |
| **TOTAL ASSETS** | | **1,566,340** | **1,645,064** |

| Amounts in TSEK | Note | 2023 | 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | 1 | | |
| **Shareholders' equity** | 15 | | |
| *Restricted equity* | | | |
| Share capital | | 163,965 | 110,972 |
| Statutory reserve | | 104,841 | 104,841 |
| Legal reserve for internally generated development expenditure | | 132,629 | 133,597 |
| Total restricted equity | | 401,435 | 349,410 |
| *Non-restricted equity* | | | |
| Share premium reserve | | 193,065 | 192,847 |
| Retained earnings | | 141,500 | –53,689 |
| Net profit for the year | | –63,698 | –33,349 |
| Total non-restricted equity | | 270,867 | 105,809 |
| **Total equity** | | **672,302** | **455,219** |
| | | | |
| **PROVISIONS** | | | |
| Provisions | 17 | 38,085 | 34,077 |
| **Total provisions** | | **38,085** | **34,077** |
| | | | |
| **NON-CURRENT LIABILITIES** | | | |
| Non-current liabilities | 20 | 240,134 | 239,957 |
| Non-current liabilities to group companies | 11 | 100 | 100 |
| **Total non-current liabilities** | | **240,234** | **240,057** |
| | | | |
| **CURRENT LIABILITIES** | | | |
| Advances from customers | | 71 | 21 |
| Trade payables | 20 | 570,718 | 829,149 |
| Liabilities to Group companies | 11 | 22,414 | 43,388 |
| Other current liabilities | 18 | 4,571 | 4,916 |
| Accrued expenses and deferred income | 19 | 17,945 | 38,237 |
| **Total current liabilities** | | **615,719** | **915,711** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,566,340** | **1,645,064** |

# Parent Company Statement of Changes in Equity

| | | Restricted equity | | | Non-restricted equity | | | |
|---|---|---|---|---|---|---|---|---|
| **Amounts in TSEK** | **Note** | **Share capital** | **Statutory reserve** | **Legal reserve for internally generated development expenditure** | **Share premium reserve** | **Reserves** | **Retained earnings incl. profit for the year** | **Total** |
| **Equity at start of period 1/1/2022** | | **110,972** | **104,841** | **97,640** | **193,411** | **–** | **92,621** | **599,485** |
| **Net profit for the year** | | | | | | | **–33,349** | **–33,349** |
| *Other comprehensive income, items that may be reclassified to profit and loss:* | | | | | | | | |
| **Other comprehensive income** | | | | | | | | |
| **Comprehensive income for the year** | | | | | | | **–33,349** | **–33,349** |
| Legal reserve for internally generated development expenditure | | | | 35,957 | | | –35,957 | – |
| Decrease in treasury shares | | | | | 377 | | | 377 |
| Dividend | | | | | | | –110,324 | –110,324 |
| Share-based payments, equity-settled | | | | | –941 | | –29 | –970 |
| *Total transactions with owners of the Parent Company* | | | | *35,957* | *–564* | | *–179,659* | *–144,266* |
| **Equity at end of period 12/31/2022** | 15 | **110,972** | **104,841** | **133,597** | **192,847** | **–** | **–87,038** | **455,219** |
| | | | | | | | | |
| **Equity at start of period 1/1/2023** | | **110,972** | **104,841** | **135 597** | **192,847** | **–** | **–87,038** | **455,219** |
| **Net profit for the year** | | | | | | | **–63,698** | **–63,698** |
| *Other comprehensive income, items that may be reclassified to profit and loss:* | | | | | | | | |
| **Other comprehensive income** | | | | | | | | |
| **Comprehensive income for the year** | | | | | | | **–63,698** | **–63,698** |
| Legal reserve for internally generated development expenditure | | | | –968 | | | 968 | – |
| Decrease in treasury shares | | | | | 464 | | | 464 |
| New issue | | 52,993 | | | | | 227,582 | 280,575 |
| Share-based payments, equity-settled | | | | | –246 | | –12 | –257 |
| *Total transactions with owners of the Parent Company* | | *52,993* | | *–968* | | | | |
| **Equity at end of period 12/31/2023** | 15 | **163,965** | **104,841** | **132,629** | **193,065** | **–** | **77,802** | **672,302** |

# Parent Company Cash Flow Statement

| Amounts in TSEK | Note | 2023 | 2022 |
|---|---|---|---|
| | 25 | | |
| **Operating activities** | | | |
| Operating profit | | –23,015 | –25,297 |
| Adjustments for non-cash items | | 70,122 | 82,803 |
| Interest received | | 3,843 | 1,183 |
| Interest paid | | –29,619 | –9,736 |
| Income tax paid | | –658 | 186 |
| **Cash flow from operating activities before changes in working capital** | | **20,673** | **49,139** |
| | | | |
| **Changes in working capital** | | | |
| Increase(–)/decrease(+) inventories | | 14,940 | –99,280 |
| Increase(–)/decrease(+) trade receivables | | –60,439 | 11,329 |
| Increase(–)/decrease(+) other current receivables | | 336,088 | 95,702 |
| Increase(–)/decrease(+) trade payables | | –271,059 | 169,563 |
| Increase(–)/decrease(+) other current liabilities | | –53,287 | 21,546 |
| **Cash flow from changes in working capital** | | **–33,757** | **198,860** |
| **Cash flow from operating activities** | | **–13,084** | **247,999** |
| | | | |
| **Investing activities** | | | |
| Acquisition of intangible fixed assets | | –47,784 | –55,360 |
| Acquisition of property, plant and equipment | | –42,109 | –31,547 |
| Increase (–)/decrease(+) in non-current receivables from Group companies | | –181,396 | 7,098 |
| **Cash flow from investing activities** | | **–271,289** | **–79,809** |
| | | | |
| **Financing activities** | | | |
| Non-current liabilities | | –5,881 | 239,957 |
| Factoring expenses | | –2,690 | –1,171 |
| Dividend paid | | – | –110,353 |
| New issue | | 300,939 | – |
| Transaction costs new issue | | –20,354 | – |
| Decrease in treasury shares | | 464 | 377 |
| Repurchase of own shares | | – | – |
| Net change overdraft facilities | | – | –111,544 |
| **Cash flow from financing activities** | | **272,478** | **17,266** |
| | | | |
| **Cash flow for the year** | | **–11,895** | **185,456** |
| Cash and cash equivalents at beginning of year | | 186,351 | 483 |
| Exchange rate differences in cash and cash equivalents | | –5,669 | 412 |
| **Cash and cash equivalents at end of year** | | **168,787** | **186,351** |

# Notes to the financial statements

(Amounts in TSEK unless otherwise stated.)

## NOTE 1 GENERAL ACCOUNTING PRINCIPLES

### CORPORATE INFORMATION

The annual report and consolidated financial statements for 2023 were approved for publication by the Board of Directors on March 27, 2024, and were put before the Annual General Meeting for adoption on May 7, 2024.

Pricer AB (publ) is a Swedish-registered public limited company domiciled in Stockholm, Sweden. The company's Class B share is quoted on the Mid Cap segment of Nasdaq Stockholm.

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 *Swedish 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 is 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 Swedish 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 the 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 a description of applied accounting policies and disclosures is provided in the notes.

### NEW OR AMENDED ACCOUNTING STANDARDS IN 2023

A number of changed accounting standards published by the IASB entered into force in 2023. Pricer AB applies these changes, none of which had any material impact on the consolidated financial statements and are therefore not commented on.

### NEW OR AMENDED ACCOUNTING STANDARDS AFTER 2023

A number of new and amended accounting standards have not yet entered into force and have not been applied in advance in the preparation of the consolidated and parent company financial statements. The Group intends to comply with these new and amended standards when they enter into force. These new standards and amendments to standards published by the IASB are not expected to have any impact on the consolidated or parent company 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 entails 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 upon translation are recognized in profit/loss for the year. 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 at the exchange rates 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 upon translation of foreign operations are recognized in other comprehensive income and accumulated in a separate component under equity, Exchange rate differences when translating foreign operations.

*Net investments in foreign operations*

Monetary non-current receivables from a foreign operation for which settlement is not planned or 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, called exchange differences on translation of foreign operations. translation of foreign operations. When a foreign operation is disposed of, the cumulative amount of the exchange rate differences attributable to monetary non-current receivables is included in the accumulated translation differences that are reclassified from the translation reserve under equity to profit/loss for the year.

### 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.

The Parent Company makes provisions for capitalized development expenditure for software/computer programs to Reserve for capitalized development expenditure under 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.

The parent company does not apply IFRS 9 Financial Instruments, valuation is instead based on the acquisition value of financial assets and financial liabilities.

### SIGNIFICANT ESTIMATES AND ASSUMPTIONS

When preparing financial statements in accordance with IFRS, management is required to make certain estimates and assumptions on an ongoing basis that affect the reported amounts of assets, liabilities, income and expenses. Actual outcomes may differ from these 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 operates, 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 recovered through future taxable income within the foreseeable forecast period.

#### 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
which can influence the assets' value.

#### Valuation of inventories

When measuring the value of inventories, the company makes assessments regarding the net realizable value, which can affect the carrying amount. The valuation includes an estimate of the obsolescence risk on inventory, which is calculated using the turnover rate of inventory products.

#### Warranty obligations

Pricer markets its products with product warranties that 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.

### 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. Revenue is recognized at the fair value of the consideration received, or is expected to be received, with a deduction for granted discounts.

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 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 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, installation and support services are obtained mainly through service contracts at a fixed price and are recognized on a straight-line basis over the term of the contract.

**Revenue from licensees**

License income is reported continuously over the term of the agreement.

**BREAKDOWN OF REVENUE**

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| *Net sales:* | | | | |
| Revenue from goods and licenses at a specific point in time | 2,463,803 | 2,151,993 | 2,271,236 | 1,896,842 |
| *Revenue over time:* | | | | |
| Revenue from licensees<br>Revenue from services | 217,350 | 115,794 | 32,993 | 11,591 |
| **Total** | **2,681,153** | **2,267,787** | **2,304,229** | **1,908,433** |

## 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 president to assess the performance and make decisions about the allocation of resources 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 has been sold to customers in more than 70 countries worldwide. Customer activities are to a large extent directed toward 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 | |
|---|---|---|
| | **2023** | **2022** |
| Europe, Middle East & Africa | 1,631,956 | 1,240,732 |
| Americas | 789,774 | 931,248 |
| Asia & Pacific | 259,423 | 95,807 |
| **Total** | **2,681,153** | **2,267,787** |

**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 | |
|---|---|---|
| | **2023** | **2022** |
| Sweden | 56,274 | 117,339 |
| Canada | 670,203 | 837,006 |
| France | 1,051,289 | 522,573 |
| Italy | 189,303 | 138,350 |
| Netherlands | 46,032 | 119,206 |
| Norway | 109,487 | 116,145 |
| Bulgaria | 66,486 | 54,927 |
| Other countries | 492,079 | 598,786 |
| **Total** | **2,681,153** | **2,267,787** |

Of Pricer's total net sales in 2023, 1 (1) customer accounts for more than 10 percent. Sales to this customer amount to SEK 428 M (663), which corresponds 16 (29) percent of net sales.

**NON-CURRENT ASSETS BY COUNTRY**

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| Sweden | 7,210 | 11,307 |
| China | 28,362 | 26,601 |
| France | 6,851 | 13,676 |
| Germany | 54,911 | 29,120 |
| Other countries | 11,384 | 8,281 |
| **Total** | **108,718** | **88,985** |

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

## NOTE 4 EMPLOYEES AND PERSONNEL COSTS

### ACCOUNTING PRINCIPLES

**EMPLOYEE BENEFITS**

**Defined contribution plans**

Pricer provides defined contribution pension plans. The pension plans are structured in accordance with local rules and local practice.

The premiums are paid continuously during the year by each Group company, and the size of the premium is based on the salary.

The pension cost for the period is included in the income statement.

**Share-based payment**

Share-based payments refer to employee benefits, including senior executives in accordance with the performance 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 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

| | 2023 | | 2022 | |
|---|---|---|---|---|
| | Number | of whom, men | Number | of whom, men |
| *Parent Company* | | | | |
| Sweden | 98 | 77% | 95 | 83% |
| Taiwan | 10 | 95% | 4 | 84% |
| Hong Kong | 4 | 74% | 3 | 67% |
| **Total Parent Company** | **112** | **78%** | **102** | **83%** |
| *Subsidiaries* | | | | |
| USA | 22 | 64% | 18 | 74% |
| Israel | 1 | 100% | 1 | 100% |
| Germany | 4 | 72% | 4 | 68% |
| France | 55 | 72% | 52 | 70% |
| Italy | 13 | 90% | 11 | 95% |
| **Total subsidiaries** | **95** | **73%** | **86** | **74%** |
| **Total Group** | **206** | **76%** | **188** | **79%** |

### GENDER DISTRIBUTION IN MANAGEMENT ON BALANCE SHEET DATE

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| | % of women | % of women | % of women | % of women |
| Board of Directors | 14% | 40% | 14% | 40% |
| Senior executives | 14% | 14% | 14% | 20% |

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

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Board and CEO | 6,430 | 5,788 | 6,430 | 5,788 |
| (of which variable salary*) | 205 | 545 | 205 | 545 |
| Other senior executives | 19,730 | 18,135 | 8,750 | 11,630 |
| (of which variable salary*) | 260 | 3,684 | 395 | 2,142 |
| Other employees | 154,965 | 146,986 | 75,457 | 74,468 |
| (of which variable salary*) | 19,511 | 18,058 | 2,088 | 3,775 |
| **Total salaries and other remuneration** | **181,126** | **169,909** | **90,637** | **91,886** |
| (of which variable salary*) | 19,977 | 22,288 | 2,689 | 6,563 |
| | | | | |
| Social security expenses, Board and President | 2,853 | 2,613 | 2,853 | 2,613 |
| Social security expenses, other senior executives | 5,943 | 5,987 | 4,549 | 5,360 |
| Social security expenses, other employees | 65,070 | 58,953 | 19,987 | 21,164 |
| **Total social security expenses** | **73,866** | **67,553** | **27,389** | **29,137** |
| of which: | | | | |
| Pension costs, Board and President | 887 | 766 | 887 | 766 |
| Pension costs, other senior executives | 1,725 | 1,635 | 1,653 | 1,520 |
| Pension costs, other employees | 11,854 | 10,855 | 9,128 | 10,015 |
| **Total pension costs** | **14,466** | **13,256** | **11,668** | **12,301** |

*Variable salary includes bonuses and performance share plans.

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

## BENEFITS TO SENIOR EXECUTIVES

**Remuneration to the Board**

During the 2023/2024 mandate period (until the Annual General Meeting on May 7, 2024), fees to the Board of Directors amount to a total of SEK 2,600 T to be paid in an amount of SEK 650 T to the chair and SEK 325 T to each of the other six members. Fees of SEK 50 T each to the chair and members of the Board's Audit Committee 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 2022/2023 mandate period (until the Annual General Meeting on June 7, 2023), fees to the Board of Directors amount to a total of SEK 1,950 T to be paid in an amount of SEK 650 T to the chair and SEK 325 T to each of the other four members. Fees of SEK 50 T each to the chair and members of the Board's Audit Committee were also paid. The costs were allocated over the mandate period. The company has reimbursed various minor expenses to Board members to a lesser extent and paid a fee of SEK 200 T for the working chair of the Board.

**Remuneration to senior executives**

Remuneration to the CEO and other senior executives is shown in the table. For senior executives, the variable salary for 2023 was based on consolidated net sales, operating profit and individual targets. The variable salary is individualized and at the most for 2023 may equal 50 percent of the fixed salary. No variable salary was paid for 2023.

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.

**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.

**REIMBURSEMENT AND OTHER BENEFITS TO SENIOR EXECUTIVES**

| GROUP 2023 | Basic salary/ fees** | Variable remuneration | Share-based payment | Pension | Other remuneration* | Total |
|---|---|---|---|---|---|---|
| Magnus Larsson, President and CEO | 3,546 | –44 | 250 | 887 | 206 | 4,845 |
| Other members of Executive Management | 18,518 | 93 | 167 | 1,725 | 1 231 | 21,735 |
| | **22,064** | **48** | **416** | **2,613** | **1,437** | **26,580** |
| *Board of Directors* | | | | | | |
| Bernt Ingman (chair as of June 7) | 395 | – | – | – | – | 395 |
| Knut Faremo (chair until June 6) | 305 | – | – | – | – | 305 |
| Hans Granberg | 375 | – | – | – | – | 375 |
| Jenni Virnes | 325 | – | – | – | – | 325 |
| Jonas Guldstrand | 325 | – | – | – | – | 325 |
| Ole Mikael Jensen (as of June 7) | 211 | – | – | – | – | 211 |
| Torbjörn Möller (as of June 7) | 183 | – | – | – | – | 183 |
| Emil Ahlberg (as of June 7) | 211 | – | – | – | – | 211 |
| Irene Waldermarsson (until June 6) | 142 | – | – | – | – | 142 |
| | **2,472** | – | – | – | – | **2,472** |
| | **24,537** | **48** | **416** | **2,613** | **1,437** | **29,052** |

| GROUP 2022 | Basic salary/ fees | Variable remuneration | Performance share plan | Pension | Other remuneration* | Total |
|---|---|---|---|---|---|---|
| Helena Holmgren, President and CEO (until February 10) | 367 | –3 | –639 | 92 | 29 | –153 |
| Magnus Larsson (as of 2/13) | 2,875 | 1,132 | 55 | 673 | 75 | 4,810 |
| Other members of Executive Management | 13,873 | 4,475 | –783 | 1,635 | 849 | 20,049 |
| | **17,115** | **5,604** | **–1,368** | **2,402** | **953** | **24,707** |
| *Board of Directors* | | | | | | |
| Knut Faremo (chair) | 700 | – | – | – | 200 | 900 |
| Hans Granberg | 375 | – | – | – | – | 375 |
| Jenni Virnes | 325 | – | – | – | – | 325 |
| Jonas Guldstrand | 325 | – | – | – | – | 325 |
| Irene Waldemarson (as of 4/29) | 217 | – | – | – | – | 217 |
| Göran Sundholm (until 9/12) | – | – | – | – | – | – |
| | **1,942** | – | – | – | 200 | **2,142** |
| | **19,057** | **5,604** | **–1,368** | **2,402** | **1,153** | **26,849** |

* Other remuneration and benefits consist primarily of car benefits and change in vacation pay liability. ** Includes fixed monthly salary and severance pay

**Performance share plan**

The Annual General Meetings of 2021, 2022 and 2023 resolved on a performance share plan (LTI) for certain senior executives and key employees in the Pricer Group. After an initial investment by the participant in Pricer's Class 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 200 percent (LTI 2021) or 150 percent (LTI 2017–2020) 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 200 percent (LTI 2021) or 150 percent (LTI 2017–2020) during the vesting period.

From the 2020 performance share plan, 20,000 shares were transferred free of charge in June 2023 to the participants. Due to the fulfillment of the performance share plan, Pricer decreased its treasury shares by a corresponding number of shares.

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

In 2023, the costs for matching/performance shares were recognized in the Group at an amount of SEK 0.6 M (–4.3), of which SEK 0.6 M (–4.3) in the Parent Company with an offset in equity. In addition, social security expenses in the Group of SEK –0.5 M (–0.5) were recognized, of which SEK –0.5 M (–0.5) in the Parent Company with offsetting in accrued social security expenses. The costs are negative since the estimated outcome of the performance shares has decreased.

**SUMMARY OF SHARE-BASED INCENTIVE PROGRAMS FOR EMPLOYEES**

| Performance share plan | LTI 2022 | LTI 2021 | LTI 2020 | LTI 2019 |
|---|---|---|---|---|
| Performance period | 2022–2024 | 2021–2023 | 2020–2022 | 2019–2021 |
| Allocated share rights | 336,000 | 279,000 | 375,000 | 315,522 |
| Expiration date | 5/31/2025 | 5/31/2024 | 5/31/2023 | 5/31/2022 |
| Type of shares | B | B | B | B |
| Matching share rights | 38,500 | 46,500 | 62,500 | 52,587 |
| Performance share rights | 192,500 | 232,500 | 312,500 | 262,935 |
| **Outstanding January 1, 2023** | **231,000** | **102,000** | **120,000** | **–** |
| Granted | – | – | – | – |
| Transferred | – | – | –20,000 | – |
| Forfeited | –117,200 | –37,500 | –100,000 | – |
| **Outstanding December 31, 2023** | **113,800** | **64,500** | **–** | **–** |
| Remaining exercise period in months, as per December 31, 2023 | 17 | 5 | – | – |
| | | | | |
| **Outstanding January 1, 2022** | **–** | **252,000** | **300,000** | **240,000** |
| Granted | 231,000 | – | – | |
| Transferred | – | – | – | –108,000 |
| Forfeited | – | –150,000 | –180,000 | –132,000 |
| **Outstanding, December 31, 2022** | **231,000** | **102,000** | **120,000** | **–** |
| Remaining exercise period, months, as per December 31, 2022 | 29 | 17 | 5 | – |

Forfeited share rights for the 2019–2022 performance share plans refer to participants who are no longer employed by the Pricer Group.
The Board of Directors decided that no performance share plan will be introduced for 2023.

## NOTE 5 FEES AND COST REIMBURSEMENT TO AUDITORS

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| *Fees to Ernst & Young* | | | | |
| Audit services | 3,230 | 2,301 | 2,630 | 1,550 |
| Other services | 325 | 17 | 325 | 17 |
| **Total** | **3,555** | **2,318** | **2,955** | **1,567** |

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 | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Goods for resale | 2,166,775 | 1,844,737 | 2,024,947 | 1,678,572 |
| Personnel costs | 282,637 | 213,805 | 135,662 | 106,598 |
| Amortization/depreciation and impairment | 89,843 | 63,143 | 75,024 | 48,539 |
| Other operating expenses | 132,104 | 133,903 | 100,428 | 108,770 |
| **Total** | **2,671,358** | **2,255,588** | **2,336,061** | **1,942,479** |

## NOTE 7 FINANCIAL ITEMS

| | Group | |
|---|---|---|
| | **2023** | **2022** |
| Interest income | 3,480 | 878 |
| Net exchange rate fluctuations | –5,536 | 1,184 |
| **Financial income** | **–2,056** | **2,062** |
| | | |
| Interest expenses | –54,072 | –18,727 |
| Net exchange rate fluctuations | –48 | –8 |
| **Financial expenses** | **–54,120** | **–18,735** |
| **Financial items** | **–56,176** | **–16,673** |

| | Parent Company | |
|---|---|---|
| | **2023** | **2022** |
| Interest income | 3,480 | 878 |
| Interest income, group companies | 362 | 305 |
| Net exchange rate fluctuations | –5,538 | 1,184 |
| **Interest income and similar profit/loss items** | **1,697** | **2,367** |
| | | |
| Interest expenses | –38,367 | –10,907 |
| Impairment of participations in subsidiaries | – | – 4,036 |
| Net exchange rate fluctuations | – | – |
| **Interest expenses and similar profit/loss items** | **–38,367** | **–14,943** |

## 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.

### REPORTED IN THE INCOME STATEMENT

| | Group | | Parent Company | |
|---|---|---|---|---|
| **Reported tax** | **2023** | **2022** | **2023** | **2022** |
| Current tax | –7,464 | –5,560 | –236 | –319 |
| Deferred tax expense | 9 | 5,940 | –386 | 4,842 |
| **Total reported tax expense on profit for the year** | **–7,455** | **380** | **–622** | **4,523** |

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** | **2023** | **2022** | **2023** | **2022** |
| Profit/loss before tax | –40,805 | 4,418 | –63,076 | –37,872 |
| Tax according to applicable tax rate for the Parent Company 20.6% (20.6%) | 8,406 | –906 | 12,994 | 7,802 |
| Effect of applicable tax rates for foreign subsidiaries | –1,715 | –1,427 | – | – |
| Non-deductible expenses | –7,273 | –23 | –6,599 | –944 |
| Non-taxable income | 408 | 149 | 3 | – |
| Utilized previous loss carry-forwards that have not been recognized | 3,424 | 4,643 | – | – |
| Non-recognized tax losses carried-forward | – | –2,959 | – | –2,959 |
| Tax losses incurred during the year, not capitalised as deferred tax assets | –10,705 | 903 | –7,013 | 624 |
| **Reported effective tax** | **–7,455** | **380** | **–622** | **4,523** |
| *Effective tax rate* | *18.3%* | *8.6%* | *1.0%* | *–11.9%* |

### REPORTED IN THE BALANCE SHEET DEFERRED TAX ASSET

| | Group | | Parent Company | |
|---|---|---|---|---|
| **Change in deferred tax asset** | **2023** | **2022** | **2023** | **2022** |
| Opening carrying amount | 67,464 | 61,507 | 65,754 | 60,912 |
| Provisions | –385 | 281 | –385 | 281 |
| Loss carry-forward | – | 4,561 | – | 4,561 |
| Other | –54 | 1,115 | – | – |
| **Closing carrying amount** | **67,025** | **67,464** | **65,369** | **65,754** |

| | Group | | Parent Company | |
|---|---|---|---|---|
| **Deferred tax asset** | **2023** | **2022** | **2023** | **2022** |
| Provisions | 6,497 | 6,882 | 6,497 | 6,882 |
| Loss carry-forward | 58,872 | 58,872 | 58,872 | 58,872 |
| Other | 1,656 | 1,709 | – | – |
| **Closing carrying amount** | **67,025** | **67,463** | **65,369** | **65,754** |

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-forwards 2023 | Recognized loss carry-forwards 2022 | Non-recognized loss carry-forwards 2023 | Non-recognized loss carry-forwards 2022 | Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|
| Sweden – Parent Company | 322,885 | 295,250 | – | – | 322,885 | 295,250 |
| Israel | – | – | 194,621 | 205,813 | 194,621 | 205,813 |
| USA | – | – | 7,600 | 27,329 | 7,600 | 27,329 |
| Other countries | – | – | 8,342 | 8,701 | 8,342 | 8,701 |
| **Total** | **322,885** | **295,250** | **209,937** | **241,843** | **533,448** | **537,093** |

The Group's total loss carry-forward as at December 31, 2023, amounted to SEK 533.4 M (537.1), of which SEK 322.9 M (295.3) for which a deferred tax asset was recognized and for which the remainder, SEK 209.9 M (241.8), 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; all of them expire within four 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. 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.

**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 capitalized development costs 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 via operating expenses. 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.

| GROUP 2023 | Market, patent and license rights | Capitalized development projects | Goodwill | Other intangible fixed assets | Total intangible fixed assets |
|---|---|---|---|---|---|
| *Accumulated cost* | | | | | |
| At beginning of year | 346 | 204,729 | 280,832 | 360 | 486,267 |
| Purchases during the year | 8 | 47,784 | – | – | 47,792 |
| Disposals | – | – | – | – | – |
| Impairment | – | –47,261 | – | – | –47,261 |
| Exchange rate difference | –1 | – | –815 | –1 | –817 |
| At year-end | 353 | 205,252 | 280,017 | 359 | 485,981 |
| *Accumulated depreciation/amortization* | | | | | |
| At beginning of year | –315 | –89,000 | – | –346 | –89,661 |
| Disposals | – | – | – | – | – |
| Impairment | – | 32,492 | – | – | 32,493 |
| Depreciation/amortization for the year | –25 | –30,500 | – | – | –30,525 |
| Exchange rate difference | –2 | – | – | –7 | –9 |
| At year-end | –342 | –87,008 | – | –353 | –87,711 |
| **Carrying amount** | **11** | **118,244** | **280,107** | **6** | **398,278** |

| GROUP 2022 | Market, patent and license rights | Capitalized development projects | Goodwill | Other intangible fixed assets | Total intangible fixed assets |
|---|---|---|---|---|---|
| *Accumulated cost* | | | | | |
| At beginning of year | 318 | 149,370 | 258,085 | 357 | 408,130 |
| Purchases during the year | – | 55,359 | – | 3 | 55,362 |
| Disposals | – | – | – | – | – |
| Impairment | – | – | – | – | – |
| Exchange rate difference | 28 | – | 22,747 | – | 22,775 |
| At year-end | 346 | 204,729 | 280,832 | 360 | 486,267 |
| *Accumulated depreciation/amortization* | | | | | |
| At beginning of year | –266 | –51,768 | – | –339 | –52,373 |
| Disposals | – | – | – | – | – |
| Impairment | – | – | – | – | – |
| Depreciation/amortization for the year | –24 | –37,232 | – | –8 | –37,264 |
| Exchange rate difference | –25 | – | – | 1 | –24 |
| At year-end | –315 | –89,000 | – | –346 | –89,661 |
| **Carrying amount** | **31** | **115,729** | **280,832** | **14** | **396,606** |

| PARENT COMPANY 2023 | Capitalized development projects | Other intangible fixed assets | Total intangible fixed assets |
|---|---|---|---|
| *Accumulated cost* | | | |
| At beginning of year | 204,729 | 327 | 205,056 |
| Purchases during the year | 47,784 | – | 47,784 |
| Disposals | – | – | – |
| Impairment | –47,261 | – | –47,261 |
| At year-end | 205,252 | 327 | 205,579 |
| *Accumulated depreciation/amortization* | | | |
| At beginning of year | –89,000 | –327 | –89,327 |
| Disposals | – | – | – |
| Impairment | 32,492 | – | 32,492 |
| Depreciation/amortization for the year | –30,500 | – | –30,500 |
| At year-end | –87,009 | –327 | –87,336 |
| **Carrying amount** | **118,244** | **–** | **118,244** |

| PARENT COMPANY 2022 | Capitalized development projects | Other intangible fixed assets | Total intangible fixed assets |
|---|---|---|---|
| *Accumulated cost* | | | |
| At beginning of year | 149,370 | 327 | 149,697 |
| Purchases during the year | 55,359 | – | 55,359 |
| Disposals | – | – | – |
| Impairment | – | – | – |
| At year-end | 204,729 | 327 | 205,056 |
| *Accumulated depreciation/amortization* | | | |
| At beginning of year | –51,768 | –327 | –52,095 |
| Disposals | – | – | – |
| Impairment | – | – | – |
| Depreciation/amortization for the year | –37,232 | – | –37,232 |
| At year-end | –89,000 | –327 | –89,327 |
| **Carrying amount** | **115,729** | **-** | **115,729** |

| DISTRIBUTION OF DEPRECIATION/AMORTIZATION AND IMPAIRMENT | Group | | Parent Company | |
|---|---|---|---|---|
| Depreciation/amortization and impairment are recognized on the following lines in the statement of consolidated comprehensive income | **2023** | **2022** | **2023** | **2022** |
| Cost of goods sold | 30,500 | 37,232 | 30,500 | 37,232 |
| Selling expenses | 4 | – | – | – |
| Administrative expenses | 30 | 32 | – | – |
| Research and development costs | 14,769 | – | 14,769 | – |
| **Total** | **45,303** | **37,264** | **45,269** | **37,232** |

During the year, impairment losses were recorded at a value of SEK 14.8 M (0) for development projects that will not be launched.

**Impairment testing of goodwill**

Pricer's balance sheet contains a goodwill item of SEK 280.0 M (280.8) 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 a 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 30 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 the development of 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 other than 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 12 percent (13) 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**
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: follows the useful life but can never be longer than the term of the contract.
– machinery and other technical installations: 3–5 years
– equipment, tools, fixtures and fittings: 3–5 years

**GROUP 2023**

| | Incurred costs on third-party property | Plant and machinery | Equipment, tools, fixtures and fittings | Total property, plant and equipment |
|---|---|---|---|---|
| *Accumulated cost* | | | | |
| At beginning of year | 5,180 | 2,359 | 116,172 | 123,711 |
| Purchases during the year | 3 | – | 44,694 | 44,697 |
| Sales and disposals | – | –972 | –143 | –1,115 |
| Exchange rate difference | –15 | –17 | 409 | 377 |
| At year-end | 5,168 | 1,370 | 161,132 | 167,670 |
| *Accumulated depreciation/amortization* | | | | |
| At beginning of year | –3,283 | –2,339 | –55,511 | –61,133 |
| Depreciation/amortization for the year | –455 | – | –16,241 | –16,696 |
| Disposals | – | 952 | – | 952 |
| Exchange rate difference | –283 | 17 | 89 | –177 |
| At year-end | –4,021 | –1,370 | –71,663 | –77,054 |
| **Carrying amount** | **1,147** | **–** | **89,469** | **90,616** |

**GROUP 2022**

| | Incurred costs on third-party property | Plant and machinery | Equipment, tools, fixtures and fittings | Total property, plant and equipment |
|---|---|---|---|---|
| *Accumulated cost* | | | | |
| At beginning of year | 4,645 | 2,399 | 84,093 | 91,137 |
| Purchases during the year | 125 | 10 | 32,306 | 32,441 |
| Sales and disposals | – | –107 | – 1,007 | –1,114 |
| Exchange rate difference | 410 | 57 | 780 | 1,247 |
| At year-end | 5,180 | 2,359 | 116,172 | 123,711 |
| *Accumulated depreciation/amortization* | | | | |
| At beginning of year | –2,839 | –2,333 | –43,284 | –48,456 |
| Depreciation/amortization for the year | –444 | –49 | –12,211 | –12,704 |
| Disposals | – | 100 | 719 | 819 |
| Exchange rate difference | – | –57 | –735 | –792 |
| At year-end | –3,283 | –2,339 | –55,511 | –61,133 |
| **Carrying amount** | **1,897** | **20** | **60,661** | **62,578** |

**PARENT COMPANY 2023**

| | Plant and machinery | Equipment, tools, fixtures and fittings | Total property, plant and equipment |
|---|---|---|---|
| *Accumulated cost* | | | |
| At beginning of year | 959 | 109,012 | 109,971 |
| Disposals | – | – | – |
| Purchases during the year | – | 43,372 | 43,372 |
| At year-end | 959 | 152,384 | 153,343 |
| *Accumulated depreciation/amortization* | | | |
| At beginning of year | –959 | –50,124 | –51,083 |
| Disposals | – | – | – |
| Depreciation/amortization for the year | – | –14,982 | –14,982 |
| At year-end | –959 | –65,106 | –66,065 |
| **Carrying amount** | **–** | **87,278** | **87,278** |

| PARENT COMPANY 2022 | Plant and machinery | Equipment, tools, fixtures and fittings | Total property, plant and equipment |
|---|---|---|---|
| *Accumulated cost* | | | |
| At beginning of year | 959 | 78,317 | 79,276 |
| Disposals | – | –901 | –901 |
| Purchases during the year | – | 31,596 | 31,596 |
| At year-end | 959 | 109,012 | 109,971 |
| *Accumulated depreciation/amortization* | | | |
| At beginning of year | –959 | –39,460 | –40,419 |
| Disposals | – | 631 | 631 |
| Depreciation/amortization for the year | – | –11,295 | –11,295 |
| At year-end | –959 | –50,124 | –51,083 |
| **Carrying amount** | **–** | **58,888** | **58,888** |

| DISTRIBUTION OF DEPRECIATION/APPRECIATION | Group | | Parent Company | |
|---|---|---|---|---|
| Depreciation/appreciation is recognized on the following lines in the statement of consolidated comprehensive income | **2023** | **2022** | **2023** | **2022** |
| Cost of goods sold | 14,447 | 10,809 | 14,450 | 10,748 |
| Selling expenses | 305 | 475 | 163 | 134 |
| Administrative expenses | 1,076 | 1,317 | 288 | 256 |
| Research and development costs | 85 | 103 | 85 | 157 |
| **Total** | **15,913** | **12,704** | **14,986** | **11,295** |

## NOTE 11 RECEIVABLES AND LIABILITIES FROM GROUP COMPANIES

| | Parent Company | |
|---|---|---|
| **Non-current receivables** | **2023** | **2022** |
| At beginning of year | 14,581 | 11,708 |
| Changes during the year | 171,535 | 1,801 |
| Translation differences | –110 | 1,072 |
| **Carrying amount** | **186,006** | **14,581** |

| **Current receivables** | **2023** | **2022** |
|---|---|---|
| At beginning of year | 177,476 | 319,796 |
| Changes during the year | –28,036 | –157,276 |
| Translation differences | 17,263 | 14,955 |
| **Carrying amount** | **166,703** | **177,476** |

| **Non-current liabilities** | **2023** | **2022** |
|---|---|---|
| At beginning of year | 100 | 100 |
| Changes during the year | – | – |
| Translation differences | – | – |
| **Carrying amount** | **100** | **100** |

| **Current liabilities** | **2023** | **2022** |
|---|---|---|
| At beginning of year | 43,388 | 24,925 |
| Changes during the year | –20,977 | 18,432 |
| Translation differences | 3 | 31 |
| **Carrying amount** | **22,414** | **43,388** |

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 | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| VAT and tax asset | 12,246 | 8,655 | 12,144 | 7,231 |
| Receivables from suppliers | 160,264 | 248,480 | 160,264 | 248,480 |
| Other | 38,360 | 21,218 | 547 | 3,725 |
| **Total** | **210,870** | **278,353** | **172,955** | **259,436** |

## 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 prices and includes expenditure incurred when acquiring the inventories.

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Finished goods and goods for resale | 653,601 | 670,255 | 463,821 | 480,028 |
| **Total** | **653,601** | **670,255** | **463,821** | **480,028** |

The Group’s inventory value includes a provision for obsolescence of in total SEK –9.9 M (–5.5).

## NOTE 14 PREPAID EXPENSES AND ACCRUED INCOME

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Marketing expenses | 4,818 | 3,935 | 4,395 | 3,506 |
| Licensing expenses | 6,008 | 2,929 | 6,008 | 2,907 |
| Leasing expenses | 3,170 | 2,230 | 2,375 | 2,171 |
| Other prepaid expenses | 5,186 | 3,301 | 2,198 | 2,500 |
| Accrued income | 7,581 | 2,749 | 362 | 297 |
| **Total** | **26,763** | **15,144** | **15,338** | **11,381** |

## NOTE 15 SHAREHOLDERS' EQUITY

**Share capital**
The item share capital refers only to the Parent Company.

**CHANGES IN SHARE CAPITAL 2011–2023**

| Year | | No. of shares | Changes in share capital SEK M |
|---|---|---|---|
| 2011 | At beginning of year | 1,055,518,163 | 105.5 |
| 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 share plans | 750,000 | 0.8 |
| 2014 | Issue of shares for performance share plans | 330,000 | 0.3 |
| 2023 | New issue | 52,993,356 | 53.0 |
| **2023** | **Number of shares at year-end** | **163,965,137** | **164.0** |

The registered share capital at December 31, 2023, amounted to 163,965,137 shares with a quota value of SEK 1.00.

**TREASURY SHARES**

| | |
|---|---|
| **Number of Class B treasury shares** | |
| Treasury shares at beginning of year | 619,134 |
| Decrease in treasury shares | –20,000 |
| Repurchase of own shares | – |
| **Number of Class B treasury shares at year-end** | **599,134** |

**DISTRIBUTION OF SHARE CAPITAL BY SHARE CLASS**

| | Class A | Class B | Total |
|---|---|---|---|
| Number | 225,523 | 163,739,614 | 163,965,137 |
| 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 consolidated closing balance of SEK 61.1 M (68.9) 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.

### PARENT COMPANY

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

**Retained earnings**
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.

**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 | |
|---|---|---|
| | 2023 | 2022 |
| At beginning of year | 133,597 | 97,640 |
| Change during the year | –968 | 35,957 |
| **Carrying amount** | **132,629** | **133,597** |

**Share premium reserve**
When new shares are issued at a premium, meaning that the prices to be paid for a share exceed 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 | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Earnings per share, SEK | –0.35 | 0.04 | –0.35 | 0.04 |
| Number of shares, thousands | 137,081 | 110,341 | 137,294 | 110,794 |

**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 –48,260 T (4,798) and the basic average number of shares outstanding during the year, 137,081,000 shares (110,341,000 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 –48,260 T (4,798) and the diluted average number of shares outstanding during the year, 137,294,000 shares (111,794,000 shares). The dilutive effects arise from the company's outstanding rights to matching and performance shares.

**Potentially dilutive instruments**
If profit is positive and all the other prerequisites for dilution are present, then dilutive effects may arise.

## NOTE 17 PROVISIONS

### ACCOUNTING PRINCIPLES

**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.

### WARRANTY PROVISIONS

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Carrying amount at beginning of year | 33,411 | 32,044 | 33,411 | 32,044 |
| Provision | 21,026 | 21,420 | 21,026 | 21,420 |
| Amount utilized | –22,898 | –20,053 | –22,898 | –20,053 |
| **Carrying amount** | **31,538** | **33,411** | **31,538** | **33,411** |
| Of which, non-current | 10,513 | 11,991 | 10,513 | 11,991 |

Warranty provisions pertain primarily to certain obligations for products sold both in prior years and in 2023. The provision is based on calculations made on the basis of outcomes during 2023 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 | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Warranties | 31,538 | 33,411 | 31,538 | 33,411 |
| Obligation for recycling of ESL | 16,068 | 8,604 | 6,546 | 666 |
| Other | 21,949 | 2,455 | – | – |
| **Total** | **69,555** | **44,470** | **38,085** | **34,077** |
| Of which, non-current | 48,008 | 22,468 | 17,159 | 12,657 |

## NOTE 18 OTHER CURRENT LIABILITIES

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Withholding tax, employee | 4,312 | 3,483 | 2,056 | 2,063 |
| VAT payable | 27,992 | 29,202 | – | – |
| Social security contributions | 5,418 | 4,862 | 1,793 | 1,746 |
| Other liabilities | 4,212 | 4,499 | 722 | 1,107 |
| **Total** | **41,934** | **42,046** | **4,571** | **4,916** |

## NOTE 19 ACCRUED EXPENSES AND DEFERRED INCOME

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Vacation pay liability | 11,509 | 9,690 | 5,399 | 4,470 |
| Accrued salaries | 17,615 | 23,022 | 2,898 | 9,545 |
| Social security expenses | 4,376 | 3,752 | 1,808 | 1,542 |
| Accrued consultant expenses | 1,916 | 4,673 | 866 | 3,867 |
| Other accrued expenses | 37,791 | 36,665 | 4,223 | 15,611 |
| Deferred income | 11,013 | 5,254 | 2,751 | 3,202 |
| **Total** | **84,220** | **83,055** | **17,945** | **38,237** |

## 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 recognized in the balance sheet include cash and cash equivalents, loan receivables, trade receivables, financial investments, accrued costs, and accrued income. On the liability side, they include trade payables, borrowings and lease liabilities. 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. In factoring, the risk is transferred to the factoring company when the receivable is sold. 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. Any embedded derivatives in financial liabilities that are deemed to be closely related to the liability are not accounted for as derivatives but are included in the effective interest method, e.g., early repayment terms. 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.

Given the nature of its business, the Group is exposed to various types of financial risk, including fluctuations in the company earnings and cash flow caused by changes in exchange rates, interest rates, refinancing, credit risks and liquidity 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 (so-called exchange rate differences in the translation of foreign operations).

**PERCENTAGE OF SALES AND COSTS BY CURRENCY**

| | EUR | USD | SEK and other currencies |
|---|---|---|---|
| Sales | 53% (39) | 45% (61) | 2% (1) |
| Costs | 9% (7) | 78% (79) | 14% (14) |

Pricer's net sales were distributed with 53 (39) percent in EUR, 45 (61) percent in USD and 2 (1) percent in other currencies in 2023. Cost of goods sold was almost exclusively in USD, and operating expenses were largely in SEK.

Currency effects in net financial items amounted to SEK 5.5 M (8.9) and consist of currency translation of loan receivables for subsidiaries and cash and cash equivalents.

Pricer's net assets in foreign currency at year-end 2023 amounted to SEK 459.0 M (271.0).

Pricer has not applied hedges via forward contracts in 2023 or 2022.

**Sensitivity analysis**

Transactions in foreign currency are translated to functional currency using the exchange rate on the transaction date. When closing the accounts, monetary assets and liabilities are translated to the exchange rate on the balance sheet date and any currency effects are recognized in the income statement. In cases where the exchange rate effect is related to the operations, the effect is recognized net in the operating profit. Exchange rate effects relating to borrowing and financial investments are recognized as other financial items. Non-monetary assets and liabilities measured at historical cost are translated at the exchange rates on the transaction date.

A strengthened EUR in relation to SEK by 5 percent would have had a positive impact on operating profit of SEK 58 M and on equity of SEK 88 M. This is because Pricer has had more revenue than expenses in EUR in 2023 and has net assets in EUR.

A strengthened USD in relation to SEK by 5 percent would have had a negative impact on operating profit of SEK –42 M and on equity of SEK –54 M. This is because Pricer has had more costs than revenue in USD in 2023, offset by net assets in USD.

The effects are calculated on the conditions in 2023 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 | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| Realized exchange gains/losses | –549 | –23,927 | 2,824 | –24,277 |
| Unrealized exchange gains/losses | 6,125 | 32,817 | 5,993 | 33,023 |
| **Total** | **5,576** | **8,892** | **8,818** | **8,746** |

Realized and unrealized exchange rate gains refer mainly to trade receivables denominated in EUR and USD, respectively. Realized and unrealized exchange rate losses refer mainly 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; instead, its cash and cash equivalents are placed on deposit at banks. At year-end, the Group had cash and cash equivalents of SEK 255.5 M (217.5) and an unutilized credit facility of SEK 48 M (48). Given the interest-bearing assets and liabilities as per the balance sheet date, an increase/decrease in interest of 1 percentage point has an impact on net financial income/expense of SEK 2.5 M (2.0).

### 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 2023**

| | Number of customers | Percentage of the no. of customers | Percentage of the portfolio |
|---|---|---|---|
| Exposure < SEK 1 M | 1,303 | 97% | 30% |
| Exposure SEK 1–5 M | 27 | 2% | 21% |
| Exposure > SEK 5 M | 10 | 1% | 49% |
| **Total** | **1,340** | **100%** | **100%** |

**CONCENTRATION OF CREDIT RISK IN 2022**

| | Number of customers | Percentage of the no. of customers | Percentage of the portfolio |
|---|---|---|---|
| Exposure < SEK 1 M | 1,213 | 97% | 22% |
| Exposure SEK 1–5 M | 28 | 2% | 21% |
| Exposure > SEK 5 M | 11 | 1% | 57% |
| **Total** | **1,252** | **100%** | **100%** |

**AGE ANALYSIS OF TRADE RECEIVABLES**

| | 2023 | 2022 |
|---|---|---|
| **Overdue but not impaired trade receivables** | Overdue payments | Overdue payments |
| < 60 days | 61,999 | 47,452 |
| > 60 days | 16,552 | 12,251 |
| **Total** | **78,551** | **59,703** |
| **Total outstanding receivables** | **287,278** | **302,952** |

| **Impaired customer receivables** | 2023 | 2022 |
|---|---|---|
| <60 days | – | – |
| >60 days | 9,157 | 2,934 |
| **Total** | **9,157** | **2,934** |

| **Reserve for bad debts** | 2023 | 2022 |
|---|---|---|
| **At beginning of year** | **2,934** | **2,841** |
| Reserve for possible bad debts | 6,967 | 1,884 |
| Realized losses | –63 | 375 |
| Recovered estimated losses | –681 | –2,166 |
| **Reserves at year-end** | **9,157** | **2,934** |

### 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, Pricer had at the end of the year a bank overdraft facility of up to SEK 48 M (200), of which SEK 0 M (111.5) was utilized and SEK 48 M (88.5) was unutilized.

**UNDISCOUNTED CONTRACTUAL COMMITMENTS FOR FINANCIAL**

| | Less than 1 year | 1–5 years | More than 5 years | Total |
|---|---|---|---|---|
| **Group 2023** | | | | |
| Credit facility | – | – | – | – |
| Non-current liabilities | – | 240,134 | – | 240,134 |
| Trade payables | 588,214 | – | – | 588,214 |
| Lease liabilities | 9,258 | 9,858 | – | 19,116 |
| Other current liabilities | 2,055 | – | – | 2,055 |
| Accrued expenses | 20,211 | – | – | 20,211 |
| **Total financial liabilities** | **619,738** | **249,992** | | **869,730** |
| | | | | |
| **Group 2022** | | | | |
| Credit facility | – | – | – | – |
| Non-current liabilities | – | 239,956 | – | 239,956 |
| Trade payables | 842,100 | – | – | 842,100 |
| Lease liabilities | 13,848 | 14,251 | – | 28,099 |
| Other current liabilities | 1,391 | – | – | 1,391 |
| Accrued expenses | 26,124 | – | – | 26,124 |
| **Total financial liabilities** | **883,463** | **254,207** | | **1,137,670** |

### 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 may 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 shows how fair value is determined for financial instruments valued at fair value in the statement of financial position. Fair value is assessed according to the following three levels:

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

Level 2: Based on directly or indirectly 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 | 12/31/2023 |
|---|---|---|---|---|
| Financial assets | – | – | – | – |
| Financial liabilities | – | – | – | – |
| Financial items (asset (+), liability (–)) | – | – | – | – |

| | Level 1 | Level 2 | Level 3 | 12/31/2022 |
|---|---|---|---|---|
| Financial assets | – | – | – | – |
| Financial liabilities | – | – | – | – |
| Financial items (asset (+), liability (–)) | – | – | – | – |

No financial instruments were measured at fair value as at December 31, 2023 and 2022.

For the Group and the Parent Company, the financial assets and liabilities fall due between 3 months and 4 years, 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 2023** | | | | |
| Trade receivables | 287,278 | – | 287,278 | 287,278 |
| Accrued income | 7,581 | – | 7,581 | 7,581 |
| Other current receivables | 196,096 | – | 196,096 | 196,096 |
| Cash and cash equivalents | 255,558 | – | 255,558 | 255,558 |
| **Total financial assets** | **746,513** | **–** | **746,513** | **746,513** |
| Liabilities to credit institutions | – | –240,134 | –240,134 | –250,000 |
| Trade payables | – | –588,214 | –19,116 | –19,116 |
| Lease liabilities | – | –19,116 | –588,214 | –588,214 |
| Other current liabilities | – | –2,055 | –2,055 | –2,055 |
| Accrued expenses | – | –20,211 | –20,211 | –20,211 |
| **Total financial liabilities** | **–** | **–869,730** | **–869,730** | **–879,596** |
| **GROUP 2022** | | | | |
| Trade receivables | 302,952 | – | 302,952 | 302,952 |
| Accrued income | 1,228 | – | 1,228 | 1,228 |
| Other current receivables | 269,054 | – | 269,054 | 269,054 |
| Cash and cash equivalents | 217,476 | – | 217,476 | 217,476 |
| **Total financial assets** | **790,710** | **–** | **790,710** | **790,710** |
| Liabilities to credit institutions | – | –239,956 | –239,956 | –250,000 |
| Trade payables | – | –842,100 | –842,100 | –842,100 |
| Lease liabilities | – | –28,099 | –28,099 | –28,099 |
| Other current liabilities | – | –1,391 | –1,391 | –1,391 |
| Accrued expenses | – | –26,124 | –26,124 | –26,124 |
| **Total financial liabilities** | **–** | **–1,137,670** | **–1,137,670** | **–1,147,714** |
| **PARENT COMPANY 2023** | | | | |
| Trade receivables | 111,371 | – | 111,371 | 111,371 |
| Receivables from Group companies | 166,703 | – | 166,703 | 166,703 |
| Other current receivables | 160,811 | – | 160,811 | 160,811 |
| Accrued income | 362 | – | 362 | 362 |
| Cash and bank balances | 168,787 | – | 168,787 | 168,787 |
| **Total financial assets** | **608,034** | **–** | **608,034** | **608,034** |
| Liabilities to credit institutions | – | –240,134 | –240,134 | –250,000 |
| Trade payables | – | –570,718 | –570,718 | –570,718 |
| Liabilities to Group companies | – | –22,514 | –22,514 | –22,514 |
| Other current liabilities | – | –86 | –86 | –86 |
| Accrued expenses | – | –5,914 | –5,914 | –5,914 |
| **Total financial liabilities** | **–** | **–839,366** | **–839,366** | **–849,232** |
| **PARENT COMPANY 2022** | | | | |
| Trade receivables | 95,305 | – | 95,305 | 95,305 |
| Receivables from Group companies | 177,476 | – | 177,476 | 177,476 |
| Other current receivables | 252,204 | – | 252,204 | 252,204 |
| Accrued income | 297 | – | 297 | 297 |
| Cash and bank balances | 186,351 | – | 186,351 | 186,351 |
| **Total financial assets** | **711,633** | **–** | **711,633** | **711,633** |
| Liabilities to credit institutions | – | –239,956 | –239,956 | –250,000 |
| Trade payables | – | –829,149 | –829,149 | –829,149 |
| Liabilities to Group companies | – | –43,488 | –43,488 | –43,488 |
| Other current liabilities | – | –48 | –48 | –48 |
| Accrued expenses | – | –19,012 | –19,012 | –19,012 |
| **Total financial liabilities** | **–** | **–1,131,653** | **–1,131,653** | **–1,131,653** |

## NOTE 21 LEASES

### ACCOUNTING PRINCIPLES

**LEASES**

Leases are recognized in the balance sheet as right-of-use assets. The company has lease contracts primarily for office premises and cars. The company has opted to exclude leases in which the value of the underlying asset is low and short duration.

Lease expenses are recognized as depreciation/amortization on right-of-use assets and financial interest expenses on lease liabilities.

The Parent Company recognizes all leases as operating leases, and costs are recognized directly in profit or loss during each period. The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, the Group's incremental borrowing interest rate is applied.

The following are disclosures of carrying amounts for rights-of-use per underlying asset class. The main part of the Group's operational leases consists of rental costs for the Parent Company's premises and office premises for the Group's subsidiaries Pricer SAS and Pricer Inc. Possibilities for extensions or termination have not been taken into account as the company is not reasonably sure of using these options.

**RIGHT-OF-USE ASSETS — GROUP**

| | 2023 | | | 2022 | | |
|---|---|---|---|---|---|---|
| | **Premises** | **Cars** | **Total** | **Premises** | **Cars** | **Total** |
| Opening balance | 22,738 | 3,669 | 26,407 | 30,340 | 4,533 | 34,873 |
| New contracts | 1,650 | 4,029 | 5,679 | 2,213 | 1,859 | 4,072 |
| Rights-of-use that expired | – | –179 | –179 | – | –1,243 | –1,243 |
| Depreciation/amortization for the year | –11,959 | –2,083 | –14,042 | –11,569 | –1,587 | –13,156 |
| Exchange rate difference | –62 | 301 | 239 | 1,754 | 107 | 1,861 |
| **Carrying amount** | **12,367** | **5,737** | **18,104** | **22,738** | **3,669** | **26,407** |

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**

| | 12/31/2023 | 12/31/2022 |
|---|---|---|
| Current — less than one year | 9,258 | 13,848 |
| Non-current — between one and five years | 9,858 | 14,251 |
| Non-current — More than five years | – | – |
| **Total** | **19,116** | **28,099** |

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

**LIABILITIES ATTRIBUTABLE TO THE FINANCING ACTIVITIES — GROUP**

| | 2023 | 2022 |
|---|---|---|
| Liability recorded January 1 | 28,099 | 36,783 |
| New contracts | 5,679 | 4,072 |
| Amortization of lease liabilities | –14,042 | –13,456 |
| Rights-of-use that expired | –179 | –1,243 |
| Exchange rate difference | –441 | 1,943 |
| **Carrying amount** | **19,116** | **28,099** |

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

**AMOUNTS REPORTED IN THE INCOME STATEMENT — GROUP**

| | 2023 | 2022 |
|---|---|---|
| Depreciation/amortization of right-of-use assets | 13,826 | 13,156 |
| Interest expenses for lease liabilities | 479 | 841 |
| Variable lease expenses not included in the measurement of lease liabilities | 1,565 | 1,323 |
| Costs attributable to low-value leases | 1,240 | 1,002 |
| **Total** | **17,110** | **16,322** |

Cash outflow attributable to the leases is presented in the following table.

**CASH OUTFLOW — GROUP**

| | 2023 | 2022 |
|---|---|---|
| Interest expenses for lease liabilities | 479 | 841 |
| Amortization of lease liabilities | 14,042 | 13,456 |
| **Total** | **14,521** | **14,297** |

The Parent Company has operating leases for primarily rental contracts. The reported expense in the Parent Company for leases amounted to SEK 10,002 T (8,935) 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**

| | 2023 | 2022 |
|---|---|---|
| Current — less than one year | 3,234 | 8,347 |
| Non-current — between one and five years | 2,537 | 3,349 |
| Non-current — More than five years | – | – |
| **Total** | **5,772** | **11,696** |

## 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 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 of the obligation cannot be measured reliably.

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| **Pledged assets** | | | | |
| *For own liabilities and provisions* | | | | |
| Floating charges | 300,000 | 300,000 | 300,000 | 300,000 |
| Pledged shares in subsidiaries | 221,010 | 105,151 | – | – |
| Pledged receivables | 10,468 | 9,876 | 10,468 | 9,876 |
| **Total** | **531,478** | **415,027** | **310,468** | **309,876** |

| | Group | | Parent Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| **Contingent liabilities** | | | | |
| Customs services | 6,325 | 6,562 | 300 | 300 |
| Rent guarantees | 1,700 | 1,700 | 1,700 | 1,700 |
| **Total** | **8,025** | **8,262** | **2,000** | **2,000** |

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.

As a consequence of the new financing signed in 2022, Pricer has pledged shares in subsidiaries to a value of SEK 180 M. Pledged shares relate to the companies Pricer INC, Pricer SAS and Pricer Italy Srl. Pledged receivables relate to Pricer Holding AB.

## NOTE 23 RELATED PARTY TRANSACTIONS

The Parent Company has a related party relationship with its subsidiaries; see Note 24.

**SUMMARY OF RELATED PARTY TRANSACTIONS:**

| | Year | Sales of goods and services to related parties | Purchase of goods and services from related parties | Interest income | Receivables from related parties at December 31 | Liabilities to related parties at December 31 |
|---|---|---|---|---|---|---|
| Subsidiaries | 2023 | 1,637,297 | –5,754 | 363 | 352,708 | 22,515 |
| Subsidiaries | 2022 | 1,240,601 | –6,147 | 305 | 191,962 | 43,489 |

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

## NOTE 24 PARTICIPATIONS IN GROUP COMPANIES

| | Parent Company | |
|---|---|---|
| | **2023** | **2022** |
| *Accumulated cost* | | |
| At beginning of year | 1,147,341 | 1,157,204 |
| Shareholder contributions paid | 500 | – |
| Group contributions paid | – | – |
| Disposals for the year | –170,228 | –9,863 |
| Repaid shareholder contributions | – | – |
| **At year-end** | **977,513** | **1,147,341** |
| *Accumulated impairment losses* | | |
| At beginning of year | –967,205 | –967,205 |
| **At year-end** | **967,205** | **–967,205** |
| **Carrying amount of participations in Group companies** | **10,469** | **180,136** |

During the year, all shares in Pricer SAS were sold to Pricer Holding AB.

**SPECIFICATION OF PARENT COMPANY SHAREHOLDINGS AND PARTICIPATIONS IN SUBSIDIARIES:**

| Subsidiary/CIN/Domicile | Participation, % | Number of shares/ participations | Currency | 12/31/2023 Carrying amount | 12/31/2022 Carrying amount |
|---|---|---|---|---|---|
| Pricer Holding AB, 556429-6027, Stockholm, Sweden | 100 | 1,000 | SEK | 600 | 100 |
| Pricer Communication AB, 556450-7563, Stockholm, Sweden | 100 | 100,000 | SEK | 9,045 | 9,045 |
| Pricer Explorative Research (PER) AB, 556454-7098, Stockholm, Sweden | 100 | 260 | SEK | 527 | 527 |
| Pricer SAS, RCS 395 238 751, Paris, France | – | – | EUR | – | 170,228 |
| Pricer GmbH, HR B 13017, Marktoberdorf, Bavaria, Germany | 100 | 25,000 | EUR | 236 | 236 |
| Pricer E.S.L. Israel Ltd , 511838732, Tel Aviv, Israel | 100 | 56 667 922 | ILS | – | – |
| Pricer Etiquetas Electronicas de Mexico S.A. de C.V., Mexico | 100 | 100,000 | MXN | 62 | – |
| **Participations in subsidiaries** | | | | **10,469** | **180,136** |

## NOTE 25 CASH FLOW STATEMENT

| | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| **Cash and cash equivalents** | | | | |
| *Cash and cash equivalents include the following sub-components:* | | | | |
| Cash and bank balances | 255,558 | 217,476 | 168,787 | 186,351 |
| **Total as per the statement of financial position** | **255,558** | **217,476** | **168,787** | **186,351** |
| **Total as per the cash flow statement** | **255,558** | **217,476** | **168,787** | **186,351** |

| **Adjustments for non-cash items** | Group | | Parent Company | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Depreciation/amortization | 60,306 | 63,143 | 45,486 | 48,539 |
| Impairment | 14,769 | – | 14,769 | – |
| Accrued costs of performance share plan | –254 | –941 | –266 | –941 |
| Exchange rate differences/ translation differences | –8,739 | 36,149 | 6,125 | 33,796 |
| Change in provisions | 5,592 | 133 | 4,008 | 1,409 |
| **Non-cash items** | **72,034** | **98,484** | **70,112** | **82,803** |

## NOTE 26 APPROPRIATION OF PROFITS

### ACCOUNTING PRINCIPLES

**DISTRIBUTION OF CAPITAL TO OWNERS**

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

| **The Annual General Meeting has at its disposal:** | **SEK** |
|---|---|
| Share premium reserve | 192,646,361 |
| Retained earnings | –86,069,678 |
| Net profit for the year | –63,699,695 |
| **Total amount available** | **42,876,988** |

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

| | |
|---|---|
| Carried forward to new account | 42,876,988 |
| **Carried forward to new account** | **42,876,988** |

## NOTE 27 SIGNIFICANT EVENTS AFTER THE END OF THE YEAR

Pricer appoints Claes Wenthzel acting CFO as of February 12. Furthermore, Pricer has signed a framework agreement with the Italian retail group Maxi Di, and the British outdoor chain O&CC and the premium delicatessen chain Prezzemollo & Vitale (P&V) have chosen Pricer as a solution supplier for automation and communication in stores and digital labels.

# Board of Directors and President's Affirmation Statement

The Board and the President 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 and the Council's Regulation (EC) No. 1606/2002 of 19 July 2002 concerning the application of international accounting standards.

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

The annual and sustainability report and the consolidated financial statements, as presented above, were approved for publication by the Board and President on March 28, 2024. 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 May 7, 2024.

Stockholm, March 28, 2024

Bernt Ingman
*Chair*

Hans Granberg

Jenni Virnes

Jonas Guldstrand

Ole Mikael Jensen

Torbjörn Moller

Emil Ahlberg

Magnus Larsson
*President and CEO*

Our audit report was submitted on March 28, 2023

Ernst & Young AB

Jakob Wojcik
*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 2023. The annual accounts and consolidated accounts of the company are included on pages 27–61 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 December 31, 2023 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 December 31, 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS Accounting Standards), 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 of the area | How our audit addressed this key audit matter |
| --- | --- |
| Revenues for 2023 amounted to 2 681 MSEK 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. The group recognizes revenue from a wide range of geographical markets and the revenues are generated from products and product related offerings such as products sold and service. The timing of revenue recognition can vary from recognition as of a point in time to recognition over time. Judgement may be required in assessing if control has been transferred to the customer and to determine if performance obligations have been satisfied, therefore 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 1–2. | We have reviewed revenue recognition to ensure that it is carried out in accordance with IFRS Accounting Standards. 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**

| Description | How our audit addressed this key audit matter |
|---|---|
| Goodwill is recognized at 280 MSEK (281 MSEK) in the statement of financial position for the Group at December 31, 2023. 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 2023. 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 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 2–26. The remuneration report for financial year 2023 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 Accounting Standards 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, actions taken to eliminate threats or related safeguards applied.

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

***Report on the audit of the administration and the proposed appropriations of the company's profit or loss***

**Opinions**

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Pricer AB (publ) for the year 2023 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 Managing Director 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 the Managing Director**

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 Managing Director 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 Managing Director 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 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 Companies Act.

Reasonable assurance is a high level of assurance, but 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 Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism 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.

### *The auditor's examination of the ESEF report*

#### Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Pricer AB (publ) for the financial year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

#### Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the ESEF report*. Our responsibility under this recommendation is described in more detail in the *Auditors' responsibilit*y section. We are independent of Pricer AB (publ) 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 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 ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

#### Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

The audit firm applies ISQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation of the ESEF report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

Ernst & Young AB, Hamngatan 26, 11 47 Stockholm, was appointed auditor of Pricer AB (publ) by the general meeting of the shareholders on June 7, 2023 and has been the company's auditor since April 23, 2015.

Stockholm, March 28, 2024
Ernst & Young AB

*Jakob Wojcik*
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 RATIOS** | | |
| 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 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 costs 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 METRICS** | | |
| Equity per share, before/after dilution | Equity attributable to owners of the Parent Company divided by the weighted number of shares before/after dilution on the balance sheet date. The dilutive effect can arise from the company's outstanding warrants or performance share plans. | This measure is used to show development of equity per share over time and enable comparability with other companies. |
| Earnings per share, before/after dilution | Profit for the period attributable to owners of the Parent Company divided by the average number of shares outstanding before/after dilution during the period. The dilutive effect can arise from the company's outstanding warrants or performance share plans. | This measure is used to show development of earnings per share over time and to enable comparability with other companies. |
| P/S ratio | The share price on the balance sheet date divided by net sales per the average numbers of shares. | A traditional measure of the company's value in relation to net sales that enables comparability with other companies. |
| **OTHER METRICS** | | |
| 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. |
| Recurring revenue | Recurring revenue is the value of the provision of an ongoing contracted service or good over a contractual term, which is automatically renewed or extends beyond the next coming 12 months, and which can unilaterally be revoked by Pricer in case of non-payment from customer. | Show how much of the external net sales is recurring. Recurring revenue is primarily revenue from maintenance and support services and digital subscription services. |

# Alternative key ratios

| AMOUNTS IN SEK M UNLESS OTHERWISE STATED | 2023 | 2022 |
|---|---|---|
| **PERFORMANCE RATIOS** | | |
| Operating expenses | | |
| Selling expenses | –216.9 | –203.1 |
| Administrative expenses | –162.4 | –107.8 |
| Research and development costs | –65.5 | –51.9 |
| **Operating expenses** | **–444.8** | **–362.8** |
| | | |
| **Operating expenses adjusted for items affecting comparability** | | |
| Operating expenses | –444.8 | –362.8 |
| – Of which items affecting comparability | | – |
| **Operating expenses adjusted for items affecting comparability** | **–444.8** | **–362.8** |
| | | |
| **MARGIN RATIOS** | | |
| Net sales | 2,681.2 | 2,267.8 |
| – of which recurring revenue | 64.1 | 43.9 |
| Gross profit | 454.6 | 375.0 |
| **Gross margin, percent** | **17.0** | **16.5** |
| Operating profit | 15.4 | 21.1 |
| **Operating margin, percent** | **0.6** | **0.9** |
| | | |
| **CAPITAL AND FINANCIAL RATIOS** | | |
| **Equity/asset ratio** | | |
| Total assets | 2,008.1 | 2,037.2 |
| Shareholders' equity | 957.2 | 732.2 |
| **Equity/assets ratio, percent** | **48** | **36** |
| | | |
| **RETURN METRICS** | | |
| **Equity per share, before/after dilution** | | |
| Number of outstanding shares, millions | 163.4 | 110.3 |
| Dilution effect, millions | 0.2 | 0.2 |
| Shareholders' equity | 957.2 | 732.2 |
| **Equity per share, basic, SEK** | **5.86** | **6.64** |
| **Equity per share, diluted, SEK** | **5.85** | **6.62** |
| | | |
| **Earnings per share, before/after dilution** | | |
| Average number of outstanding shares, millions | 137.1 | 110.3 |
| Dilution effect, millions | 0.2 | 0.2 |
| Profit/loss for the period | –48.3 | 4.8 |
| **Earnings per share, basic, SEK** | **–0.35** | **0.04** |
| **Earnings per share, diluted, SEK** | **–0.35** | **0.04** |
| | | |
| **P/S ratio** | | |
| Net sales | 2,681.2 | 2,267.8 |
| Average number of outstanding shares, millions | 137.1 | 110.3 |
| Net sales per average number of shares, SEK | 19.56 | 20.55 |
| Share price at end of period, Class B | 7.80 | 16.36 |
| **P/S ratio, SEK** | **0.45** | **0.80** |

# Five-year overview – Group

| ALL AMOUNTS IN SEK M UNLESS OTHERWISE STATED | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| **KEY RATIOS** | | | | | |
| Net sales | 2,681.2 | 2,267.8 | 1,765.8 | 1,759.5 | 1,002,9 |
| Gross profit | 454.6 | 375.0 | 394.7 | 423.1 | 331.0 |
| Operating expenses | –444.8 | –362.8 | –291.8 | –282.1 | –227.2 |
| Items affecting comparability | – | – | – | – | – |
| Operating expenses adjusted for costs affecting comparability | –444.8 | –362.8 | –291.8 | –282.1 | –227.2 |
| Operating profit | 15.4 | 21.1 | 97.2 | 155.2 | 100.4 |
| Working capital | 316.2 | 238.4 | 331.7 | 127.2 | 194.8 |
| Cash flow from operating activities | –76.1 | 282.7 | –174.7 | 264.9 | 145.3 |
| | | | | | |
| **Financial data** | | | | | |
| Equity/assets ratio, percent | 48 | 36 | 46 | 59 | 72 |
| | | | | | |
| **Margin ratios** | | | | | |
| Gross margin, percent | 17.0 | 16.5 | 22.4 | 24.0 | 33.0 |
| Operating margin, percent | 0.6 | 0.9 | 5.5 | 8.8 | 10.0 |
| | | | | | |
| **Return ratios** | | | | | |
| Equity per share, basic | 5.86 | 6.6 | 7.2 | 7.4 | 7.4 |
| Equity per share, diluted | 5.85 | 6.6 | 7.2 | 7.4 | 7.3 |
| Basic earnings per share | –0.35 | 0.04 | 0.72 | 1.16 | 0.89 |
| Diluted earnings per share | –0.35 | 0.04 | 0.71 | 1.15 | 0.88 |
| P/S ratio | 0.48 | 0.80 | 1.53 | 2.43 | 2.06 |
| | | | | | |
| **Other ratios** | | | | | |
| Order intake | 2,576 | 2,325 | 1,610 | 1,588 | 1,504 |
| Backlog on December 31 | 394 | 493 | 383 | 495 | 731 |
| Recurring revenue | 64 | 44 | 32 | | |
| Recurring revenue as a percentage of net turnover | 2.4 | 1.9 | 1.8 | | |
| Average number of employees | 206 | 188 | 172 | 144 | 127 |
| Number of employees at end of year | 221 | 193 | 180 | 150 | 135 |

# Shareholder information

**Annual General Meeting (AGM)**
The Annual General Meeting will be held on May 7, 2024, at 2:00 PM at Klara Konferens Klarabergsviadukten 90, Stockholm.

*Right to participate at the AGM*
Shareholders who wish to participate in the Annual General Meeting must be entered in the share register maintained by Euroclear Sweden AB on Monday, April 29, 2024, and must notify the company of their participation no later than Tuesday, April 30 at 6:00 PM.

*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 Monday, April 29, 2024. 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 Thursday, May 2, 2024, will be considered when preparing the shareholder register.

*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 President 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: Annual General Meeting, Box 215, 101 24 Stockholm, Sweden, or via email to ir@pricer.com no later than Tuesday, April 23, 2024.

Disclosures are provided by being made available at the company on the company's website www.pricer.com/sv/om-pricer/bolagsstyrning/arsstamma/ and at the address Pricer AB, Västra Järnvägsgatan 7, 111 64 Stockholm, Sweden, no later than May 3, 2024, 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.

**Financial calendar**
In 2024, the quarterly financial reports will be published as follows:

| | |
|---|---|
| April 25, 2024 | Interim Report January–March 2024 |
| July 18, 2024 | Interim Report January–June 2024 |
| October 24, 2024 | Interim Report January–September 2024 |

**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.

# Address

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PRICER

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