

Stable orders continue

– Pricer’s solution synchronizes prices in-store and on-line

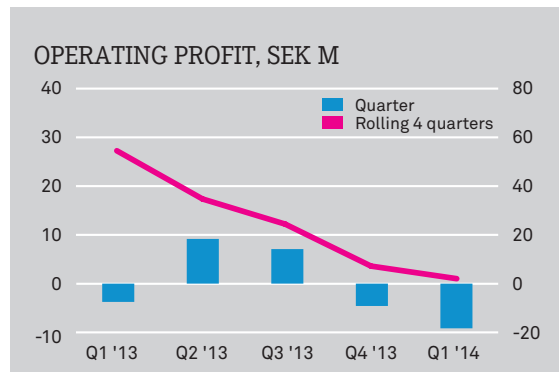
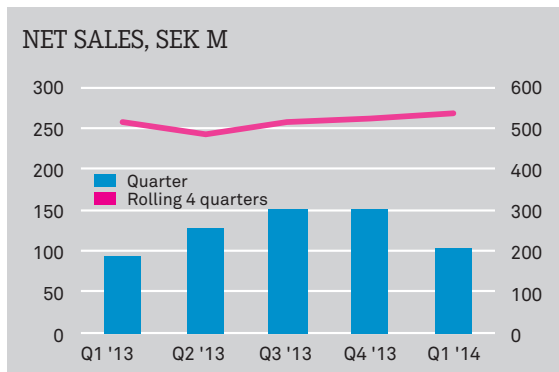
- Auchan Schiever Group upgrades hypermarkets – Value SEK 10 M
- French retailer Coop Atlantique rolls out Pricer solution – Estimated order value SEK 20 M
- Norwegian retailer chooses Pricer electronic shelf labels
- Pricer’s system plays a central part in extensive marketing campaign of Media Markt – Saturn

Events after the end of the period

- Leroy Merlin deploys Pricer ESL across all its stores – Estimated value SEK 130 M
- Pricer is revolutionizing the shopping experience in Carrefour
- Jonas Vestin new CEO at Pricer

First quarter

Orders received:	SEK 133 M (143)
Net sales:	SEK 103.6 M(93.2)
Gross margin:	23.2 percent (25.4)
Operating profit:	SEK -9.2 M (-3.8)
Operating margin:	-8.9 percent (-4.1)
Net profit:	SEK -9.7 M (-3.9)
Cash flow:	SEK 29.3 M (46.8)
Basic earnings per share:	SEK -0.09 (-0.04)



Comments from the (acting) CEO, Harald Bauer

We have seen some positive developments during the first quarter of the year, despite the profit for this quarter being hampered by a weak European economy. The order level has remained stable. We have won a number of important deals – from both existing and new customers.

The deals have been spread over a number of European markets in particular. In addition to the continuing success in France, an important contract has also been signed in Norway.

During the start of the year, it has become apparent that Pricer’s solution is becoming increasingly important for a retail company when synchronizing its strategy between different sales channels, known as an omni-channel strategy. The home electronics giant, Media Markt’s Dutch chain, Media Saturn, has used Pricer’s system to employ a competitive pricing strategy against its most important competitors. Media Saturn can adjust its prices in real time in all stores and in its web shop.

In a close cooperation between Pricer, its partners and Carrefour, a test store has, for the first time, been equipped to make it possible for customers to receive offers and recipe ideas and to use their mobile devices to locate the right product. By working closely with our customers, we have the opportunity to jointly pursue product development that creates benefits for the consumer.

After the end of the first quarter, we secured a major project worth around SEK 130 M from the French company Leroy Merlin, which is introducing our solution into all of its stores.

I maintain my optimism for the future. We expect sales to increase and ongoing cost reductions to improve gross margin. Overall, we expect 2014 to see improved net sales and an increased operating profit compared with 2013.

Market development

The market has improved slightly during the first quarter of the year, despite the economy in Southern Europe remaining weak. Another effect of the current economic climate is that ongoing projects are taking longer to complete.

The increase in sales of graphic displays reflects customer needs and shows that customers understand the benefits. In addition to showing price information, the system also allows customers to present information about products or direct marketing information on the shelf edge.

Carrefour, the world's second largest retailer, will use Pricer's latest retail technology for a fully-connected store that significantly improves the customer experience. This will substantially improve the customer experience, for example by enabling them to locate the product that they want using a mobile device.

Europe, Middle East and Africa

Net sales in the region were SEK 88.4 M (79.4).

During the quarter, targets have been achieved for the important French market.

An important agreement has been signed with French Group Schiever, which operates Auchan Hypermarkets and ATAC Supermarkets. The retail chain will replace the current ESL systems used in its stores and upgrade them to Pricer's bi-directional solution. The project includes eight Auchan Hypermarkets and six ATAC Supermarkets. The order value is SEK 10 M. Installations are to be completed by mid-2014.

An agreement has also been signed with French retailer Coop Atlantique. The contract includes 31 Hyper- and Supermarkets, which will be deployed with the Pricer solution by the end of 2015. Coop Atlantique already has seven stores equipped with the Pricer system. The value of the project is estimated at SEK 20 M.

An important contract has been signed in the Nordic market. Pricer's partner in Norway, PSI Systems, has signed a frame agreement with a Norwegian retailer to equip its stores with the Pricer system.

The German home electronics giant Media Markt has initiated a marketing campaign in its Dutch retail chain Media Saturn announcing the use of Pricer's solution in order to manage a very active price strategy. The electronics giant compares its prices daily with its 25 largest competitors. Pricer's electronic shelf labels enable Media Markt – Saturn to simultaneously adjust prices in all of its stores and web shop instantaneously.

Americas

Net sales in the region were SEK 4.1 M (11.4).

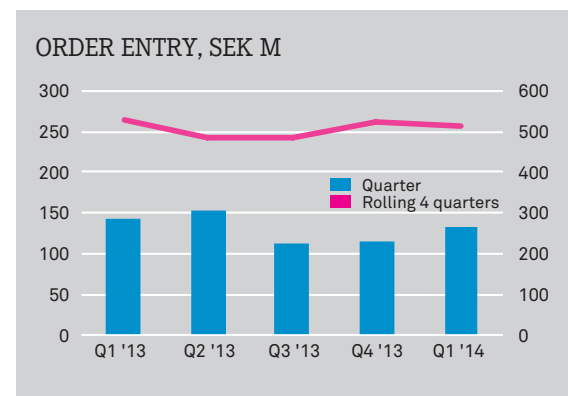
Pilot projects and smaller installations are in progress in a number of retail chains in various sectors in several countries in this important market region.

Asia and the Pacific

Net sales in the region were SEK 11.1 M (2.4) and included deliveries to Inageya, a leading supermarket chain in the Tokyo area, that has decided to upgrade its stores with new Pricer labels.

Orders, net sales and financial performance for the quarter

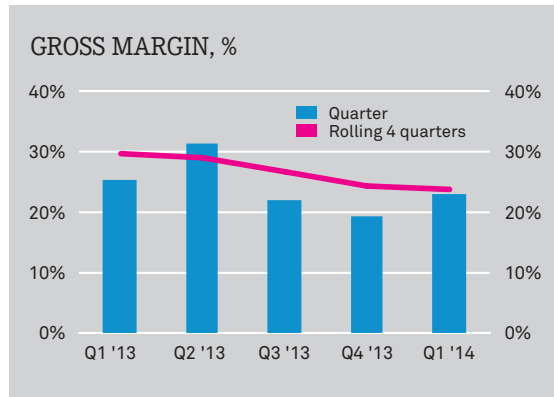
Orders in the first quarter were SEK 133 M (143), a decrease of 7 percent compared to last year. Excluding currency effects, the decrease was 18 percent. The Swedish krona has weakened primarily against the euro as compared to the same period the previous year. At the end of the quarter, orders were worth SEK 140 M (138).



CURRENCY EFFECTS ORDER ENTRY AND SALES

	Q 1 2014	Q 1 2013	Full year 2013
% change in Order entry	-7%	13%	2%
whereof currency effect	3%	-5%	-2%
% change in Order entry adjusted for currency effect	-10%	18%	4%
% change in Sales	11%	-26%	-4%
whereof currency effect	2%	-3%	-2%
% change in Sales adjusted for currency effect	9%	-23%	-2%

Net sales were SEK 103.6 M (93.2) during the quarter. The increase in net sales was 11 percent compared to the first quarter of 2013. Excluding currency effects, the increase was 9 percent. Net sales were SEK 535 M (517) on an annualized basis, which is an increase of 3 percent.



Gross profit was SEK 24.0 M (23.7) and the gross margin was 23.2 percent (25.4) for the quarter. The gross margin was affected as a result of the customer and product mix. Ongoing cost reductions are expected to lead to improved gross margin.

Operating expenses were SEK 33.2 M (27.5) during the quarter and the increase is due to higher personnel costs and amortizations on product development.

Operating profit was SEK -9.2 M (-3.8) during the quarter. This resulted in an operating margin of -8.9 percent (-4.1).

Net financial items were SEK -0.6 M (-0.3) for the quarter and consisted mainly of negative currency effects from the translation of current financial assets and cash positions.

Net profit was SEK -10.0 M (-3.9) for the quarter. Translation differences in other comprehensive income consisted of the positive currency revaluation of net assets in foreign subsidiaries in euro, primarily goodwill.

Cash flow and financial position

Cash flow from operating activities was SEK 29.3 M (46.8) and has developed positively due to increased customer payments.

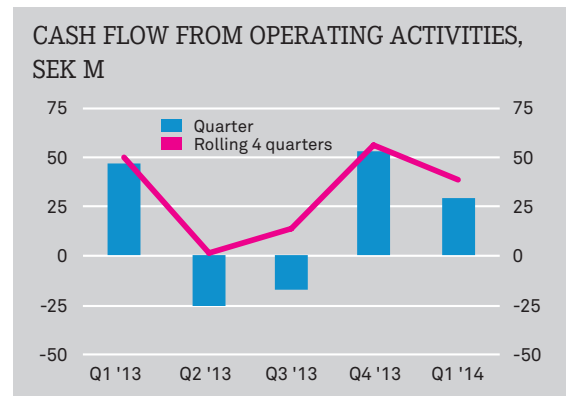
Working capital was SEK 232.6 M (253.4) at the end of the period and has decreased by 14 percent since the beginning of the year, when it was SEK 269.6 m.

The actual value of derivatives at the end of the period was SEK -0.4 M (0.8).

Cash and cash equivalents at the end of the period were SEK 74.1 M (84.4). In addition to available cash, Pricer has unused bank overdraft facilities of SEK 50 M in the form of a bank overdraft and an additional SEK 50 M in promissory credit.

Capital expenditure

Capital expenditure was SEK 3.6 M (7.6) during the first quarter and comprised mainly capitalised development costs of SEK 1.8 M (6.4).



Miscellaneous

Parent Company

Net sales in the Parent Company were SEK 89.3 M (93.5) and net profit was SEK -8.0 M (5.5) for the period. The Parent Company had cash and cash equivalents of SEK 70.1 M (68.5) at the end of the period.

Employees

The average number of employees in the quarter was 76 (77) and, at the end of the quarter, the company had 76 (79) employees.

The Board of Directors has appointed Jonas Vestin to be the company's new CEO. Jonas Vestin will take office no later than October 2014. Harald Bauer, Pricer's CFO, who is acting CEO, will be returning to his role as CFO when Jonas takes office.

NET SALES AND OPERATING PROFIT, SEK M

	Q 1 2014	Q 1 2013	Full year 2013
Net sales	103.6	93.2	524.5
Cost of goods sold	-79.6	-69.5	-397.6
Gross profit	24.0	23.7	127.0
Gross margin, %	23.2%	25.4%	24.2%
Operating expenses	33.2	-27.5	-119.2
Operating profit	-9.2	-3.8	7.8
Operating margin, %	-8.9%	-4.1%	1.5%

ISSUED AND OUTSTANDING SHARES

Stated in thousands of shares	Series A	Series B	Total
As at the beginning and the end of the period	226	110 416	110 647
Whereof treasury shares	-	-750	-750

Class A share holds five votes and class B share one vote

Risks and uncertainties

Pricer's results and financial position are affected by a number of risk factors that must be taken into consideration when assessing the Group, the Parent Company and their future potential. These risks primarily concern developments in the ESL market. Given the customer structure and the large size of the contracts, any delay in installations may have a significant impact on any given quarter. For additional risks, please see the annual report.

Related parties

There have been no significant transactions involving related parties that could have a material impact on the financial position and earnings of the Group or the Parent Company.

Accounting principles

This interim report showing the consolidated accounts has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable regulations in the Swedish Annual Accounts Act. This interim report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act, Chapter 9, and RFR 2. Accounting principles applied

for the consolidated accounts and the Parent Company accounts are consistent with the principles applied in the most recent annual report.

The new or amended IFRS that came into effect on 1 January 2014 have had no material effect on the consolidated financial statements.

Subsequent events

France's largest Do-It-Yourself and home improvement chain, Leroy Merlin, will install Pricer's system in all 121 of its stores by the end of 2015. 35 store installations are planned for 2014 and the remainder during 2015. The project value is estimated at SEK 130 M (USD 20 M).

Jonas Vestin has been appointed as the company's new CEO and will take office no later than October 2014.

Outlook

For 2014, both net sales and operating profit are expected to be better than in 2013.

Next reporting date

The interim report for January – June 2014 will be published on 23 July 2014.

Stockholm, 24 April 2014
Pricer AB (publ)

Harald Bauer
(acting) CEO

This report has not been subject to review by the auditors
(The interim report is a translation of the Swedish original for the sake of convenience)

In its capacity as issuer, Pricer AB is releasing the information in this interim report for January – March 2014 in accordance with the Swedish Securities Exchange Act (2007:528). The information was distributed to the media for publication at 10.00 CEST on Thursday 24 April 2014.

For further information, please contact:
Harald Bauer, acting CEO and CFO, Pricer AB +46 8 505 582 00

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME IN SUMMARY

Amounts in SEK M	Q 1 2014	Q 1 2013	Full year 2013
Net sales	103.6	93.2	524.6
Cost of goods sold	-79.6	-69.5	-397.6
Gross profit	24.0	23.7	127.0
Selling and administrative expenses	-25.7	-22.5	-94.9
Research and development costs	-7.5	-5.0	-24.3
Operating profit	-9.2	-3.8	7.8
Net financial items	-0.6	-0.3	-0.1
Profit before tax	-9.8	-4.1	7.7
Income tax	-0.2	0.2	-3.5
Profit for the period	-10.0	-3.9	4.2
Other comprehensive income			
<i>Items that have or may be accounted for in the profit for the period</i>			
Translation differences	0.3	-10.2	12.2
Cash flow hedges. net	0.0	0.5	-0.5
Tax relating to items in other comprehensive income	0.0	0.4	-0.6
Other comprehensive income for the period	0.3	-9.3	11.1
Net comprehensive income for the period	-9.7	-13.2	15.3
Profit for the period attributable to:			
Owners of the Parent Company	-10.0	-3.9	4.2
Non-controlling interest	-	0.0	-
Other comprehensive income for the period attributable to:			
Owners of the Parent Company	-9.7	-13.2	15.3
Non-controlling interest	-	0.0	-

EARNINGS PER SHARE

	Q 1 2014	Q 1 2013	Full year 2013
Basic earnings per share. SEK	-0.09	-0.04	0.04
Diluted earnings per share. SEK	-0.09	-0.04	0.04
Number of shares. millions	109.9	109.9	109.9
Diluted number of shares. millions	109.9	109.9	109.9

NET SALES BY GEOGRAPHICAL MARKET

Amounts in SEK M	Q 1 2014	Q 1 2013	Full year 2013
Europe. Middle East and Africa	88.4	79.4	443.9
America	4.1	11.4	51.6
Asia & the Pacific	11.1	2.4	29.1
Total net sales	103.6	93.2	524.6

STATEMENT OF CONSOLIDATED FINANCIAL POSITION IN SUMMARY

Amounts in SEK M	2014-03-31	2013-03-31	2013-12-31
Intangible fixed assets	268.0	244.7	269.1
Tangible fixed assets	8.2	7.9	7.2
Deferred tax assets	101.8	102.7	101.2
Total fixed assets	378.0	355.3	377.5
Inventories	157.4	155.5	148.4
Current receivables	186.1	206.8	226.4
Cash and cash equivalents	74.1	84.4	48.9
Total current assets	417.6	446.7	423.7
TOTAL ASSETS	795.6	802.0	801.2
Shareholders' equity	682.3	690.3	691.9
Non-controlling interest	-	0.1	-
Total equity	682.3	690.4	691.9
Long-term liabilities	2.4	2.7	4.1
Short-term liabilities	110.9	108.9	105.2
Total liabilities	113.3	111.6	109.3
TOTAL EQUITY AND LIABILITIES	795.6	802.0	801.2
Pledged assets	60.4	60.4	60.4
Contingent liabilities	0.8	0.7	0.8
Basic shareholders' equity per share, SEK	6.21	6.28	6.30
Diluted shareholders' equity per share, SEK	6.21	6.28	6.30

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	3 months 2014	3 months 2013	Full year 2013
Equity at beginning of period	691.9	703.5	703.5
Result for the period	-10.0	-3.9	4.2
Other comprehensive income for the period	0.3	-9.3	11.1
<i>Net comprehensive income for the period</i>	-9.7	-13.2	15.3
Share issue	-	-	0.8
Repurchase of own shares	-	-	-0.8
Dividend	-	-	-27.5
Share based payments, equity settled	0.1	0.1	0.4
<i>Total transactions with owners of the Group</i>	0.1	0.1	-26.3
Equity at end of period	682.3	690.4	691.9
Attributable to:			
- Owners of the Parent Company	682.3	690.3	691.9
- Non-controlling interest	-	0.1	-
Total	682.3	690.4	691.9

STATEMENT OF CONSOLIDATED CASH FLOWS IN SUMMARY

Amounts in SEK M	Q 1 2014	Q 1 2013	Full year 2013
Profit before tax	-9.8	-4.1	7.7
Adjustment for non-cash items	1.8	3.8	13.5
Paid income tax	-0.9	-0.3	0.1
Change in working capital	38.1	47.4	35.2
Cash flow from operating activities	29.2	46.8	56.5
Cash flow from investing activities	-3.6	-7.6	-26.1
Cash flow from financing activities	-	-	-27.5
Cash flow for the period	25.6	39.2	2.9
Cash and cash equivalents at beginning of period	48.9	45.7	45.7
Exchange-rate difference in cash and cash equivalents	-0.4	-0.5	0.3
Cash and cash equivalents at end of period	74.1	84.4	48.9
Unutilised bank overdraft facilities	50.0	50.0	50.0
Disposable funds at end of period	124.1	134.4	98.9

KEY RATIOS

Amounts in SEK M	Q 1 2014	Q 4 2013	Q 3 2013	Q 2 2013	Q 1 2013
Order entry	113	114	113	154	143
Order entry - rolling 4 quarters	513	523	485	484	528
Net sales	103.6	151.9	151.6	127.9	93.2
Net sales - rolling 4 quarters	535.0	524.6	516.9	487.1	516.9
Operating profit	-9.2	-4.4	6.9	9.1	-3.8
Operating profit - rolling 4 quarters	2.4	7.8	23.7	33.7	53.3
Profit for the period	-10.0	-4.9	5.3	7.7	-3.9
Cash flow from operating activities	29.3	52.5	-17.4	-25.4	46.8
Cash flow from op.activities - rolling 4 quarters	39.0	56.5	13.3	1.4	49.5
Number of employees, end of period	76	77	79	80	79
Equity ratio	86%	86%	82%	86%	86%

STATEMENT OF INCOME AND STATEMENT OF COMPREHENSIVE INCOME OF PARENT COMPANY IN SUMMARY

STATEMENT OF INCOME

	3 months	3 months	Full year
Amounts in SEK M	2014	2013	2013
Net sales	89.0	93.5	433.3
Cost of goods sold	-79.3	-72.2	-375.2
Gross profit	9.7	21.3	58.1
Selling and administrative expenses	-9.6	-9.7	-41.8
Research and development costs	-7.5	-5.0	-24.3
Operating profit	-7.4	6.6	-8.0
Income and expenses from financial items	-0.5	-0.4	0.0
Profit before tax	-7.9	6.2	-8.0
Income tax	-0.1	-0.7	0.5
Profit for the period	-8.0	5.5	-7.5

STATEMENT OF COMPREHENSIVE INCOME

	3 months	3 months	Full year
Amounts in SEK M	2014	2013	2013
Profit for the period	-8.0	5.5	-7.5
<i>Comprehensive income for the period</i>			
<i>Items that have or may be accounted for in the profit for the period</i>			
Translation differences	0.0	-2.6	3.0
Cash flow hedges, net	0.0	0.5	-0.4
Tax relating to items in other comprehensive income	0.0	0.4	-0.6
Comprehensive income for the period	0.0	-1.7	2.0
Net comprehensive income for the period	-8.0	3.8	-5.5

PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	2014-03-31	2013-03-31	2013-12-31
Intangible fixed assets	39.4	34.3	40.4
Tangible fixed assets	7.2	6.3	6.0
Financial fixed assets	378.3	371.7	379.1
Total fixed assets	424.9	412.3	425.5
Inventories	120.8	122.7	120.1
Current receivables	81.8	141.3	134.3
Cash and cash equivalents	70.1	68.5	37.5
Total current assets	272.7	332.5	291.9
TOTAL ASSETS	697.6	744.8	717.4
Shareholders' equity	601.7	646.0	609.6
Total equity	601.7	646.0	609.6
Provisions	9.3	8.0	11.1
Long-term liabilities	0.1	0.1	0.1
Current liabilities	86.5	90.7	96.6
Total liabilities	95.9	98.8	107.8
TOTAL EQUITY AND LIABILITIES	697.6	744.8	717.4
Pledged assets	59.6	59.6	59.6
Contingent liabilities	-	-	-

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY

Amounts in SEK M	3 months 2014	3 months 2013	Full year 2013
Equity at beginning of period	609.6	642.2	642.2
Net comprehensive income for the period	-8.0	3.8	-5.5
Share issue	-	-	0.8
Repurchase of own shares	-	-	-0.8
Dividend	-	-	-27.5
Share based payments, equity settled	0.1	-	0.4
Equity at end of period	601.7	646.0	609.6

About Pricer

Pricer provides the retail industry's leading electronic display and Electronic Shelf Label (ESL) platform, solutions, and services for intelligently communicating, managing, and optimizing price and product information on the retail floor. The platform is based on a two-way communication protocol to ensure a complete traceability and effective management of resources. The Pricer system significantly improves consumer benefit and store productivity by simplifying work in the store.

Pricer, founded in 1991 in Uppsala, Sweden, offers the most complete and scalable ESL solution. Pricer has installations in over 50 countries with the largest ESL world market share. Customers include many of the world's top retailers and some of the foremost retail chains in Europe, Japan and the USA. Pricer, in co-operation with qualified partners, offers a totally integrated solution together with supplementary products, applications and services.

Pricer AB (publ.) is quoted on the Nasdaq OMX Stockholm, Small Cap list. For further information, please visit www.pricer.com

Pricer AB
Box 215
SE-101 24
Sweden

Website: www.pricer.com
Telephone: +46 8 505 582 00
Stockholm Corporate Identity number: 556427-7993

Visiting address:
Västra Järnvägsgatan 7
SE-111 64 Stockholm
Sweden