

INTERIM REPORT

January-September 2014

Improvement in order intake and gross margin – restructuring initiated

- Stable sales and improved margins compared to last year and previous quarters 2014.
- Order intake increased by SEK 53 million (47%) compared to same period 2013.
- Previously announced component problems leading to label replacements have not led to any additional provisions.
- The restructuring announced in second quarter is initiated and has impacted the quarter with non-recurring costs of SEK 4.1 million.
- Jonas Vestin joined Pricer as Chief Executive Officer on August 14.
- No forecast issued for 2014.

Third quarter

• Order intake	SEK 166 (113) m
• Net sales	SEK 158.3 (151.6) m
• Gross margin	SEK 28.8% (22.1%)
• Operating profit ¹⁾	SEK 15.2 (6.9) m
• Operating margin ¹⁾	9.6% (4.6%)
• Cash flow	SEK -34.8 (-17.4) m
• Basic earnings per share	SEK 0.09 (0.05)

January-September

• Order intake	SEK 426 (409) m
• Net sales	SEK 409.8 (372.7) m
• Gross margin ²⁾	25.8% (26.1%)
• Operating profit ³⁾	SEK 8.7 (12.2) m
• Operating margin ³⁾	2.1% (3.3%)
• Cash flow	SEK -43.2 (4.0) m
• Basic earnings per share	SEK -0.46 (0.08)

1) Excluding non-recurring costs in the amount of SEK 4.1 million for Q3 2014

2) Excluding non-recurring costs in the amount of SEK 37.5 million for 2014 in Q2 2014

3) Excluding non-recurring costs in the amount of SEK 56.9 million until 30 September 2014

No significant events have occurred after Q3.

Comment from CEO Jonas Vestin

During my first months at Pricer, we have started the extensive change process initiated by the Board of Directors. However, I would like to begin by commenting on the financial performance in the third quarter. Order intake increased by 47% year-on-year, based on orders from all around the world, including a major order from French hardware store Leroy Merlin.

The net sales have stabilized and the gross margin and operating profit have increased in third quarter compared to the same quarter last year. The cash flow was SEK -34 million during third quarter as a result of a temporary increase in working capital, which we estimate will improve in fourth quarter.

During the quarter we secured the previously announced flagship order from Dairy Farm in Singapore, but we also succeeded in selling our pricing solutions to new retail segments. This broadens Pricer's market beyond the food retail industry.

My initial period at Pricer has been spent with meetings with employees, clients and partners. Our client relationships are backed by strong loyalty figures. The Pricer team has impressive technical know-how and understands the needs of our clients. This, combined with passion and pride for the Company, makes Pricer a market leader in innovations of technical solutions, in particular in implementing these solutions. Pricer's market presence is characterized by Pricer being a fundamental part of our clients' business model.

We commenced a substantial change process in third quarter with respect to our operational work and business model. This involves becoming more efficient in our operating activities and improving control with focus on quality, working capital and sales processes. This active change process is incurring certain non-recurring costs which were estimated at approximately SEK 15 million in second quarter 2014, with SEK 4.1 million now having impacted the third quarter. The final results will be reported in the fourth quarter.

Pricer's strong technical know-how and technical ambition, together with a world leading installed base of 13,000 stores, serve as the foundation for Pricer's new strategic direction for 2015 and onwards. This direction is based on an increasingly digitalized retail industry, characterized by omni-channel (retail in store, online and with smartphone), increased needs for proactive price optimization and requirements for personal communication with the consumer.

Pricer's solutions enable retailers to guarantee desired price levels in real time simultaneously in-store and online, which enables differentiating prices versus discount systems, time of day or online shopping. From the perspective of the consumer, the same solution can provide personalized offers, recommendations and in-store navigation. This illustrates Pricer's contribution to upgrade the retail revenue model and the consumer experience.

Market performance during the year

Several projects with integrated store chains have been initiated both in Central Europe and in Eastern Europe, which is an example of Pricer's objective of broadening its market.

Pricer has commenced a major installation in Asia excluding Japan for the first time. In Singapore, our client Dairy Farm, the owner of the Guardian and Cold Storage chains, has begun installing Pricer's system in its 200 stores.

We have continued to see good order intake with above-average margins in South America. Sales in the US are stable, but need to further increase to be sufficiently profitable.

Europe, the Middle East and Africa

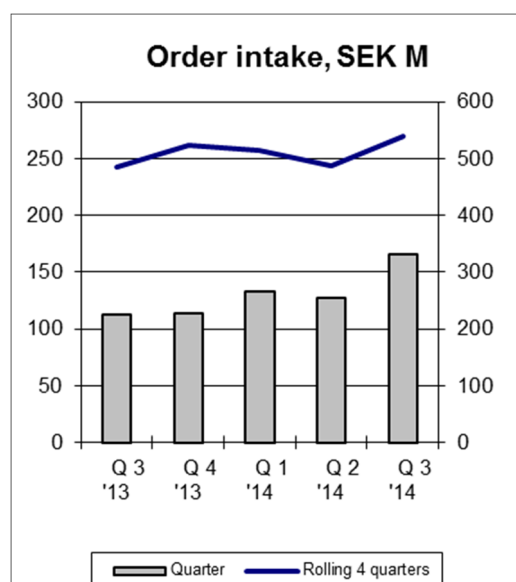
Sales for the region totalled SEK 352.3 (312.6) million.

Americas

Sales for the region totalled SEK 29.1 (45.2) million.

Asia-Pacific

Sales for the region totalled SEK 28.4 (14.9) million.



Orders, net sales and profit 1) for third quarter

Order intake was SEK 166 (113) million in third quarter, which is equal to a 47% increase in comparison

to the same period 2013. This increase was 38% excluding currency exchange difference.

The Swedish krona weakened, mainly against the euro and the dollar in comparison to the corresponding period of the past year.

The order intake for third quarter included an order from Leroy Merlin in France worth SEK 43.9 million, which mainly refers to 2015

Sales totalled SEK 158.3 (151.6) million in third quarter. The increase in sales was 4% in comparison to third quarter last year.

When converted into the same exchange rate as the last year, sales fell by 2%. Sales totalled SEK 562 (517) million on a rolling annual basis, which is a 9% increase.

Gross profit came in at SEK 45.6 (33.5) million and the gross margin was 28.8% (22.1%) for third quarter.

Operating expenses, excluding non-recurring costs, increased to SEK 30.4 (26.6) million for third quarter.

Operating profit totalled SEK 15.2 (6.9) million for third quarter, with an operating margin at 9.6% (4.6%).

Profit for the period came in at SEK 14.5 (5.3) million for third quarter.

Orders, net sales and profit 2) for the period from January to September 2014

The value of the order intake for the period was SEK 426 (409) million, which corresponds to a 4% increase in comparison to the same period last year.

Sales totalled SEK 409.8 (372.7) million for the period. The increase in sales was 10% year-on-year.

Gross profit came in at SEK 105.6 (97.4) million and the gross margin was 25.8% (26.1%).

Operating expenses excluding non-recurring costs amounted to SEK 96.9 (85.2) million for the period, which is equal to an increase of approximately 14% in comparison to the last year, as a result of higher

depreciation and amortization as well as a lower rate of capitalization of development projects.

The operating profit totalled SEK 8.7 (12.2) million for the period and is primarily a result of the loss in first quarter.

Profit for the period came in at SEK 6.5 (9.1) million.

Translation differences in other comprehensive income consisted of currency translation of net assets in

foreign subsidiaries in euro, mainly goodwill.

- 1) Excluding non-recurring costs in the amount of SEK 4.1 million
- 2) Excluding non-recurring costs in the amount of SEK 56.9 million

CURRENCY TRANSLATION DIFFERENCE ORDER INTAKE & SALES

	Q 3 2014	Q 3 2013	9 months 2014	9 months 2013	Full year 2013
% change in Order intake	47%	1%	4%	-6%	2%
whereof currency translation difference	9%	7%	5%	-2%	-2%
% change in Order intake adjusted for currency trans	38%	-6%	-1%	-4%	4%
% change in Net sales	4%	24%	10%	-8%	-4%
whereof currency translation difference	6%	0%	5%	-2%	-2%
% change in Net sales adjusted for currency translati	-2%	24%	5%	-6%	-2%

NET SALES AND OPERATING PROFIT¹, SEK M

	Q 3 2014	Q 3 2013	9 months 2014	9 months 2013
Net sales	158.3	151.6	409.8	372.7
Cost of goods sold ¹	-112.7	-118.1	-304.2	-275.3
Gross profit ¹	45.6	33.5	105.6	97.4
Gross margin ¹	28.8%	22.1%	25.8%	26.1%
Operating expenses ^{2,3}	-30.4	-26.6	-96.9	-85.2
Operating profit ⁴	15.2	6.9	8.7	12.2
Operating margin ⁴	9.6%	4.6%	2.1%	3.3%

Reference 1-4, see page 8

Cash flows and financial position

Third quarter

Cash flow from operating activities totalled SEK -34.8 (-17.4) million and was negatively impacted by a temporary increase in the working capital at the end of the quarter

Period from 1 January to 30

September

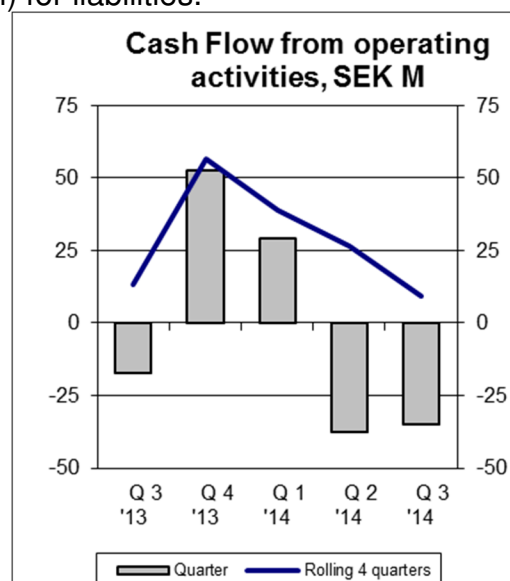
Cash flow from operating activities was SEK -43.2 (4.0) million.

The amount of working capital (including provisions) was SEK 292.3 (320.1) million at the end of the period and increased by 8% since the beginning of the year, when it was SEK 269.6 million.

The value of cash and cash equivalents at the end of the period was SEK 15.7 (25.9) million. In addition to cash and cash equivalents available, Pricer has an unutilised bank overdraft facility in the amount of SEK

32 million and an additional SEK 50 million as a standby line of credit.

The fair value of derivatives at the end of the period was - (SEK 0.5 million) for assets and -0 (SEK 1.3 million) for liabilities.



Equity

ISSUED AND OUTSTANDING SHARES

Stated in thousands of shares	Series A	Series B	Total
Issued at the beginning of the year, 2014-01-01	226	110 416	110 642
Issued and converted shares in the year		330	330
Issued at the end of the period, 2014-09-30	226	110 746	110 972
Treasury shares	-	-1 079	-1 079
Outstanding shares, 2014-09-30	226	109 667	109 893

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

An employee share scheme adopted by the Annual General Meeting in May was launched in second quarter.

330,000 shares have been issued and repurchased at the issue price and are now held by the Company in exchange for an undertaking to issue matching shares in three years. The value of this undertaking is treated in accordance with IFRS 2 and is recognized as an expense during the term.

Capital expenditures

Third quarter

Capital expenditures totalled SEK 1.7 (4.8) million in third quarter, consisting mainly of capitalized development costs in the amount of SEK 1.5 (3.1) million.

Period from 1 January to 30 September

Capital expenditures totalled SEK 8.0 (22.7) million during the period, consisting mainly of capitalized development costs in the amount of SEK 4.7 (16.8) million.

Miscellaneous

Parent Company

The Parent Company's net sales totalled SEK 344.5 (315.8) million and net profit for the period amounted to SEK -52.4 (3.8) million for the period from 1 January to 30 September, which is equal to SEK 4.5 million before non-recurring costs. The Parent Company's cash and cash equivalents amounted to SEK 3.7 (11.4) million at the end of the period.

Personnel

The average number of employees was 79 (79) during the period and the number of employees at the end of the period was 78 (77).

Jonas Vestin joined Pricer as CEO on 14 August. Harald Bauer, Pricer's CFO, who also served as

Acting CEO, left the company at the same time. Claes Wentzel joined as Interim CFO at the end of August.

Non-recurring items

ADJUSTED OPERATING PROFIT

Amounts in SEK M	Q3 2014	9 months 2014	Full year 2013
Operating profit	11.1	-48.2	7.8
Component problems	0.0	37.5	6.5
Write-down of development project	0.0	15.3	0.0
Structural change	4.1	4.1	0.0
Total adjustment	4.1	56.9	6.5
Adjusted operating profit	15.2	8.7	14.3

The structural changes announced in second quarter had an impact on profit in third quarter with SEK 4.1 million. The operating profit excluding these non-recurring costs increased and was SEK 15.2 (6.9) million in third quarter.

As previously reported, non-recurring costs and provisions of SEK 52.8 million impacted profit in second quarter 2014.

The cost of goods sold was impacted to the tune of SEK 37.5 million in second quarter, referring to an increase in provisions for warranties and impairment losses on inventories. SEK 24 million remain as of 30 September.

Research and development costs were impacted in second quarter with SEK 15.3 million for impairment losses on development projects no longer estimated to be launched.

Risks and uncertainties

Pricer's financial performance and financial position is affected by various risk factors that should be taken into account when assessing the Group and the Parent Company and their future potential. These risks mainly involve the market trend for electronic shelf labels. In consideration of our client structure and the large scope of our contracts, a delay in installations could have a material impact on an individual quarter. For other risks, please see the annual report.

Related parties

No substantial transactions have taken place with related parties that have a

material impact on the Group or the Parent Company's financial performance or financial position.

Accounting policies

This interim report for the Group has been prepared in compliance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act (SAA). The interim report for the Parent Company has been prepared in compliance with SAA Chapter 9 and RFR 2 (recommendation by the Swedish Financial Reporting Board). The accounting policies and calculation bases applied for the Group and the Parent Company are the same as those in the most recent annual report.

The new or revised IFRS that have entered into force on 1 January 2014 have not had any material impact on the Group's financial statements.

Future prospects

We are not making any forecast for 2014.

Next reporting date

The year-end report for January–December 2014 will be published on 12 February 2015. The Annual General Meeting will be held on 23 April 2015.

Stockholm, 7 November 2014

Board of Directors

Review report

Pricer AB
Corp. id. 556427-7993

Introduction

We have reviewed the summary interim financial information (interim report) of Pricer AB as of 30 September 2014 and the nine-month period then ended. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, November 7, 2014
KPMG AB

Tomas Gerhardsson
Authorized Public Accountant
Auditor in charge

Anna-Karin Forsberg
Authorized Public Accountant

As the publisher, Pricer AB has published information for January–September 2014 in this interim report pursuant to the Securities Market Act (2007:528). This information was disclosed to the media for publication on Friday, 7 November 2014 at 8:45 am

For more information, please contact:

Jonas Vestin CEO or Claes Wenthzel CFO, Pricer AB: +46 (0) 8-505 582 00

STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME IN SUMMARY

	Q 3 2014	Q 3 2013	Q 3 9 months 2014	9 months 2013	Full year 2013
Amounts in SEK M					
Net sales	158,3	151,6	409,8	372,7	524,6
Cost of goods sold ¹⁾	-112,7	-118,1	-341,7	-275,3	-397,6
Gross profit¹⁾	45,6	33,5	68,1	97,4	127,0
Selling and administrative expenses ³⁾	-27,7	-20,6	-77,6	-68,3	-94,9
Research and development costs ²⁾	-6,8	-6,0	-38,7	-16,9	-24,3
Operating profit⁴⁾	11,1	6,9	-48,2	12,2	7,8
Net financial items	0,7	-0,2	-0,6	-0,5	-0,1
Profit before tax⁴⁾	11,8	6,7	-48,8	11,7	7,7
Income tax	-1,4	-1,4	-1,6	-2,6	-3,5
Profit for the period⁴⁾	10,4	5,3	-50,4	9,1	4,2
Other comprehensive income					
<i>Items that have or may be accounted for in the profit for the period</i>					
Translation differences	0,0	-3,4	10,1	2,0	12,2
Cash flow hedges, net	0,0	-0,8	0,2	-0,8	-0,5
Tax relating to items in other comprehensive income	0,1	0,4	-0,5	0,1	-0,6
Other comprehensive income for the period	0,1	-3,8	9,8	1,3	11,1
Net comprehensive income for the period	10,5	1,5	-40,6	10,4	15,3
Profit for the period attributable to:					
Owners of the Parent Company	10,4	5,3	-50,4	9,1	4,2
Non-controlling interest	-	-	-	-	-
Other comprehensive income for the period attributable to:					
Owners of the Parent Company	10,5	1,5	-40,6	10,4	15,3
Non-controlling interest	-	-	-	-	-

1) Including non-recurring costs of SEK 37.5 M in Q2 2014 and SEK 6.5 M in Q4 2013

2) Including non-recurring costs of SEK 15.3 M in Q2 2014

3) Including non-recurring costs of SEK 4.1 M in Q3 2014

4) Affected by non-recurring costs totalling SEK 56.9 M in 2014 and SEK 6.5 M in Q4 2013

EARNINGS PER SHARE

	Q 3 2014	Q 3 2013	Q 3 9 months 2014	9 months 2013	Full year 2013
Basic earnings per share, SEK	0,09	0,05	-0,46	0,08	0,04
Diluted earnings per share, SEK	0,09	0,05	-0,46	0,08	0,04
Number of shares, millions	109,9	109,9	109,9	109,9	109,9
Diluted number of shares, millions	109,9	109,9	109,9	109,9	109,9

NET SALES BY GEOGRAPHICAL MARKET

	Q 3 2014	Q 3 2013	Q 3 9 months 2014	9 months 2013	Full year 2013
Amounts in SEK M					
Europe, Middle East and Africa	135,8	131,8	352,3	312,3	443,9
America	15,0	11,5	29,1	45,5	51,6
Asia & the Pacific	7,5	8,3	28,4	14,9	29,1
Total net sales	158,3	151,6	409,8	372,7	524,6

STATEMENT OF CONSOLIDATED FINANCIAL POSITION IN SUMMARY

Amounts in SEK M	2014-09-30	2013-09-30	2013-12-31
Intangible fixed assets	255,3	262,1	269,1
Tangible fixed assets	8,1	7,7	7,2
Deferred tax assets	101,9	101,6	101,2
Total fixed assets	365,3	371,4	377,5
Inventories	180,1	154,5	148,4
Current receivables	253,4	284,6	226,4
Cash and cash equivalents	15,7	25,9	48,9
Total current assets	449,2	465,0	423,7
TOTAL ASSETS	814,5	836,4	801,2
Shareholders' equity	651,8	686,8	691,9
Non-controlling interest	-	-	-
Total equity	651,8	686,8	691,9
Long-term liabilities	3,7	3,8	4,1
Short-term liabilities	159,0	145,8	105,2
Total liabilities	162,7	149,6	109,3
TOTAL EQUITY AND LIABILITIES	814,5	836,4	801,2
Pledged assets	60,4	60,4	60,4
Contingent liabilities	0,8	0,8	0,8
Basic shareholders' equity per share, SEK	5,93	6,25	6,30
Diluted shareholders' equity per share, SEK	5,93	6,25	6,30

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY

Amounts in SEK M	9 months 2014	9 months 2013	Full year 2013
Equity at beginning of period	691,9	703,5	703,5
Result for the period	-50,4	9,1	4,2
Other comprehensive income for the period	9,8	1,3	11,1
<i>Net comprehensive income for the period</i>	<i>-40,6</i>	<i>10,4</i>	<i>15,3</i>
Share issue	0,3	0,8	0,8
Repurchase of own shares	-0,3	-0,8	-0,8
Dividend	-	-27,5	-27,5
Share based payments, equity settled	0,5	0,4	0,6
<i>Total transactions with owners of the Group</i>	<i>0,5</i>	<i>-27,1</i>	<i>-26,9</i>
Equity at end of period	651,8	686,8	691,9
Attributable to:			
- Owners of the Parent Company	651,8	686,8	691,9
- Non-controlling interest	-	-	-
Total	651,8	686,8	691,9

STATEMENT OF CONSOLIDATED CASH FLOWS IN SUMMARY

Amounts in SEK M	Q 3 2014	Q 3 2013	9 months 2014	9 months 2013	Full year 2013
Profit before tax	11,8	6,7	-48,8	11,7	7,7
Adjustment for non-cash items	-3,8	5,7	46,8	8,9	13,5
<i>whereof depreciations and amortizations</i>	4,0	3,0	11,7	8,1	11,7
Paid income tax	-1,1	1,1	-3,2	1,2	0,1
Change in working capital	-41,7	-30,9	-38,0	-17,8	35,2
Cash flow from operating activities	-34,8	-17,4	-43,2	4,0	56,5
Cash flow from investing activities	-1,7	-4,7	-8,0	-22,6	-26,1
Cash flow from financing activities	17,8	26,7	17,8	-0,8	-27,5
Cash flow for the period	-18,7	4,6	-33,4	-19,4	2,9
Cash and cash equivalents at beginning of period	33,9	21,5	48,9	45,7	45,7
Exchange-rate difference in cash and cash equivalents	0,5	-0,2	0,2	-0,4	0,3
Cash and cash equivalents at end of period	15,7	25,9	15,7	25,9	48,9
Unutilised bank overdraft facilities	32,2	23,2	32,2	23,2	50,0
Disposable funds at end of period	47,9	49,1	47,9	49,1	98,9

KEY RATIOS

Amounts in SEK M	Q 3 2014	Q 2 2014	Q 1 2014	Q 4 2013	Q 3 2013
Order entry	166	127	133	114	113
Order entry - rolling 4 quarters	540	487	513	523	485
Net sales	158,3	147,9	103,6	151,9	151,6
Net sales - rolling 4 quarters	561,7	555,0	535,0	524,6	516,9
Operating profit	15,2	2,7	-9,2	2,1	6,9
Operating profit - rolling 4 quarters	10,8	2,5	8,9	14,3	23,7
Profit for the period	14,5	2,0	-10,0	1,6	5,3
Cash flow from operating activities	-34,8	-37,7	32,1	52,5	-17,4
Cash flow from op.activities - rolling 4 quarters	9,3	26,7	51,5	56,5	13,3
Number of employees, end of period	78	78	76	77	79
Equity ratio	80%	81%	86%	86%	82%

1) Excluding non-recurring costs of SEK 52.8 M in Q2 2014, SEK 4.1 M in Q3 and SEK 6.5 M in Q4 2013.

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

STATEMENT OF INCOME

	9 months	9 months	Full year
Amounts in SEK M	2014	2013	2013
Net sales	344,5	315,8	433,3
Cost of goods sold ¹⁾	-325,2	-264,9	-375,2
Gross profit¹⁾	19,3	50,9	58,1
Selling and administrative expenses ³⁾	-32,7	-29,8	-41,8
Research and development costs ²⁾	-38,7	-16,9	-24,3
Operating profit⁴⁾	-52,1	4,2	-8,0
Income and expenses from financial items	-0,6	-0,4	0,0
Profit before tax⁴⁾	-52,7	3,8	-8,0
Income tax	0,3	0,0	0,5
Profit for the period⁴⁾	-52,4	3,8	-7,5

STATEMENT OF COMPREHENSIVE INCOME

	9 months	9 months	Full year
Amounts in SEK M	2014	2013	2013
Profit for the period	-52,4	3,8	-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	2,2	0,5	3,0
Cash flow hedges, net	0,2	-0,8	-0,4
Tax relating to items in other comprehensive income	-0,5	0,1	-0,6
Comprehensive income for the period	1,9	-0,2	2,0
Net comprehensive income for the period	-50,5	3,6	-5,5

1) Including non-recurring costs of SEK 37.5 M in Q2 2014 and SEK 6.5 M in Q4 2013

2) Including non-recurring costs of SEK 15.3 M in Q2 2014

3) Including non-recurring costs of SEK 4.1 M in Q3 2014

4) Affected by non-recurring costs totalling SEK 56.9 M in 2014 and SEK 6.5 M in Q4 2013

PARENT COMPANY BALANCE SHEET IN SUMMARY

Amounts in SEK M	2014-09-30	2013-09-30	2013-12-31
Intangible fixed assets	21,1	40,1	40,4
Tangible fixed assets	7,1	6,4	6,0
Financial fixed assets	382,9	376,8	379,1
Total fixed assets	411,1	423,3	425,5
Inventories	136,8	125,0	120,1
Current receivables	145,8	200,2	134,3
Cash and cash equivalents	3,7	11,4	37,5
Total current assets	286,3	336,6	291,9
TOTAL ASSETS	697,4	759,9	717,4
Shareholders' equity	559,6	618,6	609,6
Total equity	559,6	618,6	609,6
Provisions	27,8	8,1	11,1
Long-term liabilities	0,1	0,1	0,1
Current liabilities	109,9	133,1	96,6
Total liabilities	137,8	141,3	107,8
TOTAL EQUITY AND LIABILITIES	697,4	759,9	717,4
Pledged assets	59,6	59,6	59,6
Contingent liabilities	-	-	-