

## Interim Report January – September 2015

### Net sales and operating profit at record high levels

#### Third quarter 2015

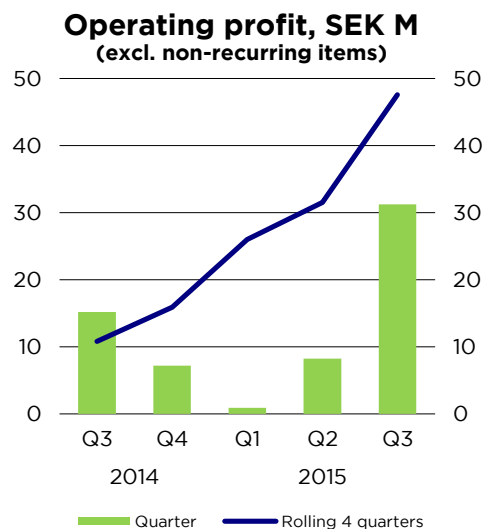
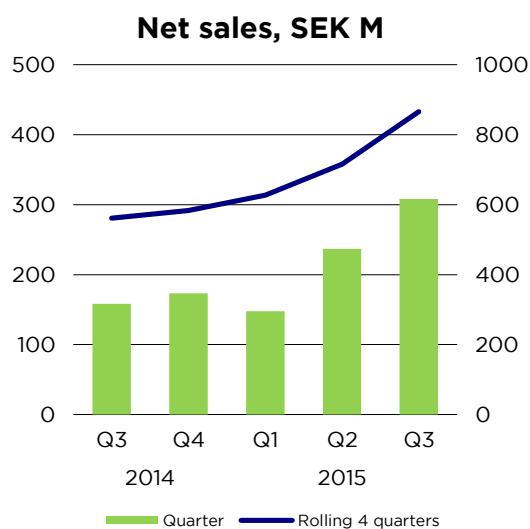
- Order intake of SEK 119 (166) M, a decrease of 28 percent compared to last year
- Net sales of SEK 308 (158) M, an increase of 95 percent compared to last year
- Operating profit amounted to SEK 31.3 (15.2<sup>2</sup>) M and the profit for the period SEK 20.7 (10.4<sup>2</sup>) M
- The backlog\* is approximately SEK 130 M, whereof the majority is expected to be invoiced in 2015

Amounts in SEK M unless otherwise stated	Q 3 2015	Q 3 2014	9 months 2015	9 months 2014
Order intake	119	166	684	426
Net sales	308,0	158,3	692,1	409,8
Gross margin <sup>1, 3)</sup>	22,0%	27,0%	21,2%	23,7%
Operating profit <sup>2)</sup>	31,3	15,2	40,4	8,7
Operating margin <sup>2)</sup>	10,1%	9,6%	5,8%	2,1%
Cash flow from operating activities	24,6	-34,8	8,7	-43,2
Profit for the period	20,7	10,4	29,1	-50,4
Earnings per share (SEK)	0,19	0,09	0,26	-0,46

1) Excluding non-recurring costs of 0 for Q3 2014 and SEK 37.5 M for the period ending 30 September 2014.

2) Excluding non-recurring costs of SEK 4.1 M for Q3 2014 and SEK 56.9 M for the period ending 30 September 2014.

3) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for Q3 2014 and SEK 8.4 M for the period ending 30 September 2014.



\* The order backlog consists of binding orders and call-offs under frame agreements. Expected future value of frame agreements is not included.



### Comments from the CEO, Jonas Vestin

The third quarter was Pricer's best ever, both when it comes to net sales and operating profit. This results from delivering the previous quarters' strong order intake. With SEK 308 M in net sales during the quarter, we can see that Pricer has already after three quarters surpassed the company's previous record from 2011 when it comes to net sales for a full fiscal year. The cash flow was also considerably improved compared with the previous quarter and compared with the corresponding quarter last year.

Order intake is weaker compared with last year as well as to this year's two previous quarters. Pricer's business continues to be of a project oriented nature where large projects will not be evenly distributed between quarters, which will cause rather significant quarterly variations. Our customer's procurement and decision periods are prolonged with the complexity of the solutions, by its value and strategic importance. Hence, individual quarters will not always reflect the overall market growth. At the same time the product mix has shifted slightly again with the share of segment labels, sold at lower price but with higher margins, having increased compared with the first half year.

The operating profit of SEK 31.3 M in the quarter gives an accumulated operating profit of SEK 40.4 M, which is a clear improvement compared with 2014. The operating margin rose to 10.1 percent in the third quarter. The high net sales in combination with a gross margin improvement - although moderate - compared with the second quarter, results in more than double earnings to the same period 2014.

The improved gross margin compared with the previous quarter confirms our assessment that the gross margin has reached its bottom for Pricer. Our focus continues to rest on sales and marketing activities and previously communicated efforts to increase the gross margin, where we expect a slight improvement during 2016. This mainly stems from our operational efforts within sales and supply chain but also gradually as a result of our digital strategy with a larger share of software and a differentiation that improves our competitive position.

Going into the fourth quarter, the business situation indicates a somewhat higher net sales than the existing order backlog. Sales with delivery and invoicing within the period is generally strong during the fourth quarter. However net sales will not in any way match the level of the present quarter. As in previous reports, we do not provide any forecast for 2015.

Lastly, a progress report on the work with implementing our digital strategy. A new production version of our key server software has been launched. The software is central to Pricer's new digital solutions. We are now able to offer a store completely new possibilities in a sharp live production environment. Regardless of scale, size or number of stores, Pricer's infrastructure can enable the retailer to display in real time on any mobile device where a product is, where a person is located, and to make the product interact directly with the person at the shelf-edge. We are thus ready for scalable production deployments, where Pricer and our customers create completely new solutions. Pricer has thereby taken another important step into the next generation of retail.

### Market developments during the third quarter 2015

Overall, we have seen continued positive market development. The technology shift from segment based LCD labels to graphic ePaper labels is a key factor, as the improved customer value in a graphic label more than triples the value of the contract. This means that every store that chooses graphic instead of segment based labels is investing more than three times as much in the solution, which in turn drives market growth. The strengthening of the market is furthermore a result of the in-store digitisation trend, added value in shelf-edge solutions and continued pressure from online stores on "Brick & Mortar stores", combined with improved return on investment when moving from paper to digital shelf-edge.

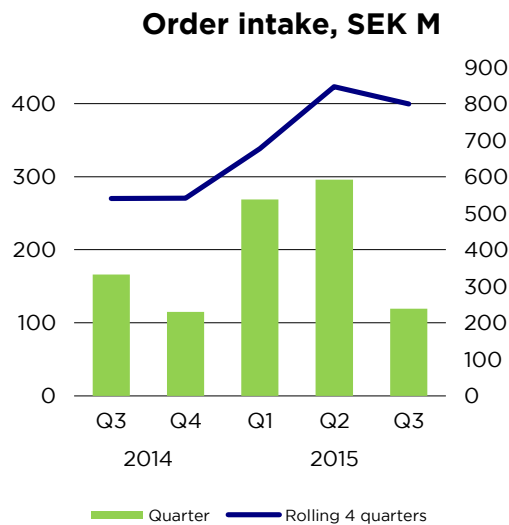
Pricer's five largest customers/partners in the quarter account for approximately two thirds of the net sales. The share of the new generation labels - the graphic - continues to be very high, which is driving up net sales. Also counted in number of labels Pricer is back to the levels of the previous records in 2010-2011.

Out of the order intake, the quarter’s five largest customers/partners represent about one third of the value. Here, we see a higher share of previous generation labels – segment based – than earlier in the year, which decreases the value of the backlog. Increased sales to the French food retail franchise market is the main reason for this increase of segment based labels.

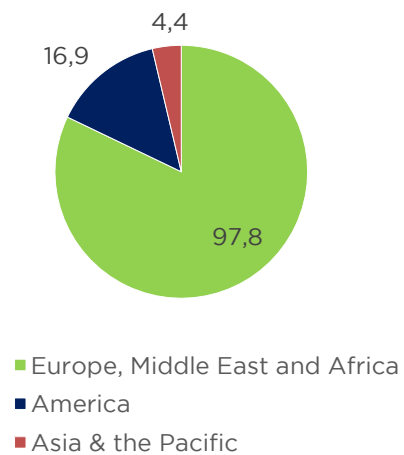
Both net sales and order intake continue to be weak in Asia. Some improvement from low levels has occurred in Americas during the year, most visibly in Canada, focusing on durable goods, such as hardware stores and liquor stores, as well as somewhat higher sales to the food retail sector in Mexico. New concept stores in northeastern USA have gained positive local media attention with Pricer’s installations well exposed. During the quarter, two new pilot installations have been initiated in the US, with one grocery retailer and a leading Do-It-Yourself chain. Today Pricer is one of few ESL vendors where graphic labels and segment labels can co-exist, creating solid ROI opportunities at the same time as the software solutions are painting a clear picture of future development and milestones with increased business value for the retail sector.

**NET SALES BY GEOGRAPHICAL MARKET**

Amounts in SEK M	Q 3	Q 3	9 months	9 months	Full year
	2015	2014	2015	2014	2014
Europe, Middle East and Africa	288,7	135,8	638,3	352,3	493,3
America	14,6	15,0	38,0	29,1	44,7
Asia & the Pacific	4,7	7,5	15,8	28,4	45,1
<b>Total net sales</b>	<b>308,0</b>	<b>158,3</b>	<b>692,1</b>	<b>409,8</b>	<b>583,0</b>



**Order intake by geographical market, SEK M**



## Business Case - Digital Strategy

### "Low stock" indication - More efficient stores with Pricer's platform



A retail store has to continuously perform a number of critical processes to keep the store running smoothly. Examples are restocking shelves, putting up the right merchandizing, removing goods that are discontinued or checking that the right number of products are placed next to each other.

Every retailer has their own variations on these processes and the Pricer platform is easily adaptable to these. A recent example is "low stock" indication where the system is configured to command a label to flash before the store opens.

By analyzing sales data, the system knows which products are running low and by selecting those for flashing, the staff can easily be alerted. Retailers might do this during the day, but only for products in close proximity of the person performing the check.

## FINANCIAL SUMMARY

Amounts in SEK M unless otherwise stated

	Q 3 2015	Q 3 2014	9 months 2015	9 months 2014
Order intake	119	166	684	426
Net sales	308,0	158,3	692,1	409,8
Gross margin <sup>3)</sup>	22,0%	27,0%	21,2%	14,6%
Gross margin, excl. non-recurring costs <sup>1, 3)</sup>	22,0%	27,0%	21,2%	23,7%
Operating profit	31,3	11,1	40,4	-48,2
Operating profit, excl. non-recurring costs <sup>2)</sup>	31,3	15,2	40,4	8,7
Operating margin	10,1%	7,0%	5,8%	-11,8%
Operating margin, excl. non-recurring costs <sup>2)</sup>	10,1%	9,6%	5,8%	2,1%
Cash flow from operating activities	24,6	-34,8	8,7	-43,2
Profit for the period	20,7	10,4	29,1	-50,4
Earnings per share (SEK)	0,19	0,09	0,26	-0,46

1) Excluding non-recurring costs of 0 for Q3 2014 and SEK 37.5 M for the period ending 30 September 2014.

2) Excluding non-recurring costs of SEK 4.1 M for Q3 2014 and SEK 56.9 M for the period ending 30 September 2014.

3) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for Q3 2014 and SEK 8.4 M for the period ending 30 September 2014.

### Orders, net sales and profit for third quarter

Order intake was SEK 119 (166) M in the quarter, a decrease of 28 percent compared to the third quarter last year. Adjusted for changes in exchange rates, the order intake decreased by 32 percent. The order intake was spread over a large number of customers mainly in Europe.

Net sales amounted to SEK 308.0 (158.3) M in the quarter. The increase was 95 percent compared to the same quarter last year. Adjusted for changes in exchange rates, sales increased by 77 percent.

Gross profit amounted to SEK 67.9 (42.8) M and gross margin to 22.0 (27.0) percent in the third quarter. Gross margin improved with 3.7 percentage points compared to the second quarter 2015. The high share of graphic labels and stronger US dollar, continues to pressure the gross margin compared to the same quarter last year.

Operating expenses increased to SEK 36.6 (31.7) M in the third quarter. Operating expenses in the third quarter last year were burdened by restructuring cost, amounting to SEK 4.1 M. Adjusted for this, operating expenses were SEK 27.6 M.

Operating profit amounted to SEK 31.3 (11.1) M and operating margin to 10.1 (7.0) percent in the third quarter. Excluding non-recurring items in 2014 the operating profit has improved by SEK 16.0 M between the quarters, translating into an expansion of the operating margin by 0.5 percentage points from 9.6 percent in 2014 to 10.1 percent in 2015.

Profit for the period amounted to SEK 20.7 (10.4) M.

Translation differences in other comprehensive income of SEK 7.8 (0) M consisted of foreign currency translation of net assets in foreign subsidiaries in euro and US-dollars, which mainly consisted of goodwill.

### Orders, net sales and profit for the period from January to September 2015

Order intake was SEK 684 (426) M in the period, an increase of 61 percent compared to last year. Adjusted for changes in exchange rates, the order intake increased by 43 per cent.

Net sales amounted to SEK 692.1 (409.8) M in the period, an increase of 69 percent compared to last year. Adjusted for changes in exchange rates, net sales increased by 52 per cent.

Gross profit amounted to SEK 146.6 (59.7) M and gross margin to 21.2 (14.6) percent in the period. Gross profit in the second quarter last year was negatively affected by a provision of SEK 37.5 M, mainly relating to quality problems. Excluding non-recurring items in 2014 the gross margin amounted to 23.7 percent. The decrease in gross margin, excluding non-recurring items, in the period compared to the same period last year is explained by a higher share of graphic labels, a stronger US-dollar and contracts with low margins.

Operating expenses decreased to SEK 106.2 (107.9) M in the period. Operating expenses in the first 9 months last year were burdened by a write-off of development projects amounting to SEK 15.3 M and restructuring cost of SEK 4.1 M. Adjusted for this, operating expenses have increased with SEK 17.7 M compared to the same period last year. The increase is mainly driven by the implementation of the new solution-oriented strategy in combination with investments in a strengthened organization.

Operating profit amounted to SEK 40.4 (-48.2) M and operating margin to 5.8 (-11.8) percent.

Profit for the period amounted to SEK 29.1 (-50.4) M.

Translation differences in other comprehensive income of SEK -2.7 (10.1) M consisted of foreign currency translation of net assets in foreign subsidiaries in euro and US-dollars, which mainly consisted of goodwill.

### CURRENCY TRANSLATION DIFFERENCE ORDER INTAKE & SALES

	Q 3 2015	Q 3 2014	9 months 2015	9 months 2014	Full year 2014
% change in Order intake	-28%	47%	61%	4%	3%
whereof currency translation difference	4%	9%	18%	5%	5%
% change in Order intake adjusted for currency translation difference	-32%	38%	43%	-1%	-2%
% change in Net sales	95%	4%	69%	10%	11%
whereof currency translation difference	18%	6%	17%	5%	5%
% change in Net sales adjusted for currency translation difference	77%	-2%	52%	5%	6%

**NET SALES AND PROFIT, SEK M**

	Q 3 2015	Q 3 2014	9 months 2015	9 months 2014
Net sales	308,0	158,3	692,1	409,8
Cost of goods sold <sup>1)</sup>	-240,1	-115,5	-545,5	-350,1
Gross profit	67,9	42,8	146,6	59,7
Gross margin	22,0%	27,0%	21,2%	14,6%
Operating expenses	-36,6	-31,7	-106,2	-107,9
Operating profit	31,3	11,1	40,4	-48,2
Operating margin	10,1%	7,0%	5,8%	-11,8%

- 1) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for Q3 2014 and SEK 8.4 M for the period ending 30 September 2014.

**NET SALES AND PROFIT (EXCL. NON-RECURRING COSTS), SEK M**

	Q 3 2015	Q 3 2014	9 months 2015	9 months 2014
Net sales	308,0	158,3	692,1	409,8
Cost of goods sold, excl. non-recurring costs <sup>1, 2)</sup>	-240,1	-115,5	-545,5	-312,6
Gross profit, excl. non-recurring costs <sup>1, 2)</sup>	67,9	42,8	146,6	97,2
Gross margin, excl. non-recurring costs <sup>1, 2)</sup>	22,0%	27,0%	21,2%	23,7%
Operating expenses, excl. non-recurring costs <sup>1, 3)</sup>	-36,6	-27,6	-106,2	-88,5
Operating profit, excl. non-recurring costs <sup>4)</sup>	31,3	15,2	40,4	8,7
Operating margin, excl. non-recurring costs <sup>4)</sup>	10,1%	9,6%	5,8%	2,1%

- 1) Depreciations of capitalized development costs were during 2014 reclassified from the research and development cost function to cost of goods sold. The effect of this is SEK 2.8 M for Q3 2014 and SEK 8.4 M for the period ended 30 September 2014.
- 2) Excluding non-recurring costs of 0 for Q3 2014 and SEK 37.5 M for the period ending 30 September 2014.
- 3) Excluding non-recurring costs of SEK 4.1 M for Q3 2014 and SEK 19.4 M for the period ending 30 September 2014.
- 4) Excluding non-recurring costs of SEK 4.1 M for Q3 2014 and SEK 56.9 M for the period ending 30 September 2014.

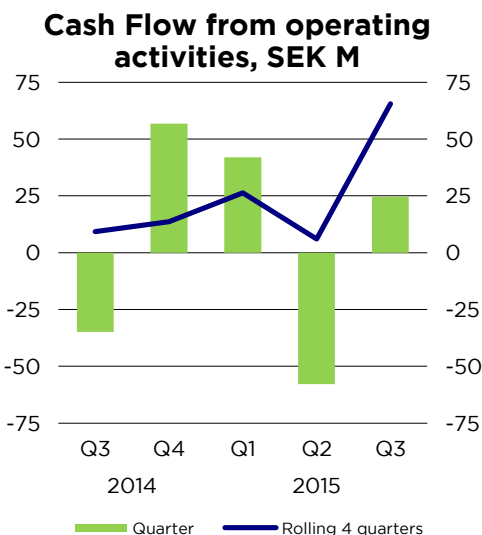
**Cash flow and financial position**Third quarter

Cash flow from current activities amounted to SEK 24.6 (-34.8) M in the third quarter as a result of high operating profit in the quarter combined with lower working capital requirements in relation to net sales.

Period from 1 January to 30 September

Cash flow from operating activities was SEK 8.7 (-43.2) M in the period, also driven by high operating profit combined with a decrease working capital tied-up in inventory.

Cash and cash equivalents at the end of the period amounted to SEK 49.8 (15.7) M. In addition to cash and cash equivalents, Pricer has an unused overdraft facility amounting to SEK 50 M and an additional SEK 50 M in a credit facility.



### Equity

Pricer holds 1,067 thousand own shares in order to fulfill the promise of matching and performance shares in the two outstanding stock saving programs. The value of the promise is reported in accordance with IFRS 2 and is expensed over the vesting period.

21 million warrants in Pricer expired in the quarter without being exercised. The warrants gave the right to acquire 2.1 million class B shares. The warrants were provided to employees of the company during 2011.

### ISSUED AND OUTSTANDING SHARES

Stated in thousands of shares	Series A	Series B	Total
Issued at the beginning of the year, 2015-01-01	226	110 746	110 972
Issued and converted shares in the year		0	0
Issued at the end of the period, 2015-09-30	226	110 746	110 972
Treasury shares	-	-1 067	-1 067
Outstanding shares at end-of period	226	109 679	109 905

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

### Investment

#### Third quarter

Investments in fixed assets amounted to SEK 2.2 (1.7) M in the third quarter and consisted mainly of capitalized development costs of SEK 1.5 (1.5) M.

#### Period from 1 January to 30 September

Investments in fixed assets amounted to SEK 11.9 (8.0) M during the period and consisted mainly of investments in increased production capacity and capitalized development costs of SEK 7.6 (4.7) M.

### Parent company

The parent company's net sales amounted to SEK 585.7 (344.5) M and the result for the period amounted to SEK 25.2 (-52.4) M. The parent company's cash and cash equivalents amounted to SEK 39.4 (3.7) M at the end of the period.

### Personnel

The average number of employees was 84 (79) and the number of employees at the end of the period was 86 (78).

### Non-recurring costs

As previously reported, 2014 was burdened with non-recurring costs of a total of SEK 69.0 M relating mainly to component problems for goods delivered and a large-scale structural change. Of the provisions made with regard to quality problems, SEK 15.0 M remained at 30 September, which is considered sufficient to cover the remaining costs.

#### OPERATING PROFIT, EXCL. NON-RECURRING COSTS

	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3
Amounts in SEK M	2014	2014	2014	2014	2015	2015	2015
<b>Operating profit</b>	<b>-9,2</b>	<b>-50,1</b>	<b>11,1</b>	<b>-4,9</b>	<b>0,9</b>	<b>8,2</b>	<b>31,3</b>
Component problems	-	37,5	-	-	-	-	-
Write-down of development project	-	15,3	-	0,2	-	-	-
Structural change	-	-	4,1	11,9	-	-	-
<i>Total adjustment</i>	<i>-</i>	<i>52,8</i>	<i>4,1</i>	<i>12,1</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Operating profit, excl. non-recurring costs</b>	<b>-9,2</b>	<b>2,7</b>	<b>15,2</b>	<b>7,2</b>	<b>0,9</b>	<b>8,2</b>	<b>31,3</b>

### Risks and uncertainty factors

Pricer's results and financial position are affected by various risk factors that must be considered when assessing the group and the parent company and their future potential. These risks are primarily associated with the progress of the market for electronic shelf labels and large currency fluctuations. In view of the client structure and the extensive scale of the agreement, a delay in the installations or large fluctuations in exchange rates can have a significant effect in an individual quarter. For other risks, please see the 2014 Annual Report, pages 10 and 39.

### Related parties

No significant transactions took place with related parties that significantly affect the Group's or parent company's financial position or results.

### Financial instruments

Pricer's financial instruments consist of derivatives, accounts receivables, cash and cash equivalents, accounts payable, accrued expenses and interest bearing debt. Derivatives are valued at fair value within level 2, according to the definition in IFRS 7, meaning the value is calculated based on observable market data, either directly (e.g. share price) or indirectly (derived from price). All other financial assets have been classified as receivables which includes current receivables, cash and cash equivalents. All other financial liabilities are valued at accrued acquisition value, which includes accounts payable, accrued expenses and interest bearing debt. In conclusion, book value is a reasonable estimate of fair value.

### Taxes

The tax cost in the quarter amounts to SEK 8.8 M, whereof SEK 7.4 M relates to deferred tax costs following the usage of accumulated tax losses carried forward in the parent company. The actual tax rate (i.e. effective tax) was only 5%. The effective tax rate for the first 9 months of the year is 11%.

### Accounting principles

This interim report for the group was prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Annual Accounts Act. The interim report for the parent company was prepared in accordance with the Annual Accounts Act, Chapter 9, and RFR 2. The



same accounting principles and bases for calculation were applied for the group and the parent company as in the latest annual report.

A reclassification of depreciations of capitalized development costs was carried out in 2014 from research and development expenses to cost of goods sold. The amount for the third quarter of 2014 is SEK 2.8 M and SEK 8.4 M for the period ending 30 September 2014. This is to clarify the link to the sale generated by the developed products after launch, when depreciation normally also begins.

**Forecasts**

No forecast is issued for 2015.

**Nomination committee and annual general meeting**

Pricer's nomination committee for the 2016 Annual General Meeting consists of the Chairman of the Board Bo Kastensson together with Tedde Jeansson (Sagri Development AB, T J Junior AB, etc), Stefan Roos (Sifonen AB, Origo Capital AB, etc), Göran Sundholm and Gunnar Ek (smaller shareholders). The Annual General Meeting is planned for April 28, 2016 in Stockholm. Shareholders wishing to submit proposals to Pricer's Nomination Committee can contact the Committee by e-mail at [ir@pricer.com](mailto:ir@pricer.com) or by letter to: Pricer AB, Attention: Valberedningen, Box 215, S-101 24 Stockholm, Sweden.

**Next reporting date**

The Interim Report for January - December 2015 is published on 12 February 2016.

Stockholm, 6 November 2015

Pricer AB (publ)

Jonas Vestin  
Group CEO

In its capacity as issuer, Pricer AB publishes the information in this Interim Report in accordance with the Securities Markets Act (2007:528).

The information was issued to the media for publication on Friday, 6 November 2015 at 08:30.

**For further information, please contact:**

Jonas Vestin, CEO, or Helena Holmgren, CFO, Pricer AB: 08-505 582 00.

THIS IS A TRANSLATION FROM THE SWEDISH ORIGINAL

## Review report

Pricer AB (publ), corporate identity number 556427-7993

Västra järnvägsgatan 7  
111 64 Stockholm

## Introduction

We have reviewed the condensed interim report for Pricer AB (publ) as at September 30, 2015 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish 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 Statements Performed by the Independent Auditor of the Entity*. A review 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 International Standards on Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do 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, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Stockholm, November 6, 2015

Ernst & Young AB

Rickard Andersson  
Authorized Public Accountant

**STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME IN SUMMARY**

Amounts in SEK M	Q 3 2015	Q 3 2014	9 months 2015	9 months 2014	Full year 2014
Net sales	308,0	158,3	692,1	409,8	583,0
Cost of goods sold <sup>1)</sup>	-240,1	-115,5	-545,5	-350,1	-480,7
<b>Gross profit<sup>1)</sup></b>	<b>67,9</b>	<b>42,8</b>	<b>146,6</b>	<b>59,7</b>	<b>102,3</b>
Selling and administrative expenses	-31,0	-27,7	-91,3	-77,6	-118,7
Research and development costs <sup>1)</sup>	-5,7	-4,0	-14,9	-30,3	-36,7
<b>Operating profit</b>	<b>31,3</b>	<b>11,1</b>	<b>40,4</b>	<b>-48,2</b>	<b>-53,1</b>
Net financial items	-1,7	0,7	0,5	-0,6	-0,1
<b>Profit after financial items and before tax</b>	<b>29,6</b>	<b>11,8</b>	<b>40,9</b>	<b>-48,8</b>	<b>-53,2</b>
Income tax	-8,8	-1,4	-11,8	-1,6	-2,3
<b>Profit for the period</b>	<b>20,7</b>	<b>10,4</b>	<b>29,1</b>	<b>-50,4</b>	<b>-55,5</b>

**Other comprehensive income**

*Items that have or may be accounted for in the profit for the period*

Translation differences	7,8	0	-2,7	10,1	23,8
Cash flow hedges	-	0	0,0	0,2	0,2
Tax relating to items in other comprehensive income	-0,4	0,1	0,2	-0,5	-1,2
<b>Other comprehensive income for the period</b>	<b>7,4</b>	<b>0,1</b>	<b>-2,5</b>	<b>9,8</b>	<b>22,8</b>
<b>Net comprehensive income for the period</b>	<b>28,1</b>	<b>10,5</b>	<b>26,6</b>	<b>-40,6</b>	<b>-32,7</b>
<b>Profit for the period attributable to:</b>					
Owners of the Parent Company	20,7	10,4	29,1	-50,4	-55,5
<b>Other comprehensive income for the period attributable to:</b>					
Owners of the Parent Company	28,1	10,5	26,6	-40,6	-32,7

1) Amortization of capitalized development costs have been reclassified in 2014 from research and development costs to the cost of goods sold. The effect of this is SEK 2.8 M for Q3 2014, SEK 8.4 M for the period ending 30 September 2014 and SEK 11.2 M for the full year 2014 .

**STATEMENT OF CONSOLIDATED FINANCIAL POSITION IN SUMMARY**

Amounts in SEK M	2015-09-30	2014-09-30	2014-12-31
Intangible fixed assets	257,0	255,3	263,4
Tangible fixed assets	8,9	8,1	8,1
Deferred tax assets	94,3	101,9	101,7
<b>Total fixed assets</b>	<b>360,2</b>	<b>365,3</b>	<b>373,2</b>
Inventories	108,0	180,1	157,7
Current receivables	341,8	253,4	231,3
Cash and cash equivalents	49,8	15,7	53,0
<b>Total current assets</b>	<b>499,6</b>	<b>449,2</b>	<b>442,0</b>
<b>TOTAL ASSETS</b>	<b>859,8</b>	<b>814,5</b>	<b>815,2</b>
Shareholders' equity	687,6	651,8	659,7
<b>Total equity</b>	<b>687,6</b>	<b>651,8</b>	<b>659,7</b>
Long-term liabilities	5,2	3,7	4,9
Short-term liabilities	167,0	159,0	150,6
<b>Total liabilities</b>	<b>172,2</b>	<b>162,7</b>	<b>155,5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>859,8</b>	<b>814,5</b>	<b>815,2</b>
<b>Pledged assets</b>	<b>60,4</b>	<b>60,4</b>	<b>60,5</b>
<b>Contingent liabilities</b>	<b>0,8</b>	<b>0,8</b>	<b>0,8</b>
Basic shareholders' equity per share, SEK	6,26	5,93	6,00
Diluted shareholders' equity per share, SEK	6,26	5,93	6,00

**STATEMENT OF CHANGES IN CONSOLIDATED EQUITY IN SUMMARY**

Amounts in SEK M	9 months 2015	9 months 2014	Full year 2014
<b>Equity at beginning of period</b>	<b>659,7</b>	<b>691,9</b>	<b>691,9</b>
Result for the period	29,1	-50,4	-55,5
Other comprehensive income for the period	-2,5	9,8	22,8
<i>Net comprehensive income for the period</i>	<i>26,6</i>	<i>-40,6</i>	<i>-32,7</i>
Share issue	-	0,3	0,3
Repurchase of own shares	-	-0,3	-0,3
Dividend	-	-	-
Share based payments, equity settled	1,3	0,5	0,5
<i>Total transactions with owners of the Group</i>	<i>1,3</i>	<i>0,5</i>	<i>0,5</i>
<b>Equity at end of period</b>	<b>687,6</b>	<b>651,8</b>	<b>659,7</b>
<b>Attributable to:</b>			
- Owners of the Parent Company	695,0	651,8	659,7

**STATEMENT OF CONSOLIDATED CASH FLOWS IN SUMMARY**

Amounts in SEK M	Q 3	Q 3	9 months	9 months	Full year
	2015	2014	2015	2014	2014
Profit before tax	29,6	11,8	40,9	-48,8	-53,2
Adjustment for non-cash items	7,4	-3,8	11,9	46,8	54,7
<i>whereof depreciations and amortizations</i>	7,2	4,0	14,8	11,7	15,5
Paid income tax	-1,1	-1,1	-3,7	-3,2	-3,9
Change in working capital	-11,3	-41,7	-40,4	-38,0	16,0
<b>Cash flow from operating activities</b>	<b>24,6</b>	<b>-34,8</b>	<b>8,7</b>	<b>-43,2</b>	<b>13,6</b>
<b>Cash flow from investing activities</b>	<b>-2,2</b>	<b>-1,7</b>	<b>-11,9</b>	<b>-8,0</b>	<b>-11,6</b>
<b>Cash flow from financing activities</b>	<b>-</b>	<b>17,8</b>	<b>-</b>	<b>17,8</b>	<b>-</b>
<b>Cash flow for the period</b>	<b>22,5</b>	<b>-18,7</b>	<b>-3,2</b>	<b>-33,4</b>	<b>2,0</b>
Cash and cash equivalents at beginning of period	27,6	33,9	53,0	48,9	48,9
Exchange-rate difference in cash and cash equivalents	-0,2	0,5	0,0	0,2	2,1
<b>Cash and cash equivalents at end of period</b>	<b>49,8</b>	<b>15,7</b>	<b>49,8</b>	<b>15,7</b>	<b>53,0</b>
Unutilised bank overdraft facilities	50,0	32,2	50,0	32,2	50,0
<b>Disposable funds at end of period</b>	<b>99,8</b>	<b>47,9</b>	<b>99,8</b>	<b>47,9</b>	<b>103,0</b>

**KEY RATIOS**

Amounts in SEK M	Q 3	Q 2	Q 1	Q 4	Q 3
	2015	2015	2015	2014	2014
Order intake	119	296	269	115	166
Order intake - rolling 4 quarters	799	846	677	541	540
Net sales	308,0	236,6	147,5	173,2	158,3
Net sales - rolling 4 quarters	865,3	715,6	626,9	583,0	561,7
Operating profit, excl. non-recurring costs <sup>1)</sup>	31,3	8,2	0,9	7,2	15,2
Operating profit, excl. non-recurring costs <sup>1)</sup> - rolling 4 quarters	47,6	31,5	26,0	15,9	10,8
Profit for the period <sup>1)</sup>	20,7	7,1	1,3	7,0	14,5
Cash flow from operating activities	24,6	-57,9	42,0	56,8	-34,8
Cash flow from op.activities - rolling 4 quarters	65,5	6,1	26,3	13,6	9,3
Number of employees, end of period	86	85	82	83	78
Equity ratio	80%	77%	80%	81%	80%

1) Excluding non-recurring costs of SEK 12.1 M in Q4 2014 and SEK 4.1 M in Q3 2014.

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

**STATEMENT OF INCOME**

Amounts in SEK M	9 months 2015	9 months 2014	Full year 2014
Net sales	585,7	344,5	465,8
Cost of goods sold <sup>1)</sup>	-501,1	-333,6	-444,9
<b>Gross profit<sup>1)</sup></b>	<b>84,6</b>	<b>10,9</b>	<b>20,9</b>
Selling and administrative expenses	-37,0	-32,7	-46,7
Research and development costs <sup>1)</sup>	-14,9	-30,3	-36,7
<b>Operating profit</b>	<b>32,7</b>	<b>-52,1</b>	<b>-62,5</b>
Net financial items	0,4	-0,6	-0,4
<b>Profit after financial items and before tax</b>	<b>33,1</b>	<b>-52,7</b>	<b>-62,9</b>
Income tax	-7,9	0,3	1,2
<b>Profit for the period</b>	<b>25,2</b>	<b>-52,4</b>	<b>-61,7</b>

**STATEMENT OF COMPREHENSIVE INCOME**

Amounts in SEK M	9 months 2015	9 months 2014	Full year 2014
Profit for the period	25,2	-52,4	-61,7
<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	-1,0	2,2	5,3
Cash flow hedges	-	0,2	0,2
Tax relating to items in other comprehensive income	0,2	-0,5	-1,2
<b>Comprehensive income for the period</b>	<b>-0,8</b>	<b>1,9</b>	<b>4,3</b>
<b>Net comprehensive income for the period</b>	<b>24,4</b>	<b>-50,5</b>	<b>-57,4</b>

1) Amortization of capitalized development costs have been reclassified in 2014 from research and development costs to the cost of goods sold. The effect of this is SEK 8.4 M for the period ending 30 September 2014 and SEK 11.2 M for the full year 2014 .

**PARENT COMPANY BALANCE SHEET IN SUMMARY**

Amounts in SEK M	2015-09-30	2014-09-30	2014-12-31
Intangible fixed assets	17,6	21,1	20,8
Tangible fixed assets	8,1	7,1	7,3
Financial fixed assets	368,3	382,9	386,9
<b>Total fixed assets</b>	<b>394,0</b>	<b>411,1</b>	<b>415,0</b>
Inventories	85,0	136,8	125,2
Current receivables	242,1	145,8	140,5
Cash and cash equivalents	39,4	3,7	44,5
<b>Total current assets</b>	<b>366,5</b>	<b>286,3</b>	<b>310,2</b>
<b>TOTAL ASSETS</b>	<b>760,5</b>	<b>697,4</b>	<b>725,2</b>
Shareholders' equity	578,4	559,6	552,7
<b>Total equity</b>	<b>578,4</b>	<b>559,6</b>	<b>552,7</b>
Provisions	27,6	27,8	30,9
Long-term liabilities	4,2	0,1	0,1
Current liabilities	150,3	109,9	141,5
<b>Total liabilities</b>	<b>182,1</b>	<b>137,8</b>	<b>172,5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>760,5</b>	<b>697,4</b>	<b>725,2</b>
<b>Pledged assets</b>	<b>59,6</b>	<b>59,6</b>	<b>59,6</b>
<b>Contingent liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY IN SUMMARY**

Amounts in SEK M	9 months 2015	9 months 2014	Full year 2014
<b>Equity at beginning of period</b>	<b>552,7</b>	<b>609,6</b>	<b>609,6</b>
Net comprehensive income for the period	24,4	-50,5	-57,4
Share issue	-	0,3	0,3
Repurchase of own shares	-	-0,3	-0,3
Dividend	-	-	-
Share based payments, equity settled	1,3	0,5	0,5
<b>Equity at end of period</b>	<b>578,4</b>	<b>559,6</b>	<b>552,7</b>

**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's shares are listed on the NASDAQ OMX Stockholm Small Cap list. For more information, please visit [www.pricer.com](http://www.pricer.com).

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