



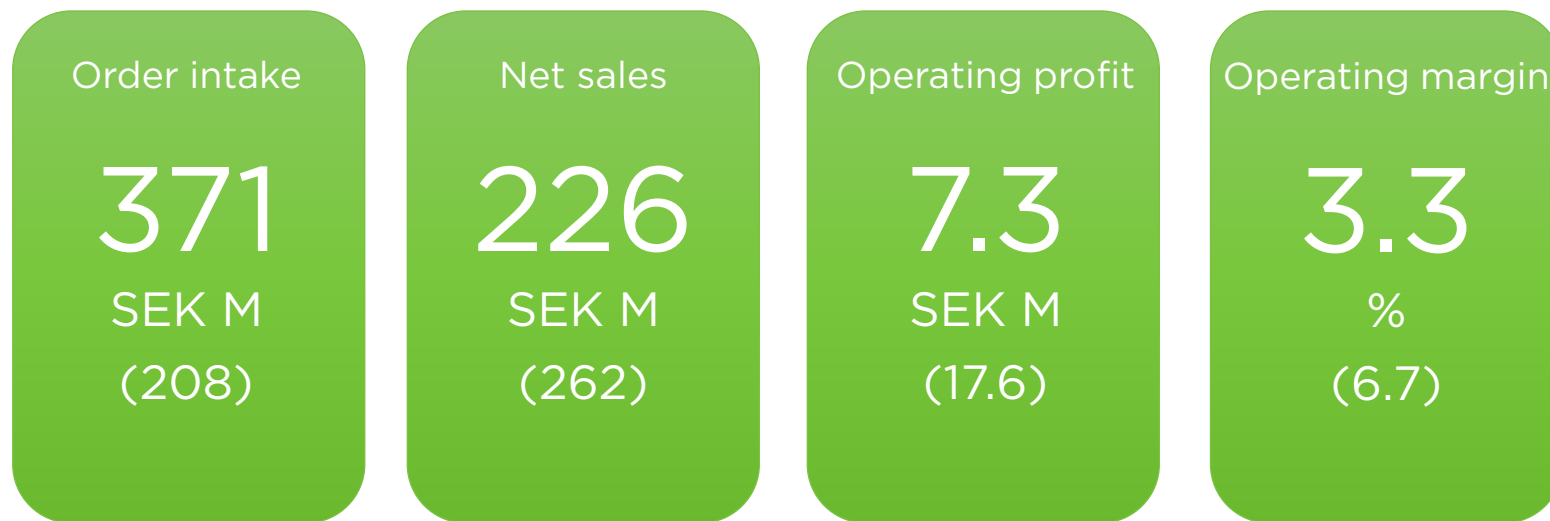
Pricer AB (publ) First quarter 2020

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President & CEO

Stockholm, April 24, 2020

Q1 2020: High Order Intake and Gross Margin of 31.4%



COVID-19: minor negative effect on net sales due to delayed deliveries, primarily in southern Europe

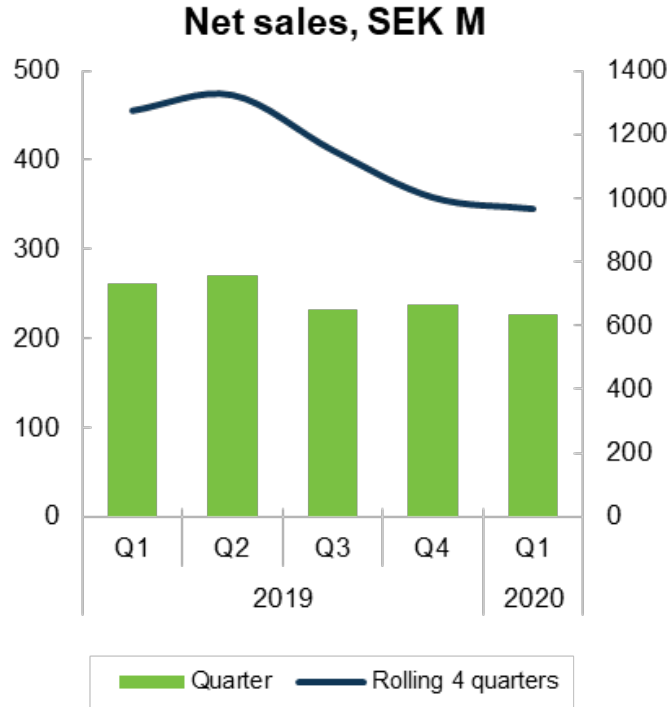
High Activity on Several Geographical Markets



- Order intake of SEK 371* M for Q1 2020, an increase of 79% YoY.
- Continued strong underlying interest including high activity on several geographical markets.
- Record high order backlog of SEK 933* M as of March 31.
 - About SEK 820 M is related to the large American follow-up order, of which SEK 760 M is expected to be invoiced 2020 and the remaining part during Q1 2021.
 - The other part of order backlog is expected to be invoiced during Q2, provided that stores re-opens and staff becomes available to do installations.

* Order intake for the first quarter and order backlog as per March 31, 2020, have been adjusted to reflect the agreement reached with the large American retailer for a reduced scope of the project of 150 stores in accordance with the communication on April 23, 2020.

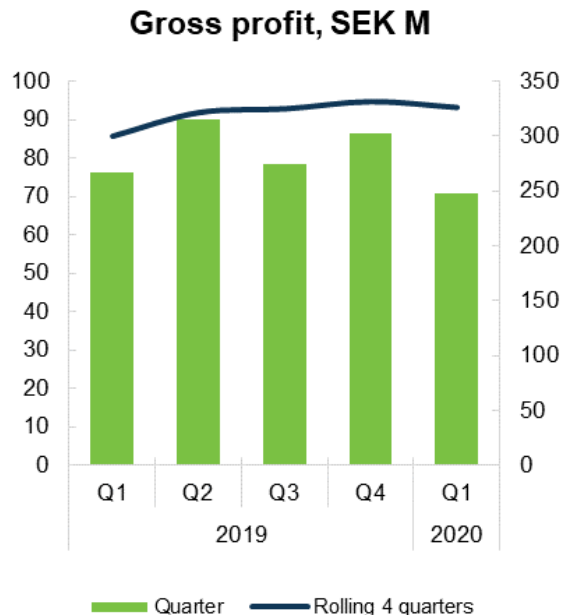
Stable Development of Net Sales, Reduction Year-on-Year



- Strong start of the year in several markets, amongst others France, Norway, US and Canada.
- Lower opening backlog for deliveries planned for first quarter compared to last year, which was partly compensated by a high activity in several markets within the quarter.
- Some postponements of store installations in southern Europe, mainly France, due to Covid-19.
- Strengthened sales and marketing organization generates expansion of customer base, including new pilot installations.

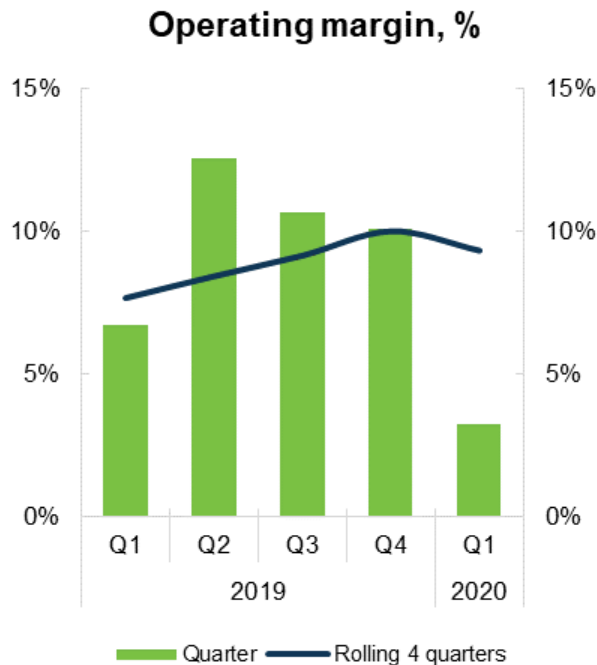
*Exclusive the large US order.

Favorable Product and Contract Mix Generates Continued Strong Gross Margin of 31.4%



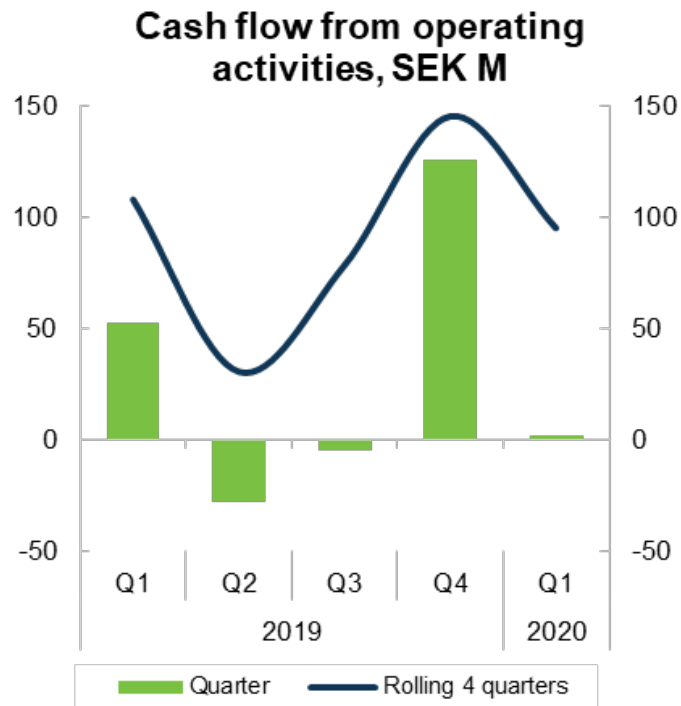
- Favorable product and contract mix, of which the major part of deliveries to small and mid sized customer projects.
- Increased lead-times within supply as a consequence of factory shutdowns in China in February, some recovery in the latter part of the quarter.
- Challenges within logistics, both access to and increased prices, as borders were closed, quarantine requirements were introduced, and air traffic was significantly reduced.

Lower Sales Combined with Increased Opex, Results in Temporarily Lower Operating Margin



- Strengthened market presence, amongst others North America, to enable an expansion of our customer base and our services offering.
- High expenses in the quarter related to market events and trade shows.
- Stable foundation for continued growth and market penetration.

Ramp-up of Production rate to Deliver on the Record High Order Backlog Reduces the Quarter's Cash Flow



- Positive cash flow from operating activities of SEK 2 M.
- Increased capital tie-up in the quarter due to:
 - Component purchases to deliver on the order backlog.
 - Increased trade receivables as a result of payment terms in customer mix and timing effects of invoicing.
 - Balanced by reduced inventory level and increased trade payables.
- The cash flow should be viewed over time.
- Strong balance sheet enables continued innovation power.
- Cash & cash equivalents of SEK 180 M per March 31st.

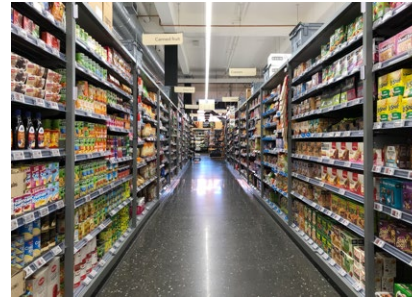
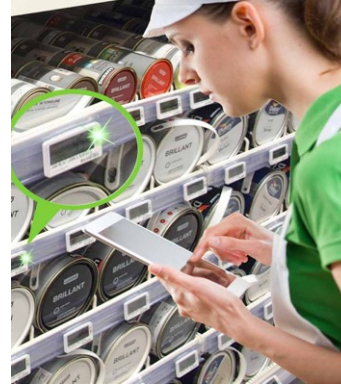
The coronavirus' short term impact on our customers

Large variations between countries and retail verticals, but there are challenges common to a large number of retail chains:

- **Rapidly changing demand;** the lack of access to real-time data leads to longer decision times and that decisions are often made on old – and thus incorrect - information
- **Large increase in number of online orders;** challenge to quickly increase the capacity for in-store picking of online orders as the process is often labor intense and manual
- **New guidelines for working environment;** focus has been directed inward in the operations to increase the safety for employees and customers in accordance with new regulations
- **Limited access to staff;** manual processes based on knowledge and experience of the store environment reduce the flexibility of using temporary labor in the event of sick leaves
- **Transformation of business models;** stores are being shifted into curbside delivery to manage deliver online orders

Conversations are changing – indicating acceleration of digital transformation

- The customer dialogue is shifted from replacing paper labels to finding solutions for:
 - **Access to real-time information** to ensure better decisions faster
 - **Streamlining and digitizing resource-intensive store processes** to enable a more flexible model with shorter training time for new staff
 - **Conversion to darkstores or curbside service models** as more sales is being generated via online channels
 - **Dynamic pricing** to ensure that the price in the store is attractive in relation to online channels and competition to drive sales in the physical store



Pricer's customer offering

- We are a foundational piece for the next stage of digitization of retail.
- We provide the market's fastest, most stable, scalable and energy-efficient ESL system that improves the efficiency of several resource intense in-store processes, such as
 - price updates,
 - in-store picking,
 - replenishment
 - inventory management.
- We offer a scalable cloud platform to provide additional solutions such as monitoring of the status in the store, sophisticated shelf-space optimization, reduced food waste, etc.
- We have a long experience from supplying complex system solutions to retail.
- Our strong balance sheet and financial stability enable a long-term partnership.



Why Invest in Pricer?

- Strong underlying market growth; digitalization of physical retail considered necessary for maintaining competitiveness.
- Best system on market → Unique and hard to copy technical solution; based on reliable, scalable, energy-efficient and interference-free communication.
- Flash capability in the labels combined with dynamic positioning of products in the store enables cost reductions as well as increased sales and improved customer satisfaction.
- Long experience of developing solutions that work well in retail industry.
- Strong balance sheet → continued innovative strength.
- Global presence with large installed base.

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