

PRICER

Third quarter of 2021 Financial results Jan – Sep 2021

Helena Holmgren

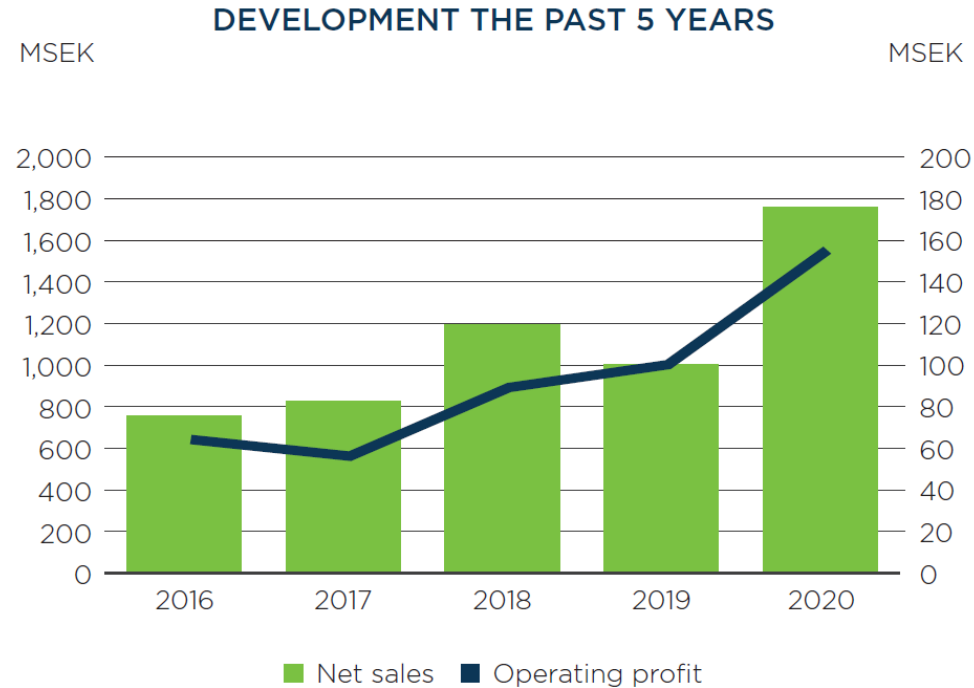
President & CEO

Stockholm, Sweden, October 22, 2021

PRICER

Founded in 1991 – listed on Nasdaq Stockholm since 1996

Headquartered in Stockholm, Sweden



240+ Million

Labels Deployed

180+

Employees

20 Million

Labels Yearly

70+

Countries

18000+

Stores

9

Office Locations

5

Continents

3

Decades

Global retail trends

1

E-Commerce continues to grow; many different fulfilment methods being explored

2

Brick & mortar retailers working hard to attract shoppers back into the stores

3

Need for more data and analytics to support changed customer expectations on a good shopping experience

4

Shortage of labor and labor costs going up; accelerating need for automation

5

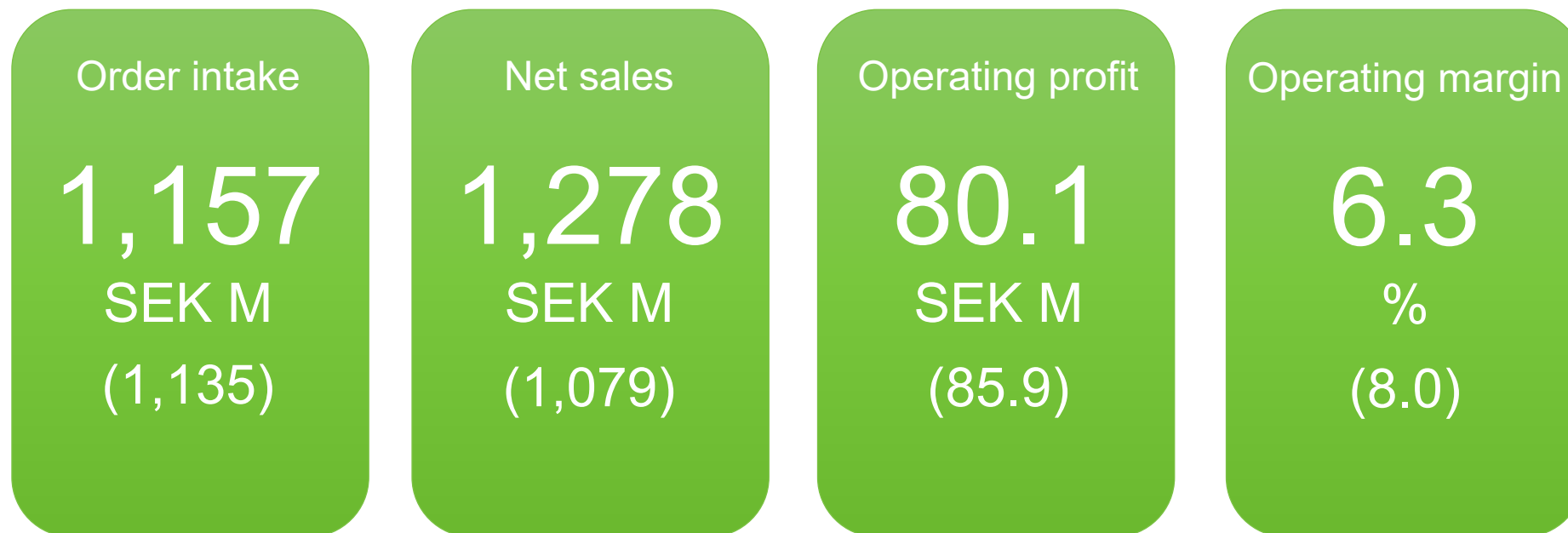
Sustainability: waste reduction, local sourcing



**In-store
digitalization is
critical to
driving
profitability
and consumer
loyalty**

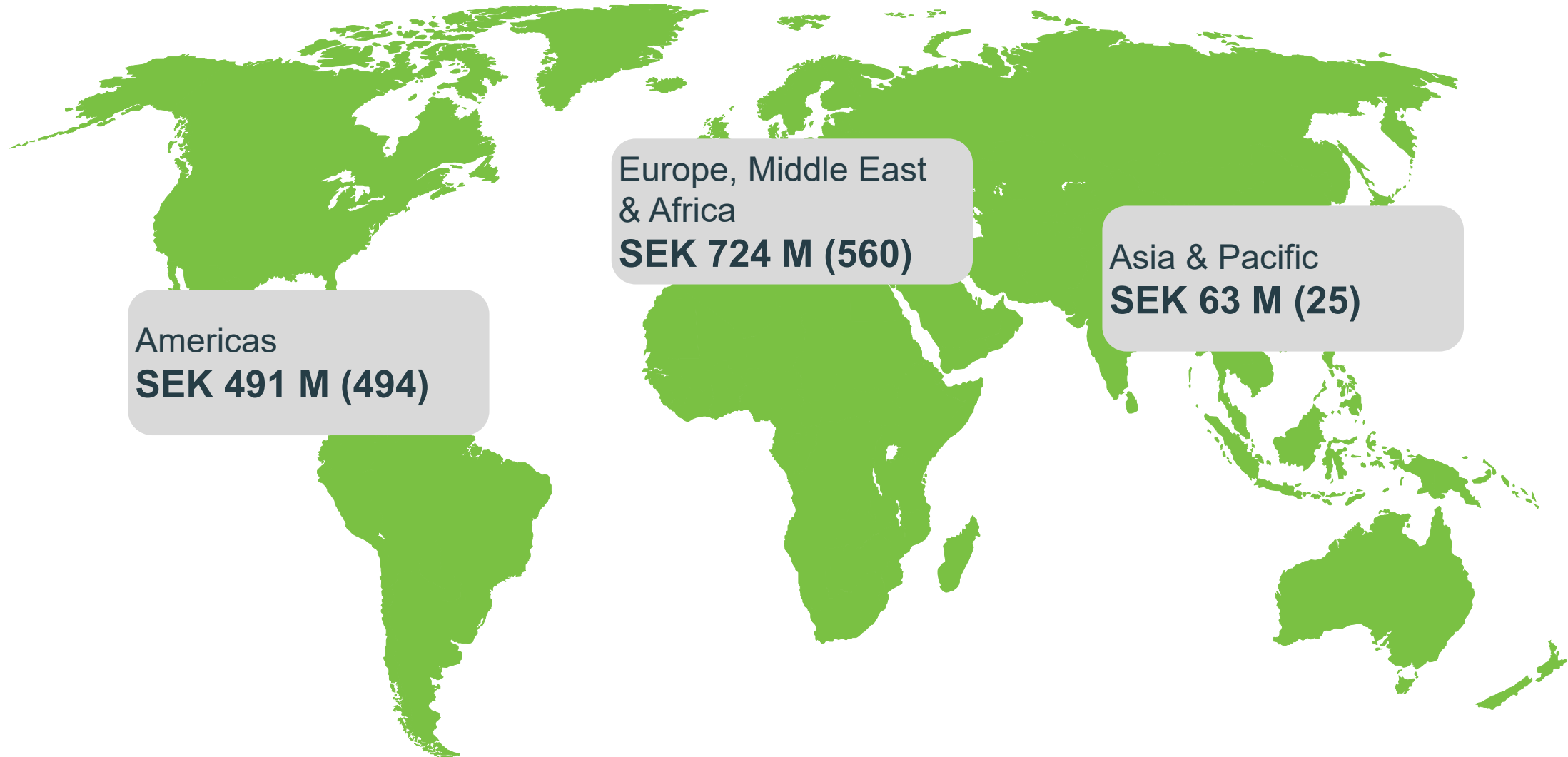
January – September 2021

Net Sales growth of 18% despite challenges in component supply and logistics



January – September 2021

Strong growth in EMEA and APAC regions



Q3 market highlights

1

Large US customer project initiated in 2020 almost completed; successful deployment in nearly 1000 stores

2

Strong momentum in Canada with large volumes delivered under existing framework agreements

3

Continued high activity in the French market; mix of existing and new customers

4

Good progress with Carrefour, but delay in French roll-out

5

Strong market outlook for Italy; tax subsidies for technology investments speed up adoption pace of ESL



**As penetration
in a market
increases it
reaches a
tipping point of
'no return'**

Third quarter 2021

Solid quarter with high delivery activity, meeting challenging comps from 2020

Order intake

307

SEK M

(440)

Net sales

496

SEK M

(566)

Operating profit

40.1

SEK M

(75.1)

Operating margin

8.1

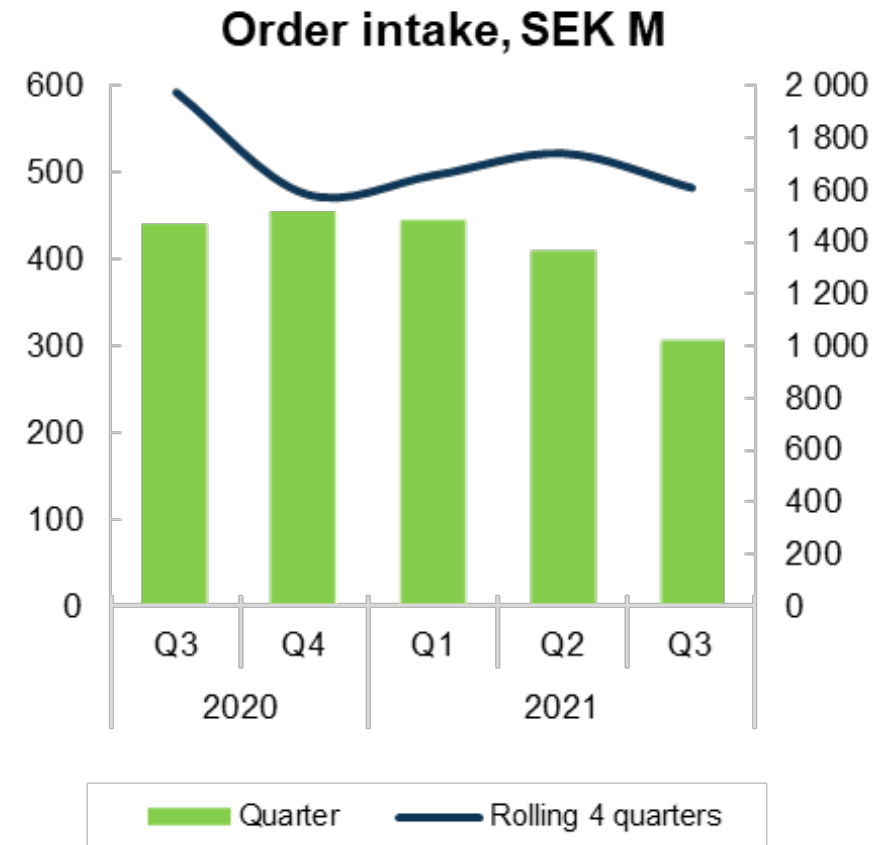
%

(13.3)

Third quarter financials;

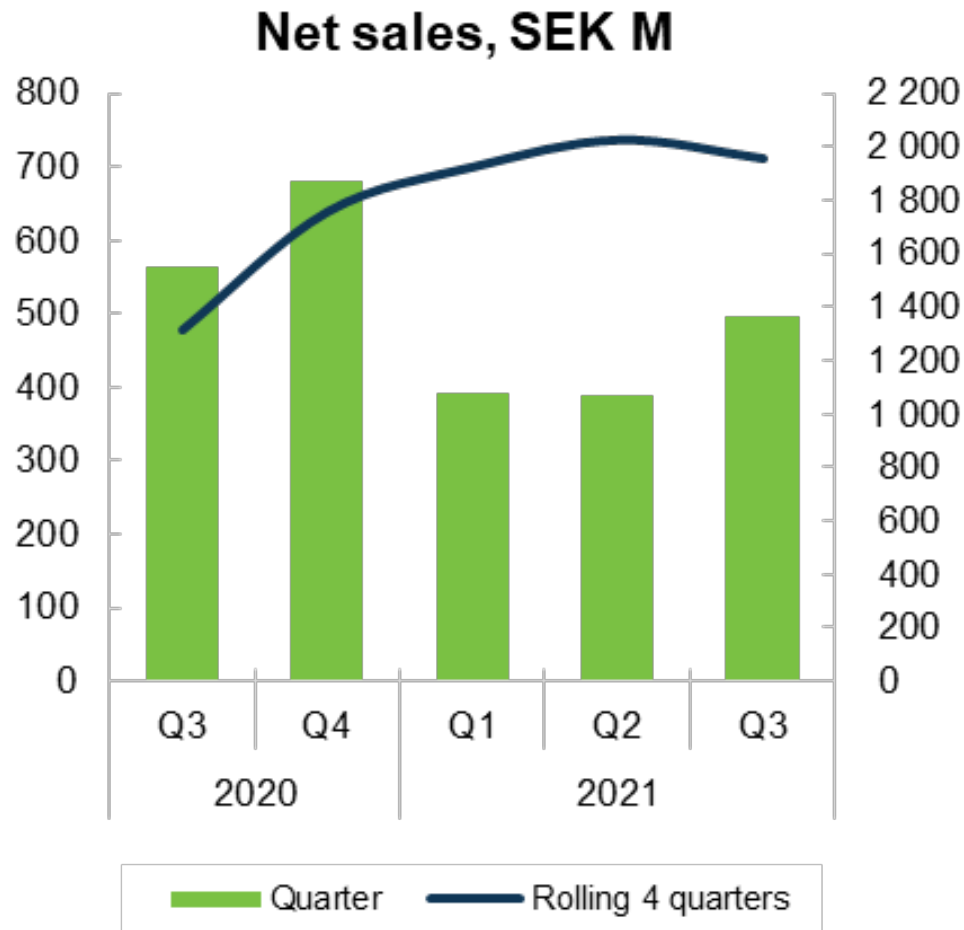
Steady run-rate of small- and medium sized orders

- Order intake of 307 MSEK, -30% compared with Q3 of 2020
- Good distribution of order intake across several customers and geographies
- Timing of large customer orders causing fluctuations between quarters
- Delayed investment decisions following global disruptions in supply chains
- Order backlog of 396 MSEK at the end of September 2021



Third quarter financials;

High delivery activity, managed to catch up on some backlog from Q2



- Net sales of 496 MSEK, -12% compared with Q3 of 2020
- Top 3 contributors;
 - France
 - Canada
 - USA
- Challenging comps due to large customer projects H2 2020

Third quarter financials;

Gross margin pressured by components and logistics situation



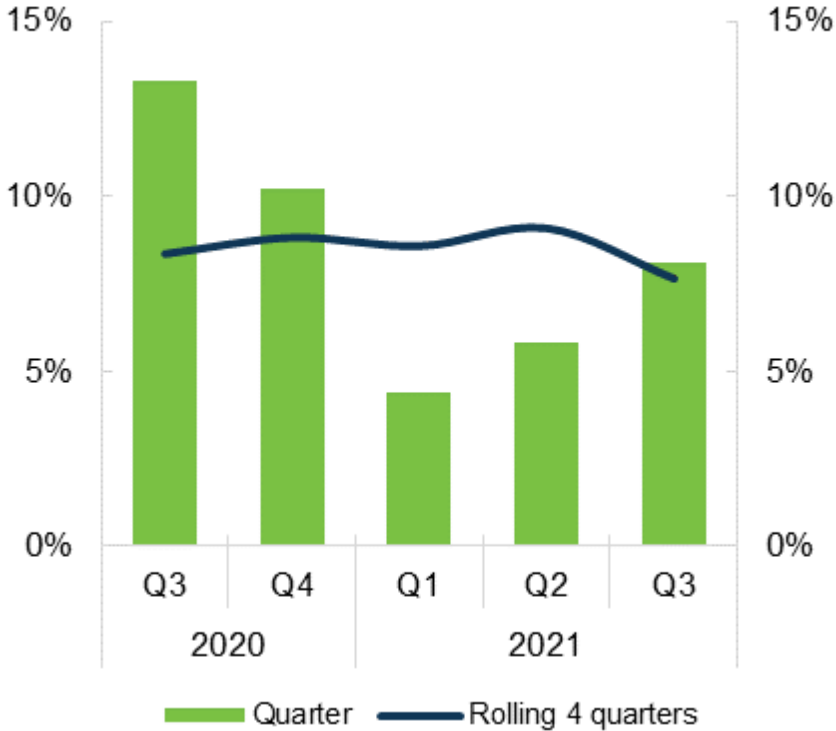
Third quarter financials;

Pressure on gross margin impacting overall profitability

Operating profit, SEK M

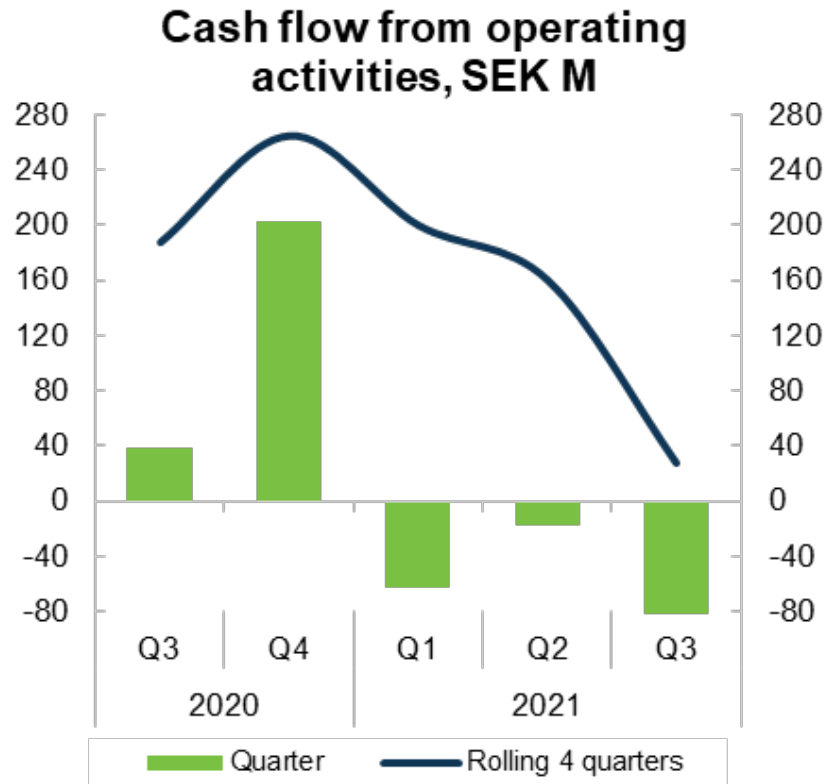


Operating margin, %



Third quarter financials;

Global logistics situation causing increased lead times and inventory tie-up



- Building inventory to support shorter lead-times
- Timing effects related to incoming and outgoing payments impacting cash flow
- Expansion of credit facility to 200 MSEK as of October 2021 to manage continued challenges in supply chain and logistics during H1 2022

Summary – 3rd Quarter 2021

1

Retailers looking to do more with less; strengthening trends toward automation and digitalization

2

Stable run-rate business, but some delays in investment decisions due to global supply challenges

3

Production and deliveries going at high speed despite global component shortages and available freight alternatives

4

Customer and partner dialogues indicate increased need for data and analytics to enhance the in-store shopping experience

5

Pricer bringing production closer to European customers to increase competitiveness



**System
utilization
going up as
retailers are
adopting new
use-cases**

Why invest in Pricer?

- Strong underlying growth on the market with low rate of penetration of ESL-systems.
- Digitalization of physical retail considered necessary for maintaining competitiveness
- Best system on the 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 enabling continued innovative strength
- Global presence with large, diverse installed base and very strong customer loyalty



**Innovative,
Leading
Provider in a
High Growth
Market**