PRICER

SHAPING SMART RETAIL

Annual Report 2014

Contents

This annual report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish annual report and the English translation the former shall have precedence.

All amounts are specified in Swedish kronor (SEK). Thousands are abbreviated as SEK 000s and millions as SEK million/SEK M.
Unless otherwise specified, the figures in brackets refer to 2013 or the corresponding period the previous year. Information about market data and the competitive situation is based on Pricer's own assessments unless a specific source is named.

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Photos: Pricer, FotoKenne

About Pricer

With over 13,500 installations made in more than 50 countries, Pricer is the leading supplier of digital shelf-edge solutions. Pricer's customers include several of the top retailers in the five continents. Consumers in stores fitted with Pricer equipment can always be secure in knowing that they are paying the right price, as the price displayed on the shelf-edge is always the same as the one in the cash register system. Today, the same solution can be used by stores to support and rationalise internal operating processes, such as to pick up web orders in a store or quickly identify products on offer. This evolution of the label towards becoming a shelf-edge communications tool also creates a new opportunity for digital interaction with the consumer. This leads to greater consumer satisfaction and strengthens customer loyalty. Pricer's customers are primarily in the retail trade, although in the last few years there have been breakthroughs in other segments such as the Do-It-Yourself, electronics and mobile phone retail chains and pharmacies.

Pricer was founded in 1991 in Sweden and the company's class B shares are quoted on the Small Cap list of NASDAQ OMX Stockholm. The company has around 18,000 shareholders, with the ten largest accounting for 39 percent of the number of shares on 31 December 2014. At the end of 2014 the Pricer Group had 83 employees.

Highlights of 2014

2014 – a year marked by change
Pricer consolidated its position as a leading global provider of electronic shelf labels in 2014, a year marked by a process of change that affected the Board of Directors, management, key positions and the company's overall strategy. This change has not had a negative effect on the company's core business. Sales grew by 11 percent to SEK 583 (525) million, and adjusted operating profit rose to SEK 15.9 (14.3) million. The operating margin was 3 (3) percent, Margins remain a challenge for Pricer primarily due to the price pressure on graphic labels of ePaper.

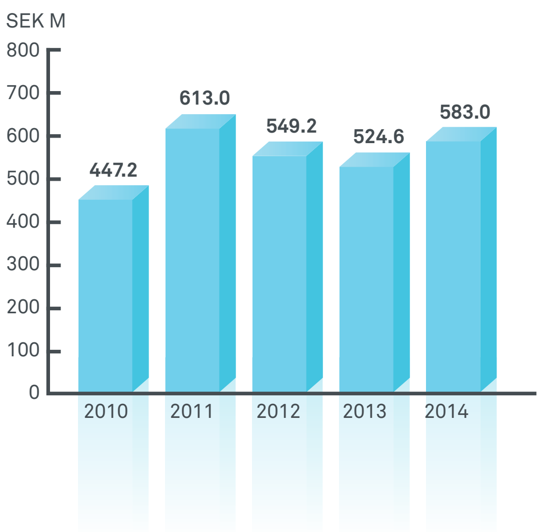
Strong position in Pricer's core market
The French convenience goods trade sector with its high penetration of electronic shelf labels remains the company's single largest market. By way of example, in 2014 alone some 140 new stores were contracted in the leading franchised chain Intermarche, which became one of Pricer's main customers in the year. Other major customers within the French convenience goods sector are Carrefour, Casino and Shiever.

In parallel with expansion into new markets
The success of Leroy Merlin in France, with over 100 stores established in 2014, means the DIY or building chains have become an important new market for Pricer. Leroy Merlin, along with Castorama, who is already one of Pricer's major customers, is one of two French market leaders in the the DIY and construction market. The potential of the electronics chains is shown partly by Media Markt's statements in the fall that the company, with the help of Pricer solutions, has regained market share in the Netherlands, which has resulted in a global tender inquiry that was announced in 2015. Pharmacy chains and health and wellness stores represent an expanding segment, both in the core European markets and internationally.

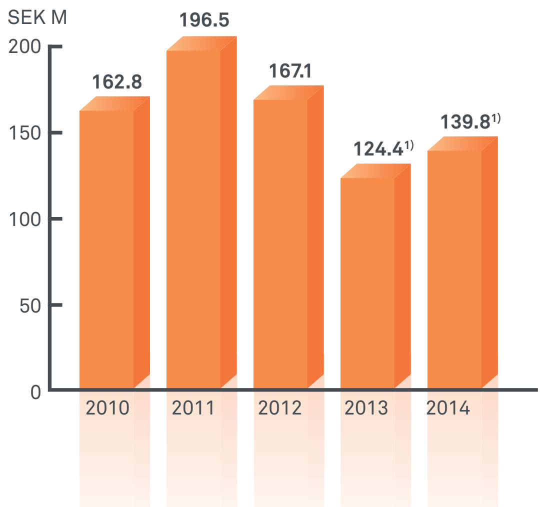
Norway has established itself as a world-leading market at the forefront along with France and Japan, and Norwegian PSI Group is an important partner for Pricer. Another important partner in a growing market is Verona-based Nicolis in Italy. Belgium's leading supermarket chain Delhaize contributed with large orders both in the fourth quarter and earlier in 2014. Asia showed growth for Pricer through the completed rollout of Pricer's partner Ishida in Japan and through a successful rollout of Dairy Farms in Singapore.

Strategy for digital retail store solutions
Pricer's product line SmartTAG has been given extended functionality in 2014. SmartTAG is equipped with SmartFlash, a wireless flash function in shelf labels. Together with the positioning of products, customers and staff in real time, the platform can now perform additional uses beyond digital pricing. Attention can be drawn to a specific product for a specific individual in real time. Consequently, the system can help customers or staff quickly find the products they are looking for, or assist the store to confirm its "planogram", i.e. the map of the store's design. Pricer SmartTAG can update the new price in real time, view selected infor-

NET SALES



GROSS PROFIT



1) Excluding non-recurring costs of SEK 37.5 (6.5) million for the full year 2014.

Highlights of 2014 (cont'd)

mation about the product as well as serve as a visual communication tool for shelf edges. Positioning can be applied for indoor navigation, a solution that won the award for "Best Customer Experience" at the Retail Technology Awards, at the EuroCIS trade fair in Düsseldorf, Germany, in February 2015.

Trends in retail trade and technical environment

Pricer's digital strategy begins with Pricer's customers and the external factors that affect them. A clear trend today is social sharing of shopping experiences on the Internet, even mundane ones in the retail trade, where a consumer shares photos and reviews related to goods, services or stores via various social media outlets. A triangle known as omni-channel is in place between the retail trade, traditional Internet commerce and the smart phone. Smart phones and vastly improved connectivity potential, will not only transform consumption patterns and consumer expectations for communication, but also the store's communication with staff and other stakeholders. The phenomenon of "interconnectivity" – the expectation and the ability to have near constant digital connectivity between stores, e-commerce, staff and consumers, creates a new form of communication, but also new demands on information, availability and interfaces.

Today, many retailers are investing large sums in setting up Bluetooth Low Energy (BLE) in their stores in order to offer Bluetooth as a platform for communication. These investments demonstrate the conviction that new tools are required to meet the new challenges posed by interactivity. Being constantly connected and communicating will create digital trails and generate large amounts of information, known as Big Data, about consumer behavior and interaction, staff behavior and movement patterns as well as the store's interface and information sharing. Processing this Big Data correctly and in an analytical way and implementing the lessons learned into future strategies will be critical for successful traders. The computer capacity needed to handle the new platforms and the growing amounts of data means that cloud services are making a serious entrance in the retail sector and the requirement to implement the solutions described above is growing.

Key figures	2014	2013	Change
Order intake, SEK M	541	523	3%
Net sales, SEK M	583.0	524.6	11%
Gross profit[1], SEK M	139.8	124.4	12%
Gross margin[1], %	24	24	1%
Operating profit[2], SEK M	15.9	14.3	11%
Operating margin[2], %	2.7	2.7	0%
Profit for the year, SEK M	-55.5	4.2	-1,421%
Earnings per share, SEK	-0.51	0.04	-1,375%
Equity ratio, %	81	86	-6%

1) Excluding non-recurring costs of SEK 37.5 (6.5) million for the full year 2014.

2) Excluding non-recurring costs of SEK 69.0 (6.5) million for the full year 2014.

PRICER: THE GLOBAL LEADER IN SHELF-EDGE DIGITAL SOLUTIONS, ENHANCING STORE PERFORMANCE AND SHOPPING EXPERIENCE

CEO'S statement

Having completed 2014, we can conclude that Pricer during the year has managed to increase sales and orders, at the same time as we completed a major restructuring.

There has been a positive development in the order intake during the second half of 2014, after a decreasing trend in the first half. The order intake increased by 24% compared to 2013 to SEK 281 (227) million in the second half. Note that the new agreement with NorgesGruppen that was communicated in December 2014 is not included in order intake for the fourth quarter but will be included in order intake for the first quarter, 2015.

The agreement that our partner PSI signed with NorgesGruppen has laid the foundation for sales growth in 2015, with deliveries already beginning in the first quarter.

Previously reported provisions for warranty, write-down of inventory and development projects have proven sufficient. Work on quality issues related to certain suppliers has been intense, but we can now conclude that we regard the problems to be resolved.

A fundamental improvement program for the operational quality began in 2014 and will continue in 2015.

The restructuring process has also been completed and largely within the previously announced time and cost frames and no additional structural costs are deemed necessary. The Pricer reorganization has brought important new recruits adding new competence in both management and key positions.

At the retail trade show NRF in New York, USA, in January this year, Pricer presented its first in-store solutions based on the digital strategy as announced in 2014. Pricer's infrastructure for electronic pricing is now also including mobile and product positioning in the store and communication with a flashing light on the label, named SmartFlash. This creates a communication platform that communicates intelligently in real time with store staff as well as the customers at the shelf-edge.

”Industry reactions have given Pricer confidence for the future venture and build-up of a strong market position.”

Reactions from partners and customers are positive. The return on investment for the retail customer is improved when the system, in addition to electronic price optimization, also provides tools for operational efficiency and improved customer interaction. Industry reactions have given Pricer confidence for the future venture and build-up of a strong market position.

The solutions presented in January are important and represent the first step in the digital repositioning process by Pricer. Bringing these solutions to market in a commercialized form will partially mean a new business model for Pricer and will be one of our areas of focus for 2015. Despite the ongoing investments in software development, we expect to see a certain positive effect on sales and operating profit in 2015 and further improvement in 2016. We do, however, not give any forecast for 2015.

Jonas Vestin
CEO, Pricer

The Pricer ESL Platform

The Pricer ESL platform based on infrared wireless communications is the most innovative and reliable platform on the market. It is fast, scalable, flexible, robust and intuitive plus it is designed to fit the needs of every store. Solutions are stacked on this single platform that adhere to the five major tenets of retail:

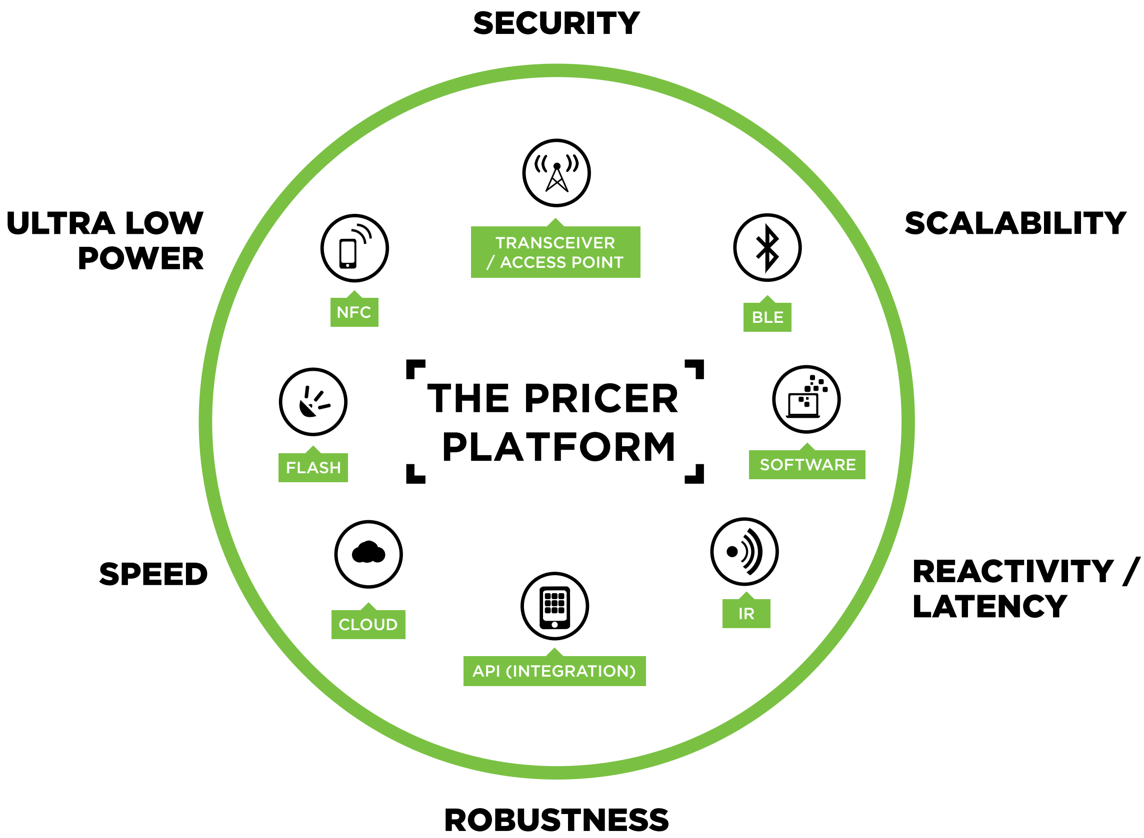
PRICE – guarantee price integrity to optimize sales and margins.

PERFORMANCE – make operations more efficient and compliant; speed, agility, excellence, etc.

PROMOTION – tailor and enhance promotions both digitally and physically at the shelf.

PERSONALISATION – manage one-to-one relationships with your customers and improve their shopping experience.

PREDICTION – continuous improvement of all the solutions below with data-supported analysis. Use Big Data to know your customers and your store's performance.



The Pricer share

The Pricer Class B share is quoted on NASDAQ OMX Stockholm, Small Cap. Pricer's share capital at 31 December 2014 was SEK 110,971,781. The total number of shares was 110,971,781 represented by 225,523 Class A shares and 110,746,258 Class B shares, all with a quota value of SEK 1.00. Each Class A share carries five votes and each Class B share carries one vote. All shares carry equal rights to the Company's assets and profits. The Articles of Association permit the conversion of Class A shares to B shares at the request of holders of Class A shares.

To enhance the accessibility of the Pricer share for US investors, an ADR (American Depository Receipt) programme is available through the Bank of New York Mellon. This means that the Class B share is available as a depository receipt in the US without a formal stock market listing. Each ADR corresponds to one Class B share.

Trading and price trend 2014

The share price started the year at SEK 6.60 and ended at SEK 6.30. The year high of SEK 7.35 was quoted on 17 January and the SEK 4.60 low was quoted on 25 August. Market capitalisation on 31 December 2014 was SEK 699 M.

The turnover for the full year 2014 amounted to 67,335,559 shares traded for a combined value of SEK 396 M, which is equal to an average daily volume of 270,000 shares worth a combined value of SEK 1,589,000. The number of trades for the full year was 25,717, which is equal to an average of 103 per trading day.

Divident

The Board of Directors has proposed that no dividend is paid for 2014. There is an existing dividend policy:

The Board's long-term intention is to give shareholders a dividend that reflects both reasonable yield and dividend growth, and to implement a policy where the dividend rate is adjusted to Pricer's earnings, financial position and other factors deemed relevant.

Share savings program

In 2013, 750,000 Class C shares were issued and then repurchased and converted to Class B shares as a part of the share savings plan to employees adopted in 2013. In 2014, an additional 330 000 shares were issued whereof 1,338 have been offered to employees as part of the program. The total number of Treasury shares was 1 078 662 on December 31 2014.

WARRANTS OUTSTANDING

Designation	Number	Year issued	Exercise price (SEK) [1]	Expiration date
TO11	21 million	2011	15.60	15-08-31

1) Each ten options give right to acquire one share at the indicated exercise price

Ownership structure

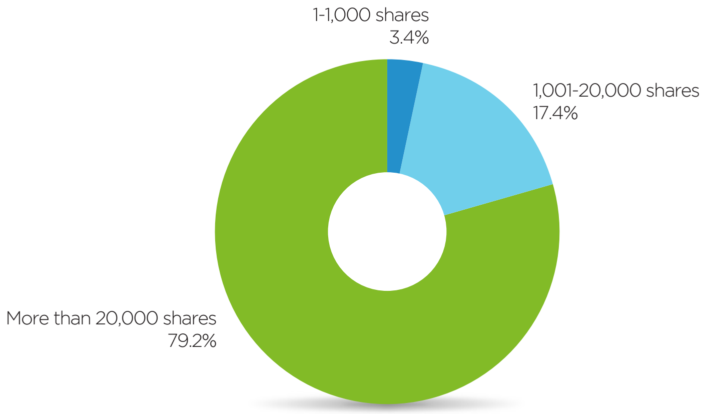
The number of shareholders on 31 December 2014 was 17,894. The ten largest shareholders held 39 percent of the number of shares and 40 percent of the number of votes. Legal entities held 62 percent of the total number of shares and 62 percent of votes, while foreign shareholders held 18 percent of the total number of shares and votes.

OWNERSHIP STRUCTURE 31 DECEMBER 2014

No. of shares	No. of share-holders	% of share-holders	No. of shares	% of votes	% of equity
1-1,000	13,145	73	3,801,839	3.4	3.4
1,001-20,000	4,262	24	19,288,679	17.3	17.4
20,001-	487	3	87,881,263	79.3	79.2
Total	**17,894**	**100**	**110,971,781**	**100.0**	**100.0**

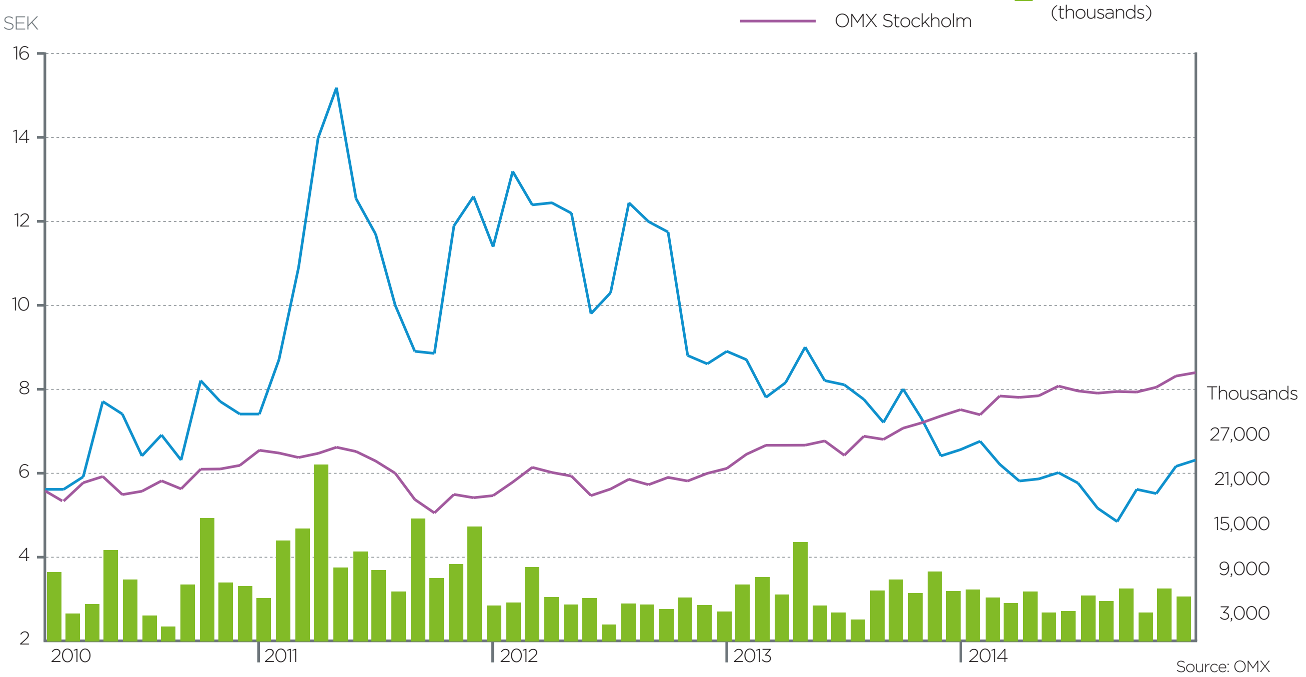
Source: Euroclear

OWNERSHIP STRUCTURE 31 DECEMBER 2014
Percent of Equity



Source: Euroclear

PRICE DEVELOPMENT OF THE PRICER SHARE 2010-2014



MAJOR SHAREHOLDERS, 31 DECEMBER 2014

Name	A shares	B shares	No. of shares	% of votes	% of capital
Grimaldi, Salvatore incl. bolag	211,054	10,315,755	10,526,809	10.2	9.5
Pohjola Bank	-	7,475,305	7,475,305	6.7	6.7
Avanza Pension	-	6,641,263	6,641,263	5.9	6.0
Nordnet Pension	-	3,670,196	3,670,196	3.3	3.3
Fjärde AP Fonden	-	3,021,193	3,021,193	2.7	2.7
Sifonen	-	3,000,000	3,000,000	2.7	2.7
Origo Quest 1	-	2,480,499	2,480,499	2.2	2.2
Speaking Partners AB	-	2,357,000	2,357,000	2.1	2.1
Royal Skandia	-	2,310,101	2,310,101	2.1	2.1
Danica Pension	-	2,293,501	2,293,501	2.1	2.1
10 largest shareholders	**211,054**	**43,564,813**	**43,775,867**	**39.9**	**39.4**
Others	14,469	67,181,445	67,195,914	60.1	60.6
Total	**225,523**	**110,746,258**	**110,971,781**	**100.0**	**100.0**

Source: Euroclear

DATA PER SHARE, 2010-2014

SEK per share	2014	2013	2012	2011	2010
Earnings	-0.51	0.04	0.33	1.40	0.54
Dividend	-	-	0.25	0.25	0.20
Shareholders' equity	5.94	6.25	6.40	6.38	5.18
Cash flow	0.12	0.51	0.21	0.06	-0.14
P/S ratio	1.19	1.37	1.77	1.99	1.71
Adjusted for dilution:					
Earnings	-0.51	0.04	0.33	1.39	0.54
Shareholder's equity	5.94	6.25	6.40	6.44	5.48
Cash flow	0.12	0.51	0.21	0.06	-0.15
P/S ratio	1.19	1.37	1.77	1.94	1.72
Share price:					
Yearly high	7.35	9.90	13.85	15.40	8.50
Yearly low	4.60	6.05	8.10	6.90	5.10
Closing price	6.30	6.55	8.90	11.40	7.40
No. of shares on 31 Dec., 000s	110,972	110,642	109,892	108,459	105,552
Market capitalisation on 31 Dec., SEK M	699	725	978	1,236	779
Average number of outstanding shares, 000s	109,892	109,974	109,290	107,258	103,583
Share price on 31 Dec./shareholders' equity, %	106	105	139	177	135

SHARE CAPITAL DEVELOPMENT, 2010–2014

Year		Increase in no. of shares	Total no. of shares	Change in share capital, SEK M	Total share capital, SEK M
2010	Conversion/share issue	39,385,963	1,055,518,163	4.0	105.6
2011	Issue of shares from employee options	11,509,870	1,067,028,033	1.2	106.8
2011	Reversed split 10:1	-960,325,229	106,702,804	-	106.8
2011	Issue of shares from employee options	1,762,344	108,465,148	1.8	108.6
2012	Issue of shares from employee options	1,426,633	109,891,781	1.3	109.9
2013	Issue of shares for share savings program	750,000	110,641,781	0.8	110.6
2014	Issue of shares for share savings program	330,000	110,971,781 [1)]	0.3	111.0

1) treasury shares 1,078,668

Business risks and opportunities

Pricer sees a significant potential in the retail trade where the company, with its strong technical platform and solid customer references, is well positioned to meet and benefit from the expected growth in demand. At the same time, all entrepreneurial activities and ownership of shares entail a degree of risk. Several risk factors may come to affect Pricer's business operations. For this reason, when making an assessment of the company's future development, it is also important to consider these risks as well as the opportunities. Some of the factors that may be of material importance to the company's future development, earnings and financial position are described below. They are not presented in any order of priority, and it is not claimed that they are comprehensive.

Business risks

The market. The market for digital shelf-edge solutions has grown and is expected to show continued growth, even if a certain slowdown in growth has been noted during the past year. It is difficult to estimate when large-scale demand for digital shelf-edge solutions will materialise.

Customer dependence. A large proportion of Pricer's sales comes from a relatively small number of customers. The company is actively seeking to reduce its dependence on individual customers by creating partnerships and thereby increasing the number of customers.

Suppliers. Pricer cooperates with sub-suppliers to create a flexible production solution and to use standard components to the greatest extent possible. However, it cannot be excluded that a situation with a shortage of components may arise or where deliveries are impeded in connection with major volume increases in production.

Products. Pricer invests significant resources in product development to retain and strengthen its leading position in system solutions. Development projects are recognised as intangible assets if they are deemed commercially viable. There is a risk that new products will not fulfil technical functionality requirement or meet expectations, which may lead to an impairment need or an adjustment in the valuation of depreciations periods of assets. Pricer markets its products with customary product warranties, which in some extend over several years. This means there is a risk that some installed products need replacing during the warranty period or for market reasons outside the warranty reserve which is based on historical outcome.

Key competencies. There is a risk that employees with key competences leave the company. Through knowledge transfer and documentation of work processes, Pricer is taking steps to ensure that expertise is retained within the company.

Future capital requirements. Pricer's assessment is that no additional financing is needed as the cash flow from operations has been positive for the last few years. However, Pricer may require an additional injection of capital if sales of the ESL system do not increase at the projected rate, if the gross margin is not sufficient to maintain a positive cash flow or if other events occur that create such a need.

Competitors. Currently, there are only a few companies with similar products that compete with Pricer on the ESL market on a larger scale. There are also a number of smaller regional companies or companies that are attempting to develop products with a view to establishing a position on the market. With the restructuring of the sector, for example, if one or more competitors were to enter into an alliance with a strong partner, this could constitute a threat to other players in the market. Pricer works in close collaboration with its customers to maintain its position and strengthen its offering as a means to minimise the risk of losing market share.

Competing technologies. The infrared light system used by Pricer allows more secure transfer and higher speeds than the competing radio technology, which is the most common technology for ESL systems. However, it is possible that new technologies will represent a threat in the future. To date, Pricer has not identified any technology that constitutes a definite threat to the company's technology. The cost of developing the ESL system has been very high, and the possibility that heavy investments could also be required in the future to maintain the company's competitive position cannot be excluded.

Patents. Pricer protects its products to the greatest extent possible by means of patents. However, there is no guarantee that the company's newly developed products can be patented, that current and future applications will actually lead to patents, or that the company's existing patents will be adequate to protect Pricer. There is also a risk of costly patent disputes that could tie up management resources.

Financial risk management and currency risks. See note 21.

Opportunities

Market. Far-reaching changes are currently taking place in the retail trade, above all in the convenience goods sector, where restructuring, stiffer competition and a sharper focus on price are all reflected in the growing use of automation strategies. This will ultimately benefit ESL suppliers in a market where penetration is still negligible, but where the potential is estimated at between six and ten billion labels. Pricer is well positioned to respond to growing demand.

Customers. Pricer has a strong market presence, a strong brand name in the convenience goods trade and the market's broadest installation base with over 13,500 installations in use at customers all over the world. Pricer's combination of a strong position within the core market, composed primarily of France, but also Belgium, Spain, Italy and new geographic markets within both retail and expanding segments such as electronics and DIY chains, is unique in the ESL market.

Offering and products. As a result of several years of continuous development work, Pricer has created a modern and effective technical platform that supports the market's most effective and best performing system. The platform also offers scope for further development and a number of customised applications. Pricer offers end-to-end customer service and has also built up its capacity to extend its range of products and services in a profitable after-sales market.

Definitions

Return on equity
Result for the year as a percentage of average equity, calculated as the sum of opening and closing equity divided by two.

Return on capital employed
Operating result as a percentage of average capital employed, calculated as the sum of opening and closing capital employed divided by two.

Equity per share
Equity divided by the number of shares on the closing date.

Capital turnover rate
Net sales for the year divided by average capital employed, calculated as the sum of opening and closing capital employed divided by two.

Cash flow per share
Cash flow from operating activities as a percentage of shares on the balance sheet date.

Quick ratio
Total current assets excluding inventories as a percentage of total current and long-term liabilities.

Net debt
Interest-bearing liabilities minus interest-bearing assets.

Net margin
Result for the year as a percentage of net sales.

Net debt/equity ratio
Net debt in relation to equity.

P/S (Price/Sales) ratio
Share price on the closing date divided by net sales per share (average number of shares).

Earnings per share
Result for the year attributable to the owners of the Parent Company divided by the average number of shares in issue.

Working capital
Interest-free current assets minus interest-free current liabilities.

Operating margin
Operating result as a percentage of net sales.

Operating cash flow
Cash flow from operating activities.

Equity/assets ratio
Equity including non-controlling interest as a percentage of the balance sheet total.

Capital employed
Assets as stated in the balance sheet excluding interest-bearing assets less interest-free liabilities.

Administration report

The Board of Directors and President of Pricer AB (publ.), Corp. ID no. 556427-7993, hereby submit the annual report for the financial year 1 January – 31 December 2014. Figures in parentheses refer to the preceding year.

The Group consists of the parent company Pricer AB (Sweden), the wholly owned subsidiaries Pricer SAS (France), Pricer Inc. (USA), Pricer E.S.L. Israel Ltd. (Israel) and a limited number of small, virtually dormant companies.

Most of the Group's activities are organised in the Parent Company, which has responsibility for product development, production management, purchasing, sales to subsidiaries and certain markets and customer service. The subsidiaries in France and the US handle sales and customer service in their respective market areas. Pricer E.S.L. Israel Ltd. receives licensing fees from the sale of Eldat products and provides services in sales and product maintenance.

Market developments

Norway emerges more and more as a leading market for digital shelf-edge solutions together with France and Japan. In France, the company received additional important orders from Intermarché, which has been a key customer in 2014 with a total of 140 stores contracted. Other prominent French customers during the year included Carrefour and the DIY chain Leroy Merlin. Media Markt's advertising during the year, shows that the market drivers are changing. According to Media Markt´s press release, the company has regained market share in the Netherlands during the fourth quarter thanks to Pricer's solutions. Delhaize in Belgium has also placed significant orders in the fourth quarter and the Italian market has developed well during the same quarter.

Continued successful rollout of the Pricer system for Dairy Farms in Singapore and the completion of a retail installation in Japan by our partner Ishida also led to growth in Asia in 2014. Mexico continued to be the strongest market in Central America, particularly in the form of the convenience goods chain Soriana and Pricer's partner Tec Electronica. In the United States, sales came primarily from furniture chains, book stores and wine stores through Pricer's dealer MarginMate. With regard to the convenience goods market, ESL is still waiting for a breakthrough in the United States.

Revenue per market and year

SEK M	2014	2013
Europe, Middle East & Africa	493.2	443.9
America	44.7	51.6
Asia & Pacific	45.1	29.1
Total	**583.0**	**524.6**

Orders, net sales and financial performance for the full year

Order intake for the full year was SEK 541 (523) million, a rise of 3 percent compared to last year.

Net sales totalled SEK 583.0 (524.6) million. The increase in sales was 11 percent compared last year.

Adjusted gross profit was SEK 139.8 (124.4) million and the adjusted gross margin was 24.0 (23.7) percent for the full year.

Operating expenses, excluding non-recurring items were SEK 123.9 (110.1) million for the full year, representing an increase of approximately 13 percent year on year. The increase was primarily due to a lower capitalization rate for development costs and costs related to the development of the new digital strategy.

The adjusted operating profit was SEK 15.9 (14.3) million for the full year and is primarily an effect of the negative results in the first quarter.

Translation differences in other comprehensive income consisted of foreign currency translation of net assets in foreign subsidiaries in euros and dollars, primarily goodwill.

	Jan – Dec 2014	Jan – Dec 2013
Net sales	583.0	524.6
Cost of goods sold[1)]	-443.2	-400.2
Gross profit[1)]	139.8	124.4
Gross margin[1)]	24.0	23.7
Operating expenses[2)]	-123.9	-110.1
Operating profit[2)]	15.9	14.3
Operating margin[2)]	2.7	2.7

1) Excluding non-recurring costs of SEK 37.5 (6.5) million for the full year 2014.

2) Excluding non-recurring costs of SEK 69.0 (6.5) million for the full year 2014.

Adjusted operating profit

2014 was charged with non-recurring costs totalling SEK 69.0 (6.5) million. Cost of goods sold was charged with SEK 37.5 million (6.5) related primarily to component problems for delivered goods. Furthermore research and development costs were charged by SEK 15.5 (0) million, relating to impairment of development projects that are no longer deemed to be launched. The structural changes were charged to earnings at SEK 16.0 (0) million.

Amounts in SEK M	Jan – Dec 2014	Jan – Dec 2013
Operating profit	**-53.1**	**7.8**
Component problems	37.5	6.5
Write-down of development project	15.5	-
Structural change	16.0	-
Total adjustment	69.0	6.5
Adjusted operating profit	**15.9**	**14.3**

Assets, cash flow and financial position

Total assets amounted to SEK 815.2 (801.2) million at the end of the year and consisted mainly of intangible assets of SEK 263.4 (269.0) million primarily from the acquisition of Eldat in 2006 and goodwill totalling SEK 240.1 (225.7) million. The decrease of intangible assets is attributable to write-downs of capitalized development projects.

Working capital (including provisions) was SEK 238.4 (269.3) million at the end of the year.

Equity
During the second quarter, a share savings program was launched for employees as determined at the Annual General Meeting in May 2014. 330,000 shares have been issued and repurchased at the issue price, and are now held by the company ahead of the commitment for matching shares in three years. The value of the commitment has been accounted for in accordance with IFRS 2 and is expensed over the vesting period.

Cash flow
Cash flow from operating activities was SEK 13.6 (56.5) million for the full year. Part of the non-recurring costs have reduced cash flow. Cash and cash equivalents at the end of the period were SEK 53.0 (48.9) million. In addition to cash, Pricer has an unutilized overdraft totalling SEK 50 million and an additional SEK 50 million as a credit commitment. Equity ratio amounted to 81 (86) percent at the end of the year.

Financial instruments
Derivatives are measured at fair value and hedge accounting is applied. The Group only holds Level 2 instruments in the hierarchy of fair value. During the second half of 2014 the existing currency futures expired and were not renewed. The fair value at period end consists of assets of SEK 0 (0.1) million and liabilities of SEK 0 (1.1) million.

Capital expenditure
Capital expenditure was SEK 11.6 (26.1) million for the year, and comprised mainly capitalised development costs of SEK 7.5 (20.1) million.

Miscellaneous
Net sales in the Parent Company were SEK 465.8 (433.3) million and net profit was SEK -61.7 (-7.5) million for the year. The Parent Company had cash and cash equivalents of SEK 44.5 (37.6) million at the end of the year.

Information under other headings in the administration report applies where relevant also to the Parent Company.

Employees
The average number of employees for the year was 79 (78) and, at the end of the year, the company had 83 (77) employees.

Jonas Vestin took over as CEO on August 14. At the same time, Harald Bauer, Pricer's CFO and acting CEO left the Company. Claes Wenthzel became acting CFO at the end of August and left the position when Helena Holmgren took over as new CFO in the beginning of March 2015.

Charles Jackson took over as Executive Vice President for Pricer's global sales, marketing and strategy in December.

Pricer strives actively to achieve a more equal gender spread in all departments and promotes diversity. The health risks at Pricer are small and the work environment is inspected at least once every two years. Absenteeism due to illness is low.

Product development
In 2014, Pricer developed new solutions based on breakthrough enabling technologies, enhancing its intelligent store platform. These enhancements are unique, enabling critical in-store solutions such as planogram compliance and order preparation for Click & Collect.

In-store positioning of products and customers, real-time information at the shelf-edge and SmartFlash, a unique wireless tag feature to draw attention to a specific product, all this is now enabled in the new Pricer platform.

To realize the new solutions, great effort has been put into enhancing the platform. Examples of enhancements include real time control of labels, indoor positioning services, map handling, apps for both retailers and shoppers and the accompanying cloud services and a new NFC (Near Field Communication) solution. New programming interfaces have also been developed in order for customers and partners to leverage on Pricer's platform.

Product development is managed from the Parent Company in Stockholm. In 2014, costs for product development increased, as a consequence of write-down of previously capitalized R&D expenses. Costs amounted to SEK 36.7 (15.2) million, corresponding to 24 (14) percent of total operating expenses and 6 (3) percent of net sales. In addition, a portion of the year's costs for development work, SEK 7.5 (20.1) million, was capitalised as fixed assets related to development projects.

Operations of Pricer comply with the requirements of RoHS and other legal environmental requirements regarding the recovery of batteries and electronic waste.

Financial policy and currency risks
Risk management is controlled by a financial policy adopted by the Board, see note 21.

The main part of Pricer's sales in 2014, about 71 (70) percent, was denominated in euro, 28 (29) percent in US dollar and 1 (1) percent in other currencies. The US dollar accounts for virtually all of the cost of goods sold, while operating expenses are spread equally between euro and krona, with US dollar accounting for a minor portion. Pricer has during the year hedged a part of its anticipated flows through forward currency contracts in order to hedge its margins and postpone possible adverse currency effects. In the second half of 2014, the existing currency futures expired and were not replaced. Effects from realised and unrealised currency forward contracts amounted to SEK 0.2 (-2.4) million in the result. Currency effects in financial items amounted to expenses totalling SEK 0.1 (0.4) and comprised currency revaluation of loan assets to subsidiaries and cash positions. Basically, Pricer benefits from a strong euro and is not favoured by a strong US dollar.

Information on risks, uncertainties and legal disputes
Pricer's earnings and financial position are affected by various risk factors that should be taken into account when assessing the company and its future potential. These risks are primarily related to developments in the ESL market. Considering the structure of the customers and the size of the agreements, a delay in the installations may have a significant effect in any given quarter.

Pricer invests substantial resources in product development to preserve and strengthen the company's leading position in systems solutions. Development projects are reported as intangible assets as long as they are deemed to be commercially viable. There is a risk that new products fail to live up to expectations or meet functionality requirements, which could lead to an impairment need or a change in the valuation of depreciation periods of the assets. Pricer markets its products with customary warranties which in some cases extend over several years. There is therefore a

Administration report (cont'd)

risk that installed products may need to be replaced during the warranty undertaking or, for market reasons, in addition to the reported warranty reserve which is based on historical performance.

For more information about financial risks, see note 21.

As a feature of its on-going operations, Pricer is occasionally involved in legal disputes. At present the company is not involved in any disputes that could have a material adverse impact on its earnings or financial position.

Guidelines for remuneration of senior executives

The guidelines for remuneration of senior executives proposed by the Board of Directors to the Annual General Meeting 2015 are the same as those approved by the AGM in 2014. These guidelines are listed below.

The members of the Board receive a fee, as decided by the AGM.

The AGM decided on the following guidelines for the remuneration of senior executives. Senior executives consist of the CEO, deputy CEO, CFO and other members of Group management. Members of Group management are listed on page 52.

Pricer shall, taking into account the conditions in the country of residence of each member of Group management, offer a competitive total package that will enable the company to hire and retain senior executives. The remuneration of senior executives shall consist of fixed salary, a variable component, pension and other customary benefits.

The fixed salary is determined individually and based on position, performance, earnings and responsibility. The salary level shall be competitive for the market concerned. The variable component is based on the achievement of financial and personal targets. It must not exceed an amount corresponding to the fixed salary. Group management's pension conditions shall be competitive and based on defined contribution solutions or comply with a national pension plan.

To harmonise the long-term interests of personnel and shareholders, the company shall, in addition to salary, pension and other benefits, be able to provide incentives in the form of share-based instruments.

The period of notice for the President is six months when notice is given by the employee and twelve months when notice is given by the employer. The period of notice for other senior executives varies and in no case exceeds twelve months.

Senior executives are not entitled to severance pay. With reference to Chap. 6 Section 2a of the Annual Accounts Act, there is no other such information than is stated above.

The Board of Directors maintains the right to deviate from the above guidelines if the Board deems it motivated in individual cases, based on specific circumstances.

Information on Pricer's shares

Pricer has a total of 110,971,781 outstanding shares, of which 0.2 percent are Class A shares carrying five votes each and the remainder are Class B shares, each carrying one vote. Pricer had 17,894 shareholders, of whom the ten largest account for about 38 percent of the capital at the end of 2014. Salvatore Grimaldi (and companies controlled by him) is the largest shareholder, with an interest of slightly more than 10 percent. More details regarding ownership of Pricer's shares are provided on page 9.

The 2014 AGM approved the Board's right to issue up to 5 million shares for acquisitions of companies, operations, intangible rights or other assets. No issue based on this approved right has been made.

Board of Directors

The nomination of candidates as Board members for submission to the Annual General Meeting is prepared by the Nomination Committee, which comprises Bo Kastensson, Theodor Jeansson, Ulf Palm, Stefan Roos och Gunnar Ek. For more information about the Nomination Committee, please see page 48. At the 2014 AGM, Bo Kastensson, Hans Granberg, Bernt Ingman, Joen Magnusson and Jan Rynning were elected as new Board members. Bo Kastensson was elected as Chairman of the Board. No deputies to members appointed by the AGM have been appointed. A remuneration committee consisting of Jan Rynning and Joen Magnusson has been active during the year. A financial committee consisting of Bo Kastensson and Bernt Ingman has supported the CEO in the restructuring process. Other matters are dealt with by the Board as a whole, but can be prepared by various groups of members. For information regarding the Board's activities and procedures, see page 49.

Related parties

There have been no significant transactions involving related parties that could have a material impact on Pricer's financial position and earnings.

Corporate governance report

The corporate governance report can be found on page 48 and at Pricer's website, www.pricer.com.

Future outlook

Despite investments, particularly in software development, it is deemed that there will be a certain positive effect on sales and profitability in 2015, and further improvement in 2016. We will not however provide a more detailed forecast for 2015. With regard to significant events after the close of the financial year, reference is made to note 27.

Proposed appropriation of retained earnings

The Board of Directors proposes that SEK 336,887 thousand funds in the Parent Company is carried forward. The Board of Directors also proposes that no dividend is paid for 2014.

There is an existing dividend policy:

The Board's long-term intention is to give shareholders a dividend that reflects both a reasonable yield and dividend growth, and to implement a policy where the dividend rate is adjusted to Pricer's earnings, financial position and other factors deemed relevant.

With respect to other aspects of the company's earnings and financial position, please refer to the following income statement and balance sheet for the Parent Company and consolidated statement of comprehensive result and consolidated statement of financial position with the accompanying accounting principles and notes.

Statement of consolidated comprehensive income

1 JANUARY - 31 DECEMBER

Amounts in SEK 000s	Note	2014	2013
Net sales	2, 3	583,032	524,611
Cost of goods sold[1]		-480,692	-406,662
Gross profit		**102,340**	**117,949**
Selling expenses		-74,989	-56,494
Administrative expenses		-43,698	-38,463
Research and development costs[1]		-36,724	-15,208
Operating profit	4, 5, 6, 22	**-53,071**	**7,784**
Financial income		270	505
Financial expenses		-408	-591
Net financial items	7	**-138**	**-86**
Profit before tax		**-53,209**	**7,698**
Income tax	8	-2,310	-3,472
Profit for the year		**-55,519**	**4,226**
Other comprehensive income			
Items that have or may be accounted for in the profit for the year			
Translation differences		23,850	12,250
Cash flow hedges		213	-452
Tax relating to components in other comprehensive income		-1,210	-563
Net comprehensive income for the year		**-32,666**	**15,461**
Attributable to:			
Owners of the Parent		-55,519	4,226
Attributable to:			
Owners of the Parent		-32,666	15,461

Earnings per share	17	2014	2013
Basic earnings per share, SEK		-0.51	0.04
Diluted earnings per share, SEK		-0.51	0.04

[1]Amortization of capitalized development costs have been reclassified from research and development costs to the cost of goods sold. The effect of this is SEK 11,186 (9,073) thousand for the full year 2014. See note 1.

Statement of consolidated financial position

AT 31 DECEMBER

Amounts in SEK 000s	Note	2014	2013
ASSETS			
Intangible fixed assets	9	263,363	269,070
Tangible fixed assets	10	8,070	7,157
Deferred tax assets	8	101,720	101,231
Total fixed assets		**373,153**	**377,458**
Inventories	13	157,680	148,413
Accounts receivable	14	170,045	150,422
Prepaid expenses and accrued income	15	17,033	17,723
Other receivables	12	44,214	58,292
Cash and cash equivalents		53,031	48,858
Total current assets		**442,003**	**423,708**
TOTAL ASSETS		**815,156**	**801,166**
EQUITY AND LIABILITIES			
EQUITY	16		
Share capital		110,972	110,642
Other paid in capital		397,669	397,159
Reserves		5,270	-17,583
Accumulated profits including profit for the year		145,791	201,640
Equity attributable to holders of the Parent Company		**659,702**	**691,858**
Non-controlling interests		**-**	**-**
Total equity		**659,702**	**691,858**
LIABILITIES			
Provisions	18	3,482	3,224
Other long-term liabilities		1,372	836
Total long-term liabilities		**4,854**	**4,060**
Prepayments from customers		1,675	2,647
Accounts payable		72,970	56,710
Other liabilities	19	8,857	12,367
Accrued expenses and deferred income	20	39,710	25,670
Provisions	18	27,388	7,854
Total current liabilities		**150,600**	**105,248**
Total liabilities		**155,454**	**109,308**
TOTAL EQUITY AND LIABILITIES		**815,156**	**801,166**
Pledged assets	23	**60,453**	**60,403**
Contingent liabilities	23	**828**	**778**

Statement of changes in consolidated equity

		Equity attributable to owners of the Parent Company							
Amounts in SEK 000s	**Note**	**Share capital**	**Other paid in capital**	**Translation reserve**	**Hedge reserve**	**Accumulated profits incl. profit for the year**	**Total**	**Non-controlling interests**	**Total equity**
Opening equity, 1 January 2014		**110,642**	**397,159**	**-17,417**	**-166**	**201,640**	**691,858**	**-**	**691,858**
Profit for the year						-55,519	-55,519		-55,519
Other comprehensive income for the year				22,687	166		22,853		22,853
Net comprehensive income for the year				*22,687*	*166*	*-55,519*	*-32,666*		*-32,666*
Share issue		330					330		330
Repurchase of treasury shares						-330	-330		-330
Share based payments, equity settled			510				510		510
Total transactions with owners of the Group		*330*	*510*			*-330*	*510*		*510*
Closing equity, 31 December 2014	16	**110,972**	**397,669**	**5,270**	**-**	**145,791**	**659,702**	**-**	**659,702**
Opening equity, 1 January 2013		**109,892**	**396,721**	**-29,004**	**186**	**225,637**	**703,432**	**69**	**703,501**
Profit for the year						4,226	4,226		4,226
Other comprehensive income for the year				11,587	-352		11,235		11,235
Net comprehensive income for the year				*11,587*	*-352*	*4,226*	*15,461*		*15,461*
Share issue		750					750		750
Repurchase of treasury shares						-750	-750		-750
Acquisition of non-controlling interest								-69	-69
Dividend						-27,473	-27,473		-27,473
Share based payments, equity settled			438				438		438
Total transactions with owners of the Group		*750*	*438*	*0*	*0*	*-28,223*	*-27,035*	*-69*	*-27,104*
Closing equity, 31 December 2013	16	**110,642**	**397,159**	**-17,417**	**-166**	**201,640**	**691,858**	**-**	**691,858**

Statement of consolidated cash flows

1 JANUARY - 31 DECEMBER

Amounts in SEK 000s	Note	2014	2013
	26		
Operating activities			
Profit before tax		-53,209	7,698
Adjustment for non-cash items		54,633	13,515
Paid income tax		-3,938	101
Cash flow from operating activities before changes in working capital		**-2,514**	**21,314**
Cash flow from changes in working capital			
Change in inventories		-15,561	-6,273
Change in operating receivables		4,383	38,272
Change in operating liabilities		27,226	3,211
Cash flow from changes in working capital		**16,048**	**35,210**
Cash flow from operating activities		**13,534**	**56,524**
Investing activities			
Acquisition of intangible fixed assets		-7,493	-23,572
Acquisition of tangible fixed assets		-4,021	-2,503
Acquisition of financial fixed assets		-	-69
Sale of tangible fixed assets		-	-
Cash flow from investing activities		**-11,514**	**-26,144**
Financing activities			
New share issue		330	750
Repurchase of treasury shares		-330	-750
Paid dividend		-	-27,473
Cash flow from financing activities		**-**	**-27,473**
Cash flow for the year		**2,020**	**2,907**
Cash and cash equivalents at beginning of year		48,858	45,662
Exchange-rate difference in cash and cash equivalents		2,153	289
Cash and cash equivalents at end of year		**53,031**	**48,858**

Income statement and Statement of comprehensive income of Parent Company

1 JANUARY - 31 DECEMBER

Income statement

Amounts in SEK 000s	**Note**	**2014**	**2013**
Net sales	2	465,830	433,349
Cost of goods sold[1]		-444,914	-384,294
Gross profit		**20,916**	**49,055**
Selling expenses		-3,000	-3,369
Administrative expenses		-43,698	-38,463
Research and development costs[1]		-36,724	-15,208
Operating profit	4, 5, 22	**-62,506**	**-7,985**
Result from financial investments:	7		
Result from participations in Group companies		-334	-63
Result from other financial assets and receivables accounted as financial fixed assets		94	72
Interest income and similar profit/loss items		205	607
Interest expenses and similar profit/loss items		-387	-584
Profit after financial items and before tax		**-62,928**	**-7,953**
Income tax	8	1,212	446
Profit for the year		**-61,716**	**-7,507**
Statement of comprehensive income			
Profit for the year		-61,716	-7,507
Other comprehensive income			
Items that have or may be accounted for in the profit for the year			
Translation differences		5,288	3,015
Cash flow hedges		213	-452
Tax relating to components in other comprehensive income		-1,210	-563
Other comprehensive income for the year		**4,291**	**2,000**
Net comprehensive income for the year		**-57,425**	**-5,507**

[1]Amortization of capitalized development costs have been reclassified from research and development costs to the cost of goods sold. The effect of this is SEK 11,186 (9,073) thousand for the full year 2014. See note 1.

Parent company balance sheet

AT 31 DECEMBER

Amounts in SEK 000s	Note	2014	2013
ASSETS			
Fixed assets			
Intangible fixed assets	9	20,824	40,399
Tangible fixed assets	10	7,281	5,957
Financial fixed assets			
Participations in Group companies	25	184,409	184,509
Receivables from Group companies	11, 24	101,480	93,774
Deferred tax asset	8	100,969	100,828
Total financial fixed assets		*386,858*	*379,111*
Total fixed assets		**414,963**	**425,467**
Current assets			
Inventories, etc.	13	125,184	120,125
Current receivables			
Accounts receivable	14	61,886	42,330
Receivables from Group companies	24	23,868	20,971
Other receivables	12	42,065	56,408
Prepaid expenses and accrued income	15	12,659	14,579
Total current receivables		**140,478**	**134,288**
Cash and cash equivalents		44,545	37,551
Total current assets		**310,207**	**291,964**
TOTAL ASSETS		**725,170**	**717,431**

Parent company balance sheet (cont'd)

Amounts in SEK 000s	Note	2014	2013
EQUITY AND LIABILITIES			
Equity	16		
Restricted equity			
Share capital		110,972	110,642
Statutory reserve		104,841	104,841
Total restricted equity		215,813	215,483
Non-restricted equity			
Share premium reserve		200,819	200,309
Reserve for fair value		-9,950	-14,240
Accumulated profit		207,734	215,571
Profit for the year		-61,716	-7,507
Total non-restricted equity		336,887	394,133
Total equity		**552,700**	**609,616**
PROVISIONS			
Provisions	18	30,870	11,078
Total provisions		**30,870**	**11,078**
LONG-TERM LIABILITIES			
Liabilities to Group companies		100	100
Total long-term liabilities		**100**	**100**
CURRENT LIABILITIES			
Accounts payable		66,668	50,992
Liabilities to Group companies	24	60,763	33,231
Other liabilities	19	1,237	2,373
Accrued expenses and deferred income	20	12,832	10,041
Total current liabilities		**141,500**	**96,637**
TOTAL EQUITY AND LIABILITIES		**725,170**	**717,431**
Pledged assets	23	**59,625**	**59,625**
Contingent liabilities	23	**-**	**-**

Parent company statement of changes in equity

		Restricted equity		Non-restriced equity				
					Reserve for true value			
Amounts in SEK 000s	Note	Share capital	Statu-tory reserv	Share premium reserve	Trans-lation reserve	Hedge reserve	Accumu-lated pro-fits incl. profit for the year	Total
Opening equity, 1 January 2014		**110,642**	**104,841**	**200,309**	**-14,075**	**-166**	**208,064**	**609,616**
Profit for the year							-61,716	-61,716
Other comprehensive income for the year					4,125	166		4,291
Net comprehensive income for the year					*4,125*	*166*	*-61,716*	*-57,425*
Issue of shares		330						330
Repurchase of treasury shares							-330	-330
Share based payments, equity settled				510				510
Total transactions with owners of the Parent Company		*330*		*510*			*-330*	*510*
Closing equity, 31 December 2014	16	**110,972**	**104,841**	**200,819**	**-9,950**	**-**	**146,018**	**552,700**
Opening equity, 1 January 2013		**109,892**	**104,841**	**199,871**	**-16,426**	**186**	**243,794**	**642,158**
Profit for the year							-7,507	-7,507
Other comprehensive income for the year					2,352	-352		2,000
Net comprehensive income for the year					*2,352*	*-352*	*-7,507*	*-5,507*
Issue of shares		750						750
Repurchase of treasury shares							-750	-750
Dividend							-27,473	-27,473
Share based payments, equity settled				438				438
Total transactions with owners of the Parent Company		*750*		*438*			*-28,223*	*-27,035*
Closing equity, 31 December 2013	**16**	**110,642**	**104,841**	**200,309**	**-14,075**	**-166**	**208,064**	**609,616**

Parent company cash flow statement

1 JANUARY - 31 DECEMBER

Amounts in SEK 000s	Note	2014	2013
	26		
Operating activities			
Profit before tax		-62,928	-7,953
Adjustment for items not included in cash flow		49,324	15,122
Paid tax		-140	-143
Cash flow from operating activities before changes in working capital		**-13,744**	**7,026**
Cash flow from changes in working capital			
Change in inventories		-5,059	-5,246
Change in operating receivables		-6,944	50,600
Change in operating liabilities		45,830	9,270
		33,827	54,624
Cash flow from operating activities		**20,083**	**61,650**
Investing activities			
Acquisition of intangible fixed assets		-7,493	-20,086
Acquisition of tangible fixed assets		-3,684	-2,200
Divestitures of tangible fixed assets		-	-
Acquisition of financial assets		-	-69
Decrease in long-term loan receivables subsidiaries		-	-
Increase in long-term loan receivables subsidiaries		-2,418	-4,610
Cash flow from investing activities		**-13,595**	**-26,965**
Financing activities			
New share issue		330	750
Repurchase of treasury shares		-330	-750
Paid dividend		-	-27,473
Cash flow from financing activities		**-**	**-27,473**
Cash flow for the year		**6,488**	**7,212**
Cash and cash equivalents at beginning of year		37,551	29,838
Exchange-rate difference in cash and cash equivalents		506	501
Cash and cash equivalents at end of year		**44,545**	**37,551**

Notes on the financial statements

(Amounts in SEK 000s unless otherwise stated. Group is abbreviated as "G" and Parent Company as "PC")

Note 1 Accounting principles

Compliance with standards and laws

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) established by the International Accounting Standards Board (IASB) as endorsed by the European Commission for application in the EU. The Swedish Financial Reporting Council's recommendation RFR 1 Supplementary Reporting Rules for Groups has also been applied.

The Parent Company applies the same accounting principles as the Group, except in those cases described under "Parent Company accounting policies".

The annual report and consolidated financial statements have been approved for publication by the Board of Directors and Chief Executive Officer on 27 March 2015.

Valuation principles in the preparation of the financial reports

Assets and liabilities are recognised at historical acquisition value, except in the case of certain financial assets and liabilities which are valued at fair value. Financial assets and liabilities reported at fair value consist of derivative instruments.

Functional currency and reporting currency

The Parent Company's functional currency is the Swedish krona (SEK), which is also the presentation currency for the Parent Company and Group. This means that the consolidated financial statements are presented in SEK. Except where otherwise stated, all amounts are rounded off to the nearest thousand.

Estimates and assumptions in the financial statements

When preparing financial statements in accordance with IFRS, management is required to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs. Actual outcomes may differ from these estimates and assumptions.

The estimates and assumptions are reviewed regularly. Changes in estimates are recognised in the period of the change, if the change affects only that period; or in the period of the change and future periods, if the change affects both.

Note 28 contains a description of inputs and assessments that have been used by the company's management in the application of IFRS and that have a significant impact on the financial statements, as well as estimates that could lead to significant adjustments in the financial statements of subsequent years.

Significant applied accounting principles

The following accounting principles for the Group have been applied consistently in all the periods presented in the consolidated financial statements. The Group's accounting policies have also been applied consistently by group companies.

Changes in accounting principles and presentation

From 2014 the depreciation of capitalized research and development cost is classified as cost of sold goods instead of research and development expenses. The effect of this is SEK 11 186 thousand (9 073) for the full year 2014. The reason for the reclassification is to link the development cost for products to the corresponding revenue. The change mean that all depreciation linked to research and development are classified as cost of sold goods. Research and development expenses are thus only such expenses that are not capitalized and possible write-downs of R&D projects that will not be launched. All comparison figures are recalculated according to this new policy. Operating profit and subsequent posts are not affected but the gross profit is lower compared to previous policy.

New IFRS standards and interpretations that have not yet been implemented

A number of new or amended IFRS standards come into effect in the next financial year and have not been adopted in advance when preparing these financial reports. New standards or amendments due for future adoption have not been adopted in advance.

IFRS 9 Financial Instruments is intended to replace IAS 39 Financial Instruments: Recognition and Measurement. Through IFRS 9, the IASB has presented a full package of changes related to the accounting for financial instruments. The package comprises new basis for the classification and measurement of financial instruments, a forward looking ("expected loss") impairment model and simplified conditions for hedge accounting. IFRS 9 should be adopted as from January 1, 2018 and earlier adoption is permissible, should the EU adopt the standard. The EU has planned to adopt the standard in 2015.

The categories for financial assets that exist in IAS 39 are replaced by three categories; amortized cost, fair value through other comprehensive income, and fair value through profit and loss. The split into three categories is made based on the Company's business model for different holdings and the character of the cash flows that the assets give rise to. The fair value option is possible to apply for liability instruments in those instances where it eliminates or significantly reduces a mismatch in the accounts. For equity instruments, the basis is that measurement should be made to fair value through profit and loss with an option to account for the change in value, excluding assets held for sale, in other comprehensive income.

The treatment of Financial Liabilities is largely consistent with that permissible under the pre-existing rules in IAS 39, with exception of the fair value option. For these liabilities, the change in fair value should be split into changes that relate to the Company's credit worthiness and changes related to the reference interest rate.

The new impairment model will require the accounting for a one year expected credit loss upon initial measurement, and by a significant increase of the credit risk under the remaining term. The new rules for hedge accounting imply simplifications for efficiency tests as well as an increase in permissible hedge instruments and hedged items. The effect of the adoption of IFRS 9 has not yet been determined.

IFRS 15 Revenue from Contracts with Customers. The purpose of the new standard is to have one single principle-based standard for all industries that will replace the current standards and interpretations for revenue. IFRS 15 should be adopted as of January 1, 2017, and earlier adoption is permissible should the EU adopt the standard, which is expected to take place in 2015. IFRS 15 introduces a five step model for revenue recognition, which implies that revenue should be recognized when the commitment to deliver the goods or services has been fulfilled; in step 1 to identify the contract; in step 2 to identify when the commitment to deliver the goods or services has been fulfilled; in step 3 to establish the transaction price; in step 4 to allocate the transaction price to the different commitments and in step 5 to recognize revenue when the respective commitment has been fulfilled. The effect of the adoption of IFRS 15 has not yet been determined.

Other new and amended IFRS with future adoption are not expected to affect the Company's financial statements.

Classification

Fixed assets and long-term liabilities in the Parent Company and the Group essentially comprise amounts that are expected to be recovered or settled more than twelve months after the balance sheet date. Current assets and current liabilities essentially comprise amounts that are expected to be recovered or settled within twelve months from the balance sheet date.

Operating segment reporting

An operating segment is a part of the Group with an operation generating revenue and costs with independent available financial information. The result of an operating segment is followed by the highest executive of the company in order to evaluate the result and to allocate resources to each operating segment. Pricer has only one operating segment, see further note 3 for more information about the categorisation and presentation of operating segments.

Consolidation principles

Subsidiaries

Controlling influence exists if the parent company has influence over the subsidiary, has an exposure to variable return on its engagement and is able to use its influence to affect the return. When judging if a controlling influence exists, consideration is given to potential vote-bearing shares and if de facto control exists.

Business combinations on 1 January 2010 or later
Subsidiaries are recognised using the purchase method. With this method, acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities and contingent liabilities. The acquisition cost on consolidation is established through an acquisition analysis in conjunction with the acquisition. The analysis establishes the acquisition cost of the participating interests or business, the fair value, on the acquisition date, of acquired identifiable assets and assumed liabilities and contingent liabilities. Transaction costs, with the exception of transaction costs attributable to the issue of equity or debt instruments that arise, are reported directly in the year's profit or loss.

In business combinations where the fair value of consideration is transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previously held equity interest in the acquiree (in a business combination acquired in steps) exceeds the Group's share in the fair value of net identifiable assets acquired and liabilities reported separately, the difference is accounted for as goodwill. When the difference is negative, i.e. when the acquisition is at a bargain price, it is reported directly in the profit for the year.

The consideration transferred for the acquisition of a subsidiary does not include amounts related to the settlement of pre-existing business relationships. Such amounts are recognised in profit or loss.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as an equity instrument, it is not re-measured and settlement is accounted for within equity. Otherwise, the fair value of contingent consideration is re-measured at each reporting date and the change is recognised in profit or loss.

In business combinations where less than 100 per cent of the subsidiary is acquired, non-controlling interests arise. There are two alternative methods for accounting for non-controlling interests. The first of these is to record non-controlling interests as their proportionate share of net assets, while the second is to record non-controlling interests at fair value, which means that the non-controlling interests have a share in goodwill. The choice between these two methods can be made on an acquisition-by-acquisition basis.

In business combinations that are conducted in stages, the goodwill is determined on the date on which the controlling interest comes into effect. Previous holdings are measured at fair value and the value change is report in the profit for the year.

Business combinations made between 1 January 2004 and 31 December 2009
In combinations made between 1 January 2004 and 31 December 2009 for which the acquisition cost exceeds the fair value of acquired assets and assumed liabilities and contingent liabilities recognised separately, the difference is recognised as goodwill. Any negative difference is recognised directly in profit for the year. Transaction costs, with the exception of transaction costs attributable to the issue of equity or debt instruments that arise are included in the acquisition cost.

Financial statements of subsidiaries are included in the consolidated accounts from the moment of acquisition until controlling interest disappears.

Transactions eliminated on consolidation
Intra-group receivables and liabilities, income and costs, and unrealised gains or losses arising on transactions between Group companies are eliminated in full when preparing the consolidated financial statements. Unrealised gains and losses arising on transactions with associate companies are eliminated to the extent that they correspond to the Group's interest in the company. Unrealised losses are eliminated in the same way, unless there is any indication of impairment.

Foreign currency
Transactions in foreign currencies
Transactions in foreign currencies are translated into the functional currency at the exchange rates prevailing on the transaction date. The functional currency is the currency of the primary economic environment in which the companies conduct their business. Monetary assets and liabilities in foreign currency are translated into the functional currency at balance sheet date rates. Currency differences arising on translation are recognised in profit and loss. Non-monetary assets and liabilities accounted for at fair value are converted to the functional currency at the rate prevailing at the date of the valuation to fair value.

Financial statements of foreign businesses
The assets and liabilities of foreign businesses are translated from the foreign unit's functional currency into the Group's presentation currency, SEK, at balance sheet date exchange rates. Income and costs of foreign businesses are translated into SEK at the average rate during the year. Translation differences arising on the translation of foreign businesses are recognised in other comprehensive income and are accumulated in a separate component in equity, labelled translation reserve.

Net investments in foreign operations
Monetary long-term receivables from a foreign operation for which settlement is not planned and will probably not be performed in the foreseeable future, is in practical terms part of the net investment in the foreign operation. An exchange rate difference that arises on the monetary long-term receivables is recognised cumulatively in a separate component of equity, the translation reserve. When divesting a foreign operation the accumulated exchange rate differences that are attributable to monetary long-term receivables in the cumulative translation differences that are reclassified from the translation reserve in equity to the year's profit.

Revenue
Sale of goods and completion of work performed
Revenue from the sale of goods is recognised in profit and loss when significant risks and benefits of ownership have passed to the buyer. Income from services is reported in the income statement based on the stage of completion at the balance sheet date. Stage of completion of work performed is established on the basis of investigation. Revenue is not recognised in cases where it is not likely that the financial benefit will pass to the Group. There is no recognition if there is considerable degree of uncertainty regarding payment, the attributable costs or risk of return or if the seller retains an assignment in the on-going administration which is normally associated with ownership. Revenue is recognised at fair value of the received amount, or the amount expected to be received, with a deduction for granted discounts. Revenue is not recognised in cases where it is not likely that the financial benefit will pass to the Group. Revenue in the form of royalties or licences resulting from an external party's use of the Group's assets is recognised when it is likely that the financial benefits associated with the transaction will pass to the company and the amount of revenue can be calculated reliably. The criteria for revenue recognition are applied to each transaction on an individual basis.

Leasing
Costs relating to operational leases
Costs from operational leasing agreements are recognised on a straight line basis over the term of the lease period in the year's profit. Benefits received in conjunction with the signing of an agreement are reported in the profit as a reduction in the total leasing charge allocated over the term of the lease. Variable fees are recognised in the income statement as an expense in the period in which they arise.

The Group has no financial leasing agreements.

Financial income and expense
Financial income and expense consist of interest income on investments, dividend gains, gains from value changes in financial assets valued at fair value via the profit and any gains on hedge instruments that are recognised in the year's profit.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method (see below). Dividend income is recognised when the right to receive dividend has been established. The gain or loss from sale of a financial instrument is recognised when the economic risks and rewards incidental to ownership have been transferred to the purchaser and the Group no longer has control over the instrument.

Financial expenses consist of interest expenses on loans, value losses on financial assets/liabilities valued at fair value via profit/loss, and the impairment of financial assets and such losses on hedge instruments that are reported in the profit for the year. Borrowing costs are recognised in profit or loss with application of the effective interest method, except to the extent they are directly attributable to the acquisition, construction or production of a qualifying asset that takes a substantial period of time to get ready for its intended use or sale, in which case they are included

Note 1 Accounting principles (cont'd)

in the acquisition value of the assets.

Exchange gains and losses are reported at their net value.

Tax

Tax consists of current tax and deferred tax. Taxes are recognised in the income statement, except for when the underlying transaction is recognised directly as equity, in which case the associated tax effect is recognised in equity.

Current tax is tax that is to be paid or recovered with regard to the current year using the tax rates valid or announced at balance sheet date. Tax adjustments pertaining to previous periods are also included here.

Deferred tax is calculated using the liability method, based on the temporary difference between the carrying amount and the fiscal value of assets and liabilities. The amount is calculated based on the expectation of how the temporary differences are to be adjusted, and using the tax rates and fiscal regulations valid or announced at balance sheet date. Temporary differences are not reflected in corporate goodwill nor are they reflected for differences that arise at the first reporting of assets and liabilities that are not operating acquisitions that at the time of the transaction did not affect either the reported or taxable profit. Temporary differences attributable to shares in subsidiaries or associated companies that are not expected to recovered in the foreseeable future.

Deferred tax is valuated on the basis of how the carrying amount of the assets or liabilities is expected to be realised or settled using the tax rates and rules that have been decided on, or in practice decided on, at the balance sheet date.

Deferred tax assets in respect of deductible temporary differences and unused loss carry-forwards are recognised to the extent that it is probable that these will be utilised. The value of accrued tax receivables is reduced when it is no longer considered probable that they can be utilised. Any additional income tax that arises for dividends is reported when the dividend is recognised as a liability.

Financial instruments

The financial instruments stated on the assets side of the statement of financial position include cash and cash equivalents, accounts receivable and derivatives. On the liability side, they include liabilities to suppliers, other liabilities and derivatives.

Inclusion in and removal from statement of financial position

A financial asset or liability is recognised in the statement of financial position when the company becomes party to the contractual conditions of the instrument. A receivable is recognised when the company has performed and agreed conditions are met for the counterpart to pay, even if an invoice has not yet been sent. Accounts receivable are recognised in the statement of financial position when an invoice has been sent. Liabilities to suppliers are recognised when an invoice has been received. Financial liabilities are recognised when the counterparty has performed a service and there is a contractual obligation to pay, even if no invoice has been received.

A financial asset is removed from the statement of financial position when the company's rights under the agreement have been realised, expire or the company has relinquished control over the asset. The same applies to a part of a financial asset.

A financial liability is removed from the statement of financial position when the obligation specified in the agreement has been discharged or is otherwise extinguished. The same applies to a part of a financial liability.

The purchase or divestment of a financial asset is recognised on the transaction date, which is the date when the company undertakes to purchase or divest the asset.

Classification and impairment testing

Financial instruments which are not derivatives are initially valued at acquisition cost, equivalent to the fair value of the instrument. A financial instrument's classification determines how it is valued after the first recording occasion. IAS 39 classifies financial instruments in categories. The classification depends on the purpose behind acquiring the financial instrument. The relevant categories for the Group are as follows: Financial assets at fair value through the income statement, Loans receivable and trade receivables, Financial liabilities valued at fair value through the income statement, Other financial liabilities and Derivatives used for hedge accounting.

Derivative instruments are initially reported at fair value, meaning that transaction costs are charged to profit/loss for the period. After the initial recognition, derivative instruments are recognised as follows. If the derivative is used for hedge accounting, then to the extent that it is effective the change in value of the derivative is recognised on the same line as the hedged item in the profit and loss accounts. Even if hedge accounting is not used, increases and decreases in the value of the derivative are recognised as income or expense in operating profit/loss or in financial income and expenses based on what the derivative is used for and to what extent the use is related to an operating item or financial item. If hedge accounting is used, the ineffective portion is recognised in the same way as value changes in a derivative not used for hedge accounting.

Liquid funds consist of cash and immediately available balances with banks and equivalent institutions, and short-term liquid investments with a term to maturity of less than three months, exposed to minimal risk for fluctuation in value.

Financial assets at fair value through profit and loss

This category consists of two sub-groups: financial assets available for trading and other financial assets that company has initially placed in this category in accordance with the 'Fair Value Option'. Financial instruments in this category are regularly measured at fair value and changes in fair value are recognised in the profit for the year. The first sub-group includes derivatives with a positive fair value with the exception for derivatives that are an identified and effective hedging instrument.

Loan receivables and accounts receivable

Loans and receivables are financial assets that are not derivatives with fixed or determinable payments and which are not quoted in an active market. These assets are values at accrued acquisition value. The accrued acquisition cost is determined on the basis of the effective interest rate that was calculated at the time of acquisition. Accounts receivable are reported at the amount that they are expected to be received, i.e. after deductions for bad debts.

Financial liabilities at fair value through profit and loss

This category consists of two sub-groups: financial liabilities held for trading and other financial liabilities that the company has initially placed in this category in accordance with the 'Fair Value Option', see description above under "Financial assets at fair value through profit and loss". The first sub-group includes derivatives with a negative fair value with the exception for derivatives that are identified as effective hedging instruments. Changes in fair value are reported in the profit.

Other financial liabilities

This category contains loans and other financial liabilities such as accounts payable. The liabilities are valued at accrued acquisition cost.

The category to which the group's financial assets and liabilities have been attributed is specified in note 21.

Derivatives and hedge accounting

The Group's derivative instruments have been acquired in order to financially cover the risks of interest rate and current exposure that the group is exposed to. Embedded derivatives are reported separately when they are not closely related to the host contract. Derivatives are reported initially at fair value which means that the transaction costs are charged to the year's profit. After initial recognition derivatives are valued at fair value and recognised in the manner stated below.

An unequivocal connection to the hedged item is required to meet the criteria for hedge accounting stated in IAS 39. The hedge must also effectively protect the hedged item, hedging documentation must be drawn up, and efficacy must be measurable. Gains and losses on hedges of cash flows and net investments are recognised in the income statement at the same time that gains and losses are recognised for the hedged items.

Receivables and liabilities in foreign currency and transaction exposure

For hedging against currency exposure risks of receivables and liabilities forward currency contracts are used. For hedging against currency risks hedge accounting is not used as an economic hedge is derived in the accounting through that both the underlying receivable and liability and the hedging instrument are accounted for at the rate of the balance sheet date and currency differences are accounted for in profit and loss.

Currency differences relating to operational receivables and liabilities are accounted for in operating result and currency differences relating to financial receivables and liabilities are reported in financial net.

Cash flow hedging of forecast sales in foreign currencies

The currency futures used for hedging highly probable forecast sales in foreign currency are recognised in the consolidated statement of financial position at fair value. The value movement for the period is recognised in the other comprehensive income and the cumulative change in value in a separate component of equity (hedging reserve) until the flow affects the profit or loss, whereupon the cumulative changes in value of the hedge instrument are reclassified in the profit or loss for the year when the hedged item (sales revenue) affects the year's profit.

Tangible fixed assets

Owned assets

In the consolidated accounts, tangible assets are recognised at acquisition value less accumulated depreciation and any impairment losses. Acquisition value includes the purchase price and all costs directly attributable to the asset that are required to bring the asset to its proper location and in the necessary condition, depending on the purpose of the acquisition.

The carrying amount of a tangible fixed asset is removed from the statement of financial position on retirement or disposal or when no future financial benefits are expected from its use or retirement/disposal. The gain or loss on disposal or retirement is the difference between the proceeds and the carrying amount less direct selling costs. Such gain or less is stated under other operating income/costs.

Additional expenditure

Additional expenditure is added to the acquisition value of the asset only if it is probable that the future financial benefits associated with the asset will accrue to the Group and the cost of the asset can be calculated reliably. All other additional expenditure is stated as a cost in the period in which they arise.

The decisive factor determining if additional expenditure should be added to the acquisition value is whether the expenditure relates to the replacement of an identified component, or parts thereof, in which case it is capitalised. In cases where a new component is created, the resulting expenditure is also added to the acquisition value. Any residual value of replaced components, or parts thereof, is retired and expensed in connection with replacement. Repairs are expensed as incurred.

Depreciation principles

Tangible fixed assets are depreciated on a straight-line basis over the estimated useful life of the asset. Land is not depreciated. Leased assets are also depreciated over the estimated useful life or, if it is shorter, over the contractual term of the lease. The group applies component depreciation, such that the estimated useful lives of material subcomponents are a basis for depreciation.

Estimated useful lives:
- machinery and other technical installations: 3-5 years
- equipment, tools, fixtures and fittings: 3-5 years
- leasehold improvements: 3 years

Intangible fixed assets

Goodwill

Goodwill is recognised at acquisition cost less accumulated impairments. Goodwill is allocated to the smallest cash-generating unit and is impairment tested at least annually.

Research and development

All research costs are recognised as costs for the period in which they arise.

Costs for development, where research findings or other knowledge are used to create new or improved products or processes, are only capitalised in the statement of financial position when the technical and commercial feasibility of the product or process has been established, and the company has adequate resources to complete its development and then intends to use or sell the intangible asset. Depreciation will usually start at product launch. The reported value incudes all directly attributable costs, e.g. for materials and services, remuneration to employees, registration of a legal entitlement, depreciation of patents and licenses, borrowing costs in accordance with IAS 23. Other development costs are reported in the year's profit as a cost as they arise. Development costs reported in the statement of financial position are taken up at acquisition cost less accumulated depreciation and any impairment losses.

Other intangible assets

Other intangible assets acquired by the Group are recognised at acquisition value less accumulated depreciation and impairment losses.

Additional expenditure

Additional expenditure on capitalised intangible assets is reported in the statement of financial position only when it increases the future financial benefits to which they are attributable. All other expenditure is expensed when it is incurred.

Amortisation principles

Amortisation according to plan is based on original acquisition values and is applied straight line over the estimated useful life of the asset, unless its useful life is indefinite. The residual value and useful life of an asset are assessed annually. Goodwill and intangible assets that are not yet ready to be used are tested for impairment annually or as soon as there are indications that the asset in question has diminished in value. Intangible assets with finite periods of use are tested for impairment when they are available for use.

Estimated useful lives:
- Market, patents and licences: 5-12 years
- customer relationships: 5 years
- product technology: 5 years
- development projects: 3 years

Patents and licences are depreciated over the term of the patent or licence, which in some cases exceeds five years.

Inventories

Inventories are recognised at the lower of cost and net realisable value. The cost of inventories is based on the first-in, first-out (FIFO) principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of indirect costs based on normal capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and realising the sale. The risk of obsolescence is taken into account in the valuation of inventories.

Impairment

The carrying amounts of the Group's intangible and fixed assets are tested at each statement of financial position date to determine if there is any indication of impairment.

Impairment of tangible and intangible assets

If there is any indication of impairment, the asset's recoverable value is calculated (see below).

The recoverable value of goodwill and other intangible assets that are not ready for use is also calculated annually.

If it is not possible to establish an essentially independent cash flow associated with a particular asset when testing for impairment, the assets are grouped at the lowest level for which it is possible to identify an essentially independent cash flow (known as a cash-generating unit). When the carrying amount of an asset or cash-generating unit exceeds its recoverable value, an impairment loss is recognised in profit and loss. Impairment of assets belonging to a cash-generating unit (group of units) is primarily allotted to goodwill. Thereafter impairment of other assets in the unit (group of units) is distributed pro rata among them.

The recoverable value is the higher of fair value less selling costs and value in use. When calculating value in use, future cash flows are discounted using a discounting factor that reflects the risk-free interest rate and any risks associated specifically with the asset. In the case of an asset that does not generate a cash flow that is essentially independent of other assets, the recoverable value is calculated for the cash-generating unit to which the asset belongs.

Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset or group of assets is impaired. Objective evidence consists of observable events that have occurred and adversely affect the ability to recover the cost of the asset, and a significant or prolonged decline in the fair value of an investment in a financial instrument classified as an available-for-sale financial asset.

The Company classifies trade receivables as doubtful when it is considered unlikely that they will be paid. Impairment of receivables is established by reference to historical experience of customer defaults on similar receivables.

Payments to shareholders

Dividends

Dividends are reported as liabilities after they have been approved for payment by the Annual General Meeting.

Earnings per share

Basic earnings per share are calculated on the basis of consolidated profit for the year attributable to the Parent Company's

Note 1 Accounting principles (cont'd)

shareholders and the weighted average number of shares in issue during the year. To calculate diluted earnings per share the average number of shares are adjusted to take account of the dilution effects of potential ordinary shares originating from options issued to employees and rights to matching and performance shares during the period. Options and share rights are not dilutive if the net result for the period is negative. The dilution effect arises only when the exercise price is lower than the listed price and is greater the wider the spread between the exercise price and the listed price. The exercise price is adjusted by making an addition for the value of future services associated with the share-based personnel programme that is stated as share-based payment in accordance with IFRS 2. Matching shares are dilutive if the net profit for the period is positive. Performance share are dilutive if the profitability targets are met in the reporting period. When valuing the dilutive effect of matching and performance shares, an adjustment for value of future services is made which is similar as for the options.

Employee benefits

Defined-contribution plans

All pension solutions in the Group are classified as defined contribution plans. Consequently the company's obligation is limited to the contributions that it has committed itself to pay. In such cases the size of employee's pension depends on the contributions that the company pays to the plan or to an insurance company and the contributions' return on capital. The employee thus bears the actuarial risk (that the remuneration will be lower than expected) and the investment risk (that the invested assets will not suffice to pay out the expected remuneration). The company's commitments regarding payments to defined contribution plans are recognised as an expense in the income statement as they are earned over time by the employee rendering services for the company.

Termination benefits

A provision is recognised in connection with termination of employment only if the company is demonstrably obliged to terminate employment before the normal retirement date; or when termination benefits take the form of an offer to encourage voluntary redundancy. In the event of termination of employment, a detailed plan is prepared that includes at least the place of work, positions and approximate number of persons affected, as well as the amount of compensation for each category of employee or position and when the plan will be implemented. In the event of voluntary redundancy, a cost is stated if it is probable that the offer will be accepted and the number of employees who will accept the offer can be reliably estimated.

Share-based payments

Share-based payment pertains to employee benefits, including senior executives in accordance with the employee share option scheme, allotted by Pricer in 2011 and the Performance Share Plan that was adopted in 2013 and 2014. Costs for employee benefits are recognised as the value of services received, allocated over the vesting periods for the plans, calculated as the fair value of the allotted equity instruments. The fair value is determined on the allotment date, or the date on which Pricer and the employees have agreed on the terms and conditions of the plans. Since the plans are regulated with equity instruments, they are classified as "equity settled" and an amount corresponding to the recognised cost for employee benefits is recognised directly in shareholders' equity (other contributed capital). The vesting of share options depends on the scheme participant remaining in employment and retaining the rights that need to be bought initially.
The Performance Share Plan contains two types of rights. Matching share rights give entitlement to Pricer shares if the participant remains in employment and retains the Saving Share that must initially be purchased. Performance shares give entitlement to shares under the same conditions and if the accumulated earnings per share are sufficiently high during the vesting period.
The recognised cost is initially based on, and regularly adjusted in relation to, the number of share options/share rights that are expected to be vested by considering how many participants are expected to remain in service during the vesting period and the expected and actual fulfilment of the conditions of the group's financial goals. No such adjustment is carried out for the number of share options that are expected to be exercised and are actually exercised depending on whether the level of the exercise price gives rise to the exercise. Neither is such an adjustment carried out when participants lose share rights due to selling the saving shares that they were required to purchase and must retain. In this case, the entire remaining cost is immediately recognised instead. When share options are exercised or shares are matched, social security contributions are paid in certain countries for the value of the employee's benefits. An expense and a provision are recognised, allocated over the vesting period, for these social security contributions. The provision for social security contributions is based on the number of share options/share rights that are expected to be vested and the fair value of the share options/share rights on each reporting date and finally, for the exercise/matching.

Provisions

Provisions can be distinguished from other liabilities because there is uncertainty about the timing or amount of the future expenditure required in settlement. A provision is stated in the statement of financial position when the Group has a legal or informal commitment that has arisen as the result of a past event and it is probable that an outflow of financial resources will be needed to settle the commitment and a reliable estimate of the amount can be made.

When necessary, a present value calculation is made to take into account any significant time-effects of future payments.

Guarantees

A provision for guarantees is recognised when the underlying products or services are sold. The provision is based on historical data on guarantees and a total appraisal of conceivable outcomes in relation to the probabilities to which the outcomes are linked.

Contingent liabilities

A contingent liability is recognised where there is a possible commitment that derives from a past event and the existence of which can be confirmed only by the occurrence of one or more uncertain future events, or in the event of a commitment that is not stated as a liability or provision since it is not likely that an outflow of financial resources will be required.

Parent Company accounting principles

The Parent Company's annual accounts are prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and the Swedish Financial Reporting Council's recommendation RFR 2, Reporting by Legal Entities. The Swedish Financial Reporting Council's recommendations also apply for listed companies. RFR 2 states that in the report for the legal entity, the Parent Company shall apply all EU-endorsed IFRS and statements as far as possible within the framework of the Annual Accounts Act and taking into account the connection between accounting and taxation. This recommendation defines the exceptions and additional disclosures compared with IFRS.

Differences between accounting principles of the Group and the Parent Company

The differences between the accounting principles applied by the Group and the Parent Company are described below. The following accounting principles for the Parent Company have been applied consistently for all periods presented in the financial statements of the Parent Company.

Classification and forms of presentation

An income statement and a statement of comprehensive income is presented for the Parent Company, whereas for the Group these two reports form one statement of comprehensive income. Furthermore, the terms "statement of financial position" and "cash flow statement" are used for the Parent Company for the statements that in the Group are entitled "statement of financial position" and "statement of cash flows". The Parent Company's income statement and statement of financial position have been prepared in accordance with the schedule specified by the Swedish Annual Accounts Act, while the statement of comprehensive income, statement of changes in equity and the statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows. The differences between the accounting principles applied by the Group that arise of the Parent Company income statement and balance sheet consist mainly of reported (adapted) financial income and expenses, fixed assets, equity and the occurrence of provisions as a separate heading in the balance sheet.

Subsidiaries

In the Parent Company, participations in subsidiaries are reported in accordance with the cost model. This implies that transaction expenses are included in the carrying amounts. In the Consolidated Accounts, transaction expenses attributable to subsidiaries are recognized directly in profit or loss as they arise.

Conditional purchase prices are measured on the likelihood that the purchase price will be payable. Potential changes to the provision/receivable is added to/deducted from the acquisition cost. In the Consolidated Accounts, conditional purchase prices are recognized at fair value with value changes in profit or loss.

Note 2 Distribution of revenue

	G 2014	G 2013	PC 2014	PC 2013
Net sales:				
Revenue from goods	529,345	485,353	453,263	419,700
Revenue from services	43,965	31,772	8,309	7,940
Royalties	9,722	7,486	4,258	5,709
Total	**583,032**	**524,611**	**465,830**	**433,349**

The Parent Company's net sales include intra-group sales of 289,631 (290,013). The revenue of the Group and the Parent Company includes an exchange-rate gain of 10,335 (-177).

Note 3 Operating segments

Pricer develops and markets a complete system consisting of components for communication in a store environment. The components are never sold separately except as additions to existing systems. Therefore the various product components do not constitute separate operating segments. The system is sold to customers in close to 50 countries over the whole world. Customer activities are to a large extent directed towards large global retail chains. Accountability of the sales force and follow up is made based on each customer. Revenue divided in three geographical areas is reported externally in order to, to a certain extent, be able to provide comments and analysis of the market development but it is not basis for internal guidance and follow up and therefore, these do not constitute different operating segments. Sales are made both direct to customers but also via resellers but this division does not constitute different operating segments in the operations. Sales is made to different categories of retail such as grocery, food, non-food, do-it-yourself, etc. but these categories do not constitute different operating segments either. Operation is not divided into different operating segments and is followed up in its entirety. Therefore the entire Pricer business constitutes one and the same operating segment.

Information per company

Total revenue from external customers amounted to SEK 583.0 M (524.6). Any division in different product categories is not made as revenue is constituted by sale of systems. See further note 2 Distribution of revenue.

Net sales by country	G 2014	G 2013
Sweden	13,878	15,955
France	248,117	201,473
Netherlands	63,894	67,817
Norway	36,999	49,965
Other countries	220,144	189,401
Total	**583,032**	**524,611**

Revenue from external customers per geographic domicile

Revenue is allocated per country based on the country of the customer.

In certain markets Pricer operates through resellers. Net sales to 1 (4) customer(s) amounted to more than 10 percent of total net sales for 2014. In total the net sales to this customer amounted to SEK 72 million (2013 the corresponding amounts where SEK 69, 68, 67 and 58 million to four customers, in total SEK 262 million) corresponding to 12 percent (50) percent of total net sales 2014.

Note 4 Employees and personnel costs

Average number of employees

	2014		2013	
	Number	of whom, men	Number	of whom, men
Parent Company				
Sweden	29	81%	30	82%
Hong Kong	3	100%	1	100%
Subsidiaries				
USA	6	80%	5	83%
Israel	2	100%	2	100%
France	39	72%	40	68%
Total subsidiaries	47	72%	47	71%
Total Group	**79**	**77%**	**78**	**76%**

Gender distribution in executive management on balance sheet date

	G 2014	G 2013	PC 2014	PC 2013
	% of women	% of women	% of women	% of women
Board of Directors	0%	20%	0%	20%
Other senior executives	0%	0%	0%	0%

Salaries, other remuneration, pension costs under defined premium plans and social security expenses

	G 2014	G 2013	PC 2014	PC 2013
Board and CEO	7,594	7,074	7,594	7,074
(of which bonus, etc.)	(121)	(-134)	(121)	(-134)
Other senior executives	13,199	6,522	1,565	3,116
(of which bonus, etc.)	(1,519)	(552)	(267)	(288)
Other employees	42,612	33,764	20,616	15,449
(of which bonus, etc.)	(4,203)	(2,769)	(1,207)	(822)
Total salaries and other remuneration	**63,405**	**47,360**	**29,775**	**25,639**
(of which bonus, etc.)	(5,843)	(3,187)	(1,595)	(976)
Social security expenses, Board and CEO	1,352	1,624	1,352	1,624
Social security expenses, other senior executives	3,321	3,488	840	1,828
Social security expenses, other employees	18,737	14,750	7,258	6,587
Total social security expenses	**23,410**	**19,862**	**9,450**	**10,039**
of which:				
Pension costs, Board and CEO	371	485	371	485
Pension costs, other senior executives	1,188	860	240	534
Pension costs, other employees	2,465	1,999	1,863	1,817
Total pension costs	**4,024**	**3,344**	**2,474**	**2,836**

The company's outstanding pension commitments on behalf of the Board and CEO amount to SEK 0 (0). The category "Other senior executives" consisted of 5(6) individuals at Group level, including 1 (3) in the Parent Company, during the major part of the year.

Cont'd on page 30

Note 4 Employees and personnel costs (cont'd)

Remuneration and benefits of senior executives

Remuneration principles

The Board of Director's fees are paid in accordance with a resolution passed by the Annual General Meeting, which also passes a resolution on guidelines for the remuneration and benefits of senior executives. These guidelines are presented in the Administration Report on page 14. The Board has authorised the Chairman to reach an agreement with the President regarding salary and other benefits. The remuneration and benefits of senior executives who report directly to the President are determined by the President after consultation with the Chairman and/or the Board's Remuneration Committee. The main principle is to offer senior executives a total remuneration package and terms of employment that are market-based. When determining the actual levels of remuneration, facts such as competence, experience and performance are taken into account. Remuneration to senior executives consists of basic salary, a variable salary, in certain cases a pension in the form of defined-contribution schemes, other customary benefits and a long-term incentive scheme in the form of employee stock options and/or share saving programmes to all employees in the Group. Other benefits may include a company car and health care insurance. All pension plans in the Group are defined-contribution plans.

Remuneration and benefits

Fees to directors of the Parent Company are payable as follows: During the 2013/2014 assignment period (until the Annual General Meeting on 6 May 2014), directors' fees amounted to SEK 1,250 thousand total divided by SEK 450 thousand to the Chairman and SEK 200 thousand to other members (total 5 board members). During the 2014/2015 assignment period (until the Annual General Meeting on 23 April 2015), director fees amounted to SEK 1,250 thousand total divided by SEK 450 thousand to the Chairman and SEK 200 thousand to other members (5 board members in total). The fees were expensed during the assignment periods. Bo Kastensson has received an extra compensation during 2014 of SEK 350 thousand, invoiced via his own company. Bernt Ingman received an extra compensation during 2014 amounting to SEK 200 thousand including social charges (see page 50). No other remuneration, apart from defrayal of outlays, was paid to the Board. Certain board members have invoiced the fee via their own company, which in that case also includes the fee for social security contributions. The specified amounts are the fees determined by the AGM excluding social security contributions.

CEO Jonas Vestin's remuneration appears in table. The variable remuneration is linked to the performance of the company during the year. For 2014, the variable compensation was based on Group net sales and operating profit. The objectives were partially met. The period of notice for the CEO is twelve months when notice is given by the employer and six months when notice is given by the employee. Harald Bauer left his position as acting CEO and CFO on August 14.

For remuneration to other senior executives, please refer to table. For other senior executives, the variable salary for 2014 was based on Group net sales, operating profit and cash flow as well as on individual targets. The variable salary is individual and was in 2014 maximised from 20 to 60 percent of basic salary. The period of notice for other senior executives varies and in no case exceeds twelve months. Senior executives are not entitled to severance pay.

Employee share based compensation scheme

The AGM of 2013 approved a share savings programme covering a maximum of 750,000 shares for all employees, including matching shares and performance shares. For matching shares, the employees purchase the shares ("saving shares") in the market, or exercise shares they already hold and, provided that the shares are kept and the employment is retained for three years, the employee receives one share for each savings share free of charge from the company, i.e. a Matching share. Performance shares relate to management and key employees, around 20 people in total. In addition to the above-mentioned conditions regarding continued term of employment and holding of savings shares, performance shares are conditional on the fulfilment of annual performance targets, where one-third of the performance shares are attributable to each year's performance targets. These targets are the same for the people concerned and include sales and operating profit targets. The targets in the performance plan's first two years were not achieved, and some employees have terminated their employment, which has meant that the maximum number of earnable matching and performance shares has been reduced. The total number of outstanding shares in this program was 141,328 at the end of 2014.

The fair value of the matching and performance shares at the time of allotment were estimated at SEK 7.55 for the 2013 program. The value is established by the share price reduced by the current value of the expected dividends during the vesting period. The final fair value of third of the performance shares, for which the performance targets are set in spring 2015, will be determined when the shares are allotted.

The AGM of 2014 approved an additional share savings programme with the same features. The fair value of the matching and performance shares at the time of allotment were estimated at SEK 5.22 for the 2014 program. The program is covering a maximum of 750,000 shares whereof 326,925 where outstanding at the end of 2014.

To ensure the delivery of the shares in the programme, 1,080,000 shares have been issued during the year and bought back at particularly value and are held by the company for the promise of matching/performance shares for 2016.

Summary of share value based incentive programs for employees

	Stock options	Share savings program	Share savings program
Program	**2011**	**2013**	**2014**
Maximum number of options [1] and shares	30,000,000	750,000	750,000
Expiration date	August 31, 2015	May 31, 2016	June 30, 2017
Exercise price, SEK	15.60	-	-
Type of shares	B	B	B
[1] Each ten options give right to acquire one share at the indicated exercise price			
Initial number of participating employees	59	40	27
Initial number of securities	21,200,000	591,057	724,531
-of which warrants/performance shares	11,850,000	440,170	555,776
Outstanding Jan. 1, 2014	21,000,000	321,422	-
Granted	-	0	724,531
Forfeited	-	-180,094	-397,606
Outstanding Dec. 31, 2014	**21,000,000**	**141,328**	**326,925**
-of which vested	21,000,000	-	-
-of which exercisable	11,850,000	-	-
Remaining exercise period months	8	17	30
Outstanding Jan. 1, 2013	21,000,000	-	-
Granted	-	591,057	-
Forfeited	-	-269,635	-
Outstanding Dec. 31, 2013	**21,000,000**	**321,422**	**-**
-of which vested	17,950,000	-	-
-of which exercisable	11,850,000	-	-
Remaining exercise period months	20	29	-

Note 4 Employees and personnel costs (cont'd)

Employee stock option scheme
The AGM in 2011 approved an option programme for all the employees of the group, covering a maximum of 30 million options (10 options give the right to subscribe for one share) with maturity on 31 august 2015. Options to employees in Sweden and the USA consist of subscription options, while in France and Israel they consisted in employee stock options. Employee stock options vest over three years based on continuous employment

The value of the employee stock options are recognised as an expense during the vesting period while the subscription options are purchased at market value by the employee.

During 2014, costs of SEK 0.5 (0.6) million relating to the value of the employee stock options and matching and performance shares were charged to the consolidated profit, of which SEK 0.3 M (0.4) were in the parent company, in the form of a booking against equity.

For information about senior executives' holdings of shares and stock options, see page 52.

Loans to senior executives and other related-party transactions
No loans, guarantees or sureties have been issued on behalf of members of the Board or senior executives in the Group. Nor are there any past or present business transactions between the company and members of its board, management or auditors that have a material effect on the consolidate profit or financial position.

Reimbursements and other benefits to the group management

	Basic salary	Variable reimburse-ments	Expenses for share options	Other benefits *	Pension	Other reimburse-ments * *	Total 2014	Total 2013
Jonas Vestin (CEO) from August 14, 2014	892	121	70	3	181	10	1,277	-
Harald Bauer (CEO) until August 14, 2014	1,206	-	-13	78	190	3,863	5,324	-
Fredrik Berglund (CEO) until December 16, 2013	-	-	-	-	-	-	-	6,070
Other members of the group management (5 (6) pers.)	6,698	1,519	69	551	1,188	4,981	15,006	8,704
Total	**8,796**	**1,640**	**126**	**632**	**1,559**	**8,854**	**21,607**	**14,774**

* Other benefits represent mainly car benefits and housing benefit.

** Other reimbursements represent mainly salary during notice period. In the end of 2014, two senior executives have terminated their employment.

Note 5 Fees to auditors

	G 2014	G 2013	PC 2014	PC 2013
Fees to KPMG				
Auditing assignment	950	885	650	600
Auditing services beyond the assignment	46	36	46	36
Non-auditing services	120	313	120	313
Fees to Dunsky Knobel Beltzer & Co, Israel				
Auditing assignment	41	39	-	-
Non-auditing services	78	65	-	-
Total	**1,235**	**1,338**	**816**	**949**

Audit services comprise examination of the annual financial statements, accounting records and administration of the Board and CEO, other procedures required to be carried out by the Company's auditors and advice or other assistance arising from observations made during the performance of such other procedures.

Note 6 Operation expenses allocated by cost type

	G 2014	G 2013
Cost of goods sold	467,838	397,589
Personnel costs	87,199	63,728
Amortisation/depreciation and write-down	30,985	11,661
Other operating expenses	50,081	43,849
Total	**636,103**	**516,827**

The cost of goods sold includes exchange-rate loss of 5.477 (loss: 1.730).

Note 7 Net financial items

GROUP

	2014	2013
Interest income	152	90
Net exchange-rate change	118	415
Financial income	**270**	**505**
Interest expenses	-387	-584
Other expenses	-21	-7
Net exchange-rate change	-	-
Financial expenses	**-408**	**-591**
Net financial items	**-138**	**-86**

PARENT COMPANY

Result from participations in Group companies	2014	2013
Impairment losses	-334	-63
Total	**-334**	**-63**

Result from other financial assets and receivables accounted for as fixed assets	2014	2013
Interest income, Group companies	94	72
Total	**94**	**72**

Interest income and similar profit/loss items	2014	2013
Interest income	152	90
Interest income, Group companies	-15	17
Net exchange-rate change	68	500
Total	**205**	**607**

Interest expenses and similar profit/loss items	2014	2013
Interest expenses	-387	-584
Net exchange-rate change	-	-
Total	**-387**	**-584**

Interest income and expenses in the Group and the Parent Company is related to items valued at amortised acquisition value.

Note 8 Income tax

Reported tax	G 2014	G 2013	PC 2014	PC 2013
Current tax				
Current tax in the period	-4,024	-3,599	-140	-143
Adjustment of tax relating to earlier years	14	20	-	-
Total current tax	-4,010	-3,579	-140	-143
Deferred tax expense/income				
Temporary differences	1,700	107	1,352	589
Total deferred tax expense/income	1,700	107	1,352	589
Total accounted tax expense/income (net)	**-2,310**	**-3,472**	**1,212**	**446**

Reconciliation of effective tax

	Percent	2014	Percent	2013
GROUP				
Profit before tax		-53,209		7,698
Tax according to applicable tax rate for the Parent Company	-22.0	11,706	-22,0	-1,694
Effect of applicable tax rates for foreign subsidiaries		-1,001		-1,133
Non-deductible expenses		-353		-351
Non-taxable income		99		905
Tax relating to earlier years		14		20
Increase of uncapitalised tax losses carry-forward		-6,299		-1,219
		-6,475		-
Reported effective tax	**4.3**	**-2,310**	**-45,1**	**-3,472**

	Percent	2014	Percent	2013
PARENT COMPANY				
Profit before tax		-62,928		-7,953
Tax according to applicable tax rate for the Parent Company	-22.0	13,844	-22,0	1,750
Non-deductible expenses		-117		-62
Non-taxable income		3		5
Increase of uncapitalised tax losses carry-forward		-6,043		-1,246
Effect of adjusted tax rate		-6,475		-
Reported effective tax	**-1.9**	**1,212**	**-5,6**	**446**

Accounted for in the statement of financial position

Deferred tax assets and liabilities	G 2014	G 2013	PC 2014	PC 2013
Tangible fixed assets	5	67	5	67
Inventory	751	403	-	-
Provisions	1,964	1,770	1,964	1,770
Derivatives	-	213	-	213
Other	-	-222	-	-222
Tax losses carry-forward	99,000	99,000	99,000	99,000
Deferred tax assets (net)	**101,720**	**101,231**	**100,969**	**100,828**

Note 8 Income tax (cont'd)

Changes in deferred tax in temporary differences and tax losses carry-forward

GROUP 2014	Opening balance	Recorded in the result	Recorded in other comprehensive income	Closing balance
Tangible assets	67	-62	-	5
Inventory	403	348	-	751
Provisions	1,770	194	-	1,964
Derivatives	213	-166	-47	0
Other	-222	222	-	0
Tax losses carry-forward	99,000	1,163	-1,163	99,000
Total	**101,231**	**1,700**	**-1,210**	**101,720**

GROUP 2013	Opening balance	Recorded in the result	Recorded in other comprehensive income	Closing balance
Tangible assets	128	-61	-	67
Inventory	770	-367	-	403
Provisions	1,783	-13	-	1,770
Derivatives	6	107	100	213
Other	-	-222	-	-222
Tax losses carry-forward	99,000	663	-663	99,000
Total	**101,687**	**107**	**-563**	**101,231**

PARENT COMPANY 2014	Opening balance	Recorded in the result	Recorded in other comprehensive income	Closing balance
Tangible assets	67	-62	-	5
Provisions	1,770	194	-	1,964
Derivatives	213	-166	-47	0
Other	-222	222	-	0
Tax losses carry-forward	99,000	1,163	-1,163	99,000
Total	**100,828**	**1,352**	**-1,210**	**100,969**

PARENT COMPANY 2013	Opening balance	Recorded in the result	Recorded in other comprehensive income	Closing balance
Tangible assets	128	-61	-	67
Inventory	-115	115	-	-
Provisions	1,783	-13	-	1,770
Derivatives	6	107	100	213
Other	-	-222	-	-222
Tax losses carry-forward	99,000	663	-663	99,000
Total	**100,802**	**589**	**-563**	**100,828**

Unrecognized deferred taxes

Deductible tax losses carried-forward and temporary differences where no deferred taxes have been accounted for in the financial statements.

	G 2014	G 2013	PC 2014	PC 2013
Tax loss carry-forwards	535,103	526,508	267,077	240,102
Temporary differences	29,433	-	29,433	-

What is being reported above are the gross value of the temporary differences and tax losses carry-forward for which no deferred tax assets have been recognised. The net value of these is an effect of the current tax rate, being 22 percent in Sweden from 2013. The tax losses carry-forward relate primarily to the Parent Company. The tax losses carry-forward (federal tax) in Pricer Inc. are subject to time limits of 15 and 20 years. At the time of the annual closing a review was made of the taxable income expected in the foreseeable future confirming the earlier reported gross value of SEK 450 million. In addition to this there are additional tax losses carry-forward of gross SEK 535 (527) million in the Group for which no deferred tax asset has been accounted for.

Deferred tax assets relating to temporary differences and tax losses carry-forward are acccounted for only if is is likely that these will lead to lower taxes paid in the future.

Note 9 Intangible assets

GROUP 2014

Accumulated acquisition value	**Marketing, patent and licensed rights**	**Customer relationships**	**Product technology**	**Development projects**	**Goodwill**	**Other intangible assets**	**Total intangible assets**
Opening balance	8,466	30,000	10,000	54,928	225,684	5,602	334,680
Purchases during the year	-	-	-	7,493	-	-	7,493
Disposals/write-down	-18	-	-	-	-	-	-18
Exchange-rate difference	644	-	-	-	14,448	229	15,321
Closing balance	*9,092*	*30,000*	*10,000*	*62,421*	*240,132*	*5,831*	*357,476*
Accumulated amortisation							
Opening balance	-8,457	-30,000	-10,000	-16,149	-	-1,004	-65,610
Disposals/write-down	18	-	-	-15,477	-	-	-15,459
The year's amortisation	-9	-	-	-11,186	-	-1,133	-12,328
Exchange-rate difference	-644	-	-	-	-	-72	-716
Closing balance	*-9,092*	*-30,000*	*-10,000*	*-42,812*	-	*-2,209*	*-94,113*
Carrying value	**-**	**-**	**-**	**19,609**	**240,132**	**3,622**	**263,363**

GROUP 2013

Accumulated acquisition value	**Marketing, patent and licensed rights**	**Customer relationships**	**Product technology**	**Development projects**	**Goodwill**	**Other intangible assets**	**Total intangible assets**
Opening balance	26,535	30,000	10,000	34,872	217,447	1,995	320,849
Purchases during the year	26	-	-	20,056	-	3,490	23,572
Disposals	-18,100	-	-	-	-	-	-18,100
Exchange-rate difference	5	-	-	-	8,237	117	8,359
Closing balance	*8,466*	*30,000*	*10,000*	*54,928*	*225,684*	*5,602*	*334,680*
Accumulated amortisation							
Opening balance	-26,518	-30,000	-10,000	-7,076	-	-	-73,594
The year's amortisation	-26	-	-	-9,073	-	-985	-10,084
Disposals	18,100	-	-	-	-	-	18,100
Exchange-rate difference	-13	-	-	-	-	-19	-32
Closing balance	*-8,457*	*-30,000*	*-10,000*	*-16,149*	-	*-1,004*	*-65,610*
Carrying value	**9**	**-**	**-**	**38,779**	**225,684**	**4,598**	**269,070**

PARENT COMPANY 2014

Accumulated acquisition value	**Patent and licensed rights**	**Development projects**	**Other intangible assets**	**Total intangible assets**
Opening balance	5,040	54,928	2,025	61,993
Purchases during the year	-	7,493	-	7,493
Closing balance	*5,040*	*62,421*	*2,025*	*69,486*
Accumulated amortisation				
Opening balance	-5,040	-16,149	-405	-21,594
Write-down	-	-15,477	-	-15,477
The year's amortisation	-	-11,186	-405	-11,591
Closing balance	*-5,040*	*-42,812*	*-810*	*-48,662*
Carrying value	**-**	**19,609**	**1,215**	**20,824**

PARENT COMPANY 2013

Accumulated acquisition value	**Patent and licensed rights**	**Development projects**	**Other intangible assets**	**Total intangible assets**
Opening balance	5,040	34,872	1,995	41,907
Purchases during the year	-	20,056	30	20,086
Closing balance	*5,040*	*54,928*	*2,025*	*61,993*
Accumulated amortisation				
Opening balance	-5,040	-7,076	-	-12,116
The year's amortisation		-9,073	-405	-9,478
Closing balance	*-5,040*	*-16,149*	*-405*	*-21,594*
Carrying value	**-**	**38,779**	**1,620**	**40,399**

*) Pertains to the right to use expired product patents that have been disposed of.

Note 9 Intangible assets (cont'd)

DISTRIBUTION OF AMORTISATION AND WRITE-DOWNS

Amortisations and write-downs are recognised on the following lines in the statement of consolidated comprehensive income	G 2014	G 2013	PC 2014	PC 2013
Cost of goods sold	11,186	9,073	11,186	9,073
Selling expenses	737	606	-	-
Administration costs	405	405	405	405
Research and development costs	15,477	-	15,477	-
Total	**27,805**	**10,084**	**27,068**	**9,478**

Depreciation of capitalized development projects have been reclassified from R&D expenses to cost of goods sold, see note 1. In 2014, development projects that will not be launched have been written-down for a total value of SEK 15,477 thousand.

Portion of internal time
Of the cost of capitalised development projects above SEK 43,258 (37,969) are acquired externally and SEK 19,164 (16,959) are generated internally.

Impairment testing of goodwill
Pricer's assets include goodwill of SEK 240 (226) million arising from the acquisition of Eldat in 2006. The goodwill item is accounted for in euro which means that it is affected by currency revaluations. The goodwill item has been impairment tested by discounting future cash flows from the operations, whereby the value in use was estimated in the following way:

The acquisition of Eldat gave Pricer a clear position as market leader in the ESL industry. The value of the goodwill item is based on the expected cash flow from Pricer as a whole, since Eldat's business has been totally integrated into Pricer's operations. Eldat is not an autonomous cash-generating unit within the Pricer Group, as one of the reasons for the acquisition was for Eldat's business to become fully integrated with Pricer's operations. The common customer base represents an asset for the Group as a whole.

A multi-year forecast was prepared in connection with the acquisition, and this is updated regularly. The forecast is based on a continuation of the positive business development on the market for Pricer's products with growth in sales. After the initial five years an eternal growth of 2 percent (2) is assumed. The gross margin is expected to increase slightly as an effect of adjusted product mix but the gross contribution in the forecast is expected to increase through volume growth. Even if volume growth will require more resources, it is expected that costs, which mainly comprise personnel-related costs, will be contained so that they increase at a slower pace than the gross profit.

Some of the cash flow generated by the business will be tied-up asback in a higher working capital. Pricer's investments in plants, apart from any acquisitions of intangible assets, are limited, largely because manufacturing is outsourced to external suppliers.

The cash flow thus projected for the coming five years and the residual at the end of year five has been discounted using an estimated interest rate to arrive at an estimated value in use. This interest rate amounts to 14 percent (13) before tax. The thus arrived at value in use does not give rise to an impairment loss. The residual value is also compared to the value of the company at the stock market.

At a sensitivity analysis for changes in assumptions made, mainly the growth in net sales in combination with increased gross margin and discounting interest, it appears that it is highly unlikely that an impairment would be needed even with a slower market development and/or higher yield requirements.

Note 10 Fixed assets

GROUP 2014

Accumulated acquisition value	**Leasehold improvements**	**Plant and machinery**	**Equipment, tools, fixtures and fittings**	**Total tangible assets**
Opening balance	2,218	14,296	10,795	27,309
Purchases during the year	153	19	3,849	4,021
Sales and disposals	-	-2,230	-100	-2,330
Exchange-rate difference	151	62	271	484
Closing balance	*2,522*	*12,147*	*14,815*	*29,484*
Accumulated depreciation				
Opening balance	-1,726	-13,585	-4,841	-20,152
The year's depreciation	-491	-599	-2,082	-3,172
Sales and disposals	-	2,230	91	2,321
Exchange-rate difference	-133	-83	-195	-411
Closing balance	*-2,350*	*-12,037*	*-7,027*	*-21,414*
Carrying value	**172**	**110**	**7,788**	**8,070**

GROUP 2013

Accumulated acquisition value	**Leasehold improvements**	**Plant and machinery**	**Equipment, tools, fixtures and fittings**	**Total tangible assets**
Opening balance	2,137	14,196	8,400	24,733
Purchases during the year	-	68	2,435	2,503
Sales and disposals	-	-	-61	-61
Exchange-rate difference	81	32	21	134
Closing balance	*2,218*	*14,296*	*10,795*	*27,309*
Accumulated depreciation				
Opening balance	-1,129	-12,789	-3,309	-17,227
The year's depreciation	-536	-780	-1,562	-2,878
Sales and disposals	-	-	45	45
Exchange-rate difference	-61	-16	-15	-92
Closing balance	*-1,726*	*-13,585*	*-4,841*	*-20,152*
Carrying value	**492**	**711**	**5,954**	**7,157**

PARENT COMPANY 2014

Accumulated acquisition value	**Leasehold improvements**	**Plant and machinery**	**Equipment, tools, fixtures and fittings**	**Total tangible assets**
Opening balance	-	13 153	8 879	22 032
Disposals	-	-2 230	-	-2 230
Purchases during the year	-	-	3 684	3 684
Closing balance	-	*10 923*	*12 563*	*23 486*
Accumulated depreciation				
Purchases during the year	-	-12 800	-3 275	-16 075
Disposals	-	2 230	-	2 230
The year's depreciation	-	-353	-2 007	-2 360
Closing balance	-	*-10 923*	*-5 282*	*-16 205*
Carrying value	**-**	**-**	**7 281**	**7 281**

PARENT COMPANY 2013

Accumulated acquisition value	**Leasehold improvements**	**Plant and machinery**	**Equipment, tools, fixtures and fittings**	**Total tangible assets**
Opening balance	-	13,153	6,679	19,832
Purchases during the year		-	2,200	2,200
Closing balance	-	*13,153*	*8,879*	*22,032*
Accumulated depreciation				
Purchases during the year	-	-12,174	-1,922	-14,096
The year's depreciation		-626	-1,353	-1,979
Closing balance	-	*-12,800*	*-3,275*	*-16,075*
Carrying value	**-**	**353**	**5,604**	**5,957**

DISTRIBUTION OF DEPRECIATION

Amortisations are recognised on the following lines in the statement of consolidated comprehensive income	G 2014	G 2013	PC 2014	PC 2013
Cost of goods sold	1,669	1,301	1,669	1,301
Selling expenses	825	899	-	-
Administrative expenses	511	511	511	511
Research and development costs	167	167	180	167
Total	**3,172**	**2,878**	**2,360**	**1,979**

Note 11 Receivables from group companies

	PC 2014	PC 2013
Accumulated acquisition value		
At beginning of year	93,774	86,333
Loans granted during the year	41	4,457
Exchange-rate differences	7,665	2,984
Closing balance	*101,480*	*93,774*

The above receivables consist of loans to subsidiaries. Interest is charged according to LIBOR rates.

Note 12 Other receivables

	G 2014	G 2013	PC 2014	PC 2013
VAT recoverable	16,464	16,976	16,464	16,976
Preliminary tax	526	1,198	487	1,198
Derivatives (forward contracts)	0	104	0	104
Receivables suppliers	24,996	37,966	24,834	37,751
Other	2,228	2,048	280	379
Total	**44,214**	**58,292**	**42,065**	**56,408**

Note 13 Inventories

	G 2014	G 2013	PC 2014	PC 2013
Finished goods and goods for resale	157,680	148,413	125,184	120,125
Total	**157,680**	**148,413**	**125,184**	**120,125**

The cost of sold products includes write-down of inventory with -8,861 (-3,265). The Parent Company's accounts include inventory write-down of -6,765 (-3,119). In 2014 an additional one-time write-down was made in the Group and Parent Company due to quality problem -8,857 (-).

Note 14 Accounts receivable

Accounts receivable are stated recognised after making release of/provision for bad debts, which amounted during the year to 891 (1,163) for the Group and 54 (0) for the Parent Company. During the year 27(250) of provisions from previous year were recovered. At the end of 2014, total reserve for possible bad debts amounted to 523 (1,887) for the Group and 0 (0) for the Parent Company.

Note 15 Prepaid expenses and accrued income

	G 2014	G 2013	PC 2014	PC 2013
Prepaid expenses	4,251	5,108	2,408	2,420
Accrued revenue	1,085	233	-	-
Prepayments for fixed assets	947	947	947	947
Prepaid components	8,608	9,725	8,608	9,725
Other	2,142	1,710	696	1,487
Total	**17,033**	**17,723**	**12,659**	**14,579**

Note 16 Equity

Issued and outstanding shares

Stated in number of shares	**Class A**	**Class B**	**Total**
Issued at January 1, 2014	225,523	110,416,258	110,641,781
Issue of shares		330,000	330,000
Issued December 31, 2014	225,523	110,746,258	110,971,781
Treasury shares January 1, 2014		-750,000	-750,000
Repurchased during the year		-330,000	-330,000
Granted as part of share savings plan		1,338	1,338
Treasury shares December 31, 2014		-1,078,662	-1,078,662
Outstanding shares December 31, 2014	225,523	109,667,596	109,893,119
Issued at January 1, 2013	225,822	109,665,959	109,891,781
Issue of shares		750,000	750,000
Reclassification	-299	299	
Issued and outstanding December 31, 2013	225,523	110,416,258	110,641,781
Treasury shares		-750,000	-750,000
Outstanding shares December 31, 2013	225,523	109,666,258	109,891,781

Each class A share is entitled to 5 votes and each class B share is entitled to 1 vote. The total number of outstanding votes was 110,794,605 (110,793,873) at the end of 2014.

The registered share capital at 31 December amounted to 110,971,781 ordinary shares with a quota value of SEK 1.00. Holders of ordinary shares are entitled to a dividend determined during the following year, and a shareholder confers the above voting rights at general shareholders meetings.

Consolidated

Other capital contribution
Pertains to equity contributed by the shareholders. From 1 January 2006, allocations to the share premium reserve are also recognised as capital contribution.

Translation reserve
The translation reserve consists of all exchange rate differences arising on translation of the financial statements of foreign operations that present their financial statements in a currency other than that in which the consolidated financial statements are presented. The currency in which the Parent Company and the Group present their financial statements is Swedish krona (SEK).

Hedging reserve
The hedging reserve includes the efficient portion of the accumulated net change of fair value of a cash flow hedge instrument related to hedge transactions which have yet to occur.

Accumulated profits
Accumulated profits include profit for the year and previous years' accumulated profit.

Parent Company

Restricted equity

Statutory reserve
The statutory reserve consists of amounts transferred to the share premium reserve prior to 1 January 2006.

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Note 16 Equity (cont'd)

Non-restricted equity

Share premium reserve
When new shares are issued at a premium, meaning that the price to be paid for a share exceeds the previous quota value of the share, an amount corresponding to the amount received in excess of the share's quota value is transferred to the share premium reserve. Amounts transferred to the share premium reserve prior to 1 January 2006 are included in non-restricted equity.

Translation reserve
This item contains currency differences on monetary items being part of a net investment in foreign subsidiaries.

Hedging reserve
The hedging reserve includes the efficient portion of the accumulated net change of fair value of a cash flow hedge instrument related to hedge transactions which have yet to occur.

Accumulated results
This item includes accumulated earnings and profit of the year.

Dividend

The Board of Directors has proposed that no dividend is paid for 2014. The existing dividend policy is:

The Board's long-term intention is to give shareholders a dividend that reflects both reasonable yield and dividend growth, and to implement a policy where the dividend rate is adjusted to Pricer's earnings, financial position and other factors deemed relevant.

Note 17 Earnings per share

Earnings per share

	Before dilution		After dilution	
	2014	2013	2014	2013
Basic earnings per share	-0.51	0.04	-0.51	0.04

Determination of the numerator and the denominator used in the above calculations of earnings per share specified below:

Basic earnings per share

Basic earnings per share are calculated based on the profit for the year attributable to owners of the parent of -55,656 (4,226) and the basic weighted average number of shares outstanding, 109,892 thousand shares (109,974 thousand shares).

Diluted earnings per share

Diluted earnings per share are calculated based on the profit for the year attributable to owners of the Parent Company of -55,519 (4,226) and the diluted weighted average number of shares outstanding. The dilutive effects arise from the stock options as well as rights to matching and performance shares.

The diluted weighted average number of shares oustanding total 109,892 thousand shares (109,974 thousand shares).

Potentially dilutive instruments

Since the net profit for 2014 is negative, no instruments are dilutive. In 2013, no instruments where dilutive due to the exercise price being higher than the average share price, the performance targets were not met and the adjustment for future IFRS 2 costs led to the matching shares not being dilutive (see accounting principles). If the net result for future periods is positive and all the other prerequisites for dilution are present, then dilution effects will arise.

Note 18 Provisions

Warranty provisions	G 2014	G 2013	PC 2014	PC 2013
Opening balance	11,078	8,105	11,078	8,105
Provisions	37,678	8,168	37,678	8,168
Utilised during the year	-17,886	-5,195	-17,886	-5,195
Reversed during the year	-	-	-	-
Closing balance	**30,870**	**11,078**	**30,870**	**11,078**
Whereof as long-term liability	3,482	3,224	-	-

Warranty provisions pertain primarily to certain commitments regarding products sold in prior years, as well as sales in 2014. The provision is based on calculations conducted on the basis of outcomes during 2014 and prior years. Pricer invests substantial resources in product development to preserve and strengthen the company's leading position in systems solution. Pricer markets its products with customary warranties which in some cases extend over several years, the majority expected to be paid within 1-5 years. There is therefore a risk that installed products may need to be replaced during the warranty undertaking or for market reasons in addition to the reported warranty reserve which is based on historical performance.

Note 19 Other liabilities

	G 2014	G 2013	PC 2014	PC 2013
Employee withholding tax	561	514	561	514
VAT payable	4,339	6,913	-	-
Derivatives (forward contracts)	-	1,072	-	1,072
Other liabilities	3,957	3,868	676	787
Total	**8,857**	**12,367**	**1,237**	**2,373**

Note 20 Accrued expenses and deferred income

	G 2014	G 2013	PC 2014	PC 2013
Accrued vacation pay	3,689	3,279	1,677	1,701
Accrued salaries	16,768	5,297	6,968	3,314
Social security contributions	4,832	2,492	622	1,205
Accrued expenses for delivery and installation	4,634	3,184	-	-
Prepaid income	3,768	5,169	-	-
Other accrued expenses	6,019	6,249	3,565	3,821
Total	**39,710**	**25,670**	**12,832**	**10,041**

Note 21 Financial risks and finance policies

Pricer's financial assets consist primarily of accounts receivable and cash in bank. Derivatives (currency hedging contracts) also constitute financial assets and financial liabilities.

Financial risk management in the Pricer Group
Given the nature of its business, the Group is exposed to various types of financial risk, including fluctuations in the company's earnings and cash flow caused by changes in exchange rates and interest rates, as well as refinancing and credit risks.

Risks are managed by a risk policy adopted by the Board with the purpose of limiting and controlling them. The policy establishes a framework of guidelines and rules in the form of risk mandates and limits for financial activities. The Group's financial transactions are executed centrally by the Parent Company. The Parent Company's finance department has responsibility for the Group's cash management and ensures that any cash requirements of the subsidiaries are satisfied. The overriding goal of the finance department is to arrange cost-effective financing and to minimise any negative effects of market fluctuations on consolidated earnings resulting from market fluctuations.

Currency risk
The Group is exposed to various types of currency risk. The main exposure relates to purchases and sales in foreign currencies, where the risks include the effect of currency fluctuations on the value of financial instruments, accounts receivable and payable, as well as the currency risk resulting from expected or contracted payment flows (designated transaction exposure). Currency risks also arise in connection with the translation of foreign subsidiaries' assets and liabilities into the Parent Company's functional currency, known as translation exposure. The company has not hedged its translation exposure in foreign currency.

Pricer's policy is to limit its transaction exposure by matching flows in foreign currencies by denominating customer contracts in US dollars, using currency clauses in quotations and contracts and using forward contracts to hedge the flows. In 2014, Pricer's main payment flows were denominated in euro and US dollar. Pricer's closing order books were denominated in euro and US dollar as sales are invoiced in these currencies, predominantly in euro. Purchases of components and finished products are mainly invoiced in US dollar. Pricer has in the first half of 2014 hedged by selling euro and purchase US dollars with currency forwards but has not renewed expiring contracts in the second half of the year. The forward contracts are valued according to level 2, meaning to market value at each balance sheet date.

% of sales and costs by currency:	USD	EUR	SEK and other currencies
Sales	28 (29)%	71 (70)%	1 (1)%
Costs	69 (71)%	17 (14)%	14 (16)%

Exchange rate differences on operational receivables are recognised in net sales and are explained in Note 2. Exchange rate differences on operating liabilities are re-cognised in the cost of goods sold and are explained in Note 6. Exchange-rate differences that affected net financial items are explained in Note 7.

The main part of Pricer's sales in 2014, about 71 (70) percent, was denominated in euro, 28 (29) percent in US dollars and other currencies 1 (1) percent. The US dollar accounts for virtually all of the cost of goods sold, while operating expenses are shared equally between euro and krona, with US dollars accounting for a minor portion.

Effects from realised and unrealised currency forward contracts amounted to SEK 0.2 (-2.4) million in the result. Currency effects in financial items amounted to expenses of SEK 0.1 (0.4) million and comprised currency revaluation of loan assets to subsidiaries and cash positions.

To ensure efficiency and risk control, Pricer's subsidiaries raise their new loans via the Parent Company. Unsettled internal liabilities to sup- pliers are converted after 30 days into a loan from the Parent Company paying interest at Libor 30 days.

Pricer's net foreign currency assets at the end of 2014 amounted to SEK 431.9 (410.3) million.

Embedded derivatives
Pricer has contracts with both suppliers and customers in currencies other than the counterparty's own functional currency, e.g. USD for purchases in China and USD for sales to Japan. Such transactions give rise to what is known as an embedded derivative. The effect of these imbedded derivatives has been limited in 2014 and is not accounted for in the result.

Interest risk
Interest risk is the risk of changes in market interest rates having a negative impact on cash flow or the fair value of financial assets and liabilities. At present, Pricer has no assets earning fixed rates of interest since its liquid funds are placed on deposit at banks. Accordingly, any change in interest rates will have a direct impact on consolidated earnings. The Group had cash and cash equivalents of SEK 53.0 (48.9) million at the year-end. A change of one percentage point in interest rates would affect net financial items by SEK 0.5 million on an annual basis.

Credit risk
The credit risk is the risk that a counterparty in a transaction will fail to fulfil his financial obligations, and that collateral, if any, does not cover the company's receivable. Pricer's sales go to numerous customers that are widely diversified geographically.

The Group obtains credit ratings of its customers by obtaining information about their financial position from credit rating agencies. The Group has an established credit policy to regulate the granting of credit to customers. The policy describes how credits shall be valued, how uncertain debts are to be dealt with, and sets decision levels for various credit limits.

Pricer has known its customers for many years, and they are relatively large or very large retailers or retail chains whose bad debts have tended historically to be low.

Financial credit risks
Pricer's finance policy regulates the handling of the financial credit risks that arise in the financial management, in connection with the placement of cash and cash equivalents, for example. Transactions are only executed within established limits and with selected creditworthy counterparties. The policy for interest-rate and credit risks is to aim for a low risk profile. Temporary surplus cash and cash equivalents may only be invested in instruments issued by institutions with the highest rating and with established banking connections.

Concentration of credit risk	Number of customers	% of number of customers	% of portfolio
Exposure < SEK 1 M	54	68%	9%
Exposure SEK 1-5 M	13	16%	24%
Exposure > SEK 5 M	13	16%	67%
Total	**80**	**100%**	**100%**

Refinancing risk
The refinancing risk consists of the risk of not being able to meet future financing requirements. To ensure future access to funds, Pricer's policy states that over and above budgeted capital requirements the company should, if possible, also have committed lines of credit of at least SEK 50 million. Bank facilities amounting to SEK 50 million in the form of an overdraft were in place at the end of the year and, since then, a promissory credit facility of an additional SEK 50 million has been granted to ensure access to funds for Pricer's continued development. The promissory credit includes covenants linked to the Group's result.

Time analysis of accounts receivable	2014		2013	
Overdue but not written off accounts receivable	Overdue payments	Total exposure	Overdue payments	Total exposure
< 60 days	32,908		43,268	
> 60 days	6,105		18,517	
Total	**39,013**	**170,045**	**61,785**	**150,422**

Overdue and written off accounts receivable	2014	2013
<60 days	-	-
>60 days	523	1,887
Total	**523**	**1,887**

Provision for possible bad debts	2014	2013
Opening provisions	**1,887**	**974**
Provisions for possible bad debts	891	1,163
Proven bad debts	-2,228	-
Recovery from provision for possible bad debts	-27	-250
Closing provision	**523**	**1,887**

Note 21 Financial risks and finance policies (cont'd)

Fair value of financial instruments
Fair value and reported value in the statement of consolidated financial position may differ due to fluctuations in market interest rates, among other things. Pricer has, however, no financial assets or deposits other than funds in the bank.

Capital management
The company's goal is to have an efficient capital structure with regard to operational and financial risks that pave the way for the long-term development of the company while at the same time ensuring that the shareholders receive a satisfactory return.

		2014		2013	
Eligible conterparties	Maximum permitted exposure	Actual exposure	Percentage breakdown	Actual exposure	Percentage breakdown
Sovereign borrowers / Kingdom of Sweden	Unlimited	-	-	-	-
Banks	SEK 100 M	53	100%	49	100%
Swedish local government authorities with K-1	SEK 10 M	-	-	-	-
Bonds issued by Swedish mortgage finance institutions	SEK 10 M	-	-	-	-
Corporate paper with K-1	SEK 10 M	-	-		-
Total exposure		**53**	**100%**	**49**	**100%**

In below table information is provided on how fair value is determined for financial instruments valued at fair value in the statement of financial position. Allocation on how fair value is assessed is determined based on following three levels:

Level 1: According to prices noted in an active market for the same instrument

Level 2: Based directly or indirectly on noted marketdata not included in level 1

Level 3: Based on data not noted in the market

	Level 1	Level 2	Level 3	Dec. 31, 2014
Forward currency contracts, financial asset	-	-	-	-
Forward currency contracts, financial liability	-	-	-	-
Financial items (asset (+), liability (-))	**-**	**-**	**-**	**-**

	Level 1	Level 2	Level 3	Dec. 31, 2013
Forward currency contracts, financial asset	-	104	-	104
Forward currency contracts, financial liability	-	-1,072	-	-1,072
Financial items (asset (+), liability (-))	**-**	**-968**	**-**	**-968**

Disclosure of hedge accounting
Hedge accounting is applied for sales in euros and purchases in US dollars. The hedging instruments are foreign exchange forward contracts. The hedged cash flows are expected to occur within six months. Any change in the value of the forward contract is recognised in other comprehensive income until the hedged sale or purchase affects profit or loss. At the same time, the forward contract is reclassified and recognised in profit or loss. Exchange gains and losses arising on revaluation are recognised in net sales for trade receivables and in cost of goods sold for trade payables. Changes in the value of forward contracts not reported in other comprehensive income are recognised in the same way.

During the period SEK -0.2 million (-1.6) (net) was reclassified from other comprehensive income to the income statement under the items net sales and cost of goods sold, and had a negative impact on operating profit. The other comprehensive income closing value is shown in other comprehensive income.

Note 21 Financial risks and finance policies (cont'd)

Financial instruments -carrying value

	Financial assets at fair value via the result	Loan assets and accounts receivable valued at accrued acquisition value	Derivatives used for hedge accounting	Financial liabilities valued at accrued acquisition value	Carrying value
GROUP 2014					
Accounts receivable	-	170,045	-	-	170,045
Accrued income	-	9,693	-	-	9,693
Other receivables	-	27,224	-	-	27,224
Cash and cash equivalents	-	53,031	-	-	53,031
Accounts payable	-	-	-	-72,970	-72,970
Other liabilities	-	-	-	-3,957	-3,957
Accrued expenses	-	-	-	-35,942	-35,942
Total financial assets and liabilities per category	**-**	**259,993**	**-**	**-112,869**	**147,124**
GROUP 2013					
Accounts receivable	-	150,422	-	-	150,422
Accrued income	-	9,958	-	-	9,958
Other receivables	-	40,014	104	-	40,118
Cash and cash equivalents	-	48,858	-	-	48,858
Accounts payable	-	-	-	-56,710	-56,710
Other liabilities	-	-	-1,072	-3,868	-4,940
Accrued expenses	-	-	-	-20,501	-20,501
Total financial assets and liabilities per category	**-**	**249,252**	**-968**	**-81,079**	**167,205**
PARENT COMPANY 2014					
Accounts receivable	-	61,886	-	-	61,886
Receivables subsidiaries	-	125,348	-	-	125,348
Accrued income	-	8,608	-	-	8,608
Other receivables	-	25,114	-	-	25,114
Cash and cash equivalents	-	44,545	-	-	44,545
Accounts payable	-	-	-	-66,668	-66,668
Liabilities subsidiaries	-	-	-	-60,863	-60,863
Other liabilities	-	-	-	-676	-676
Accrued expenses	-	-	-	-12,832	-12,832
Total financial assets and liabilities per category	**-**	**265,501**	**0**	**-141,039**	**124,462**
PARENT COMPANY 2013					
Accounts receivable	-	42,330	-	-	42,330
Receivables subsidiaries	-	114,745	-	-	114,745
Accrued income	-	9,725	-	-	9,725
Other receivables	-	38,130	104	-	38,234
Cash and cash equivalents	-	37,551	-	-	37,551
Accounts payable	-	-	-	-50,992	-50,992
Liabilities subsidiaries	-	-	-	-33,331	-33,331
Other liabilities	-	-	-1,072	-787	-1,859
Accrued expenses	-	-	-	-10,041	-10,041
Total financial assets and liabilities per category	**-**	**242,481**	**-968**	**-95,151**	**146,362**

For the Group and the Parent Company the derivatives and financial liabilities fall due for the most part within 3 months and at the maximum within 1 year. The company is of the opinion that carrying value approximately is the same as fair value due, among others, to the duration and operative character of the items.

Note 22 Operating leases

Non-cancellable lease payments amount to:

	G 2014	G 2013	PC 2014	PC 2013
Within one year	6,754	6,409	4,639	3,750
Between one and five years	11,669	17,351	3,918	10,374
More than 5 years	1,304	-	-	-

The Group has some small operational leasing contracts for vechiles and other technical equipment. Most of the Group's rental contracts relate to the Parent Company's premises and office premises for the Group's French company, Pricer SAS. The contracts for these premises runs until beyond 2016.

The consolidated accounts for 2014 include a cost of 7,876 (7,332) in respect of operational leasing. Payments are minimum payments and not variable.

Note 23 Pledged assets and contingent liabilities

Assets pledged	G 2014	G 2013	PC 2014	PC 2013
To secure own liabilities and provisions				
Floating charges	59,625	59,625	59,625	59,625
Bank deposits	828	778	-	-
Total	**60,453**	**60,403**	**59,625**	**59,625**

Contingent liabilities	G 2014	G 2013	PC 2014	PC 2013
Bank guaranties	828	778	-	-
Total	**828**	**778**	**-**	**-**

Floating charges (chattel mortgages) are a type of general collateral in the form of an undertaking to the bank. In the case of subsidiaries, guarantees are issued to tax and customs authorities and to landlords. Blocked funds in the companies' bank accounts are available for the guarantees.

Note 24 Related party transactions

The Parent Company has a related party relationship with its subsidiaries, see Note 25.

Summary of related party transactions

	Year	Sales of goods and services to related party	Purchase of services from related party	Interest income	Receivable from related party at 31 December	Liability to related party at 31 December
Subsidiaries	2014	289,631	8,674	79	125,348	60,863
Subsidiaries	2013	290,013	4,403	89	114,745	33,331

Transaction with key management personnel

Individuals in senior positions receive no benefits other than Board fees and salary. See also Note 4 Employees and personnel costs. There have been no significant transactions with related parties that have a material impact on the financial standing and results of Pricer.

Note 25 Group companies

Participations in Group companies	PC 2014	PC 2013
Accumulated acquisition value		
Opening balance	1,142,811	1,142,495
Acquisition of non-controlling interest		69
Liquidation	-310	
Shareholder contribution	234	247
	1,142,735	*1,142,811*
Accumulated impairment losses		
Opening balance	-958,302	-958,239
Liquidation	310	
Impairment losses	-334	-63
Total accumulated impairment losses	-958,326	-958,302
Carrying value of participations in Group companies	**184,409**	**184,509**

Specification of Parent company shareholdings and participations in Group companies:

Group company /Corp. ID. no./Domicile	Holding %	Number of shares/participations	Currency	Carrying amount at 31 Dec, 2014	Carrying amount at 31 Dec, 2013
Pricer Inc., (22-3215520) Dallas, USA	100	223,000	USD	9,272	9,233
Pricer SAS, (RCS 395 238 751) Paris, France	100	2,138	EUR	169,796	169,665
Pricer Communication AB, 556450-7563, Stockholm, Sweden	100	100,000	SEK	4,981	4,981
Pricer Explorative Research (PER) AB, 556454-7098, Stockholm, Sweden	100	260	SEK	260	260
Pricer E.S.L. Israel Ltd , 511838732, Tel Aviv, Israel	100	56,667,922	ILS	-	-
Dormant companies				100	370
Participations in Group companies				**184,409**	**184,509**

Note 26 Cash flow statement

Cash and cash equivalents	G 2014	G 2013	PC 2014	PC 2013
Cash and cash equivalents include the following sub-components:				
Cash and bank	53,031	48,858	44,545	37,551
Total according to the report over financial position	**53,031**	**48,858**	**44,545**	**37,551**
Total according to the cash flow statement	**53,031**	**48,858**	**44,545**	**37,551**

Short-term investments have been classified as cash and cash equivalents according to the following criteria:

- they are associated with an insignificant risk for value fluctuations
- they are readily convertible into cash
- they have a maturity of less than three months from the date of acquisition

	G 2014	G 2013	PC 2014	PC 2013
Interest				
Interest received	152	90	231	179
Interest paid	-387	-584	-387	-584

Adjustments for non-cash items				
Amortisation/ depreciation	41,555	12,973	29,762	11,457
Phased costs of employee stock options	510	438	276	438
Exchange-rate differences/translation differences	-7,660	-2,271	-506	254
Result from sale of fixed assets	-15	17	-	-
Change in provisions	20,243	2,358	19,792	2,973
Total non-cash items	**54,633**	**13,515**	**49,324**	**15,122**

Note 27 Significant events after the close of the financial year

At the National Retail Federation's (NRF) Annual Trade Show and Expo 2015 in New York, USA, in January 2015, Pricer presented its new in-store solutions that are based on a unique technology platform.

PSI Systems agreement with NorgesGruppen resulted in an order intake of over SEK 90 million for Pricer.

Sales office opened in Düsseldorf, Germany in February.

Note 28 Critical estimates and assumptions

Estimates and assumptions that affect the Group's accounting policies have been made on the basis of known conditions at the date of publication of the Annual Report. Such estimates and assumptions may be revised as a result of changes in the business environment.

The areas where assumptions and estimates have a significant impact on Pricer are presented below. No separate audit committee has been established. Instead, the significant accounting policies and estimates, and the application of these policies and estimates, are dealt with by Board of Directors as a whole.

Impairment testing of goodwill and deferred tax assets
A large proportion of the Group's assets consists of goodwill and deferred tax assets. Several estimates and assumptions have been made about future conditions as a basis for estimating the cash flow used to determine the recoverable amount. Based on the recoverable amount, the amount of any impairment is then calculated. The value of the goodwill item depends on continued growth in the ESL market and Pricer's ability to maintain profitability.

Regarding deferred tax assets the value is based on the same assessment of future conditions and thus taxable income. Capitalisation of deferred tax losses have been made with an amount deemed to be recoverable.

Capitalised development projects
The main part of the capitalised development projects are for new product solutions and new technical solutions in the customer offering of the company. The period of recovery is assessed based on each product's commercial life cycle, normally three to five years. Changes in customer behaviour, competitive offerings and technical development may affect the value of the non-amortised value of the assets.

Product warranties
Pricer markets its products with product warranties which in some cases can extend over several years. There is therefore a risk that installed products may need to be replaced during the warranty undertaking or for market reasons in addition to the reported warranty re-serve which is based on historical performance.

Note 29 Information about the Parent Company

Pricer AB is a Swedish-registered public limited company domiciled in Stockholm, Sweden. The shares of the Parent Company are registered on NASDAQ OMX Stockholm, Small Cap. The address of the head office is PO Box 215, SE-101 24 Stockholm, Sweden and the visiting address is Västra Järnvägsgatan 7, SE-111 64 Stockholm, Sweden.

The Board and CEO declare that the annual report was prepared in accordance with generally accepted accounting principles in Sweden and the consolidated financial statements were prepared in accordance with the international accounting standards referred to in the European Parliament's and Council's regulation (EC) No. 1606/2002 of 19 July 2002 concerning the application of international accounting standards. The annual report and the consolidated financial statements provide a true and fair picture of the performance and financial position of the Parent Company and the Group. The administration report for the Parent Company and the Group provides a true and fair picture of the development of the operations, financial position and performance of the Group and the Parent Company and also describes material risks and uncertainties to which the Parent Company and the other companies in the Group are exposed.

The Annual Report and the consolidated financial statements, as presented above, were approved for publication on 27 March 2015. The income statement and balance sheet of the Parent Company, statement of consolidated comprehensive income and statement of consolidated financial position will be submitted to the Annual General Meeting for adoption on 23 April 2015.

Stockholm 27 March 2015

Bo Kastensson
Chairman of the Board

Hans Granberg

Bernt Ingman

Joen Magnusson

Jan Rynning

Jonas Vestin
CEO

Our audit report was submitted on 31 March 2015

KPMG AB

Tomas Gerhardsson
Authorised Public Accountant
Auditor in charge

Anna-Karin Forsberg
Authorised Public Accountant

Audit report

To the annual meeting of the shareholders of Pricer AB, corp. id. 556427-7993

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Pricer AB for the year 2014. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 12 - 44.

Responsibilities of the Board of Directors and the CEO for the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the CEO determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the CEO, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2014 and of its financial performance and its cash flows for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2014 and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the statement of comprehensive income and statement of financial position for the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the CEO of Pricer AB for the year 2014.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the CEO are responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As basis for our opinion on the Board of Directors proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the CEO is liable to the company. We also examined whether any member of the Board of Directors or the CEO has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Stockholm 31 March 2015
KPMG AB

Tomas Gerhardsson
Authorised Public Accountant
Auditor in charge

Anna-Karin Forsberg
Authorised Public Accountant

Five-year summary

Five-year summary - Group

All amounts in SEK M unless otherwise stated	2014	2013	2012	2011	2010
INCOME STATEMENT DATA					
Net sales	583.0	524.6	549.2	613.0	447.2
Cost of goods sold[1]	-480.7	-406.7	-382.1	-416.5	-284.4
Gross profit	**102.3**	**117.9**	**167.1**	**196.5**	**162.8**
Selling expenses	-75.0	-56.5	-50.9	-59.4	-55.0
Administrative expenses	-43.7	-38.5	-33.5	-44.0	-31.4
Research and development costs[1]	-36.7	-15.2	-13.0	-16.4	-15.6
Operating profit	**-53.1**	**7.8**	**69.7**	**76.7**	**60.8**
Financial items	-0.1	-0.1	-3.1	-2.2	-6.3
Profit before tax	**-53.2**	**7.7**	**66.6**	**74.5**	**54.5**
Income tax	-2.3	-3.5	-31.0	75.8	1.7
Profit for the year	**-55.5**	**4.2**	**35.6**	**150.3**	**56.2**
Attributable to:					
Owners of the Parent Company	-55.5	4.2	35.6	150.3	56.2
Non-controlling interests	-	-	0.0	0.0	0.0
	-55.5	4.2	35.6	150.3	56.2
BALANCE SHEET DATA					
Intangible fixed assets	263.4	269.1	247.2	247.4	249.1
Tangible fixed assets	8.1	7.2	7.5	4.4	2.8
Financial fixed assets	101.7	101.2	101.7	124.5	40.1
Inventories	157.7	148.4	142.0	114.6	78.0
Accounts receivable	170.0	150.4	191.5	256.8	184.0
Other current assets	61.2	76.0	72.9	38.1	16.8
Cash and cash equivalents and short-term investments	53.0	48.9	45.7	58.8	69.9
Total assets	**815.2**	**801.2**	**808.5**	**844.6**	**640.7**
Equity attributable to owners of the Parent Company	659.7	691.9	703.4	691.6	546.5
Non-controlling interests	-	-	0.1	0.1	0.1
Long-term liabilities	4.9	4.1	4.3	3.9	2.7
Current liabilities	150.6	105.2	100.7	149.0	91.4
Total liabilities and equity	**815.2**	**801.2**	**808.5**	**844.6**	**640.7**

1) The amortisation of capitalised development costs has been reclassified from the heading Research and Development Costs to Cost of Goods Sold for all five years. See Note 1.

All amounts in SEK M unless otherwise stated	2014	2013	2012	2011	2010
CASH FLOW DATA					
Profit after financial items	-53.2	7.7	66.6	74.5	54.5
Adjustment for non-cash items	54.6	13.5	10.2	10.8	27.4
Paid income tax	-3.9	0.1	-15.6	-	-0.3
Change in working capital	16.0	35.2	-38.0	-79.4	-96.9
Cash flow from operating activities	**13.5**	**56.5**	**23.2**	**5.9**	**-15.3**
Cash flow from investing activities	**-11.5**	**-26.1**	**-18.1**	**-12.3**	**-12.0**
Change in loan financing	-	-	-	-	-
Change in shareholder financing	-	-27.5	-16.7	-4.4	-
Cash flow from financing activities	**-**	**-27.5**	**-16.7**	**-4.4**	**-**
Cash flow for the year	**2.0**	**2.9**	**-11.6**	**-10.8**	**-27.3**
KEY RATIOS					
Capital data					
Working capital	238.4	269.6	305.7	260.5	187.4
Capital employed	606.7	643.0	657.8	632.9	476.7
Quick ratio, percent	183	252	295	231	288
Net loan debt	-53.0	-48.9	-45.7	-58.8	-69.9
Financial data					
Equity/assets ratio, percent	81	86	87	82	85
Net debt/equity ratio, times	-0.08	-0.07	-0.06	-0.09	-0.13
Margin data					
Operating margin, percent	-9	1	13	13	14
Net margin, percent	-10	1	6	25	13
Capital turnover rate, times	0.93	0.81	0.85	1.10	0.98
Return data					
Return on capital employed, percent	-8	1	11	14	13
Return on equity, percent	-8	1	5	24	11
Other data					
Order book at 31 December	90	102	88	123	80
Average number of employees	79	78	72	66	54
Number of employees at end of year	83	77	73	72	56
Total payroll	63	47	39	46	41

Corporate governance report

Introduction

Pricer AB (publ) (henceforth "Pricer" or the "Company"), corporate ID number 556427-7993, is a Swedish public company headquartered in Stockholm. Pricer is listed on NASDAQ OMX Stockholm, Small Cap.

This Corporate Governance Report has been prepared in accordance with the rules of the Swedish Code of Corporate Governance ("the Code"). The Code is available on the Board's Corporate Governance website (www.bolagsstyrning.se).

Pricer hereby submits its Corporate Governance Report for the fiscal year 2014. The report is not part of the formal financial statements, but has been reviewed by the Company's auditor who has issued a separate opinion.

External control instruments

The external control instruments that influence the governance of Pricer consist primarily of the Companies Act, the Annual Accounts Act, other applicable laws, NASDAQ OMX Rules for issuers, and the Code.

Internal control instruments

The internal control instruments that influence the governance of Pricer consist primarily of articles of association, which are determined at the AGM, as well as the policy documents adopted by the Board. These include, Working Procedures for the Board, Instructions for the CEO, Instructions for the Remuneration Committee, Information Policy, Financial Policy, Certification and Authorization rules, Ethics Rules and Equality Policy.

General meetings of shareholders

The influence of shareholders at Pricer is exercised at the Annual General Meeting (AGM or, where appropriate EGM) which is the Company's highest governing body. Among other things, the AGM appoints the Board members and Chairman of the Board, elects the auditor, decides on changes to the Articles of Association, establishes the Income and Balance Sheet Statements and the allocation of the Company's profit or loss, decides on the discharge of liability for Board members and the CEO and decides on the remuneration of the Board and the principles for remuneration to the CEO and senior management. The AGM of Pricer is usually held in April or May in Stockholm. Pricer announces the time and place of the AGM as soon as it has made its decision, although in connection with the third quarterly report at the latest. Information on the time and place can be found on the Company's website www.pricer.com.

Notice of the AGM will be published in the Swedish Official Gazette and on the Company's website. Furthermore, the Company announces in the Swedish newspaper Svenska Dagbladet that the notice has been issued. Shareholders who are registered in their own name in the share register of Euroclear Sweden AB on the record date and who have notified the Company in time are entitled to attend the AGM and vote with their shares. The shareholders who are unable to attend may be represented by proxy. All information about the Company's AGMs, such as notification, the right to have matters included in the notice, minutes, etc. is available on the Company's website.

The Company's Articles of Association include no restrictions on how many votes each shareholder may cast at an AGM. The issue of amending the Articles of Association is not regulated either. Due to the composition of the Company's ownership,it is not justifiable, to offer simultaneous interpretation into another language, or translation of all or parts of the AGM material, including the minutes.

AGM 2014 was held May 6, 2014 with 39 percent of votes in the Company represented by 66 shareholders. The minutes of the AGM are available on the Company's website.

The date for the AGM in 2015 is stated in the press release regarding the interim report January-September 2014 as published on November 7, 2014 to take place on April 23, 2015. This information is also available on the Company's website. Pricer's website provides information on how and at what time a shareholder must enter a request to have matters discussed at the AGM.

Ownership structure

The number of shareholders as at December 31, 2014 was 17,894. The ten largest shareholders accounted for 39 percent of the shares and 40 percent of the votes. Salvatore Grimaldi, including companies, accounted for 10.2 percent of the vote. For additional ownership information, see Pages 8-9.

Nomination Committee

The task of the Nomination Committee is to evaluate the composition and work of the Board, prepare proposals for the AGM regarding the election of the Chairman for the AGM, election of the Board and Chairman of the Board and, where appropriate the auditor. The Nomination Committee shall also make a proposal to the AGM regarding remuneration to the Board and auditors. Finally, the Nomination Committee proposes principles for the appointment of a new Nomination Committee.

According to the Code, the Nomination Committee shall consist of at least three members, one of whom shall be appointed chairman. The AGM shall appoint the Nomination Committee members or state how they are appointed.

The 2014 AGM resolved that the Chairman for the AGM 2015 would be authorized to contact the three largest shareholders of the Company (based on the known number of votes immediately prior to publication) and ask them to appoint one representative each, together with the Board Chairman, for the period until a new Nomination Committee is appointed by the 2015 AGM. In addition, it was decided that the Nomination Committee should include an independent representative of the minority shareholders in relation to the Company and its major shareholders. If any shareholder waives its right to appoint a representative, the shareholder who holds the next largest number of votes shall be invited to appoint a representative. The members of the Nomination Committee shall be published no later than six months prior to the AGM.

The Nomination Committee of Pricer for AGM 2015 was published on October 10, 2014 through a press release and on the Company's website and, in addition to the Chairman of the Board Bo Kastensson, consisted of Theodor Jeansson (nominated by SAGRI Development and others), Ulf Palm (nominated by Göran Sundholm with companies and others), Stefan Roos (nominated by Origo Capital AB and others) and Gunnar Ek (nominated by several smaller shareholders). Stefan Roos has been Chairman of the Nomination Committee.

The Nomination Committee members are independent of the Company and its management. All the Nomination Committee members are independent in relation to the Company's largest shareholder in terms of votes or group of shareholders that interact with the Company's management. The Company has only one shareholder, SAGRI Development AB, representing at least one-tenth of the number of votes. SAGRI Development represents 10.2 percent of the votes.

Since the 2014 AGM, the Nomination Committee has held several meetings and has also been in telephone contact. The work of the Nomination Committee will be presented ahead of the 2015 AGM. No special remuneration was paid to the Nomination Committee members.

Board of Directors

Size and composition of Board

Board members are appointed by shareholders at the AGM for the period until the end of the next AGM. In accordance with the Code, the Chairman of the AGM is also appointed.

The Board of Pricer shall, in line with the Articles of Association, comprise a minimum of three and a maximum of seven members and the AGM decides on the exact number of Board members. The Articles of Association do not contain specific provisions on the appointment and dismissal of Board members.

The AGM on May 6, 2014 saw the election of Bo Kastensson, Hans Granberg, Bernt Ingman, Joen Magnusson and Jan Rynning. Bo Kastensson was elected as Chairman of the Board. No deputies have been appointed for AGM elected Board members. All members are considered independent in relation to the Company, its management and major shareholders.

The attendance of Board of Directors at Board meetings is shown in the table below. Some meetings have been more of an administrative nature primarily relating to reclassification cases. Additional information about the Board of Directors such as their experience and current assignments and shareholdings in the Company are detailed on Page 52.

Board attendance

Board Member	Present at the number of meetings	Of the number of meetings
Mikael Aru	3	3
Mikael Bragd	3	3
Markus Gerdien	3	3
Bernt Magnusson	3	3
Indra Åsander	3	3
Bo Kastensson	13	13
Hans Granberg	13	13
Bernt Ingman	13	13
Joen Magnusson	13	13
Jan Rynning	13	13

With respect to the Company's operations, phase of development and general circumstances, the Board believes that it has an appropriate composition that is characterized by diversity and a breadth of qualifications, experience and appropriate backgrounds. The gender distribution today is not even and the goal is to improve the gender balance in the future.

Work of the Board at Pricer

It is the Chairman of the Board who organizes and manages the work ensuring that it is exercised in accordance with the applicable rules. The Chairman of the Board continuously monitors operations in dialog with the CEO and ensures that the Board is privy to the information and documentation necessary to enable it to carry out its work.

The Board is responsible for the company's strategy and organization and the management of the Company's affairs. The Board ensures that the Company's organization is designed to ensure that accounting, cash management and other financial matters are verified in a satisfactory manner. The Board continuously monitors the Company's and the Group's financial situation which is reported monthly, to ensure that the Board can perform its obligation to evaluate as imposed by law, listing rules and good Board practices. The Board's work is governed by special rules for working procedures. Generally, the Board must handle matters of material significance for the Group such as strategic plans, budgets and forecasts, product planning, tying-up of capital and financing and acquisition of undertakings, businesses or significant assets.

The Board held 16 meetings in the fiscal year 2014. The attendance of Directors at meetings is shown from the above table. The Board's work follows a yearly agenda. The CEO prepares the agenda in consultation with the Chairman ahead of each meeting, and determines the required supporting data and documentation necessary to cover the matters at hand. Other members may request that certain issues be added to the agenda. Prior to each regular meeting, the CEO provides the Board with a written status report containing at least the following points: marketing, sales, production, research and development, finance, staff issues and legal disputes.

The CEO and CFO attend all Board meetings, except where issues involve barriers due to a conflict of interest existing, such as when remuneration for the CEO is set, and when the work of the CEO is to be evaluated. Normally, the Company's auditors attend part of two Board meetings during the year, and did so in 2014.

The meetings were held at the Company's headquarters in Stockholm, at the Paris office or by phone.

Evaluation of the Board

The Chairman of the Board who is responsible for the Board's work is evaluated annually and the Nomination Committee is privy to the results of the evaluation. The evaluation takes the form of interviews and a questionnaire and addresses the Board's composition, working methods and liability etc. The results are presented for the Nomination Committee.

Corporate governance report (cont'd)

Remuneration to the Board

At the 2014 AGM, total fees to the Board of SEK 1,250,000 were set, to be distributed as SEK 450,000 to the Chairman and SEK 200,000 to each of the other four members, in accordance with the Nomination Committee's proposal.

In connection with this analysis which was prepared immediately after the new Board took office in May 2014 and the subsequently completed action program, the Chairman of the Board and Bernt Ingman received additional remuneration for work that has fallen outside the customary obligations associated with a directorship. The remuneration paid was SEK 350,000 in respect of the performance of the Chairman, and SEK 200,000 in respect of Ingman's work. The Chairman's remuneration has been invoiced in-house.

The analysis work and action program set by the Board subsequently gave rise to the company's negative financial development at the time of the new Board members taking up their posts and has, among other things, included management changes and issues concerning strategic choices, organization and staff, responsibilities and authorization rules, distributor agreements, project costing, sales contracts, supplier and product quality issues, purchasing agreements, inventory management, development projects, accounting policies and internal reporting. Moreover, negotiations have taken place with a number of the Company's distributors and suppliers.

In addition to the above fees, no other remuneration or financial instruments have been paid or been made available, in addition to purely outlay costs.

Board Committees

The Board has appointed a Remuneration Committee. The Remuneration Committee addresses issues on remuneration and employment conditions for corporate management and the preparation of draft guidelines for remuneration to the CEO and senior management, which the Board submits for resolution by the AGM.

The Remuneration Committee for 2014 consisted of Board member Jan Rynning and Board member Joen Magnusson, both of whom are independent of the Company and its management, as well as in relation to the Company's major shareholders.

The work tasks and the decision-making authority delegated to the Remuneration Committee are evidenced by the instructions for the Committee that have been established by the Board. Additionally, this shows that the Remuneration Committee shall report to the Board.

The Remuneration Committee has held a number of telephone consultations and met with the management on two occasions. A report has been prepared and submitted to the Board which includes a proposal for decision.

A finance committee consisting of Bo Kastensson and Bernt Ingman has continuously supported the CEO in the restructuring process.

According to the Companies Act, the Company shall have an Audit Committee, which shall include the monitoring of the Company's financial reporting and the effectiveness of internal controls and risk management. The Board can double as the Audit Committee, provided that the members are not employees of the company and that at least one member is independent and has the requisite accounting or auditing skills. The Company meets these requirements and has chosen that the entire Board shall perform the role of the Audit Committee.

CEO and Senior Management

Chief Executive Officer

The CEO is appointed and dismissed by the Board and his/her performance is evaluated regularly by the Board, which occurs without the presence of Company management. Pricer's CEO heads the ongoing operational activities. Written instructions define the division of responsibilities between the Board and Chief Executive Officer. The CEO reports to the Board and presents a special CEO report at each Board meeting, which contains information and more about the activities developed based on the decisions taken by the Board. Additional information about the CEO, his experience and current assignments and shareholdings in the Company are listed on Page 52. Jonas Vestin took over as the new CEO on August 15, 2014. Pricer's CFO Harald Bauer has served as acting CEO until Jonas Vestin's arrival. Harald Bauer left his post as CFO on August 15, 2014. Claes Wenthzel has served as acting CFO from August 25. Claes Wenthzel left his post as CFO on March 9, 2015 and was replaced by Helena Holmgren.

Jonas Vestin, apart from work tasks related to the Company's subsidiaries, has no other assignments as a Board member. Neither Jonas Vestin, nor any close physical or legal person, holds any significant shareholding or ownership interests in companies in which Pricer has significant business relations.

Group Executive Committee

The Group Executive Committee at Pricer consists of five members who have ongoing responsibility for different areas of the business. For a presentation of the Group Executive Committee members, see Page 52.

Remuneration to the CEO and senior executives

The Company has established a Remuneration Committee about which information is presented above in the "Board Committee" section. At the 2014 AGM, the Board adopted the proposed guidelines for remuneration to senior executives. The CEO's remuneration is determined by the Board. Remuneration to other senior executives is determined after consultation with the Remuneration Committee and the Chairman.

Compliance with the Swedish stock exchange rules, etc. during the fiscal year

For the fiscal year 2014, Pricer has not been subject to any decision by the NASDAQ OMX Stockholm's disciplinary committee or the Swedish Securities Council regarding violations to NASDAQ OMX Stockholm's regulatory framework or stock market good practices.

Information about the Auditor

The Auditor is appointed by the AGM following a proposal by the Nomination Committee. KPMG AB is the elected auditor with the authorized auditor Tomas Gerhardsson as principal auditor. The AGM also resolved that the auditor is paid according to an approved invoice. See note 5 for information on remuneration to auditors.

Internal control over financial reporting

The Board is responsible, as part of the Swedish Companies Act and the Code, for internal controls. This report has been prepared in accordance with the Code.

Pricer's internal control process shall allow reasonable assurance of the quality and accuracy of its financial reporting. It shall also ensure that reports are prepared in accordance with the applicable laws and regulations, and the requirements that apply to publicly listed companies in Sweden.

Control Environment

The basis of the internal control in terms of financial statements includes organizational and system structure and decision-making processes and that responsibilities are clearly documented and communicated in control documents, policies and manuals. The Board has adopted rules that regulate the Board's liabilities and the Board's committee work. To maintain an effective control environment and good internal controls, the Board has delegated practical responsibility to, and has prepared instructions for, the CEO. To ensure the quality of financial reporting, the Company has a number of internal control instruments, consisting mainly of Fiscal Policy, Information Policy and Reporting Instructions. Guidelines are also established for business ethics that aim to clarify and strengthen the Group's philosophy and values. These instruments include Pricer Ethics rules and Equality Policy.

Risk assessment

The Board is responsible for ensuring that significant financial risks and risks of errors in financial statements are identified and dealt with. Each year there is a risk assessment where risks concerning the financial statements are identified. The risk assessment could, for example, include processes critical to the Group's earnings and financial position, geographically remote operations and recently established or acquired units.

Control Activities

Control activities are designed to ensure accuracy and completeness of the financial statements. Procedures and actions have been designed to manage significant risks related to financial statements, which have been identified in the risk assessment. Control activities are available at both a general and detailed level. By way of example, complete monthly financial statements are prepared that are monitored by the unit and functional managers and controllers. Senior management meets at least every month for a follow-up of the entire business. In addition, people from the finance function visit group companies several times a year to discuss current issues and review the results and financial status, and verify that processes are being observed and developed. The Board monitors the activities through monthly reports where the CEO comments on business performance, results and financial position. Measures and activities aimed at improving internal controls are implemented on a regular basis.

Information and communications

The Board has established an Information Policy that specifies what should be communicated, by whom and how information should be issued to ensure that external information is correct and complete. For the efficient and accurate dissemination of information both internally and externally, guidelines and procedures are in place for how financial information is communicated between management and other employees. Pricer's Reporting Instructions are a key policy document that is constantly updated in line with changes.

Follow-up

Internal control is monitored continuously. The company's financial position is discussed at every Board meeting where the Board receives detailed monthly reports on the financial position and performance of the business. The Board monitors the internal controls with respect to financial statements. The Board reviews every interim report and discusses the content with the CFO and, where appropriate, with the auditors. These conduct annual reviews of the internal controls within the scope of their audit. They report the results of the audit to the CEO, CFO and Board. Pricer has no separate internal audit function. The economists employed at the subsidiaries have an expressed responsibility to report any non-conformance from the central finance and controller organization. The Company's elected auditor is engaged when needed. With this in mind, the Board believes that there is no need for a special internal audit function.

Board of Directors

BO KASTENSSON
Born: 1951
Education: B.A.
Other assignments:
Chairman of Doro AB, Coromatic Group AB and Axema Access Control AB. Industrial Advisor in EQT. Board member of Atek Teknik A/S, Metric AS, Reservekraft AS, Skandinaviska Kraftprodukter AB and IVS GmbH
Chairman of the Board since: 2014
Holding:
300,000 B shares

HANS GRANBERG
Born: 1953
Education:
High school diploma
Other assignments:
Chairman of Investment AB Karlsvik
Board member since:
2014
Holding:
452 A shares
2,392,300 B shares

BERNT INGMAN
Born: 1954
Education:
Business degree
Other assignments:
Chairman of Beijer Ref AB, Schneidlerföretagen AB and Sveriges Bostadsrättscentrum AB
Board member since:
2014
Holding:
60,000 B shares

JOEN MAGNUSSON
Born: 1951
Education:
Business degree
Other assignments:
Deputy Chairman of G&L Beijer AB
Board member since:
2014
Holding:
15,000 B shares

JAN RYNNING
Born: 1951
Education: Law degree
Other assignments:
Chairman of Cellimpact AB, Lightlab AB and SealFX AB
Board member since:
2014
Holding:
30,000 B shares

Executive Management

JONAS VESTIN
CEO
Born: 1969
Education:
Bachelor of Computer Science and Executive MBA
Employed since: 2014
Holding:
19,983 B shares
106,575 **

HELENA HOLMGREN
CFO
Born: 1976
Education: MBA
Employed since: 2015
Holding:
16,540 B shares

CHARLES JACKSSON
EVP Global Sales, Marketing and Strategy
Born: 1963
Education:
Bachelor in Business Administration
Employed since: 2014
Holding: -

NILS HULTH
Vice President Business Development
Born: 1971
Education:
M.Sc. in Computer Science and M.Sc. in Evolutionary and Adaptive Systems
Employed since: 2006
Holding:
30,000 B shares,
1,200,000 warrants *
53,817 **

FRANCOIS AUSTRUY
Head of Operations
Born: 1965
Education:
Graduate Engineer
Employed since: 2005
Holding:
10,000 B shares,
1,200,000 warrants *
28,171 **

* each ten options give right to one share
** matching and performance shares

Auditors’ report of the Corporate Governance Statement

To the annual meeting of the shareholders in Pricer AB, Corporate identity number 556427-7993

It is the board of directors who is responsible for the Corporate Governance Statement for the year 2014 in the pages 48 – 52 and that it has been prepared in accordance with the Annual Accounts Act.

We have read the Corporate Governance Statement and based on that reading and our knowledge of the company and the group we believe that we have sufficient basis for our opinions. This means that our statutory examination of the Corporate Governance Statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted audit standards in Sweden.

In our opinion, the Corporate Governance Statement has been prepared and its statutory content is consistent with the annual accounts and the consolidated accounts.

Stockholm 31 March 2015
KPMG AB

Tomas Gerhardsson
Authorized Public Accountant
Auditor in charge

Anna-Karin Forsberg
Authorized Public Accountant

Shareholder information

Annual General Meeting

The Annual General Meeting of Pricer AB will be held at 4:00 p.m. on 23 April 2015, at Waterfront Congress Center, Stockholm, Sweden. In order to participate in the AGM, shareholders must be entered in the share register maintained by Euroclear Sweden AB by Thursday 16 April, and must notify the company of their intention to participate no later than 4:00 p.m. on Friday 17 April. Shareholders whose shares are held in the name of a trustee must temporarily re-register the shares in their own name well in advance of 16 April. Notification can be made as follows:

- By e-mail: ir@pricer.com
- By fax: +46 8 505 582 01
- By telephone: +46 8 505 582 00
- By mail: Pricer AB, PO Box 215,
  SE-101 24 Stockholm, Sweden

The notification should include the shareholder's name, social security/corporate registration number, address and telephone number, registered shareholding and, when appropriate, the names of any participating advisors. The Nomination Committee, consisting of Bo Kastensson, Theodor Jeansson, Ulf Palm, Stefan Roos and Gunnar Ek can be contacted via the company's head office.

Proposed dividend

The Board will not be proposing a dividend for 2014 at the AGM.

Financial calendar

In 2015, the quarterly financial reports will be published as follows:
Interim report January-March, 23 April 2015
Interim report January–June, 19 August 2015
Interim report January–September, 6 November 2015
Year-end report 2015, 12 February 2016

Information channels

Pricer's website www.pricer.com is a vital information channel through which the company presents press releases, interim reports, annual reports and share price data. To sign up for an e-mail news subscription, visit the website. Printed materials can be ordered from the company. For other information, contact ir@pricer.com.

Distribution of the annual report

For reasons of cost, the annual report is only distributed to those shareholders who so request. A digital version is available at www.pricer.com. A printout can be ordered directly from the company at ir@pricer.com or by calling +46 8 505 582 00.

History

2014 Pricer launches new digital strategy that gives the stores a solution not only for pricing, but also for streamlining processes, consumer contact, campaigns and forecasts.

2013 100 million labels installed.

2012 Pricer maintains its market-leading position.

2011 Continued significant growth in revenue and profit leading to the best year ever for Pricer.

2010 Significant increase in net sales and result. Several important frame agreements signed.

2009 Pricer reaches 5,000 store installations. Pricer ESL and DotMatrix™ extend into non-food.

2008 Breakthrough for the product DotMatrix. Pricer keeps its market-leading position.

2007 Integration of Eldat is completed. Pricer reports a positive result.

2006 Eldat Communication Ltd. in Israel is acquired. The holding in Appulse Ltd. is sold.

2005 Significant increase in sales and Carrefour expands deployment in France. Continuum is launched.

2004 Pricer wins a major order from the French chain Carrefour. Via Ishida, Pricer is awarded a sizeable contract by Ito-Yokado in the Japanese market. IBM becomes a new partner in the US.

1991 Pricer is founded in June and development of the first ESL system begins.

1993 The first Pricer system is installed for the ICA supermarket chain in Sweden.

1995 The pilot order from Metro leads to a contract for installations in 53 Metro stores in Germany.

1996 Pricer is introduced on the O-list of the Stockholm Stock Exchange.

1997 Pricer acquires Intactix, a provider of systems for retail space management. Co-operation initiated with Telxon that delivers mobile data capture solutions.

1998 Collaboration with Ishida of Japan is initiated.

1999 Deliveries to the Metro stores are completed.

2000 Intactix is sold to US-based JDA Software Group.

2001 Pricer's partner in Japan, Ishida, places a significant order.

2002 A large-scale action programme is launched to restructure and streamline operations for increased customer focus.

2003 The development company PIER AB is formed. Pricer acquires a majority holding in the software company Appulse Ltd. in India. StoreNext becomes new partner in the US market.

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