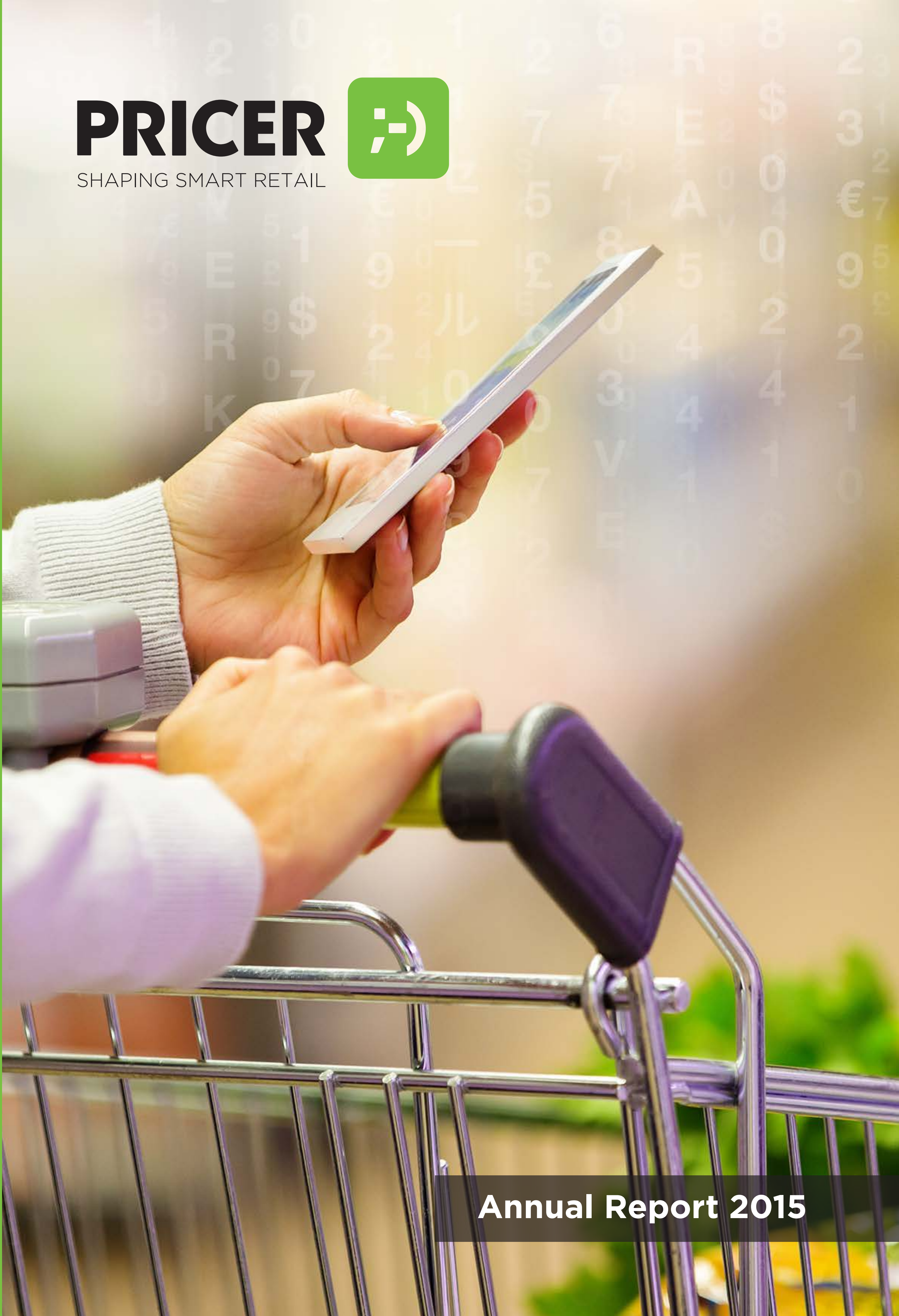
PRICER

SHAPING SMART RETAIL



Annual Report 2015

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 2014 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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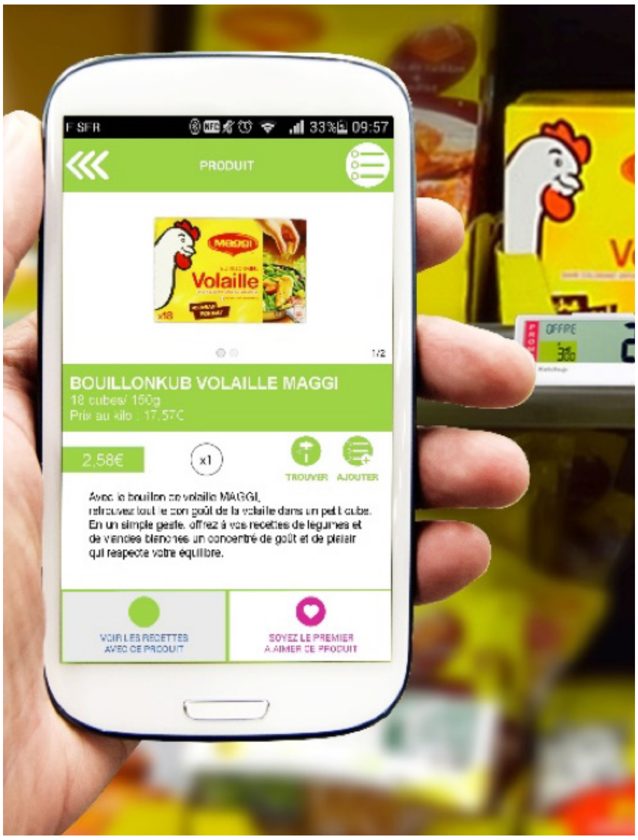
About Pricer

With almost 15,000 installations in more than 50 countries, Pricer is the leading provider of digital shelf-edge solutions. Pricer's customers include several of the top retailers on the five continents. Shoppers in stores fitted with Pricer equipment can always be secure in knowing that they are paying the right price, since the price displayed on the shelf edge is always the same as that in the cash register system. Today, the same solution can be used by stores to support and rationalize internal operating processes, for example to pick up web orders in a store or quickly identify products on offer. This evolution of the label towards becoming a shelf-edge communication tool is also creating new opportunities for digital interaction with the shopper. This is leading to greater shopper satisfaction and strengthening shopper loyalty. Pricer's customers are found primarily in the retail trade, although in the last few years there have been breakthroughs in other segments such as the DIY, electronics and mobile phone retail chains and pharmacies.

Pricer was founded in Sweden in 1991. The company is listed on the Small Cap list on NASDAQ Stockholm. The number of shareholders was 17,498 on December 31, 2015, whereof the ten largest shareholders represented an ownership of 37%. At the end of 2015 the Pricer Group had 82 employees.



Full year 2015

In January 2015 Pricer launched its new digital strategy at the US the National Retail Federation's (NRF) annual convention in New York. This represents the first step in a journey from electronic shelf labels to digital retail solutions, from niche player to digital partner and from product company to solution provider. The marketing activities in connection with this were intense.

In the first quarter Pricer set a new record for order intake. This was underpinned primarily by orders from StrongPoint for the Norwegian food retail industry, a success story though which Norway took the lead in 2015 as the world's strongest market for electronic shelf labels per capita.

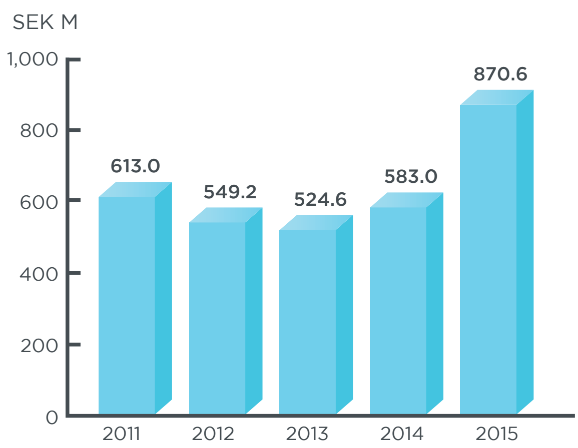
The company's focus on liquidity and working capital started to pay off, another trend that has strengthened since then. In contrast, gross margin remained weak, partly due to the fact that graphic Epaper labels made up a larger share of the product mix, and partly because a number of major contracts won at aggressive pricing levels represented a large share of the contract mix.

Sales development in the quarter of 2015 remained strong and the first quarter's record order intake was surpassed when the French grocery retail chain Carrefour and the home improvement chain Leroy Merlin made significant contributions in addition to the continuing Norwegian orders. Cash flow was negatively affected by the high order intake, without reaching a negative level at any time.

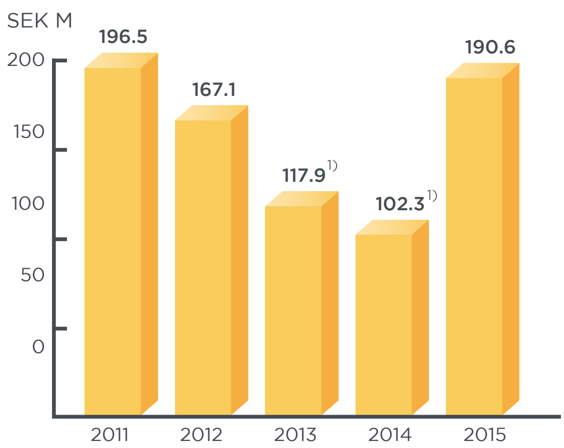
Gross margin continued to weaken and hit a low in the second quarter. Strengthening of the USD against other currencies had a negative effect on Pricer's margins throughout the year, but had the most tangible impact in the second quarter. Pricer pays suppliers in USD but has a larger proportion of sales in European currencies, primarily EUR. The renegotiations with customers, partners and suppliers that were carried out in the first half of the year are having a delayed effect. These measures improved margins in the second half of the year, contributing to a positive profit for the year. The previously mentioned product and contract mixes also had a negative impact on margins in the second half of the year, so that margins were undermined by multiple factors simultaneously. Pricer communicated the assessment that the margin had bottomed out in the second quarter of 2015.

The high order intake in the first half of the year resulted in a new sales record for Pricer in the second quarter followed by yet another sales record in the third quarter of 2015. Operating profit for the third quarter was the highest ever for an individual quarter. Cash flow also improved substantially in the third

NET SALES



GROSS PROFIT



1) *Excluding non-recurring costs of SEK 37.5 million for the year 2014 and SEK 6.5 million for the year 2013*

Full year 2015 (cont'd)

quarter, compared to both the previous quarter and the corresponding period of last year.

Gross margin improved slightly in the third quarter as a result of the focus on margins in sales, combined with more efficient operating routines. However, the general challenge on the margin side persisted and continued to have top priority for the company. Order intake declined in the third quarter. Pricer's business is project-oriented in nature and because projects are procured unevenly over the course of the year, the quarterly fluctuations can be relatively large. The increased complexity and strategic importance of the procurements are also prolonging the decision-making processes.

In the shift between the third and fourth quarters, Price released the production version of its server software for the digital solutions that included the digital solutions. This software is the hub in the realization of Pricer's digital strategy. The launch enabled installation in scalable production for the first time, and the process of upgrading Pricer's installed base to this software could begin.

The fourth quarter can be described as average quarter for Pricer. Overall, net sales, order intake, gross margin and operating profit were on par with the fourth quarter of 2014. However, net sales and order intake were far from the record levels recorded earlier in the year. On the other hand, gross margin once again improved somewhat over the previous quarter and had thereby strengthened for two consecutive quarters. Cash flow was strong with a positive trend in reduced working capital and an improved cash position.

The late autumn and winter were something of an uphill struggle for Pricer. The fourth quarter of 2015 saw the completion of a couple of major global ESL procurements auctions, with strict requirements for participation and price as the decisive factor, where Pricer chose to prioritize margins over volumes. The procurements referred to contracts where the density of labels is low and the planned price updates are relatively few, which resulted in substantial price pressure coupled with disproportionately high risks in the business structure.

Pricer's response is to boost the credibility of the digital solutions in order to achieve real differentiation, to further accelerate the pace of cost improvements throughout the company's supply chain and to ensure that the marketing and sales organization maintains a clear focus on the segments where Pricer's competitive advantages are strongest; segments with an active pricing strategy, automation of the retail environment and a digital vision.

The full year 2015 can be summed up as a record year for Pricer in terms of both order intake and net sales. This should be seen in light of the severe quality problems Pricer identified during 2014, the large-scale reorganization that was previously carried out and the launch of a whole new strategy for Pricer. Confidence in the company's position has motivated the Board of Directors' recommendation to resume payment of dividends at a level of SEK 0.25 per share.

Key figures	**2015**	**2014**	**Change**
Order intake, SEK M	792	541	46%
Net sales, SEK M	870.6	583.0	49%
Gross margin[1)], %	21.9	24.0	-9%
Operating profit[2)], SEK M	47.8	15.9	201%
Operating margin[2)], %	5.5	2.7	102%
Cash flow from operating activities	101.5	13.5	652%
Profit for the year, SEK M	37.0	-55.5	-
Earnings per share, SEK	0.34	-0.51	-

[1)] Excluding non-recurring costs of SEK 0 (37.5) million for the full year 2015.

[2)] Excluding non-recurring costs of SEK 0 (69.0) million for the full year 2015.


LUXENS
SATIN
BRILLANT
PRICER
Dulux

CEO's statement

The 2015 financial year was Pricer's best year ever, with a turnaround from a loss in 2014 to positive earnings and a very strong cash flow. Net sales rose by 49 percent, from SEK 583 M to SEK 871 M. During the year we worked with a number of improvement projects that have started to pay off in the form of better key ratios. A stable financial platform is critical for Pricer to continue winning market share and being a profitable company.

Pricer's journey began with an innovation that was to be a tool for cost rationalization. By showing prices on the shelf edge in a grocery store using small segment-based LCD displays instead of paper labels, the stores gained access to a cost-effective system for changing prices on the shelf edge. With the system, a store owner could also ensure price integrity, meaning that the price on the shelf edge is always the same as at the checkout counter. In addition, from a central point the management of a retain chain could gain access to pricing in all of their stores that had installed Pricer's system.

Adoption of this technology was limited to the food retail industry in a few geographical markets, such as France, Japan and Mexico. Pricer's successes in these markets laid the foundation for the company's ongoing development. There was a certain resistance in the market due to limitations in the LCD display's readability compared to paper and the limited amount of information segment-based displays can show. A segment-based LCD display can only show a small number of numerals or letters, which meant that the product's name, origin labeling and other consumer information had to be written on paper and attached to the label.

The launch of graphic ePaper labels opened the door for whole new products and possibilities. Readability is fully comparable to paper, in certain respects better, and ePaper offers the same potential as paper to include both the product name and all other desired information in the form of text or images. However, the manufacturing costs for this premium solution is significantly higher than for segment-based labels. The customers saw the approach of a significant technology shift which, like the trend for other electronic products, could be expected to result in lower prices over time, which caused many to postpone their investment decisions. This led to slowing in the industry and for the investments that were made, supplier margins were pushed downward.

In the past year the cost rationalization of graphic ePaper labels has started to reach significant levels, at the same time that three-color technology has been introduced. The ability to display promotion colors on the label has further widened the areas of use. The combination of lower manufacturing costs and greater value added has driven growth in the industry, in both new segments of the retail sector and new geographical markets. The effects are also visible in the product mix, where graphic ePaper accounted for half of Pricer's sales in 2015, a share that is expected to increase further. Several market segments are exclusively evaluating the use of three-color ePaper labels.

Cost rationalization in manufacturing of graphic ePaper labels will continue during 2016 and 2017. This is creating good opportunities for Pricer to achieve both higher growth and margin expansion. But precisely how the balance between growth and margins will move in the year ahead is hard to predict. The industry's position at the edge of a major breakthrough has intensified the price war in the market and increased the risk appetite of many players.

"2016 will be the year when we step forward from the noise and concretize the value-creating potential of Pricer's digital in-store solutions, with credibility and clarity."

In view of the market situation, Pricer was forced to make difficult decisions during the past year between defending its margins and limiting risks vs. defending its market shares and securing volumes. In 2016 Pricer is taking steps by further accelerating its efforts to achieve cost effectiveness and operating efficiency. This gives us scope to steer our decisions toward Pricer's own priorities regarding growth and margin targets.

I dare to claim that digitization in some form is currently being discussed in every retailer's board room. How should the individual retailer best handle the opportunities and challenges of digitization? That this is a highly prioritized issue for the retail industry is clearly visible among its suppliers. At trade fairs, conferences and theme days, on websites, in marketing and in comments from the CEO, the respective supplier's ability to deliver digital solutions for the retail trade industry is being highlighted. No one wants to be left in the backwater of this development.

Twenty-five years later, the infrastructure that Pricer once chose to communicate price changes to its labels has been shown to provide decisive competitive advantages in the ability to add relevant digital solutions to the system. Where the competitors' RFID solutions are today competing with Wi-Fi and other electronic communication in the stores, Pricer's infrared technology functions predictably and without interference. This technology is therefore a critical enabler for the ability to use our system as the store's digital platform. Pricer can without difficulty equip a store with new types of sensors to position the mobile phones that are used by the store's customers or other mobile devices such as scanners and PDAs. In addition to this, the digital competitive edge lies in the infrastructure's speed, availability (always active), reliability and stability.

Although the combination of the above factors is of value also in the system's traditional areas of use, in the stores of tomorrow it will be unique. The system makes it possible to offer solutions for automated near-real time communication from the shelf edge with both consumers and staff, to find and position goods, to track and position all mobile devices (PDAs, cell phones, scanners, eReaders, etc.), to digitize messages for the shopper, to verify and update the store's planning and execution, and to create new areas of use for other technologies in the store.

With our technology and knowledge of the retail industry's business critical processes, Pricer has a whole different dialogue with its customers and partners today than in the past. We continuously discuss applications such as support for online shopping, optimization of the store's layout, handling of stock levels, productivity in shelf edge management or service and marketing for the consumers.

Surrounded by this monumental digital market noise, it is difficult to predict which solutions will actually become established and deliver new value in the form of higher sales and/or lower costs. 2016 will be the year when we step forward from the noise and concretize the value-creating potential of Pricer's digital in-store solutions, with credibility and clarity.

Jonas Vestin
CEO, Pricer

The Pricer share

The Pricer Class B share is quoted on the Small Cap list of NASDAQ Stockholm. Pricer's share capital at 31 December 2015 amounted to SEK 110,971,781. The total number of shares was 110,971,781, divided between 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 2015

The share price started the year at SEK 6.15 and ended at SEK 9.50. The year's high of SEK 12.10 was quoted on 25 May and the low of SEK 6.15 was quoted on 2 January. Market capitalisation on 31 December 2015 was SEK 1,044 M.

The turnover for the full year 2015 amounted to 120,278,133 shares traded for a combined value of SEK 1,056 M, which is equal to an average daily volume of 479,196 shares with a combined total value of SEK 4,207 thousand. The number of trades for the full year was 51,014, which is equal to an average of 203 per trading day.

Divident

The Board proposes that the AGM approve a dividend of SEK 0.25 per share for 2015.

Warrant program

The 2015 AGM approved a warrant program for certain key employees at Pricer. The company was authorized to issue up to 950,000 warrants, each giving the right to subscribe for one share, with an exercise price equal to 152 percent of the the volume-weighted price during the period from 12 May 2015 to 18 May. Subscription will be possible between 29 May 2018 and 29 June 2018.

The warrant program approved by the AGM 2011 expired on 31 August 2015 without any further dilution.

WARRANTS OUTSTANDING

Designation	Number	Year issued	Excercise prise (SEK) [1]	Expiration date
TO15	950,000	2015	12.40	2018-06-29

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

Ownership structure

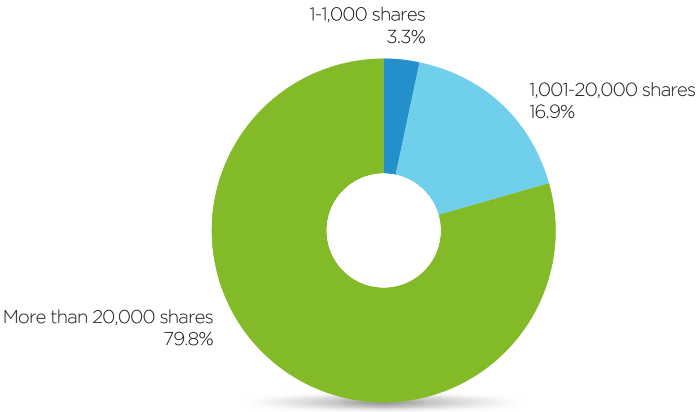
The number of shareholders on 31 December 2015 was 17,498. The ten largest shareholders held 37 percent of the number of shares and 37 percent of the number of votes. Legal entities held 59 percent of the total number of shares and 58 percent of votes, while foreign shareholders held 23 percent of the total number of shares and votes.

OWNERSHIP STRUCTURE, 31 DECEMBER 2015

No. of shares	No. of share-holders	% of share-holders	No. of shares	% of votes	% of equity
1-1,000	12,814	73	3,699,466	3.3	3.3
1,001-20,000	4,183	24	18,761,856	16.8	16.9
20,001-	501	3	88,510,459	79.9	79.8
Total	**17,498**	**100**	**110,971,781**	**100.0**	**100.0**

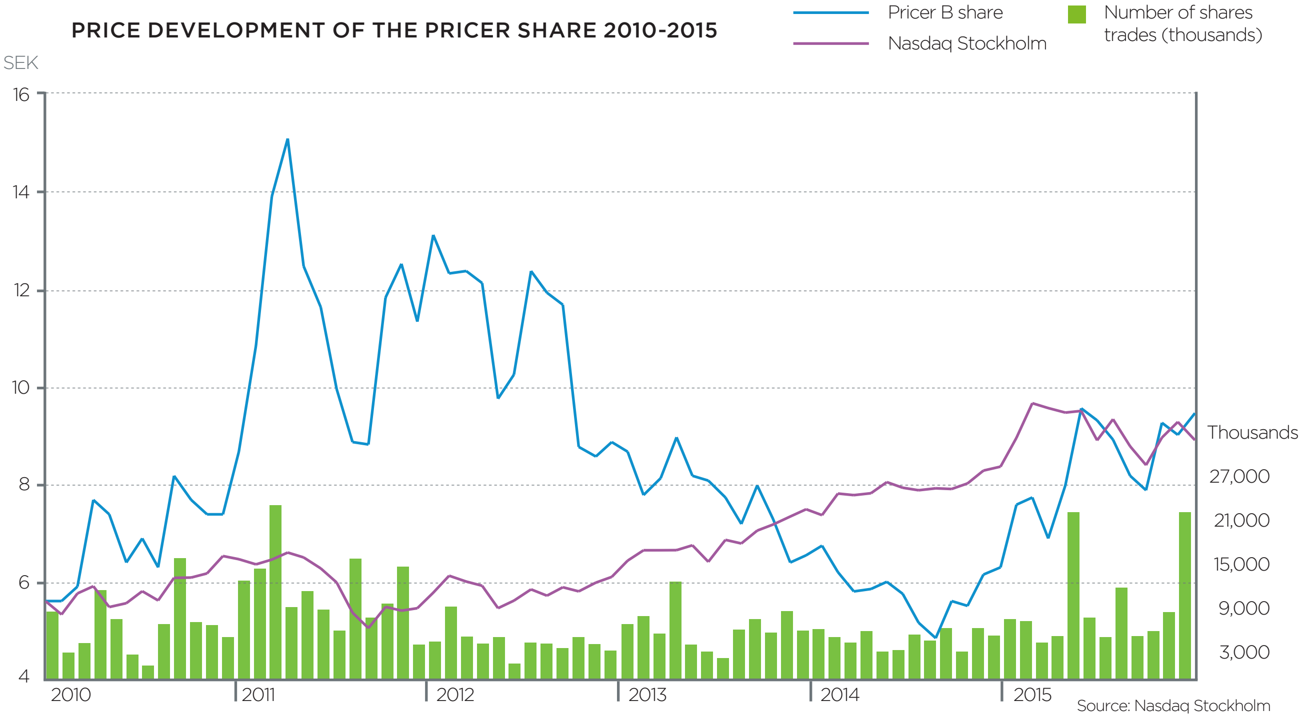
Source: Euroclear

OWNERSHIP STRUCTURE, 31 DECEMBER 2015
Percent of Equity



Source: Euroclear

PRICE DEVELOPMENT OF THE PRICER SHARE 2010-2015



Source: Nasdaq Stockholm

MAJOR SHAREHOLDERS, 31 DECEMBER 2015

Name	A shares	B shares	No. of shares	% of votes	% of capital
Pohjola Bank	-	11,297,737	11,297,737	10.1	10.2
Avanza Pension	-	6,223,386	6,223,386	5.6	5.6
Nordnet Pension	-	4,468,524	4,468,524	4.0	4.0
Fjärde AP Fonden	-	4,099,302	4,099,302	3.7	3.7
Origo Quest 1	-	3,500,000	3,500,000	3.1	3.2
Handelsbanken Fonder	-	3,393,679	3,393,679	3.0	3.1
Sifonen	-	3,000,000	3,000,000	2.7	2.7
Danica Pension	-	2,288,142	2,288,142	2.0	2.1
Tamt AB	-	1,400,000	1,400,000	1.3	1.3
Banque Pictet & Cie	-	1,362,840	1,362,840	1.2	1.2
10 largest shareholders	**-**	**41,033,610**	**41,033,610**	**36.7**	**37.0**
Others	225,523	69,712,648	69,938,171	63.3	63.0
Total	**225,523**	**110,746,258**	**110,971,781**	**100.0**	**100.0**

Source: Euroclear

DATA PER SHARE, 2011-2015

SEK per share before dilution	2015	2014	2013	2012	2011
Earnings	0.34	-0.51	0.04	0.33	1.40
Dividend	0.25	-	-	0.25	0.25
Shareholders' equity	6.23	6.00	6.30	6.40	6.38
Cash flow	0.92	0.12	0.51	0.21	0.06
P/S ratio	1.20	1.19	1.37	1.77	1.99
SEK per share after dilution					
Earnings	0.34	-0.51	0.04	0.33	1.39
Shareholder's equity	6.23	6.00	6.30	6.40	6.44
Cash flow	0.92	0.12	0.51	0.21	-0.14
P/S ratio	1.20	1.19	1.37	1.77	2.01
Share price:					
Yearly high	12.10	7.35	9.90	13.85	15.40
Yearly low	6.15	4.60	6.05	8.10	6.90
Closing price	9.50	6.30	6.55	8.90	11.40
No. of outstanding shares on 31 Dec., 000s	109,905	109,893	109,892	109,892	108,465
Market capitalisation on 31 Dec., SEK M	1,044	692	720	978	1,237
Average number of outstanding shares, 000s	109,899	109,892	109,974	109,290	107,258
Share price on 31 Dec./shareholders' equity, %	152	105	104	139	177

SHARE CAPITAL DEVELOPMENT, 2011-2015

Year		Increase in no. of shares	Total no. of shares	Change in share capital, SEK M	Total share capital, SEK M
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	1.4	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) whereof treasury shares on December 31, 2015 amounted to 1,066,455 shares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5%
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CLICK & COLLECT

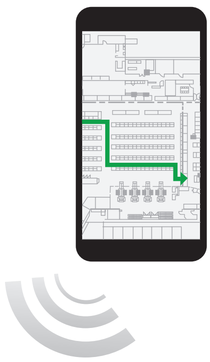
1. The associate downloads an online customer order to a PDA or smart-phone as a list of goods. The electronic shelf label (ESL) system has confirmed that the products are available.

2. The associate is directed to the first and closest item to pick. The optimal route (for picking, merchandising, shelf check) is indicated on the digital map.

3. As the associate approaches, the item's ESL starts to flash (distance can be configured). Once the product is picked, the associate checks the item off the list and the ESL stops fl ashing. The fl ash is activated and deactivated by the Pricer platform. The associate is then guided to the next closest product on the list and the same process continues until the whole order is fulfilled and ready for shopper collection.

1 DOWNLOAD CUSTOMER'S ONLINE ORDER

2 DIGITAL MAP WITH OPTIMAL ROUTE TO PICK PRODUCTS



3 FLASH ACTIVATION OF ESL

PRICER'S PRODUCT OFFERING

Pricer offers a range of advanced solutions built on top of a unique technical platform.

Guide shoppers

Help shoppers find what they want in a Pricer equipped store.

Pricing

Quickly and correctly display and change prices of a whole store.

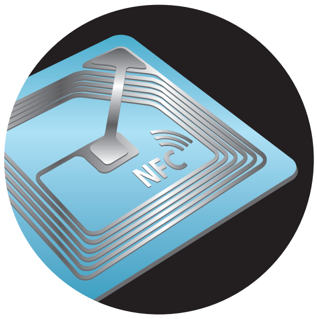
Task 2 light

Simplify task execution and make staff more efficient.

USAGES

TECHNICAL 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, and designed to fit the needs of every store.



NFC tags

The label can be equipped with an NFC tag.

Shelf label

Reliable and low-power labels to show information on the shelf edge.

SmartFLASH

To locate products any label can flash brightly on demand.

In-store picking

Reduce the big costs associated with in-store picking.

Dynamic promotions

Use scheduled SmartFLASH functionality to automate promotions.

Floor plan

Validate that all products are in the correct place according to the floor plan.

Online pricing

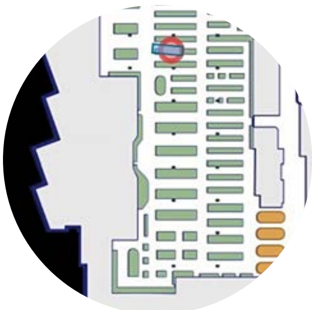
Make sure prices are always the same in the store as in the web shop.

Product info

Give any NFC enabled smartphone the ability to show added product info.

Geofencing

When a smartphone enters or leaves a specified zone an event is triggered.

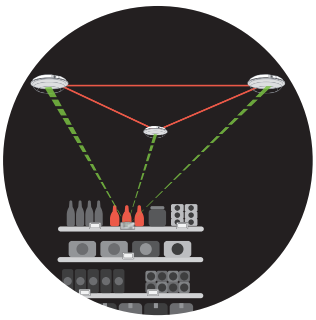


In-store maps

Draw, synchronize and show maps on mobiles and on the web.

In-store navigation

Searches for something on a store map and displays a route there.



Infrared geopositioning

All labels can be automatically positioned on a map of the store.

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 Pricer makes no claim 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 was noted during the past year. It is difficult to estimate when large-scale demand for digital shelf-edge solutions will materialize.

Customer dependence. A large proportion of Pricer's sales comes from a relatively small number of customers.

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

Products. There is a risk that newly developed products will not fulfil technical functionality requirement or meet expectations, which may lead to an impairment need for development projects and/or inventory. 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 will leave the company. Through knowledge transfer and documentation of work processes, Pricer is taking steps to ensure that expertise is retained within the company.

Competitors. Currently, there are only a few companies with similar products that compete with Pricer in 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 for minimizing 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 ruled out.

Patents. Pricer protects its products to the greatest possible extent 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. Online shopping will create continued price pressure in the retail trade. Active price optimization and dynamic pricing provide means for stores to handle this price pressure. The question of how to offer their customers different types of online shopping in a cost-effective manner is decisive for more and more retailers. Smart phones and other mobile solutions are being used as tools for stores to communicate with their staff and to optimize their internal processes in a combined in-store and online offering. The same technology can be used to improve and streamline a store's shelf-edge promotion and control of stock status. From the consumer's perspective, there are increasing expectations for digital solutions, social sharing of consumption and online communication with the store. Pricer's digital solution for electronic pricing, communication at the shelf edge and positioning in the store is optimized to meets these powerful trends in the market.

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 15,000 installations in use by customers all over the world. Pricer's combination of a strong position in the core market, composed primarily of France and Norway, 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 efficient and best performing system. The platform also offers scope for further development and a number of customized 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
Profit 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 profit as a percentage of average capital employed, calculated as the sum of opening and closing capital employed divided by two.

Gross margin
Gross profit as a percentage of net sales.

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.

Quick ratio
Current assetss excluding inventory as percentage of current and non-current liabilities.

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

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.

Backlog
Legally binding order and call-off from frame agreement. Expected future value of frame agreement is not included.

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.

Equity/assets ratio
Equity 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 2015. 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 organized 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. provides services in sales and product maintenance.

Market developments

In the past year new market segments in the retail sector, such as consumer electronics and consumer discretionary, opened up for the ESL industry, which is an important signal that the technology is well matched to the challenges faced by retailers around the world. These market segments and the business potential they represent are of such a magnitude that they will in themselves drive sales growth in the industry as a whole.

The need for digitized stores to meet competition from online shopping has been underlined by the figures from the 2015 Christmas sales, which show continued growth in Internet-based consumption at the cost of traditional store sales. In markets with a high penetration rate for ESL solutions, we are now seeing examples of how stores are using dynamic pricing to gain a competitive edge against e-commerce. In the Norwegian Christmas sales for 2015, price changes were made on selected loss leaders with high frequency to attract consumers to choose the store for their shopping. This market trend is strengthening the growth forecasts for the ESL industry.

At the end of the year, graphic ePaper labels with three colors, black-white-red, left the pilot stage after a long period of prototypes and in-store testing. The use of colors on graphic ePaper labels has a positive impact on the cost-benefit analysis for many retailers. When a campaign, an offer or a category can be clearly displayed in color directly on the ePaper label, this eliminates yet another need for paper in the store - paper that is currently being used in combination with ESL, for example to highlight discounts or ecological products. As a result, operating efficiency in the store is further increased through deployment of the system and cost rationalization is improved. The colors also provide an opportunity to use the electronic shelf edge for market profiling by using profile colors, seasonal colors, etc. According to the industry, the emergence of three colors labels will further drive growth through expansion into new markets.

Another driver in the market that is increasingly crystallizing is the need to automate and streamline operations in the store. By using the shelf edge to communicate with the store staff about various tasks that need to be carried out, considerable time can be saved.

Net sales per market and year

SEK M	2015	2014
Europe, Middle East & Africa	805.2	493.2
America	46.4	44.7
Asia & Pacific	19.0	45.1
TOTAL	**870.6**	**583.0**

Orders, net sales and profit

Order intake in 2015 was SEK 792 M (541), an increase of 46 percent compared to last year. Adjusted for changes in exchange rates, the order intake increased by 32 percent.

Net sales in 2015 amounted to SEK 870.6 M (583.0), an increase of 49 percent compared to last year. Adjusted for changes in exchange rates, net sales increased by 36 percent.

Gross profit amounted to SEK 190.6 M (102.3) and gross margin to 21.9 percent (17.5) in 2015. Gross profit for 2014 was negatively affected by provisions of SEK 37.5 M, related to quality problems. Excluding non-recurring items in 2014, the gross margin was 24.0 percent. The year's decrease is mainly explained by a higher share of graphic labels combined with a strong US dollar.

Operating expenses in 2015 decreased to SEK 142.8 M (155.4). Operating expenses for the full year 2014 were burdened by an impairment loss on development projects amounting to SEK 15.5 M and restructuring costs of SEK 16.0 M. Adjusted for this, operating expenses have increased by SEK 18.9 M compared to the same period of last year. The increase is mainly driven by costs related to implementation of the new solution-oriented strategy in combination with investments to strengthen the organization.

Operating profit amounted to SEK 47.8 M (-53.1) and operating margin to 5.5 percent (-9.1).

Profit for the period was SEK 37.0 M (-55.5).

Translation differences in other comprehensive income of SEK -14.5 M (23.8) consisted of foreign currency translation of net assets in foreign subsidiaries in EUR and USD, which mainly referred to goodwill.

	Jan – Dec 2015	Jan – Dec 2014
Net sales	870.6	583.0
Cost of goods sold	-680.0	-480.7
Gross profit	190.6	102.3
Gross margin	21.9	17.5
Operating expenses	-142.8	-155.4
Operating profit	47.8	-53.1
Operating margin	5.5	-9.1

Non-recurring costs

2015 was not burdened by any non-recurring costs. As previously reported, 2014 was burdened with non-recurring costs in a total amount of SEK 69.0 M relating mainly to component problems for goods delivered and other structural expenses. Of the provisions made for quality problems, SEK 5.7 M remained at 31 December, which is deemed sufficient to cover the remaining costs.

Amounts in SEK M	Jan – Dec 2015	Jan – Dec 2014
Operating profit	**47.8**	**-53.1**
Component problems	0.0	37.5
Write-down of development project	0.0	15.5
Structural change	0.0	16.0
Total adjustment	0.0	69.0
Adjusted operating profit	**47.8**	**15.9**

Assets, cash flow and financial instruments

Total assets amounted to SEK 803.8 M (815.2) at the end of the year and consisted mainly of intangible assets of SEK 250.9 M (263.4) primarily from the acquisition of Eldat in 2006 and goodwill totalling SEK 230.5 M (240.1). The decrease in intangible assets is mainly attributable to currency movements in Euro which is the currency that goodwill is recorded.

Working capital (including provisions) was SEK 201.0 M (238.4) at the end of the year.

Equity

Pricer holds 1,066,455 treasury shares in order to fulfill the promise of matching and performance shares in the two outstanding stock saving programs. The value of the promise is reported in accordance with IFRS and is expensed over the vesting period.

Cash flow and financial position

The year's cash flow from operating activities was SEK 101.4 M (13.6), driven mainly by the improved operating profits in combination with lower working capital requirement in relation to net sales. The reduced working capital reuirement has been driven primarily by a reduction in inventory as a result of improved purchase routines in combination with a relatively low order backlog at year-end.

Cash and cash equivalents at the end of the period amounted to SEK 135.6 M (53.0). In addition to cash and cash equivalents, Pricer has an unutilized overdraft facility amounting to SEK 50 M and an additional SEK 50 M in a credit facility.

Financial instrument

Pricer's financial instruments consist of derivatives, trade receivables, cash and cash equivalents, trade payables and accrued supplier expenses. Other financial assets have been classified as trade receivables. Other financial liabilities are classified as other financial liabilities valued at amortized cost, which includes trade payables. Based on this, the carrying amounts of all financial assets and liabilities are deemed to be a reasonable estimate of their fair value.

Investments

Investments in non-current assets amounted to SEK 15.9 M (11.6) during the year and consisted mainly of investments in increased production capacity and capitalized development costs of SEK 10.9 M (7.5).

2015 was a very important year for Pricer. The finished version of the new technical platform was released after more than a year of work and is now installed among customers around the world.

Parent Company

The Parent Company's net sales amounted to SEK 730.1 M (465.8) and profit for 2015 was SEK 21.6 M (-61.7). The Parent Company's cash and cash equivalents at the end of the year amounted to SEK 120.6 M (44.5).

Employees

The average number of employees during the period was 82 (79) and the number of employees at the end of the year was 82 (83).

Torbjörn Möller took up duties as Head of Hardware development, Purchasing, Assembly and Logistics in May 2015 and is a member of the company's executive management.

Product development

The most important innovation has been the refinement and launch of functionality for real-time automated positioning of labels in the store. The already installed infrastructure measures the strength of the signals from the labels and calculates the position of each label with the help of advanced algorithms. To Pricer's knowledge, there is no comparable product on the market.

As earlier, Pricer's digital platform also contains maps, positioning of mobile telephones, flashing labels, zone-controlled communication and an interface for third-party development. In the past year these were developed and enhanced.

This modern platform supports whole new potential for the customers to automate their processes and improve the customer experience. Examples of solutions include streamlining of store processes such as inventory and click & collect, automatic planogram compliance and assisting consumers to find products in the store. Pricer has entered into collaborations where it can offer turnkey solutions together with other suppliers of technology to the retail industry.

Considerable energy has also been devoted to developing a new product line with graphic multi-color labels, SmartTAG HD Red. In addition to the previously available white and black colors, the labels can now also handle red. This enables full automation for all of the customers that use to color red to signal campaign prices.

Product development is directed by the Parent Company in Stockholm. Development costs amounted to SEK 19.9 M (36.7), corresponding to 14 percent (24) of total operating expenses and 2 percent (6) of net sales. In addition, a share of the costs for development projects during the year, SEK 10.9 M (7.5), has been capitalized as non-current assets.

Pricer's operations meet the requirements in the RoHS Directive and other legal environmental regulations regarding recovery of batteries and electronic waste.

Financial policy and currency risks

The bulk of Pricer's sales in 2015, around 59 percent (71), was denominated in EUR, 41 percent (28) in USD and 1 percent (1) in other currencies. The USD accounts for virtually all of the cost of goods sold, while operating expenses are spread equally between EUR and SEK, with USD accounting for a minor portion. Pricer has previously hedged part of its anticipated flows through forward currency contracts. In the second half of 2014, the existing currency futures expired and were not replaced. The effects of realized and unrealized currency forward contracts on profit amounted to SEK - M (0.2). Currency effects in financial items amounted to an expense of SEK 1.6 M (0.1) and consisted of currency revaluation of loan receivables from subsidiaries and cash positions. In short, Pricer benefits from a strong EUR and is not favored by a strong USD.

Information about 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 has limited scope to control the rollout plans for major projects, which can lead to significant seasonal variations that differ from quarter to quarter.

Administration report (cont'd)

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 will fail to live up to expectations or meet functionality requirements, which could lead to an impairment need or a change in the valuation of the depreciation periods of the assets. Pricer markets its products with customary warranties which in some cases extend over several years. There is therefore a risk that installed products may need to be replaced during the warranty period or, for market reasons, above and beyond the reported warranty reserve which is based on historical outcomes.

For more information about financial risks, see Note 21.

As a feature of its on-going operations, Pricer is occasionally involved in legal disputes. The company is not currently 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 2016 AGM are the same as those approved by the 2015 AGM. 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 the Executive Management. The members of the Executive Management are listed on page 56.

Taking into account the conditions in the country of residence of each member of the Executive Management, Pricer shall 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. The Executive Management's pension conditions shall be competitive and based on defined contribution solutions or comply with a national pension plan.

In order to align 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 finds reasons to do so in individual cases, based on specific circumstances.

Board of Directors

The nomination of candidates as Board members for submission to the AGM is prepared by the Nomination Committee, which comprises Bo Kastensson, Theodor Jeansson, Stefan Roos, Göran Sundholm and Gunnar Ek. Gunnar Ek is the Chairman of the Nomination Committee. For more information about the Nomination Committee, please see page 52. At the 2015 AGM, Bo Kastensson, Hans Granberg, Bernt Ingman, Jan Rynning, Christina Åqvist and Olof Sand were elected as Board members. Bo Kastensson was elected as Chairman of the Board. No deputies have been appointed for Board members elected by the AGM. A Remuneration Committee consisting of Bernt Ingman and Olof Sand has been active during the year. A Financial Committee consisting of Bo Kastensson and Bernt Ingman has been active during the year. 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 53.

Related parties

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

Corporate governance report

The corporate governance report can be found on page 52 and on Pricer's website, www.pricer.com.

Future outlook

Pricer's future outlook for 2016 is deemed favorable. In 2016 Pricer will concretize the value-adding potential of its solutions for retailers, which is expected to lead to additional improvements in profitability over time. Cash flow has shown positive development and efforts are underway to further strengthen the cash-related key ratios. This confidence in the company's position has motivated to Board of Directors to recommend resumed payment of a dividend of SEK 0.25 per share.

Forecast

No forecast is issued for 2016.

Proposed appropriation of retained earnings

The Board of Directors proposes that of the Parent Company's available funds of SEK 360,158,172, SEK 27,476,332 be distributet to shareholders, based on the number of shares existing on the effective date and that the remainder of SEK 332,681,840 be carried forward. The proposed dividend amounts to SEK 0.25 (-) per share.

There is an existing dividend policy:

The Board's long-term intention is to pay the 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. In the long term, the annual dividend should be equivalent to 30 to 50 percent of net profit.

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 income and consolidated statement of financial position with the accompanying accounting policies and notes.

Statement of consolidated comprehensive income

1 JANUARY - 31 DECEMBER

Amounts in SEK 000s	Note	2015	2014
Net sales	2, 3	870,585	583,032
Cost of goods sold		-679,936	-480,692
Gross profit		**190,649**	**102,340**
Selling expenses		-77,859	-74,989
Administrative expenses		-45,079	-43,698
Research and development costs		-19,905	-36,724
Operating profit	4 , 5, 6, 22	**47,806**	**-53,071**
Financial income		1,642	270
Financial expenses		-255	-408
Net financial items	7	**1,387**	**-138**
Profit before tax		**49,193**	**-53,209**
Income tax	8	-12,230	-2,310
Profit for the year		**36,963**	**-55,519**
Comprehensive income			
Items that are or may be reclassified to profit or loss for the period			
Translation differences		-14,393	23,850
Cash flow hedges		0	213
Tax attributable to items in other comprehensive income		773	-1,210
Net comprehensive income for the year		**23,343**	**-32,666**
Profit for the year attributable to:			
Owners of the Parent Company		36,963	-55,519
Net comprehensive income for the year attributable to:			
Owners of the Parent Company		23,343	-32,666

Earnings per share	17	2015	2014
Basic earnings per share, SEK		0.34	-0.51
Diluted earnings per share, SEK		0.34	-0.51
Number of shares before dilution, millions		109,899	109,892
Diluted number of shares, after dilution, millions		110,174	109,892

Statement of consolidated financial position

AT 31 DECEMBER

Amounts in SEK 000s	**Note**	**2015**	**2014**
ASSETS			
Intangible assets	9	250,869	263,363
Tangible fixed assets	10	8,614	8,070
Deferred tax assets	8	94,782	101,720
Total non-current assets		**354,265**	**373,153**
Inventories	13	113,679	157,680
Accounts receivable	14	151,226	170,045
Prepaid expenses and accrued income	15	9,741	17,033
Other current receivables	12	39,249	44,214
Cash and cash equivalents		135,656	53,031
Total current assets		**449,551**	**442,003**
TOTAL ASSETS		**803,816**	**815,156**
EQUITY AND LIABILITIES			
EQUITY	16		
Share capital		110,972	110,972
Other paid in capital		399,368	397,669
Reserves		-8,350	5,270
Accumulated profits including profit for the year		182,754	145,791
Equity attributable to holders of the Parent Company		**684,744**	**659,702**
LIABILITIES			
Provisions	18	4,423	3,482
Other non-current liabilities		1,710	1,372
Total non-current liabilities		**6,133**	**4,854**
Advances from customers		5,990	1,675
Accounts payable		46,455	72,970
Other current liabilities	19	8,944	8,857
Accrued expenses and deferred income	20	37,436	39,710
Provisions	18	14,114	27,388
Total current liabilities		**112,939**	**150,600**
Total liabilities		**119,072**	**155,454**
TOTAL EQUITY AND LIABILITIES		**803,816**	**815,156**
Pledged assets	23	**60,420**	**60,453**
Contingent liabilities	23	**795**	**778**

Statement of changes in consolidated equity

Amounts in SEK 000s	Note	Share capital	Other paid in capital	Translation reserve	Hedge reserve	Accumulated profits incl. profit for the year	Total equity
		Equity attributable to owners of the Parent Company					
Equity at 1 January 2015		**110,972**	**397,669**	**5,270**	**-**	**145,791**	**659,702**
Profit for the year						36,963	36,963
Other comprehensive income for the year				-13,620			-13,620
Net comprehensive income for the year				*-13,620*		*36,963*	*23,343*
Share issue							
Repurchase of treasury shares							
Share based payments, equity settled			1,699				1,699
Total transactions with owners of the Group			*1,699*				*1,699*
Equity at 31 December 2015	16	**110,972**	**399,368**	**-8,350**	**-**	**182,754**	**684,744**

Amounts in SEK 000s	Note	Share capital	Other paid in capital	Translation reserve	Hedge reserve	Accumulated profits incl. profit for the year	Total equity
Equity at 1 January 2014		**110,642**	**397,159**	**-17,417**	**-166**	**201,640**	**691,858**
Profit for the year						-55,519	-55,519
Other comprehensive income for the year				22,687	166		22,853
Net comprehensive income for the year				*22,687*	*166*	*-55,519*	*-32,666*
Share issue		330					330
Repurchase of treasury shares						-330	-330
Share based payments, equity settled			510				510
Total transactions with owners of the Group		*330*	*510*			*-330*	*510*
Equity at 31 December 2014	16	**110,972**	**397,669**	**5,270**	**-**	**145,791**	**659,702**

Statement of consolidated cash flows

1 JANUARY - 31 DECEMBER

Amounts in SEK 000s	**Note**	**2015**	**2014**
	26		
Operating activities			
Profit before tax		49,193	-53,209
Adjustment for non-cash items		12,171	54,633
Paid income tax		-4,786	-3,938
Cash flow from operating activities before changes in working capital		**56,578**	**-2,514**
Cash flow from changes in working capital			
Change in inventories		45,413	-15,561
Change in operating receivables		26,617	4,383
Change in operating liabilities		-27,130	27,226
Cash flow from changes in working capital		**44,900**	**16,048**
Cash flow from operating activities		**101,478**	**13,534**
Investing activities			
Acquisition of intangible fixed assets		-11,024	-7,493
Acquisition of tangible fixed assets		-4,826	-4,021
Acquisition of financial fixed assets		-	-
Sale of tangible fixed assets		-	-
Cash flow from investing activities		**-15,850**	**-11,514**
Financing activities			
Share issue		-	330
Repurchase of treasury shares		-	-330
Paid dividend		-	-
Cash flow from financing activities		**0**	**0**
Cash flow for the year		**85,628**	**2,020**
Cash and cash equivalents at beginning of year		53,031	48,858
Exchange-rate difference in cash and cash equivalents		-3,003	2,153
Cash and cash equivalents at end of year		**135,656**	**53,031**

Income statement and Statement of comprehensive income of parent company

1 JANUARY - 31 DECEMBER

Income statement

Amounts in SEK 000s	**Note**	**2015**	**2014**
Net sales	2	730,089	465,830
Cost of goods sold		-628,787	-444,914
Gross profit		**101,302**	**20,916**
Selling expenses		-6,147	-3,000
Administrative expenses		-45,079	-43,698
Research and development costs		-19,905	-36,724
Operating profit	4, 5, 22	**30,171**	**-62,506**
Result from financial investments:	7		
Result from participations in Group companies		16	-334
Result from other financial assets and receivables accounted as financial fixed assets		-1,942	94
Interest income and similar profit/loss items		1	205
Interest expenses and similar profit/loss items		-255	-387
Profit before tax		**27,991**	**-62,928**
Income tax	8	-6,422	1,212
Profit for the year		**21,569**	**-61,716**

STATEMENT OF COMPREHENSIVE INCOME

Profit for the year		21,569	-61,716
Comprehensive income			
Items that are or may be reclassified to profit or loss for the period			
Translation differences		0	5,288
Cash flow hedges		0	213
Tax attributable to components in other comprehensive income		0	-1,210
Comprehensive income for the year		**0**	**4,291**
Net comprehensive income for the year		**21,569**	**-57,425**

Parent company balance sheet

AT 31 DECEMBER

Amounts in SEK 000s	**Note**	**2015**	**2014**
ASSETS			
Fixed assets			
Intangible assets	9	18,704	20,824
Tangible fixed assets	10	7,847	7,281
Financial fixed assets			
Participations in Group companies	25	184,885	184,409
Receivables from Group companies	11, 24	88,327	101,480
Deferred tax asset	8	94,782	100,969
Total financial fixed assets		*367,994*	*386,858*
Total non-current assets		**394,545**	**414,963**
Current assets			
Inventories, etc.	13	91,670	125,184
Current receivables			
Accounts receivable	14	57,199	61,886
Receivables from Group companies	24	57,219	23,868
Other current receivables	12	37,432	42,065
Prepaid expenses and accrued income	15	6,869	12,659
Total current receivables		**158,719**	**140,478**
Cash and cash equivalents		120,569	44,545
Total current assets		**370,958**	**310,207**
TOTAL ASSETS		**765,503**	**725,170**

Parent company balance sheet (cont'd)

Amounts in SEK 000s	Note	2015	2014
EQUITY AND LIABILITIES			
Equity	16		
Restricted equity			
Share capital		110,972	110,972
Statutory reserve		104,841	104,841
Total restricted equity		215,813	215,813
Non-restricted equity			
Share premium reserve		202,520	200,819
Reserve for fair value		-9,950	-9,950
Accumulated profit		146,019	207,734
Profit for the year		21,569	-61,716
Total non-restricted equity		360,158	336,887
Total equity		**575,971**	**552,700**
PROVISIONS			
Provisions	18	18,537	30,870
Total provisions		**18,537**	**30,870**
NON-CURRENT LIABILITIES			
Non-current liabilities	24	3,744	100
Total non-current liabilities		**3,744**	**100**
CURRENT LIABILITIES			
Advances from customers		4,611	-
Accounts payable		44,684	66,668
Liabilities to Group companies	24	106,624	60,763
Other liabilities	19	652	1,237
Accrued expenses and deferred income	20	10,680	12,832
Total current liabilities		**167,251**	**141,500**
TOTAL EQUITY AND LIABILITIES		**765,503**	**725,170**
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**	**Statutory reserv**	**Share premium reserve**	**Trans-lation reserve**	**Hedge reserve**	**Accumu-lated pro-fits incl. profit for the year**	**Total**
Equity at 1 January 2015		**110,972**	**104,841**	**200,819**	**-9,950**		**146,018**	**552,700**
Profit for the year							21,569	21,569
Other comprehensive income for the year								-
Net comprehensive income for the year							*21,569*	*21,569*
Issue of shares								-
Repurchase of treasury shares								-
Share based payments, equity settled				1,700				1,700
Total transactions with owners of the Parent Company				*1,700*				*1,700*
Equity at 31 December 2015	16	**110,972**	**104,841**	**202,520**	**-9,950**	**-**	**167,588**	**575,971**
Equity at 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*
Equity at 31 December 2014	16	**110,972**	**104,841**	**200,819**	**-9,950**	**0**	**146,018**	**552,700**

Parent company cash flow statement

1 JANUARY - 31 DECEMBER

Amounts in SEK 000s	Note	2015	2014
	26		
Operating activities			
Profit before tax		27,991	-62,928
Adjustment for items not included in cash flow		4,118	49,324
Paid tax		-235	-140
Cash flow from operating activities before changes in working capital		**31,874**	**-13,744**
Cash flow from changes in working capital			
Change in inventories		33,514	-5,059
Change in operating receivables		-18,347	-6,944
Change in operating liabilities		25,856	45,830
		41,023	33,827
Cash flow from operating activities		**72,897**	**20,083**
Investing activities			
Acquisition of intangible fixed assets		-8,298	-7,493
Acquisition of tangible fixed assets		-3,224	-3,684
Divestitures of tangible fixed assets		-	-
Acquisition of financial assets		-	-
Decrease in long-term loan receivables subsidiaries		-	-
Increase in long-term loan receivables subsidiaries		16,321	-2,418
Cash flow from investing activities		**4,799**	**-13,595**
Financing activities			
Share issue		-	330
Repurchase of treasury shares		-	-330
Paid dividend		-	-
Cash flow from financing activities		**0**	**0**
Cash flow for the year		**77,696**	**6,488**
Cash and cash equivalents at beginning of year		44,545	37,551
Exchange-rate difference in cash and cash equivalents		-1,672	506
Cash and cash equivalents at end of year		**120,569**	**44,545**

Notes to the financial statements

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

Note 1 Accounting policies

Compliance with standards and laws

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) established by the Internationa/ 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".

Valuation principles in the preparation of the financial reports

Assets and liabilities are measured at cost, except in the case of certain financial assets and liabilities which are measured at fair value.

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 expenses. Actual outcomes may differ from these estimates and assumptions.

The estimates and assumptions are reviewed regularly. Changes in estimates are recognized 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 accounting policies

The accounting polices set out below have been applied consistently to all periods presented in these consolidated financial statements. Furthermore, the Group's accounting policies have been consistently applied by the group companies, with adaptation to the Group's policies when needed.

Changes in accounting standards

None of the changes in or interpretations of existing standards that are effective for accounting periods beginning on or after 1 January 2015 will have any material impact on the financial statements of the Group or the Parent Company.

New IFRSs and interpretations that are not yet applied

A number of new or revised IFRSs are not effective until future financial years and have not been applied early in the presentation of these financial statements. The new features and changes with future application are not planned to be applied early. IFRS 9, Financial Instruments, which is effective for accounting periods beginning on or after 1 January 2018, will replace IAS 39, Financial Instruments: Recognition and Measurement, and deals with the classification and measurement of financial instruments. At present, the standard is assessed to have a limited impact on Pricer.

IFRS 15, Revenue from Contracts with Customers. The objective of the new standard is to provide a single principles-based standard for all industries that will replace the current standards and interpretations for revenue. IFRS 15 is effective for accounting periods beginning on or after 1 January 2017, and earlier adoption is permissible provided that the EU adopts the standard in 2016. IFRS 15 introduces a five-step model for revenue recognition which means that revenue should be recognized when the obligation to deliver the goods or services has been fulfilled; in step 1 to identify the contract with the customer; in step 2 to identify the performance obligations in the contract; in step 3 to determine the transaction price; in step 4 to allocate the transaction price to the performance obligations in the contract, and in step 5 to recognize revenue when (or as) a performance obligation is satisfied. The effects of the adoption of IFRS 15 have not yet been determined.

IFRS 16, Leases, replaces IAS 17 with effect from 1 January 2019. In brief, the company's operating leases are recognized as finance leases. The full effects have not yet been analyzed, but Pricer's assessment is that the Group's earnings and financial position will be affected by this standard.

Other new or revised IFRSs with future application are not expected to have any impact on the company's financial statements.

Classification

Non-current assets and non-current 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 that engages in business operations from which it may earn revenues and incur expenses and for which discrete financial information is available. The operating results of an operating segment are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Pricer has only one operating segment, see further Note 3 for more information about the categorization and presentation of operating segments.

Consolidation principles

Control exists if the parent company has power over the subsidiary, has exposure to variable returns from its involvement and is able to use its power to affect the amount of the returns. When assessing whether a control exists, consideration is given to potential voting rights and if de facto control exists.

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

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. Foreign exchange differences related to operating receivables and liabilities are recognized in operating profit while foreign exchange differences related to financial receivables and liabilities are recognized in net financial items. Monetary assets and liabilities in foreign currency are translated into the functional currency at balance sheet date rates. Foreign exchange 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 at fair value.

Financial statements of foreign businesses

The assets and liabilities of foreign operations are translated from the foreign entity's functional currency into the Group's presentation currency, SEK, at balance sheet date exchange rates. Income and expenses of foreign operations are translated into SEK at the average rate during the year. Translation differences arising on the translation of foreign operations are recognized in other comprehensive income and are accumulated in a separate component in equitythe foreign currency translation reserve.

Net investments in foreign operations

Monetary non-current 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 recognized cumulatively in a separate component of equity, the foreign currency translation reserve. When a foreign operation is disposed of, the cumulative amount of the exchange differences attributable to monetary non-current receivables in the cumulative translation differences that are reclassified from the translation reserve in equity is recognized in profit or loss.

Revenue

Revenue from the sale of goods is recognized in profit and loss when significant risks and benefits of ownership have passed to the buyer. Revenue from services is reported in the income statement if the customer has approved the delivery. Revenue is recognized in cases where it is nt likely that the financial benefit will pass to the Group. There is no recognition if there is a considerable degree of uncertainty regarding payment, the attributable costs or risk of return or if the seller retains managerial involvement to the degree usually associated with ownership.

Revenue is recognized at the fair value of the consideration received or receivable, with a deduction for granted discounts. Revenue is not recognized 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 recognized when it is likely that the financial benefits associated with the transaction will pass to the company and the amount of revenue can be measured reliably. The criteria for revenue recognition are applied to each transaction on a case-by-case basis.

Leasing

Operating lease payments are recognized 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 recognized in profit as a reduction in the total leasing charge allocated over the term of the lease. Variable fees are recognized 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 consist of interest income on investments, and gains from value changes in financial assets.

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method.

Exchange gains and losses related to financial receivables and liabilities are reported at their net value.

Tax

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

Current tax is tax that is to be paid or recovered with regard to the current year using the tax rates/laws that have been enacted or substantively enacted by balance sheet date. Tax adjustments pertaining to previous periods are also included here.

Deferred tax is calculated using the liability method, based on temporary differences between the carrying amount and tax base of assets and liabilities. The amount is calculated based on expectations for how the temporary differences are to be adjusted, and using the tax the tax rates/laws that have been enacted or substantively enacted by balance sheet date. Temporary differences are not reflected in consolidated goodwill nor are they reflected for differences that arise on initial recognition of assets and liabilities other than in a business combination which, at the time of the transaction, does not affect either the accounting or the taxable profit. Temporary differences associated with investments in subsidiaries or associated companies are not recognized to the extent that it is probable that reversal will not occur in the foreseeable future.

Deferred tax is measured on the basis of how the carrying amount of the assets or liabilities is expected to be realized or settled using the tax rates/laws that have been enacted or substantively enacted by balance sheet date.

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

Any additional income taxes arising from dividends are recognized on the same date when the dividend is recognized as a liability.

Deferred tax assets are netted agianst deferred tax liabilitites if the asset and liability have the same tax authority as counterparty.

Financial instrument

The financial instruments stated on the assets side of the statement of financial position include cash and cash equivalents, trade receivables and derivatives. On the liability side, they include trade payables, other liabilities and derivatives.

Recognition and removal from statement of financial position

A financial asset or liability is recognized in the statement of financial position when the company becomes party to the contractual conditions of the instrument. A receivable is recognized when the company has performed and agreed conditions are met for the counterpart to pay, even if an invoice has not yet been sent. Trade receivable are recognized in the statement of financial position when an invoice has been sent. Trade payables are recognized when an invoice has been received. Financial liabilities are recognized 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 realized, 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 recognized on the transaction date, which is the date when the company undertakes to purchase or divest the asset.

Classification and impairment testing

Financial instruments are initially valued at acquisition cost, equivalent to the fair value of the instrument. A financial instrument's classification determines how it is measured after initial recognition. IAS 39 classifies financial instruments in categories. The classification depends on the purpose for acquiring the financial instrument. The relevant categories for the Group are as follows: Financial assets at fair value through profit and loss, loans and receivables, financial liabilities valued at fair value profit or loss, other financial liabilities and derivatives used for hedge accounting.

Derivative instruments are initially measured at fair value, meaning that transaction costs are charged to profit/loss for the period. After the initial recognition, derivative instruments are recognized 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 recognized 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 recognized 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 recognized in the same way as value changes in a derivative not used for hedge accounting.

Cash and cash equivalents 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 or loss

This category consists of two sub-groups: available-for-sale financial assets 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 recognized in the profit or loss. The first sub-group includes derivatives with a positive fair value with the exception of derivatives that are an identified and effective hedging instrument.

Loan receivables and accounts receivable

Loans and receivables are non-derivative financial assets that have fixed or determinable payments and which are not quoted in an active market. These assets are measured at amortized cost. Amortized cost is determined on the basis of the effective interest rate that was calculated at the time of acquisition. Trade receivables are measured at the amount that they are expected to be received, i.e. after deductions for bad debts.

Financial liabilities at fair value through profit or loss

This category consists of two sub-groups: available-for-sale financial liabilities 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 or 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 recognized in profit or loss.

Note 1 Accounting policies (cont'd)

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

The categories to which the Group's financial assets and liabilities have been attributed are specified in Note 21.

Property, plant and equipment

In the consolidated accounts, items of property, plant and equipment are recognized at acquisition value less accumulated depreciation and impairment. Cost 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 an item of property, plant and equipment is removed from the statement of financial position on disposal or when it is withdrawn for use and no future economic benefits are expected from its use or withdrawal/disposal. The gain or loss on disposal or retirement is the difference between the proceeds and the carrying amount less direct selling costs. This gain or loss is recognized in other operating income/expenses.

Subsequent expenditure is added to thecost of the asset only if it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other subsequent expenditures are recognized as an expense in the period in which they arise.

The decisive factor determining if subsequent expenditure should be added to cost is whether the expenditure relates to the replacement of an identified component, or parts thereof, in which case it is capitalized. 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.

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the asset. 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 assets

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

Research and development
All research costs are recognized as expenses in 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 capitalized 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 usually commences at product launch. The carrying amount incudes all directly attributable costs, e.g. for materials and services, remuneration to employees, registration of a legal entitlement, depreciation of patents and licenses and borrowing costs in accordance with IAS 23. Other development costs are recognized as an expense as they arise. Development costs reported in the statement of financial position are taken up at cost less accumulated depreciation and impairment.

Other intangible assets
Other intangible assets acquired by the Group are recognized at cost less accumulated depreciation and impairment.

Subsequent expenditure
Subsequent expenditure on capitalized intangible assets is recognized in the statement of financial position only when it increases the future economic benefits to which they are attributable. All other expenditure is expensed as incurred.

Amortization principles
Amortization according to plan is based on original cost and is applied on a straight-line basis 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 for use are tested for impairment annually or as soon as there are indications that the asset in question has diminished in value. Intangible assets with definite useful lives are tested for impairment when they are available for use.

Estimated useful lives:

- Market, patents and licences: 5-12 years
- customer relationships: 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 recognized at the lower of cost and net realizable 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 realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and realising the sale.

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 amount, an impairment loss is recognized in profit or loss. Impairment losses on assets belonging to a cash-generating unit (group of units) are primarily allocated to goodwill. Thereafter, the carrying amounts of other assets in the unit (group of units) is reduced on a pro rata basis.

The recoverable amount 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 the risk specific to the asset. In the case of an asset that does not generate a cash flow that is essentially independent of other assets, the recoverable amount 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.

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 AGM.

Earnings per share

Basic earnings per share are calculated on the basis of consolidated profit for the year attributable to the Parent Company's shareholders and the weighted average number of shares in issue during the year. To calculate diluted earnings per share, the average number of shares is adjusted for the dilutive effects of potential ordinary shares originating from warrants issued to employees and rights to matching and performance shares during the period. Warrants and share rights are not dilutive if profit for the period is negative. The dilutive effect arises only when the exercise price is lower than the quoted 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 program that is recognized as share-based payment in accordance with IFRS 2. Matching shares are dilutive if the profit for the period is positive. Performance shares are dilutive if the profitability targets are met durng the reporting period. When valuing the dilutive effect of matching and performance shares, an adjustment is made for the value of future services is made which is similar to the treatment for warrants.

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 amounts it agrees to contribute. 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 recognized 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 recognized in connection with termination of employment only if the company is demonstrably committed 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 recognized 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 warrant scheme, allotted by Pricer in 2011 and 2015 as well as the Performance Share Plan that was adopted in 2013 and 2014. Expenses for employee benefits are recognized as the value of services received, allocated over the vesting periods of the plans, measured at the fair value of the granted 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 settled with equity instruments, they are classified as "equity settled" and an amount corresponding to the recognized expense for employee benefits is recognized directly in shareholders' equity (other contributed capital). The vesting of warrants depends on the scheme participant remaining in employment and retaining the rights that must initially be purchased.

The Performance Share Plan contains two types of rights. Matching share rights grant entitlement to Pricer shares if the participant remains in employment and retains the Saving Share that must initially be purchased. Performance shares grant entitlement to shares under the same conditions and if the accumulated earnings per share are sufficiently high during the vesting period. The recognized expense is initially based on, and regularly adjusted in relation to, the number of warrants/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 adjustment is carried out for the number of warrants 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 as a result of selling the saving shares that they were required to purchase and must retain. In this case, the entire remaining expense is immediately recognized instead. When warrantsare 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 recognized, allocated over the vesting period, for these social security contributions. The provision for social security contributions is based on the number of warrants/share rights that are expected to be vested and the fair value of the warrants/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 to settle. A provision is recognized in the statement of financial position when the Group has a legal or constructive obligation that has arisen as the result of a past event, it is probable that an outflow of financial resources will be required to settle the commitment and the amount can be estimated reliably.

When necessary, the amount recognized is discounted to present value to take into account any significant time value effects of future payments.

Guarantees

A provision for guarantees is recognized 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.

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.

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 basis of presentation

An income statement and a statement of comprehensive income are presented for the Parent Company, whereas for the Group these two reports form a single 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 in the Parent Company income statement and balance sheet consist mainly of reported (adapted) financial income and expenses, non-current assets, equity and the occurrence of provisions as a separate heading in the balance sheet.

Subsidiaries

In the Parent Company, investments in subsidiaries are reported in accordance with the cost method. This means 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.

Note 2 Distribution of revenue

	G 2015	G 2014	PC 2015	PC 2014
Net sales:				
Revenue from goods	804,748	529,345	714,806	453,263
Revenue from services	56,651	43,965	10,485	8,309
Royalties	9,186	9,722	4,798	4,258
Total	**870,585**	**583,032**	**730,089**	**465,830**

The Parent Company's net sales include intra-group sales of SEK 379,946 (289,631). The revenue of the Group and the Parent Company includes a foreign exchange gain of SEK 5,813 (10,335).

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. For that reason, the various product components do not constitute separate operating segments. The system is sold to customers in more than 50 countries worldwide. Customer activities are to a large extent directed towards large global retail chains. Revenue divided into three geographical areas is reported externally in order, to a certain extent, to provide comments on and analysis of market development, but these areas are not a basis for internal guidance and monitoring and therefore do not constitute different operating segments. Sales are made both directly to customers and via resellers, but this division does not constitute different operating segments in the operations. Sales are made to different categories of the retail trade such as grocery, food, non-food, DIY, etc. but these categories do not constitute different operating segments either. Pricer's operations are not divided into different operating segments and are monitored in their entirety. Consequently, the entire Pricer business constitutes a single operating segment.

Revenue from external customers by geographic domicile

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

In certain markets, Pricer operates through resellers. Net sales to 3 (1) customer(s) accounted for more than 10 percent of total net sales for 2015. In total, net sales to these customers amounted to respectively SEK 264 M, 119 M and 100 M, respectively, for a total of SEK 483 M 2015. In 2014, net sales amounted to SEK72 M to one customer. Net sales to 3 (1) customer(s) corresponded to 55 percent (12) of total net sales 2015.

Net sales by country	G 2015	G 2014
Sweden	20,227	13,878
France	393,544	248,117
Italy	219,770	36,999
Norway	46,618	33,513
Other countries	190,426	250,525
Total	**870,585**	**583,032**

Note 4 Employees and personnel costs

Average number of employees

	2015		2014	
	Number	of whom, men	Number	of whom, men
Parent Company				
Sweden	32	81%	29	81%
Hong Kong	3	100%	3	100%
Subsidiaries				
USA	4	100%	6	80%
Israel	1	100%	2	100%
France	42	69%	39	72%
Total subsidiaries	47	72%	47	72%
Total Group	**82**	**77%**	**79**	**77%**

Gender distribution in executive management on balance sheet date

	G 2015	G 2014	PC 2015	PC 2014
	% of women	% of women	% of women	% of women
Board of Directors	17%	0%	0%	0%
Other senior executives	17%	0%	25%	0%

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

	G 2015	G 2014	PC 2015	PC 2014
Board and CEO	5,229	7,594	5,229	7,594
(of which bonus, etc.)	(1,203)	(121)	(1,203)	(121)
Other senior executives	9,852	13,199	4,360	1,565
(of which bonus, etc.)	(2,986)	(1,519)	(1393)	(267)
Other employees	50,951	42,612	23,145	20,616
(of which bonus, etc.)	(9,961)	(4,203)	(3,409)	(1,207)
Total salaries and other remuneration	**66,032**	**63,405**	**32,734**	**29,775**
(of which bonus, etc.)	(14,150)	(5,843)	(6,005)	(1,595)
Social security expenses, Board and CEO	2,160	1,352	2,160	1,352
Social security expenses, other senior executives	4,519	3,321	2,217	840
Social security expenses, other employees	22,105	18,737	9,170	7,258
Total social security expenses	**28,784**	**23,410**	**13,547**	**9,450**
of which:				
Pension costs, Board and CEO	479	371	479	371
Pension costs, other senior executives	676	1,188	582	240
Pension costs, other employees	3,164	2,465	2,342	1,863
Total pension costs	**4,319**	**4,024**	**3,403**	**2,474**

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 (5) individuals at Group level, including 3 (1) in the Parent Company, during the major part of the year.

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 16. In 2015 the Board of Directors delegated responsibility to a special remuneration committee for drafting a proposed remuneration structure for senior executives within the framework of the guidelines resolved on by the AGM. Based on this remuneration structure, the Board Chairman has been entrusted by the Board to reach an agreement with the CEO 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, factors 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 plans, other customary benefits and a long-term incentive scheme in the form of employee warrant and/or share saving programs for 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 Board of Directors of the Parent Company are payable as follows: During the 2014/2015 assignment period (until the Annual General Meeting on 23 April 2015), director's fees amounted to a total of SEK 1,250 thousand to be paid in amount of 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. During the 2015/2016 assignment period (until the Annual General Meeting on 28 April 2016), director fees amounted to SEK 1,450 thousand total divided by SEK 450 thousand to the Chairman and SEK 200 thousand to other members (6 board members in total). 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 the table. The variable remuneration is linked to the performance of the company during the year. For 2015, the variable compensation was based on the Group's net sales, operating profit and tied up working capital. 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.

For remuneration to other senior executives, please refer to the table. For other senior executives, the variable salary for 2015 was based on the Group's net sales, operating profit and tied

Summary of share value based incentive programs for employees

	Stock options	Share savings program	Share savings program	Stock options
Program	**2011** [1]	**2013**	**2014**	**2015**
Maximum number of warrants 1)	30,000,000	750,000	750,000	950,000
Expiration date	August 31, 2015	May 31, 2016	30 June, 2017	29 June, 2018
Exercise price, SEK	15.60	-	-	12.40
Type of shares	B	B	B	B
-of which warrants/performance shares	11,850,000	448,603	560,876	950,000

[1] Each ten warrants give right to acquire one share at the indicated exercise price

Outstanding Jan. 1, 2015	21,000,000	143,318	377,648	-
Granted	-	0	0	950,000
Exercised	-	-6,835	-5,372	-
Respurchased	-	-	-	-
Forfeited	-21,000,000	-	0	-
Outstanding Dec. 31, 2015	**0**	**136,483**	**372,276**	**950,000**
-of which vested	-	-	-	-
-of which exercisable	-	-	-	-
Remaining exercise period months	-	5	18	30
Outstanding Jan. 1, 2014	21,000,000	321,422	-	-
Granted	-	0	729,631	-
Exercised	-	-	-	-
Respurchased	-	-	-	-
Forfeited	-	-178,104	-351,983	-
Outstanding Dec. 31, 2014	**21,000,000**	**143,318**	**377,648**	**-**
-of which vested	21,000,000	-	-	-
-of which exercisable	11,850,000	-	-	-
Remaining exercise period months	0	17	30	-

Note 4 Employees and personnel costs (cont'd)

up working capital as well as on individual targets. The variable salary is individualized and was maximised at 50 percent of basic salary in 2015. The period of notice for other senior executives varies and in no case exceeds twelve months. Senior executives are not entitled to severance pay.

Warrant program
The AGM in 2015 approved an warrant program for certain key employees at Pricer. The company was authorized to issue up to 950,000 warrants, each granting the right to subscribe for one share, with an exercise price equal to 152 percent of the the volume-weighted price during the period from 12 May 2015 to 18 May 2015. Subscription will be possible between 29 May 2018 and 29 June 2018.

The warrant program approved by the 2011 AGM expired on 31 August 2015 without any further dilution.

Employee share-based compensation scheme
The 2013 AGM approved a share savings program 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 all individuals 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 136,484 at the end of 2015.

The fair value of the matching and performance shares at the date of grant 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 2014 AGM approved an additional share savings program with the same features. The fair value of the matching and performance shares at the date of grant was estimated at SEK 5.22 for the 2014 program. The program covers a maximum of 750,000 shares whereof 372,276 were outstanding at the end of 2015.

To ensure the delivery of the shares in the program, Pricer holds 1,066,455 treasury shares.

During 2015, costs of SEK 1.7 M (0.5) relating to the value of the employee warrants and matching and performance shares were charged to consolidated profit, of which SEK 1.7 M (0.5) were in the Parent Company, in the form of a booking against equity.

For information about senior executives' holdings of shares and stock warrants, see page 56.

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 Group's profit or financial position.

Reimbursements and other benefits to the group management

GROUP 2015	Basic salary	Variable reimburse-ments	Expenses for share options	Other benefits *	Pension	Other reim-busements	Total 2015
Jonas Vestin (CEO) from August 14, 2014	2,313	1,203	278	118	479	125	4,516
Other members of the group management (5 (5) pers.)	6,768	2,993	344	91	676	91	10,963
Total	**9,081**	**4,196**	**622**	**209**	**1,155**	**216**	**15,479**

GROUP 2014	Basic salary	Variable reimburse-ments	Expenses for share op-tions	Other benefits *	Pension	Other reim-busements	Total 2014
Jonas Vestin (CEO) from August 14, 2014	892	121	70	3	181	10	1,277
Harald Bauer (CEO) until August 14, 2014	1,206	351	-13	78	190	3,863	5,675
Other members of the group management (5 (6) pers.)	6,698	1,519	69	551	1,188	4,981	15,006
Total	**8,796**	**1,991**	**126**	**632**	**1,559**	**8,854**	**21,958**

* Other benefits represent mainly car benefits

Note 5 Fees to auditors

	G 2015	G 2014	PC 2015	PC 2014
Fees to Ernst & Young				
Auditing assignment	790	-	565	-
Auditing services beyond the assignment	-	-	-	-
Non-auditing services	460	-	460	-
Fees to KPMG				
Auditing assignment	-22	950	-	650
Auditing services beyond the assignment	-	46	-	46
Non-auditing services	156	120	156	120
Fees to Dunsky Knobel Beltzer & Co, Israel				
Auditing assignment	152	41	-	-
Non-auditing services	152	78	-	-
Total	**1,688**	**1,235**	**1,181**	**816**

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 2015	G 2014
Cost of goods sold	666,639	467,838
Personnel costs	91,962	87,199
Amortisation/depreciation and write-down	18,128	30,985
Other operating expenses	46,050	50,081
Total	**822,779**	**636,103**

The cost of goods sold includes exchange-rate loss of 3,295 (loss: 5,477).

Note 7 Net financial items

GROUP

	2015	2014
Interest income	10	152
Net exchange-rate change	1,632	118
Financial income	**1,642**	**270**
	,	,
Interest expenses	-255	-387
Other expenses	-	-21
Net exchange-rate change	-	-
Financial expenses	**-255**	**-408**
Net financial items	**1,387**	**-138**

PARENT COMPANY

Result from participations in Group companies	2015	2014
Revaluation gain/impairment loss	16	-334
Total	**16**	**-334**

Result from other financial assets and receivables accounted for as fixed assets	2015	2014
Interest income, Group companies	-	94
Total	**0**	**94**

Interest income and similar profit/loss items	2015	2014
Interest income	10	152
Interest income, Group companies	-9	-15
Net exchange-rate change	-	68
Total	**1**	**205**

Interest expenses and similar profit/loss items	2015	2014
Interest expenses	-255	-387
Net exchange-rate change	-1,942	-
Total	**-2,197**	**-387**

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 2015	G 2014	PC 2015	PC 2015
Current tax				
Current tax in the period	-5,262	-4,024	-235	-140
Adjustment of tax relating to earlier years	-8	14	-	-
Total current tax	-5,270	-4,010	-235	-140
Deferred tax expense/income				
Temporary differences	-6,960	1,700	-6,187	1,352
Total deferred tax expense/income	-6,960	1,700	-6,187	1,352
Total accounted tax expense/income (net)	**-12,230**	**-2,310**	**-6,422**	**1,212**

Reconciliation of effective tax	Percent	2015	Percent	2014
GROUP				
Profit before tax		49,193		-53,209
Tax according to applicable tax rate for the Parent Company	-22.0	-10,822	-22.0	11,706
Effect of applicable tax rates for foreign subsidiaries		-1,369		-1,001
Non-deductible expenses		-93		-353
Non-taxable income		63		99
Tax relating to earlier years		-8		14
Decrease of capitalised tax losses carry-forward		-		-
Increase of uncapitalised tax losses carry-forward		-		-6,299
Non-posted deferred tax on temporary differences.		-		-6,475
Reported effective tax	**-24.9**	**-12 230**	**4.3**	**-2,310**

	Percent	2015	Percent	2014
PARENT COMPANY				
Profit before tax		27,991		-62,928
Tax according to applicable tax rate for the Parent Company	-22,0	-6,158	-22,0	13,844
Non-deductible expenses		-266		-117
Non-taxable income		2		3
Decrease of capitalised tax losses carry-forward		-		-
Increase of uncapitalised tax losses carry-forward		-		-6,043
Non-posted deferred tax on temporary differences.		-		-6,475
Reported effective tax	**-22.9**	**-6,422**	**-1.9**	**1,212**

Note 8 Income tax (cont'd)

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

GROUP 2015	Opening balance	Recorded in the result	Recorded in other compre-hensive income	Closing balance
Tangible assets	5	-5	-	0
Inventory	751	-751	-	0
Provisions	1,964	2,114	-	4,078
Tax losses carry-forward	99,000	-8,296	-	90,704
Total	**101,720**	**-6,937**	**-**	**94,782**

GROUP 2014	Opening balance	Recorded in the result	Recorded in other compre-hensive 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**

PARENT COMPANY 2015	Opening balance	Recorded in the result	Recorded in other compre-hensive income	Closing balance
Tangible assets	5	-5	-	0
Provisions	1,964	2,114	-	4,078
Tax losses carry-forward	99,000	-8,296	-	90,704
Total	**100,969**	**-6,187**	**-**	**94,782**

PARENT COMPANY 2014	Opening balance	Recorded in the result	Recorded in other compre-hensive income	Closing balance
Tangible assets	67	-62	-	5
Inventory	-	0	-	-
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**

Unrecognized deferred taxes

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

	G 2015	G 2014	PC 2015	PC 2015
Tax loss carry-forwards	540,378	535,103	251,287	267,077
Temporary differences	-	29,433	-	29,433

That which is reported above is the gross value of the temporary differences and tax loss carryforwards for which no deferred tax assets have been recognized. The net value of these is an effect of the current tax rate, which is 22 percent in Sweden as of 2013. The tax loss carryforwards relate primarily to the Parent Company. The tax loss carryforwards (federal tax) in Pricer Inc. are subject to time limits of 15 and 20 years. The total recognized tax loss carryforwards amounted to SEK 421.9 M (450.0) at 31 December, 2015. Furthermore, there are additional tax loss carryforwards of gross SEK 568.5 M (535.1) in the Group for which no deferred tax asset has been recognized.

Deferred tax assets relating to temporary differences and tax loss carryforwards are recognized for only if is is likely that these will lead to lower taxes paid in the future.

Note 9 Intangible assets

GROUP 2015

Accumulated acquisition value	**Marketing, patent and licensed rights**	**Customer relationships**	**Product technology**	**Development projects**	**Goodwill**	**Other intangible assets**	**Total intangible assets**
Opening balance	9,092	30,000	10,000	46,944	240,132	5,831	341,999
Purchases during the year	70	-	-	10,948	-	-	11,018
Disposals	-8,841	-	-	-11,083	-		-19,924
Write-down	-	-	-	-1,704	-	-2,025	-3,729
Exchange-rate difference	-10	-	-	-	-9,602	-152	-9,764
Closing balance	*311*	*30,000*	*10,000*	*45,105*	*230,530*	*3,654*	*319,600*
Accumulated amortisation							
Opening balance	-9,092	-30,000	-10,000	-27,335	-	-2,209	-78,636
Disposals	8,841	-	-	11,083	-	-	19,924
Write-down	-	-	-	-	-	1,080	1,080
The year's amortisation	-19	-	-	-10,149	-	-1,018	-11,186
Exchange-rate difference	14	-	-	-	-	73	87
Closing balance	*-256*	*-30,000*	*-10,000*	*-26,401*	*-*	*-2,074*	*-68,731*
Carrying value	**55**	**-**	**-**	**18,704**	**230,530**	**1,580**	**250,869**

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	-18	-	-	-	-	-	-18
Write-down	-	-	-	-15,477	-	-	-15,477
Exchange-rate difference	644	-	-	-	14,448	229	15,321
Closing balance	*9,092*	*30,000*	*10,000*	*46,944*	*240,132*	*5,831*	*341,999*
Accumulated amortisation							
Opening balance	-8,457	-30,000	-10,000	-16,149	-	-1,004	-65,610
The year's amortisation	18	-	-	-11,241	-	-	-11,223
Disposals	-9	-	-	-	-	-1,133	-1,142
Write-down	-	-	-	55	-	-	55
Exchange-rate difference	-644	-	-	-	-	-72	-716
Closing balance	*-9,092*	*-30,000*	*-10,000*	*-27,335*	*-*	*-2,209*	*-78,636*
Carrying value	**0**	**-**	**-**	**19,609**	**240,132**	**3,622**	**263,363**

Note 9 Intangible assets (cont'd)

PARENT COMPANY 2015

Accumulated acquisition value	**Patent and licensed rights**	**Development projects**	**Other intangible assets**	**Total intangible assets**
Opening balance	5,040	46,944	2,025	54,009
Purchases during the year	-	10,948	-	10,948
Disposals	-5,040	-11,083	-	-16,123
Write-down	-	-1,704	-2,025	-3,729
Closing balance	*0*	*45,105*	*0*	*45,105*
Accumulated amortisation				
Opening balance	-5,040	-27,335	-810	-33,185
Disposals	5,040	11,083	-	16,123
Write-down	-	-	1,080	1,080
The year's amortisation	-	-10,149	-270	-10,419
Closing balance	*0*	*-26,401*	*0*	*-26,401*
Carrying value	**0**	**18,704**	**0**	**18,704**

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
Disposals	-	-	-	-
Write-down	-	-15,477	-	-15,477
Closing balance	*5,040*	*46,944*	*2,025*	*54,009*
Accumulated amortisation				
Opening balance	-5,040	-16,149	-405	-21,594
Disposals	-	-	-	-
Write-down	-	55	-	55
The year's amortisation	-	-11,241	-405	-11,591
Closing balance	*-5,040*	*-27,335*	*-810*	*-33,185*
Carrying value	**-**	**19,609**	**1,215**	**20,824**

DISTRIBUTION OF AMORTISATION AND WRITE-DOWNS

Amortisations and write-downs are recognised on the following lines in the statement of consolidated comprehensive income	G 2015	G 2014	PC 2015	PC 2014
Cost of goods sold	10,149	11,186	10,149	11,186
Selling expenses	767	774	-	-
Administration costs	1,215	405	1,215	405
Research and development costs	1,704	15,422	1,704	15,422
Total	**13,835**	**27,787**	**13,068**	**27,013**

Depreciation of capitalized development projects has been reclassified from R&D expenses to cost of goods sold, see Note 1. For development projects that will not be launched imparement losses have been recognized for a total value of SEK 1,705 thousand (15,477).

Impairment testing of goodwill

Pricer's assets include goodwill of SEK 230.5 M (240.1) arising from the acquisition of Eldat in 2006. This goodwill item is accounted for in EUR, which means that it is affected by currency revaluations. The goodwill item has been tested for impairment by discounting future cash flows from the operations, whereby the value in use was estimated as follows:

The acquisition of Eldat gave Pricer a clear position asthe 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 a terminal growth rate of 2 percent is assumed. The gross margin is expected to increase slightly as an effect of an 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 consist of personnel-related costs, will be contained so that they increase at a slower rate 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 15 percent (14) before tax. The value in use thus arrived at does not give rise to an impairment loss. The residual value is also compared to the value of the company in the stock market.

A sensitivity analysis for changes in assumptions made, mainly growth in net sales in combination with increased gross margin and discounting interest, indicates that impairment is highly unlikely even with a slower market development and/or higher yield requirements.

Note 10 Fixed assets

GROUP 2015

Accumulated acquisition value	**Leasehold improvements**	**Plant and machinery**	**Equipment, tools, fixtures and fittings**	**Total tangible assets**
Opening balance	2,522	12,147	14,815	29,484
Purchases during the year	67	189	4,594	4,850
Sales and disposals	-	-9,579	-3,690	-13,269
Exchange-rate difference	-104	-13	65	-52
Closing balance	*2,485*	*2,744*	*15,784*	*21,013*
Accumulated depreciation				
Opening balance	-2,350	-12,037	-7,027	-21,414
The year's depreciation	-118	-119	-2,815	-3,052
Sales and disposals	-	9,579	2,507	12,086
Exchange-rate difference	93	169	-281	-19
Closing balance	*-2,375*	*-2,408*	*-7,616*	*-12,399*
Carrying value	**110**	**336**	**8,168**	**8,614**

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**

PARENT COMPANY 2015

Accumulated acquisition value	**Leasehold improvements**	**Plant and machinery**	**Equipment, tools, fixtures and fittings**	**Total tangible assets**
Opening balance	-	10,923	12,563	23,486
Disposals	-	-9,532	-3,592	-13,124
Purchases during the year	-	189	4,218	4,407
Closing balance	-	*1,580*	*13,189*	*14,769*
Accumulated depreciation				
Purchases during the year	-	-10,923	-5,282	-16,205
Disposals	-	9,532	2,409	11,941
The year's depreciation	-	-8	-2,650	-2,658
Closing balance	-	*-1,399*	*-5,523*	*-6,922*
Carrying value	**-**	**181**	**7,666**	**7,847**

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	**-**	**0**	**7,281**	**7,281**

DISTRIBUTION OF DEPRECIATION

Amortisations are recognised on the following lines in the statement of consolidated comprehensive income	G 2015	G 2014	PC 2015	PC 2014
Cost of goods sold	3,148	1,669	3,148	1,669
Selling expenses	394	825	-	-
Administrative expenses	521	511	521	511
Research and development costs	172	167	172	180
Total	**4,235**	**3,172**	**3,841**	**2,360**

Note 11 Receivables from group companies

	PC 2015	PC 2014
Accumulated acquisition value		
At beginning of year	101,480	93,774
Loans granted during the year	-9,534	41
Exchange-rate differences	-3,619	7,665
Closing balance	**88,327**	**101,480**

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

Note 12 Other current receivables

	G 2015	G 2014	PC 2015	PC 2014
VAT recoverable	17	16,464	-	16,464
Receivables suppliers	36,848	24,996	36,848	24,834
Other	2,384	2,754	584	767
Total	**39,249**	**44,214**	**37,432**	**42,065**

Note 13 Inventories

	G 2015	G 2014	PC 2015	PC 2014
Finished goods and goods for resale	113,679	157,680	91,670	125,184
Total	**113,679**	**157,680**	**91,670**	**125,184**

The cost of sold products includes write-down of inventory with -1,315 thousand (-8,861). The Parent Company's accounts include inventory write-down of -1,587 thousand (-6,765). In 2014 an additional one-time write-down of SEK -8,857 thousand was made in the Group and Parent Company due to quality problems.

Note 14 Accounts receivable

Accounts receivable are stated recognised after making release of/provision for bad debts, which amounted during the year to 356 (891) for the Group and 0 (54) for the Parent Company. During the year 363 (27) of provisions from previous year were recovered. At the end of 2015, total reserve for possible bad debts amounted to 155 (523) for the Group and 0 (0) for the Parent Company.

Note 15 Prepaid expenses and accrued income

	G 2015	G 2014	PC 2015	PC 2014
Prepaid expenses	8,354	5,198	6,250	3,355
Accrued revenue	1,150	1,085	382	-
Prepaid components	-	8,608	-	8,608
Other	237	2,142	237	696
Total	**9,741**	**17,033**	**6,869**	**12,659**

Note 16 Equity

Issued and outstanding shares

Stated in number of shares	**Class A**	**Class B**	**Total**
Issued at January 1, 2015	225,523	110,746,258	110,971,781
Issue of shares			-
Issued December 31, 2015	225,523	110,746,258	110,971,781
Treasury shares January 1, 2015		-1,078,662	-1,078,662
Repurchased during the year			-
Granted as part of share savings plan		12,207	12,207
Treasury shares December 31, 2015		-1,066,455	-1,066,455
Outstanding shares December 31, 2015	225,523	109,679,803	109,905,326
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

The registered share capital at 31 December 2015 amounted to 110,971,781 ordinary shares with a quota value of SEK 1.00 each.

Consolidated

Other contributed capital
Pertains to equity contributed by the shareholders. As of 1 January 2006, allocations to the share premium reserve are also recognized as capital contributions.

Foreign currency 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 effective portion of the accumulated net change in fair value of a cash flow hedge instrument related to hedge transactions that have yet to occur.

Retained earnings
Retained earnings include profit for the year and accumulated profits from previous years.

Parent Company

Restricted equity

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

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 that are part of a net investment in a foreign operation.

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

Retained earnings
This item includes accumulated profits and profit for the year.

Note 17 Earnings per share

Earnings per share	Before dilution		After dilution	
	2015	2014	2015	2014
Basic earnings per share	0.34	-0.51	0.34	-0.51

Basic earnings per share
Basic earnings per share are calculated based on profit for the year attributable to owners of the Parent Company of 36,963 thousand (- 55,519) and the basic weighted average number of shares outstanding, 109,899 thousand shares (109,892 thousand shares).

Diluted earnings per share
Diluted earnings per share are calculated based on profit for the year attributable to owners of the Parent Company of 36,963 (-55,519) and the diluted weighted average number of shares outstanding. The dilutive effects arise from the warrants as well as rights to matching and performance shares.

The diluted weighted average number of shares oustanding amounts to 110,174 thousand shares (109,892 thousand shares).

Potentially dilutive instruments
Profit for 2015 was positive and hence a part of the treasury shares held for the Performance Share Plan was dilutive. Profit for 2014 was negative, so no instruments were dilutive. If profit for future periods is positive and all the other prerequisites for dilution are present, then dilutive effects will arise.

Note 18 Provisions

Warranty provisions	G 2015	G 2014	PC 2015	PC 2014
Opening balance	30,870	11,078	30,870	11,078
Provisions	9,371	37,678	9,371	37,678
Utilised during the year	-21,704	-17,886	-21,704	-17,886
Reversed during the year	-	-	-	-
Closing balance	**18,537**	**30,870**	**18,537**	**30,870**
Whereof as long-term liability	4,423	3,482	-	-

Warranty provisions pertain primarily to certain obligations regarding products sold in prior years, as well as sales in 2015. The provision is based on calculations made on the basis of outcomes during 2015 and prior years. Pricer markets its products with customary warranties, which in some cases extend over several years, although the majority are expected to be paid within 1-5 years. During 2014 the warranty provisions were higher than in previous years as a consequence of the quality problems that were reported during the year.

Note 19 Other liabilities

	G 2015	G 2014	PC 2015	PC 2014
Employee withholding tax	657	561	642	561
VAT payable	4,485	4,339	-	-
Other liabilities	3,802	3,957	10	676
Total	**8,944**	**8,857**	**652**	**1,237**

Note 20 Accrued expenses and deferred income

	G 2015	G 2014	PC 2015	PC 2014
Accrued vacation pay	3,788	3,689	1,564	1,677
Accrued salaries	17,557	16,768	6,381	6,968
Social security contributions	2,123	4,832	920	622
Accrued expenses for delivery and installation	4,238	4,634	-	-
Prepaid income	3,015	3,768	-	-
Other accrued expenses	6,715	6,019	1,815	3,565
Total	**37,436**	**39,710**	**10,680**	**12,832**

Note 21 Financial risks and finance policies

Pricer's financial assets consist primarily of trade receivables 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, trade receivables and payables, 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 except internal loans denominated in EUR and USD depending the subsidiaries functional currency.

Pricer's policy is to limit its transaction exposure by matching flows in foreign currencies by denominating customer contracts in USD and using currency clauses in quotations and contracts. In 2015, Pricer's main payment flows were denominated in EUR and USD. Pricer's closing order books were denominated in EUR and USD since sales are invoiced in these currencies, predominantly in EUR. Purchases of components and finished products are mainly invoiced in USD. Pricer has not entered into any currency forward contracts in 2015.

% of sales and costs by currency:	USD	EUR	SEK and other currencies
Sales	41 (28)%	59 (71)%	1 (1)%
Costs	77 (69)%	11 (17)%	12 (14)%

Exchange rate differences on operating receivables are recognized in net sales and are explained in Note 2. Exchange rate differences on operating liabilities are recognized 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 bulk of Pricer's sales in 2015, around 59 percent (71), was denominated in EUR, 41 percent (28) in USD and 1 percent (1) in other currencies. The USD accounts for virtually all of the cost of goods sold, while operating expenses are shared equally between EUR and SEK, with USD accounting for a minor portion.

Effects from realized and unrealized currency forward contracts on profit amounted to SEK – M (0.2). Currency effects in financial items amounted to expenses of SEK 1.6 M (0.1) and consisted of currency revaluation of loan receivables from 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 suppliers 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 2015 amounted to SEK 483.0 M (431.9).

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 2015 and is not accounted for in profit.

Interest rate risk

Interest rate 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 cash and cash equivalents 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 135.7 M (53.0) at the year-end. A change of one percentage point in interest rates would affect net financial items by SEK 1.4 M (0.5) on an annual basis.

Credit risk

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

The Group assesses the credit worthiness 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 are to 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	83	78%	9%
Exposure SEK 1-5 M	14	13%	22%
Exposure > SEK 5 M	9	8%	69%
Total	**106**	**100%**	**100%**

Refinancing risk

The refinancing risk consists of the risk of not being able to meet future financing requirements. In addition to available cash and cash equivalents Pricer has a committed overdraft facility of SEK 50 M as well as a promissory credit facility of another SEK 50 M 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	2015		2014	
Overdue but not written off accounts receivable	Overdue payments	Total exposure	Overdue payments	Total exposure
<60 days	35,531		32,908	
>60 days	22,125		6,105	
Total	**57,656**	**151,266**	**39,013**	**170,045**

Overdue and written off accounts receivable	2015	2014
<60 days	-	-
>60 days	155	523
Total	**155**	**523**

Provision for possible bad debts	2015	2014
Opening provisions	**523**	**1 887**
Provisions for possible bad debts	281	891
Proven bad debts	-13	-2,228
Recovery from provision for possible bad debts	-636	-27
Closing provision	**155**	**523**

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 lays a foundation for the company's long-term development of the company while at the same time ensuring that the shareholders receive a satisfactory return.

The table below provides information about how fair value is determined for financial instruments measured at fair value in the statement of financial position. Fair value is determined based on a hierarchy with the 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, 2015
Financial assets	-	-	-	-
Financial liabilities	-	-	-	-
Financial items (asset (+), liability (-))	**-**	**-**	**-**	**-**

	Level 1	Level 2	Level 3	Dec. 31, 2014
Financial assets	-	-		-
Financial liabilities	-	-	-	-
Financial items (asset (+), liability (-))	**-**	**-**	**-**	**-**

Disclosure of hedge accounting
Hedge accounting is applied for sales in EUR and purchases in USD. 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 recognized in other comprehensive income until the hedged sale or purchase affects profit or loss. At the same time, the forward contract is reclassified and recognized in profit or loss. A change of value in inefficient forward contracts is recognized in the income statement. Exchange gains and losses arising on revaluation are recognized in net sales for trade receivables and in cost of goods sold for trade payables.

During the period, a net amount of SEK - M (-0.2) 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

	Financial assets at fair value via the result	Financial assets valued at accrued acquisition value	Financial liabilities at fair value via the result	Financial liabilities valued at accrued acquisition value	Carrying value
GROUP 2015					
Accounts receivable	-	151,226	-	-	151,226
Prepaid expenses and accrued income	-	1,387	-	-	1,387
Other current receivables	-	38,995	-	-	38,995
Cash and cash equivalents	-	135,656	-	-	135,656
Advances from customers	-	-	-	-5,990	-5,990
Accounts payable	-	-	-	-46,455	-46,455
Other liabilities	-	-	-	-3,802	-3,802
Accrued expenses and deferred income	-	-	-	-10,953	-10,953
Total financial assets and liabilities per category	**-**	**327,264**	**-**	**-67,200**	**260,064**
GROUP 2014					
Accounts receivable	-	170,045	-	-	170,045
Prepaid expenses and accrued income	-	9,693	-	-	9,693
Other current receivables	-	27,224	-	-	27,224
Cash and cash equivalents	-	53,031	-	-	53,031
Advances from customers	-	-	-	-1,675	-1,675
Accounts payable	-	-	-	-72,970	-72,970
Other liabilities	-	-	-	-3,957	-3,957
Accrued expenses and deferred income	-	-	-	-35,942	-35,942
Total financial assets and liabilities per category	**-**	**259,993**	**-**	**-114,544**	**145,449**
PARENT COMPANY 2015					
Accounts receivable	-	57,199	-	-	57,199
Receivables from Group companies	-	145,546	-	-	145,546
Other current receivables	-	36,611	-	-	36,611
Prepaid expenses and accrued income	-	619	-	-	619
Cash and cash equivalents	-	120,569	-	-	120,569
Advances from customers	-	-	-	-4,611	-4,611
Accounts payable	-	-	-	-43,793	-43,793
Liabilities subsidiaries	-	-	-	-111,259	-111,259
Other liabilities	-	-	-	-4	-4
Accrued expenses and deferred income	-	-	-	-1,815	-1,815
Total financial assets and liabilities per category	**-**	**360,544**	**-**	**-159,663**	**200,881**
PARENT COMPANY 2014					
Accounts receivable	-	61,886	-	-	61,886
Receivables subsidiaries	-	125,348	-	-	125,348
Other receivables	-	8,608	-	-	8,608
Accrued income	-	25,114	-	-	25,114
Cash and cash equivalents	-	44,545	-	-	44,545
Advances from customers	-	-	-	-	-
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**	**-**	**-141,039**	**124,462**

For the Group and the Parent Company the financial assets and 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 2015	G 2014	PC 2015	PC 2014
Within one year	7,195	6,754	4,328	4,639
Between one and five years	7,928	11,669	300	3,918
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 2015.

The consolidated accounts for 2015 include a cost of 8,346 (7,876) in respect of operational leasing. Payments are minimum payments and not variable.

Note 23 Pledged assets and contingent liabilities

Assets pledged	G 2015	G 2014	PC 2015	PC 2014
To secure own liabilities and provisions				
Floating charges	59,625	59,625	59,625	59,625
Bank deposits	795	828	-	-
Total	**60,420**	**60,453**	**59,625**	**59,625**

Contingent liabilities	G 2015	G 2014	PC 2015	PC 2014
Bank guaranties	795	778	-	-
Total	**795**	**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	2015	379,946	2,662	-9	145,546	111,262
Subsidiaries	2014	289,631	8,674	79	125,348	60,863

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 2015	PC 2014
Accumulated acquisition value		
Opening balance	1,142,735	1,142,811
Acquisition of non-controlling interest	-	-
Liquidation	-	-310
Shareholder contribution	460	234
	1,143,195	*1,142,735*
Accumulated impairment losses		
Opening balance	-958,326	-958,302
Liquidation	-	310
Impairment losses/gains	16	-334
Total accumulated impairment losses	-958,310	-958,326
Carrying value of participations in Group companies	**184,885**	**184,409**

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, 2015	Carrying amount at 31 Dec, 2014
Pricer Inc., (22-3215520) Dallas, USA	100	223,000	USD	9,377	9,272
Pricer SAS, (RCS 395 238 751) Paris, France	100	2,138	EUR	170,167	169,796
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	100
Participations in Group companies				**184,885**	**184,409**

Note 26 Cash flow statement

Cash and cash equivalents	G 2015	G 2014	PC 2015	PC 2014
Cash and cash equivalents include the following sub-components:				
Cash and bank	135,656	53,031	120,569	44,545
Total according to the report over financial position	**135,656**	**53,031**	**120,569**	**44,545**
Total according to the cash flow statement	**135,656**	**53,031**	**120,569**	**44,545**

	G 2015	G 2014	PC 2015	PC 2014
Interest				
Interest received	10	152	1	231
Interest paid	-255	-387	-255	-387
Adjustments for non-cash items				
Amortisation/ depreciation	18,128	41,555	13,077	29,762
Phased costs of employee stock options	1,101	510	1,700	276
Exchange-rate differences/translation differences	4,879	-7,660	1,672	-506
Result from sale of fixed assets	-17	-15	-	-
Change in provisions	-12,000	20,243	-12,331	19,792
Total non-cash items	**12,091**	**54,633**	**4,118**	**49,324**

Note 27 Significant events after the end of the financial year

No significant events have taken place between the end of the financial year and the issuance of this annual report that could affect the financial statements in this annual report.

Note 28 Critical accounting 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. Deferred tax losses have been capitalized in the amount deemed to be recoverable.

Capitalized development projects
The majority of the capitalized development projects are for new product solutions and new technical solutions in the company's customer offering. 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 non-amortized amount 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 the installed products may need to be replaced during the warranty undertaking or for market reasons, above and beyond the reported warranty reserve, which is based on historical outcomes.

Functional currency
Pricer AB has Swedish krona as functional currency. The subsidiaries Pricer SAS and Pricer Inc have Euro and US dollar respectively as functional currency.

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 the Small Cap list of NASDAQ Stockholm. 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.

Five-year summary

Five-year summary - Group

All amounts in SEK M unless otherwise stated	2015	2014	2013	2012	2011
INCOME STATEMENT DATA					
Net sales	870.6	583.0	524.6	549.2	613.0
Cost of goods sold[1)]	-679.9	-480.7	-406.7	-382.1	-416.5
Gross profit	**190.6**	**102.3**	**117.9**	**167.1**	**196.5**
Selling expenses	-77.9	-75.0	-56.5	-50.9	-59.4
Administrative expenses	-45.1	-43.7	-38.5	-33.5	-44.0
Research and development costs[1)]	-19.9	-36.7	-15.2	-13.0	-16.4
Operating profit	**47.8**	**-53.1**	**7.8**	**69.7**	**76.7**
Financial items	1.4	-0.1	-0.1	-3.1	-2.2
Profit before tax	**49.2**	**-53.2**	**7.7**	**66.6**	**74.5**
Income tax	-12.2	-2.3	-3.5	-31.0	75.8
Profit for the year	**37.0**	**-55.5**	**4.2**	**35.6**	**150.3**
Attributable to:					
Owners of the Parent Company	37.0	-55.5	4.2	35.6	150.3
Non-controlling interests	-	-	-	0.0	0.0
	37.0	-55.5	4.2	35.6	150.3

[1)] Depreciation of capitalized R&D projects has been reclassified as cost of goods sold for all five years.

All amounts in SEK M unless otherwise stated	2015	2014	2013	2012	2011
BALANCE SHEET DATA					
Intangible assets	250.9	263.4	269.1	247.2	247.4
Tangible fixed assets	8.6	8.1	7.2	7.5	4.4
Financial fixed assets	94.8	101.7	101.2	101.7	124.5
Inventories	113.7	157.7	148.4	142.0	114.6
Accounts receivable	151.2	170.0	150.4	191.5	256.8
Other current assets	49.0	61.2	76.0	72.9	38.1
Cash and cash equivalents and short-term investments	135.7	53.0	48.9	45.7	58.8
Total assets	**803.8**	**815.2**	**801.2**	**808.5**	**844.6**
Equity attributable to owners of the Parent Company	684.7	659.7	691.9	703.4	691.6
Non-controlling interests	-	-	-	0.1	0.1
Long-term liabilities	6.1	4.9	4.1	4.3	3.9
Current liabilities	112.9	150.6	105.2	100.7	149.0
Total liabilities and equity	**803.8**	**815.2**	**801.2**	**808.5**	**844.6**

All amounts in SEK M unless otherwise stated	2015	2014	2013	2012	2011
CASH FLOW DATA					
Profit after financial items	49.2	-53.2	7.7	66.6	74.5
Adjustment for non-cash items	12.2	54.6	13.5	10.2	10.8
Paid income tax	-4.8	-3.9	0.1	-15.6	-
Change in working capital	44.9	16.0	35.2	-38.0	-79.4
Cash flow from operating activities	**101.5**	**13.5**	**56.5**	**23.2**	**5.9**
Cash flow from investing activities	**-15.9**	**-11.5**	**-26.1**	**-18.1**	**-12.3**
Change in loan financing	-	-	-	-	-
Change in shareholder financing	0.0	0.0	-27.5	-16.7	-4.4
Cash flow from financing activities	**0.0**	**0.0**	**-27.5**	**-16.7**	**-4.4**
Cash flow for the year	**85.6**	**2.0**	**2.9**	**-11.6**	**-10.8**
KEY RATIOS					
Capital data					
Working capital	201.0	238.4	269.6	305.7	260.5
Capital employed	549.1	606.7	643.0	657.8	632.9
Quick ratio, percent	282	183	252	295	231
Net loan debt	-135.7	-53.0	-48.9	-45.7	-58.8
Financial data					
Equity/assets ratio, percent	85	81	86	87	82
Net debt/equity ratio, times	-0.20	-0.08	-0.07	-0.06	-0.09
Margin data					
Operating margin, percent	5	-9	1	13	13
Net margin, percent	4	-10	1	6	25
Capital turnover rate, times	1.51	0.93	0.81	0.85	1.10
Return data					
Return on capital employed, percent	8	-8	1	11	14
Return on equity, percent	5	-8	1	5	24
Other data					
Backlog at 31 December	63	90	102	88	123
Average number of employees	82	79	78	72	66
Number of employees at end of year	82	83	77	73	72
Total payroll	64	63	47	39	46

The Board and CEO hereby give their assurance that the annual report was prepared in accordance with generally accepted accounting principles in Sweden and that 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 results of operations 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 result of operations, financial position and performance of the Group and the Parent Company and also describes the 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 4 April 2016. 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 28 April 2016.

Stockholm, 4 April 2016

Bo Kastensson
Chairman of the Board

Hans Granberg | Bernt Ingman | Jan Rynning | Christina Åqvist | Olof Sand

Jonas Vestin
CEO

Our audit report was submitted on 6 April 2016

Ernst & Young AB

Rickard Andersson
Authorized Public Accountant
Auditor in charge

Audit report

To the Annual General Meeting of Pricer AB (publ), corporate ID number 556427-7993.

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Pricer AB (publ) for the year 2015. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 16-49.

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

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and 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 President 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 President, 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 opinion.

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 2015, 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 2015, 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.

Other information

The audit of the annual report for 2014 was performed by another auditor who submitted an auditor's report dated 31 March 2015 with unmodified opinions in the Report on the annual accounts.

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 President of Pricer AB (publ) for the year 2015.

Responsibilities of the Board of Directors and the President

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 President 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 and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

As a 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 President is liable to the company. We also examined whether any member of the Board of Directors or the President 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 opinion.

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 President be discharged from liability for the financial year.

Stockholm, 6 April 2016
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant
Auditor in charge

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 the Small Cap list of NASDAQ Stockholm.

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

Pricer hereby submits its corporate governance report for the 2015 financial year. 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 that the corporate governance report is compatible with the annual report and the consolidated accounts.

External control instruments
The internal control instruments that influence the governance of Pricer consist primarily of the Articles of Association, which are adopted by the AGM, as well as the policy documents adopted by the Board. These include rules of procedure for the Board, instructions for the CEO as well as certification and authorization rules.

Internal control instruments
The internal control instruments that influence the governance of Pricer consist primarily of the Articles of Association, which are adopted by the AGM, as well as the policy documents adopted by the Board. These include rules of procedure for the Board, instructions for the CEO and certification and authorization rules.

General meetings of shareholders
The influence of Pricer's shareholders 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 the Board Chairman, elects the auditors, decides on amendments to the Articles of Association. In addition, the AGM adopts the income statements and balance sheets and approves the appropriation of the Company's profit or loss, decides on discharge of liability for Board members and the CEO as well as decides on the remuneration of the Board and auditors 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, at the latest in connection with the third quarter report. Information about the time and place of the AGM can be found on the company's website www.pricer.com.

Notice of the AGM is published in the official gazette, Post- och Inrikes Tidningar, and on the Company's website. Furthermore, the company announces in the Swedish newspaper Svenska Dagbladet that the notice has been given. Shareholders who are registered in their own name in the share register maintained by 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 a 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 includes no restrictions on the number of 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 financially justifiable to offer simultaneous interpretation into another language, or translation of all or parts of the AGM material, including the minutes.

The 2015 AGM was held on 23 April 2015 and was attended by 51 shareholders representing 45.4 percent of votes in the company. The minutes of the AGM are available on the company's website.

The AGM of Pricer AB (publ) on 23 April 2015 resolved among other things to authorize the Board of Directors, on one or several occasions during the period until the next AGM, with deviation from the shareholders' preferential rights, to decide on the issue of new shares of Class B in a total number that does not exceed 10 per cent of the total number of Class B shares outstanding in the company on the date of Notice of the Annual General Meeting. The shares may be issued only with the provision that payment shall be made through contribution in kind or set-off. The Board was furthermore authorized to decide on the repurchase of the company's own shares, on one or several occasions during the period until the 2016 AGM. The number of shares acquired shall be such that that the holding of treasury shares at any given time does not exceed 10 percent of all Class B shares in the company. A more detailed description of these two authorizations can be found in the Notice of the Annual General Meeting from 23 March 2015.

The date for the 2016 AGM is stated in the press release regarding the interim report for January-September 2015 as published on 6 November 2014 to take place on 28 April 2016. This information is also available on the company's website. Pricer's website provides information about how and at what time a shareholder must enter a request to have a matter dealt with at the AGM.

Ownership structure
The number of shareholders as at December 31, 2015 was 17,498. The ten largest shareholders accounted for 36.7 percent of the shares and 37.0 percent of the votes. Pohjola Bank (Göran Sundholm) was the largest shareholder with 10.2 percent of the votes. For additional ownership information, see pages 8-9.

Nomination Committee
The tasks of the Nomination Committee is to evaluate the composition and performance of the Board and to prepare proposals for approval by the AGM regarding the election of the Chairman for the AGM, election of the Board and Board Chairman and, where appropriate, the auditors. 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 to be appointed.

The 2015 AGM resolved that the Chairman for the 2016 AGM would be authorized to contact the company's three largest shareholders (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 2016 AGM. In addition, it was decided that the Nomination Committee should include an independent representative for the minority shareholders in relation to the company and its major shareholders. If any shareholder waives its right to appoint a representative, the shareholder next in order of voting power 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 ahead of the 2016 AGM was published on 13 October 2015 through a press release and on the company's website and, in addition to Board Chairman Bo Kastensson, consisted of Theodor Jeansson, Göran Sundholm, Stefan Roos and Gunnar Ek. Gunnar Ek has been Chairman of the Nomination Committee.

The members of the Nomination Committee are independent in relation to the company and its management. Apart from Göran Sundholm, all members of the Nomination Committee are independent in relation to the company's largest shareholder in terms of voting power or group of shareholders that interact with the company's management. The company has only one shareholder, Pohjola Bank (Göran Sundholm) representing at least one-tenth of the number of votes. Pohjola Bank (Göran Sundholm) represents 10.2 percent of the votes.

Since the 2015 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 2016 AGM. No special remuneration was paid to the Nomination Committee members.

Board of Directors

Size and composition of Board

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

In accordance with the Articles of Association, the Board of Pricer shall consist of 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 regarding on the appointment and dismissal of Board members.

The AGM on 23 April 2015 resolved to re-elect Bo Kastensson, Hans Granberg, Bernt Ingman and Jan Rynning. Olof Sand and Christina Åqvist where elected as new Board members. Bo Kastensson was elected as Chairman of the Board. No deputies have been appointed for Board members elected by the AGM. All members are considered independent in relation to the company, its management and major shareholders.

The attendance of the Board of Directors at Board meetings is shown in the table below. Additional information about the Board of Directors such as their experience and current assignments and shareholdings in the company is provided on Page 56.

Board attendance

Board Member	Present at the number of meetings	Of the number of meetings
Bo Kastensson	15	15
Hans Granberg	15	15
Bernt Ingman	14	15
Joen Magnusson	4	5
Jan Rynning	14	15
Olof Sand	10	10
Christina Åqvist	9	10

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.

Work of the Board at Pricer

The Board Chairman is responsible for organizing and overseeing the work of the Board and ensuring that it is performed in accordance with the applicable rules. The Board Chairman continuously monitors operations in dialogue with the CEO and ensures that the Board is provided with the information and documentation necessary to enable it to discharge its duties.

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 financial situation of the company and the Group, which is reported monthly, to ensure that the Board can meet its obligation to evaluate as required by law, the listing rules and good Board practices. The work of the Board 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 the acquisition of operations, businesses or significant assets.

The Board held 15 meetings during the 2015 financial year. The attendance of the Directors at meetings is shown in the above table. The Board's work follows a yearly agenda. The CEO prepares the agenda in con-

Corporate governance report (cont'd)

sultation with the Chairman ahead of each meeting, and determines the required supporting data and documentation necessary to deal with the matters at hand. Other members may request that certain issues be added to the agenda. Prior to each scheduled meeting, the CEO provides the Board with a 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 conflicts of interest, such as when remuneration for the CEO is determined and when the performance of the CEO is evaluated. Normally, the company's auditors attend two Board meetings during the year, and did so in 2015.

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

Evaluation of the Board

The Board Chairman is responsible for evaluation of the Board of Director's performance, including the contributions of the individual members. This is done through a structured yearly self-assessment that is followed by discussions in the Board where the compiled results of the survey, including any comments made, are presented by reviewing the individual answers as well as the average and standard deviation for each question. For 2015 the self-assessment was carried out through a questionnaire that was answered by all Board members. In the questionnaire, the Board member's have ranked statements about the Board as a whole, the Board Chairman, the CEO's work on the Board and their own performance. Furthermore, the Board members have made personal comments. In addition, the representatives in the Nomination Committee have called and interviewed the Board members.

Remuneration to the Board

At the 2015 AGM, it was resolved that total fees to the Board would be paid in an amount of SEK 1,450,000, of which SEK 450,000 to the Board Chairman and SEK 200,000 to each of the other five members, in accordance with the Nomination Committee's proposal.

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

Board committees

The Board has appointed a Remuneration Committee. The Remuneration Committee deals with issues related to remuneration and employment conditions for senior executives and the preparation of draft guidelines for remuneration to the CEO and senior executives, which the Board submits for resolution by the AGM.

The Remuneration Committee for 2015 consisted of Board members Bernt Ingman and Olof Sand, both of whom are independent in relation to the company and its management, as well as in relation to the company's major shareholders.

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 resolution.

A Finance Committee consisting of Bo Kastensson and Bernt Ingman has continuously supported the CEO with finance and organizational issues and preparation before Board meetings.

According to the Swedish Companies Act, the company shall have an Audit Committee, which shall include 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's management. Pricer's CEO supervises the ongoing operational activities. Written instructions define the division of responsibilities between the Board of Directors and the CEO. 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 Jonas Vestin, his experience and current assignments and shareholdings in the company is provided on page 56.

Jonas Vestin, apart from work tasks related to the company's subsidiaries, has no other assignments as a Board member. Nor does Jonas Vestin, or any close physical or legal person, hold any significant shareholding or ownership interests in companies in which Pricer has significant business relations.

Executive Management

Pricer's Executive Management consists of five members alongside the CEO. Each of the members has the operation responsibility of a part of the organization. For a presentation of the Executive Management members, see page 56.

Remuneration to the CEO and senior executives

The company has established a Remuneration Committee about which information is presented above in the "Board Committees" 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 financial year

For the 2015 financial year, Pricer has not been subject to any decision by the NASDAQ Stockholm's disciplinary committee or the Swedish Securities Council regarding violations of NASDAQ 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. Ernst & Young AB is the elected auditor with the Authorized Public Accountant Rickard Andersson as Auditor in Charge. The AGM also resolved that the auditor would be paid according to an approved invoice. See Note 5 for information about remuneration to auditors.

Internal control over financial reporting

The Board is responsible for internal control, pursuant to the Swedish Companies Act and the Code.

Pricer's internal control process shall provide reasonable assurance regarding the quality and reliability 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 foundation for internal control over financial reporting is based on the organizational and system structures and decision-making processes and the documentation and communication of responsibilities in control documents, policies and manuals. The Board has adopted rules that regulate the Board's liabilities and the Board's committee work. To safeguard the quality of the financial reporting, the company has a number of internal control instruments, consisting mainly of the finance policy, information policy, certification and authorization routines, a standard model for ongoing monthly reporting that has been designed together with the Board, and reporting instructions. Pricer uses an integrated ERP system, Jeeves, that handles all financial flows in combination with order processing, invoicing, logistics, etc.

Risk assessment

The Board is responsible for ensuring that significant financial risks and risks of errors in the financial statements are identified and dealt with.

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 the 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 once a month for a review of the business situation. 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 communication

The Board has adopted an information policy that states what is to be communicated, by whom, and in what manner, in order to safeguard the accuracy and completeness of the external information. To ensure effective and correct dissemination of information, there are guidelines and routines that regulate how financial information is communicated both internally and externally. For external communication Pricer collaborates with Cision, which publishes the financial reports and other press releases on behalf of the company. All financial reports and press releases that are issued by the company can be found on the company's website. In addition, the press releases are distributed internally via email in connection with their publication. The CEO is responsible for ensuring that the financial reports are distributed internally in connection with external publication of the quarterly and interim reports.

The company's financial position is discussed at each Board meeting, where the Board receives detailed monthly reports on the financial position and development of operations. Furthermore, the Board is provided with a financial report every month for ongoing monitoring. The company's ERP system Jeeves provides the basis for the financial information.

Follow-up

Internal control is monitored continuously. This is done primarily in the form of deviation reporting against budget/forecast and the previous year's outcome. The company's financial position is discussed at each Board meeting, where the Board receives detailed monthly reports on the financial position and development of operations. The Board monitors internal control over financial reporting. The Board reviews each interim report and discusses the contents with the CFO and, when appropriate, with the company's auditor. Ever year, the auditor monitors parts of the internal control within the framework of its audit. The auditor reports the results of its review to the CEO, the CFO and the Board. The company monitors the areas for improvement in internal control that are reported by the external auditor. Furthermore, the CEO and the CFO hold regular meetings with the Board's Finance Committee to discuss financial matters on an ongoing basis, since Pricer has no separate internal audit function. The accounting/finance staff that are employed in the subsidiaries have explicit responsibility for reporting deviations to the central finance and controller organization. Against this background, the Board of Directors is of the opinion that there is no need for a separate internal audit function.

Board of Directors

BO KASTENSSON
Born: 1951
Education: Fil.kand.
Chairman of the Board since: 2014
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
Holding:
400,000 B shares

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

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

OLOF SAND
Born: 1963
Education: MBA and Advanced Management Program
Board member since: 2015
Other assignments: Board member of Affecto AB
Holding:
100,000 B shares

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

CHRISTINA ÅQVIST
Born: 1978
Education:
Law degree
Board member since: 2015
Other assignments: Board member of Elfa Distrelec AB, DistIT AB and Swedol AB
Holding:
12,000 B shares

Executive Management

JONAS VESTIN
CEO
Born: 1969
Education:
Bachelor of Computer Science and Executive MBA
Employed since: 2014
Holding:
50,000 B shares
380,000 warrants *

HELENA HOLMGREN
CFO
Born: 1976
Education:
MBA
Employed since: 2015
Holding:
16,540 B shares
95,000 warrants *

CHARLES JACKSSON
EVP Global Sales, Marketing and Strategy
Born: 1963
Education:
Bachelor of Business Administration
Employed since: 2014
Holding:
190,000 warrants *

NILS HULTH
Chief Digital Officer
Born: 1971
Education:
M.Sc. in Computer Science
Employed since: 2006
Holding:
30,000 B shares,
95,000 warrants *

FRANCOIS AUSTRUY
Head of Industrialization
Born: 1965
Education:
Graduate Engineer
Employed since: 2005
Holding:
10,000 B shares,
95,000 warrants *

TORBJÖRN MÖLLER
Head of Hardware development, Purchasing, Assembly and Logistics
Born: 1965
Education:
M.Sc. Electrical Engineering
Employed since: 2015
Holding:
14,000 B shares
95,000 warrants *

* each warrant grants right to one share

Auditors' report on the Corporate Governance Statement

To the annual meeting of the shareholders in Pricer AB, corporate ID number 556427-7993

The Board of Directors is responsible for the Corporate Governance Statement for the year 2015 on pages 52 – 56 and for ensuring 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, 6 April 2016
Ernst & Young AB

Rickard Andersson
Authorized Public Accountant
Auditor in charge

Shareholder information

Annual General Meeting

The Annual General Meeting of Pricer AB will be held at 4:00 p.m. on 28 April 2016, at Piperska Murenin Stockholm, Sweden. In order to participate in the AGM, shareholders must be entered in the share register maintained by Euroclear Sweden AB by Friday, 22 April, and must notify the company of their intention to participate no later than 5:00 p.m. on Friday, 22 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 22 April. Notification can be made as follows:

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

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, Stefan Roos, Göran Sundholm and Gunnar Ek can be contacted via the company's head office.

Proposed dividend

The Board will propose a dividend of SEK 0.25 per share for 2015 at the AGM.

Financial calendar

In 2016, the quarterly financial reports will be published as follows:
Interim report January–March, 28 April 2016
Interim report January–June, 19 August 2016
Interim report January–September, 28 October 2016
Year-end report 2016, 10 February 2017

Information channels

Press releases, interim reports, annual reports and share price data are presented on the company's website www.pricer.com. 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 only 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

2015 Record high order intake and sales driven by dramatically increased demand for ePaper digital shelf-edge solutions. The loss is turned into a profit.

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 net profit. Several important framework agreements signed.

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

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

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

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.

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. Cooperation is initiated with Telxon, which 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 program 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.

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.

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