

PRELIMINARY FINANCIAL STATEMENT

for the financial year 1999

**OPERATING RESULT BEFORE RESTRUCTURING COSTS
AND AMORTIZATION GOODWILL: -128.5 (-209,8) MSEK**

DIVESTMENT OF INTACTIX YIELDS PRICER AROUND 140 MSEK

STILL WEAK ESL MARKET

RESTRUCTURING OF THE ESL OPERATION COMPLETED

**THE CASH POSITION STRENGTHENED BY 280 MSEK
THROUGH NEW SHARE ISSUES**

OPERATION The development of the ESL market is still weak. In 1999, the order inflow for the Pricer ESL system has been weaker than expected. Orders of 20 (64) MSEK were received in 1999, of which 3 (13) MSEK in the fourth quarter. Through deliveries the order backlog was reduced to 125 (218) MSEK as per December 31, 1999. A considerable part of the order backlog, 83 per cent, refers to orders from partners, including Migros in Turkey, where the time for call-off has not been finalized. Pricer still considers it uncertain if and when call-off orders could be received. Should an agreement expire before call-off, the partner will lose all exclusive rights on that market for Pricer's ESL system.

In December, Pricer became a certified SAP partner. This confirms that the software in the Pricer ESL system has been adjusted to SAP R/3 Retail's business systems.

Restructuring The ESL business went through a radical restructuring in the autumn of 1999. Fully implemented, the restructuring will halve the ESL business expenses. Development of new ESL system versions with reduced product cost continues.

Lawsuit In July 1999, the former owners of the subsidiary Intactix International Inc. sued Pricer AB and others for 28 MUSD plus legal fees and punitive damages. The outcome of this lawsuit is uncertain and could possibly lead to future obligations. However, Pricer still considers that the claim is unfounded. Therefore, no accrual has been recorded for possible damages.

Divestment of Intactix An agreement was signed on February 24, 2000 with the American company JDA Software Group, Inc. (see www.jda.com for further information) relating to a divestment of the Intactix business for a net sales price of around 150 MSEK after transaction related expenses. This will yield Pricer around 140 MSEK of liquid funds net of cash within Intactix. The transaction will be completed within one to two months and is subject to approval of certain governmental regulatory agencies and other standard conditions. As a result of the agreement, the accounted value of Intactix in the financial statements as per

December 31, 1999 has been adjusted with a write-down of 20.3 MSEK net after release of accumulated translation difference of 25 MSEK. In connection with the agreement, the two parties also intend to sign an agreement on continued marketing and technology cooperation.

NET REVENUE AND RESULTS The 1999 revenue amounted to 309.3 (298,8) MSEK, and 57.4 (66.5) MSEK for the fourth quarter of the year. In 1999, around 1.2 million labels were installed in stores. Invoicing in 1999 relating to the Pricer ESL system amounted to 113.2 (109.9) MSEK, mainly relating to deliveries to Metro in Germany where installations were completed for their 53 Cash & Carry stores. Pricer still has a market leading position in ESL systems with more than 230 stores (around three million labels) of different sizes and types in operation throughout the world. In the fourth quarter, deliveries of Pricer ESL systems amounted to 6.8 (16.3) MSEK, primarily relating to installations at Metro in Germany. The Intactix operation had revenues of 50.6 (50.2) MSEK for the same period.

The 1999 operating expenses amounted to 306.2 (363.1) MSEK. The reduction was due to the reductions made during the year. The fourth quarter operating expenses amounted to 70.9 (92.1) MSEK. As a result of the restructuring actions, the annual expense level for the ESL business has been halved. This will have a positive effect on this year's result.

The operating result for the fourth quarter, before restructuring costs, amortization of goodwill and market and industrial rights, amounted to -24.3 (-43.8) MSEK, which is slightly better than the third quarter result of -27.1 MSEK. The corresponding operating result for Pricer, excluding Intactix, for the fourth quarter amounted to -25.2 (-34.5) MSEK. The corresponding operating result for Intactix for the fourth quarter was 0.8 (-9.4) MSEK, which was due to increased sales compared to the third quarter result of -1.6 MSEK.

Operating items affecting comparability amounted to 56.6 (426.3) MSEK for the full year 1999 and 21.3 (421.3) MSEK for the fourth quarter and was primarily relating to an adjustment of the accounted value for Intactix by a net 20.3 MSEK, expenses relating to the restructuring and reservation for estimated legal fees in connection with ongoing litigations.

For 1999, the operating result amounted to -209.4 (-691.6) MSEK.

The financial net amounted to -29.1 (-15.5) MSEK and related primarily to interest on a debenture and a debt to Telxon Corp. in the US. The financial net has been burdened with a net 6 MSEK in the fourth quarter relating to the conversion of a debenture of 120 MSEK.

The Group's net result for 1999 amounted to -238.9 (-767.1) MSEK.

FINANCIAL POSITION The operational cash flow was -117.9 (-202.2) MSEK for the full year 1999 and -25.8 (-27.9) MSEK for the fourth quarter. During the year, Pricer has made share issues in April and November that have yielded around 280 MSEK before issue costs. The Group disposable liquid assets – liquid funds and unutilized overdraft facility – as per December 31, 1999 – amounted to 127.7 (42.5) MSEK.

The Company's financial position was also considerably strengthened in November when a debenture of around 120 MSEK was converted to share capital. At the end of the year, the interest-bearing liabilities were thus reduced to 51.4 MSEK, primarily consisting of a loan to Telxon Corp. In December, the repayment conditions for this loan were changed. The loan will be repaid in 2002. Pricer still has the right to repay half the present loan, including accrued interest, with a new series B share issue.

A proposal for a reduction of the share capital will be presented to the Annual General Meeting.

INTANGIBLE ASSETS The Group's intangible assets primarily consist of goodwill relating to Intactix, market rights for ESL systems in North America (Pricer Inc.) and patents for the ESL operation. Regarding Intactix, the accounted value has been reduced by a net 20.3 MSEK, adjusting to the agreement made on February 24, 2000 of a divestment of Intactix. The valuation of market rights is based on a forecast that supports that the market value is in line with the accounted value. The remaining book value is not vital for the going concern of the company.

INVESTMENTS The total investments in 1999 amounted to 7.1 (18.0) MSEK and 2.3 (4.5) MSEK for the fourth quarter, primarily relating to production tools, computers and office equipment. All product development has been expensed.

PERSONNEL The average number of Group employees in 1999 was 277 (311) while the number of employees as per December 31, 1999 was 223 (298).

PARENT COMPANY The 1999 net revenue for the parent company was 112.4 (110.8) MSEK and for the fourth quarter 6.7 (14.8) MSEK. The operating result for the same periods was -275.4 (-317.0) MSEK and -119.2 (-211.7) MSEK, respectively. Disposable liquid funds in the parent company at year-end amounted to 57.2 (31.0) MSEK.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD An agreement was signed on February 24, 2000 with the American company JDA Software Group, Inc. relating to a divestment of the Intactix business for a net sales price of around 150 MSEK after transaction related expenses. This will yield Pricer around 140 MSEK of liquid funds net of cash within Intactix. The transaction will be completed within one to two months and is subject to approval of certain governmental regulatory agencies and other standard conditions. In connection with the agreement, the two parties also intend to sign an agreement on continued marketing and technology cooperation.

ANNUAL GENERAL MEETING AND DIVIDEND The 1999 Annual General Meeting will be held on May 11, 2000 at 5 p.m. in Uppsala. The Board proposes that no dividend is paid.

OUTLOOK After the divestment of Intactix, the Pricer result will only be affected by the development of the ESL market. The trend of improved operating result before restructuring costs and amortization of goodwill by each quarter, since the first quarter of 1998, is estimated to continue in the year 2000.

NEXT REPORT DATE The quarterly report for the period January – March 2000 will be published on May 11, 2000.

Uppsala, February 24, 2000
Pricer AB (publ)

The Board of Directors

For further information, please contact:

Thomas Landberg, President and CEO, Pricer AB: +46 18 188 100

***Pricer AB (publ)** was founded in 1991 in the city of Uppsala, Sweden and has become a leading supplier on the worldmarket for electronic display- and informationssystem to the retail industry. Pricer offers electronic informationssystem with the purpose to considerably improve the customer benefit and improve the profitability of the retailers and their suppliers. Through the competent partners that Pricer cooperates with, the customer is offered a totally integrated solution together with the complementary products, applications and services offered by our partners. The share of Pricer is listed on the O-list of OM Stockholm Stock Exchange. For further information please visit Pricer's website at www.pricer.se. It is also possible to register and automatically receive all press releases on your e-mail.*

CONSOLIDATED INCOME STATEMENT - SUMMARY¹⁾

Amounts in MSEK	Q4 '99	Q 4 '98	1999	1998
Net revenue	57,4	66,5	309,3	298,8
Cost of goods sold	-10,8	-18,2	-131,6	-145,5
Gross result	46,6	48,3	177,7	153,3
Sales and administrative expenses	-59,5	-72,4	-250,6	-279,0
Research and development costs	-11,4	-19,7	-55,6	-84,1
Items affecting comparability, operational	-21,3	-421,3	-56,6	-426,3
Amortization of goodwill, market and industrial rights	-6,2	-13,1	-24,3	-55,5
Operating result	-51,8	-478,2	-209,4	-691,6
Financial net	-5,1	-10,0	-29,1	-15,5
Items affecting comparability, financial	-	-1,1	-	-59,8
Result after financial items	-56,9	-489,3	-238,5	-766,9
Taxes	-0,5	-0,2	-0,4	-0,2
Net result for the period	-57,4	-489,5	-238,9	-767,1

CONSOLIDATED BALANCE SHEET - SUMMARY¹⁾

Amounts in MSEK	Dec 31 '99	Dec 31 '98
Intangible fixed assets	346,2	400,0
Tangible fixed assets	20,3	39,2
Financial fixed assets	-	0,6
Total fixed assets	366,5	439,8
Inventories	9,7	33,5
Current receivables	59,5	85,8
Cash and bank balances	124,9	41,3
Total current assets	194,1	160,6
TOTAL ASSETS	560,6	600,4
Shareholders' equity	384,4	257,0
Allocations	17,1	10,6
Long-term loans	50,6	164,2
Other long-term non interest-bearing liabilities	12,1	9,5
Total long-term liabilities	62,7	173,7
Short-term loans	0,8	38,6
Other current non interest-bearing liabilities	95,6	120,5
Total current liabilities	96,4	159,1
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	560,6	600,4

1) The book value of intangible assets and related depreciations have been adjusted as an effect of Recommendation no. 8 of The Swedish Financial Accounting Standards Council. Corresponding items in 1998 have consequently been adjusted in accordance with Recommendation no. 5.

CONSOLIDATED CASH FLOW STATEMENT - SUMMARY

Amounts in MSEK	Q 4 '99	Q 4 '98	1999	1998
Result after financial items	-56,9	-489,3	-238,5	-766,9
Adjustments for items not affecting the cash flow	31,5	445,3	92,0	562,0
Change in working capital	-0,4	16,1	28,6	2,7
Net change in liquid funds generated from operations	-25,8	-27,9	-117,9	-202,2
Net investments	-2,3	-4,5	-7,1	-18,0
Net change in liquid funds generated from operations after net investments	-28,1	-32,4	-125,0	-220,2
Change in loan financing	-40,6	16,3	-51,4	136,9
Change in shareholder financing	154,9	9,8	257,3	68,3
Change in other financing	10,9	-5,5	2,3	5,7
Net change in cash	97,1	-11,8	83,2	-9,3

KEY RATIOS

Amounts in MSEK	Q 4 '99	Q 3 '99	Q 2 '99	Q 1 '99	Q 4 '98
Net revenue	57,4	81,9	96,5	73,5	66,5
Net revenue, moving 4 quarters	309,3	318,4	318,8	299,9	298,8
Operating result ^{A)}	-51,8	-63,1	-47,7	-46,8	-478,2
Operating result ^{A)}	-24,3	-27,1	-41,5	-35,6	-43,8
Operating result ^{A)} , moving 4 quarters	-128,5	-148,1	-164,7	-182,6	-209,8
Net result for the period	-57,4	-67,8	-57,3	-56,4	-489,5
Net change in liquid funds generated from operations	-25,8	-22,5	-37,8	-31,9	-27,9
Net change in liquid funds generated from operations, moving 4 quarters	-117,9	-120,0	-156,1	-190,0	-201,6
Number of employees, end of period	223	259	281	296	298
Equity/assets ratio	69%	35%	43%	35%	43%
Debt/equity ratio	-0,19	0,98	0,59	1,00	0,61

A) Before items affecting comparability and amortization of goodwill, market and industrial rights

KEY RATIOS by line of business

Amounts in MSEK	Q 4 '99	Q 3 '99	Q 2 '99	Q 1 '99	Q 4 '98
Pricer ESL					
Order backlog	125	148	187	226	218
Net revenue	6,8	36,9	48,8	20,7	16,3
Operating result ^{A)}	-25,2	-25,5	-29,4	-35,6	-34,5
Intactix					
Net revenue	50,6	45,0	47,7	52,8	50,2
Operating result ^{A)}	0,8	-1,6	-12,1	0,0	-9,4

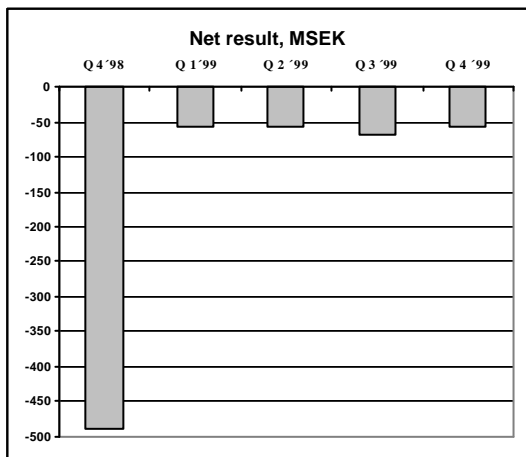
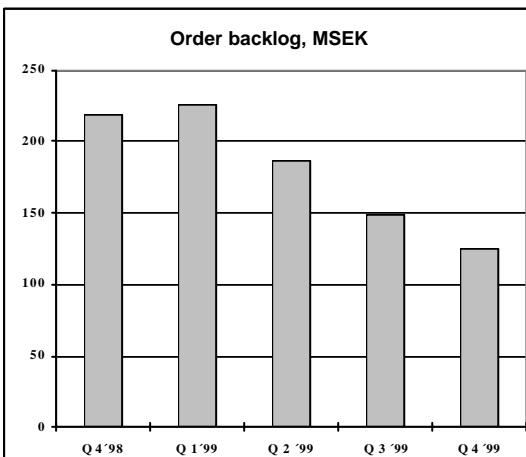
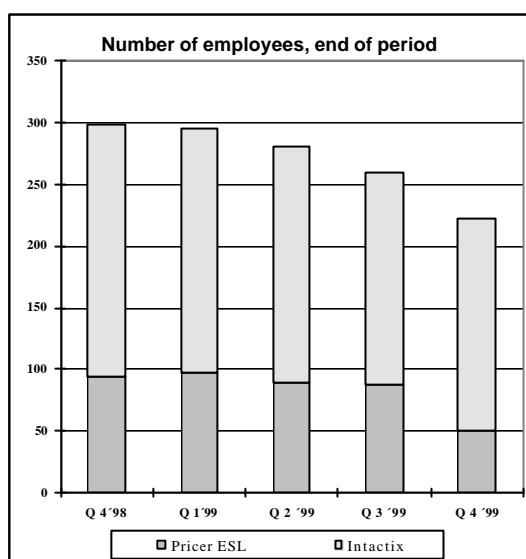
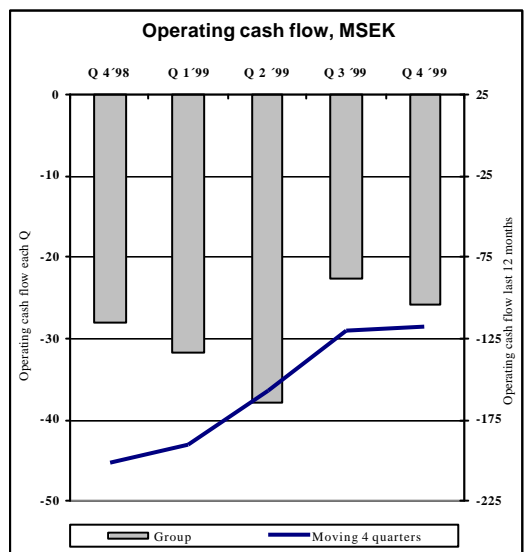
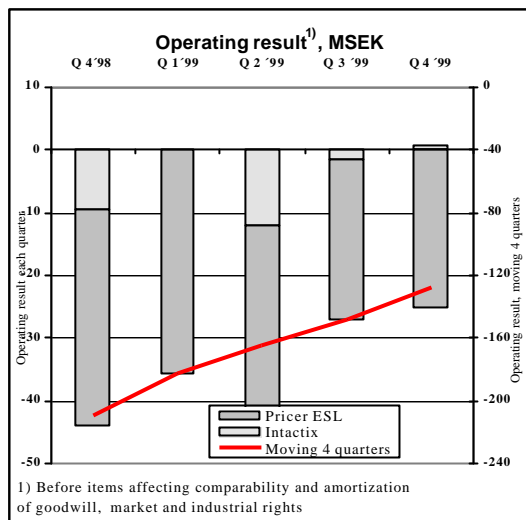
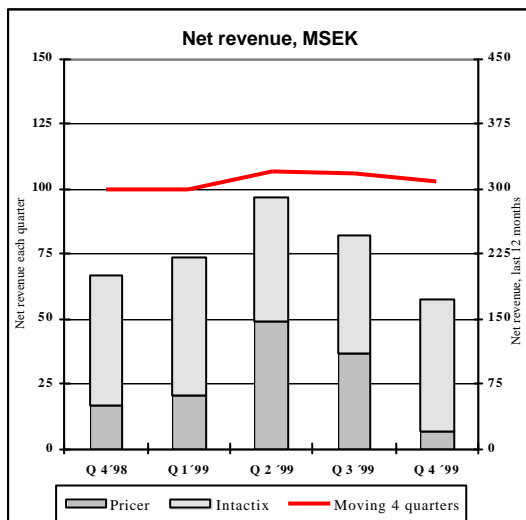
DATA PER SHARE

	Q 4 '99	Q 3 '99	Q 2 '99	Q 1 '99	Q 4 '98
Net result per share 1)	-0,93	-1,54	-1,46	-2,55	-22,17
Shareholder equity per share 2)	1,61	4,13	5,80	9,42	11,64
Number of shares, million	238,6	44,2	44,2	22,1	22,1

1) Calculated on average number of shares in each quarter.

2) Calculated on the number of shares at the end of each quarter.

The calculation of the number of shares above is without considering dilution from outstanding convertibles and options. With full dilution the number of shares will increase by 4,332,769 shares of serie B with conversion rates between appr SEK 4.40 and appr SEK 90,90.



PRESS RELEASE

from Pricer AB (publ) February 24, 2000

NEW PRESIDENT AND CEO IN PRICER AB (PUBL)

After the divestment of the Intactix business, Pricer's President and CEO, Thomas Landberg, has informed the Board of his intent to leave his operational position in the company, at the Annual General Meeting, May 11, 2000. Thomas Landberg will at the Annual General Meeting be proposed for election to the Pricer Board to secure the continuity in Pricer's development. Thomas Landberg is entitled to complete severance pay upon his resignation.

New President and CEO in Pricer AB (publ) will be Britt Sandberg, today President of Pricer's main activity, the ESL business. Britt Sandberg has recently implemented a major restructuring of this business.

For further information, please contact:

Thomas Landberg, President & CEO, Pricer AB: +46 (0)18 18 81 00

Pricer AB (publ) was founded in 1991 in the city of Uppsala, Sweden and has become a leading supplier on the worldmarket for electronic display- and informationssystem to the retail industry. Pricer offers electronic informationssystem with the purpose to considerably improve the customer benefit and improve the profitability of the retail market and their suppliers. Through the competent partners that Pricer cooperates with, the customer is offered a totally integrated solution together with the complementary products, applications and services offered by our partners. The share of Pricer is listed on the O-list of OM Stockholm Stock Exchange. For further information please visit Pricer's website at www.pricer.se. It is also possible to register and automatically receive all press releases on your e-mail.