



Interim Report January – June 2002

- **Order from Metro for at least SEK 14M**
- **Partner agreement with TOSHIBA TEC EUROPE in Belgium and orders for ESL systems to three stores in Belgium**
- **Increased orders of SEK 40.8M (14.5) received**

Increased net sales of SEK 38.2M (17.8)

- **Improved operating result of SEK -24.8M (-39.4)**
- **Previously blocked bank deposits of approximately SEK 24M released**
- **Final settlement of the liability to Telxon**
- **Liquid funds of SEK 98.9M (125.5)**

Subsequent events:

- **Orders for ESL systems to an additional three stores from Pricer's new partner, TOSHIBA TEC EUROPE**
- **Pricer moves headquarters to Sollentuna (Stockholm)**

Operations

Orders received amounted to SEK 18.1M (2.7) for the quarter, a substantial increase compared with the same period in the previous year. Orders received in the first six months of 2002 amounted to SEK 40.8M (14.5). During the quarter, an order for at least SEK 14.0M was received from the German retail chain, Metro, for replacement batteries and accessories for existing systems. Orders for three ESL systems (Electronic Shelf Label) were received from TOSHIBA TEC EUROPE in Belgium. The systems relate to three ESL systems in stores belonging to the retail chains SPAR and Delhaize, of which one already have been installed.

At the period end, the backlog amounted to SEK 292M (28). The majority of Pricer's orders are made in USD and currency fluctuations affect the value of the backlog in SEK.

During the period, Pricer signed an agreement with TOSHIBA TEC EUROPE in Belgium. The agreement means that TOSHIBA TEC will sell, install, integrate and provide support for Pricer's ESL systems to its customers in Belgium. TOSHIBA TEC EUROPE is a leading supplier of information systems to the retail sector in Europe.

During the first six months, an additional 20 stores have installed Pricer's ESL systems through the company's Japanese partner, ISHIDA. Pricer's ESL systems have now been installed in a number of Japanese retail chains.

At the Swedish market an additional 14 stores have installed Pricer's ESL system during the first six months

The majority of the action programme that was agreed in November 2001 was implemented during the first quarter. The effects of the cost reduction are expected to arise gradually during the second half of 2002.

Market

The interest in ESL systems during the last year has resulted in an increased rate of installations in Central Europe as well as in Northern America and Asia. One of the largest retail fairs that focuses especially on system solutions for the retail industry, Retail Solutions, was held during the period in Chicago, USA. The fair further indicates cautious signs of a positive trend.

Net sales and results

Net sales for the quarter rose to SEK 20.5M (9.5). This is more than a twofold increase compared with the same period in the previous year. Net sales for the first six months amounted to SEK 38.2M, which is more than total sales for 2001. The majority of the orders related to the Japanese market.

The gross profit improved compared with the second quarter of 2001 and amounted to SEK 2.3M (0.8) and to SEK 5.9M (0.9) for the half year. The gross margin for the second quarter was 11 (8) per cent and 15 (5) per cent for the half year. The decrease compared to the first quarter is mainly explained by the unrealized exchange loss due to the weak USD.

Operating expenses for the second quarter fell to SEK 14.0M (20.0) and to SEK 30.7M (40.3) for the first half of 2002.

The operating result for the quarter improved compared with 2001 and amounted to SEK -11.7M (-19.2). The operating result for the first half of the year was SEK -24.8M (-39.4).

Financial income and expenses for the period was SEK -2.2M (-0.6) and SEK -2.8M (-4.6) for the half year. In the second quarter, financial income and expenses was affected by negative exchange rate differences as a result of the weak USD.

The net result for the quarter was SEK -13.9M (-19.2) and SEK -27.6M (-44.0) for the first six months.

Net sales and operating result for the ESL operation, SEK M

	Apr-Jun 2002	Apr-Jun 2001	Jan-Jun 2002	Jan-Jun 2001
Net sales	20.5	9.5	38.2	17.8
Cost of goods sold	-18.2	-8.7	-32.3	-16.9
Gross result	2.3	0.8	5.9	0.9
Expenses	-14.0	-20.0	-30.7	-40.3
Operating result	-11.7	-19.2	-24.8	-39.4
Gross margin, %	11 %	8 %	15 %	5 %

Financial position

The cash flow from current operations was SEK -16,8M (-19.8) for the second quarter and SEK -36.4M (-40.2) for the half year. Liquid funds amounted to SEK 98.9M (125.5). During the second quarter, SEK 88.5M was contributed to the company through the new share issue after issue and guarantee costs. Of the recently implemented new issue, SEK 1.7M remains which has not yet been paid to the company. Pricer intends to take measures to receive the payment.

Liquid funds of approximately SEK 24M which in accordance with the agreement relating to the sale of Intactix were placed in a blocked bank account as a security for potential agreement undertakings, were released in full at Pricer's disposal during the second quarter. The last remaining payment to Telxon in final settlement of the agreement was implemented during the quarter.

Expenses of SEK 0.5M for the divestment of Intactix were charged to the cash flow of investment operations, but not the result, during the first half of 2002. Costs of approximately SEK 7M remain for the phasing out of the Intactix Group. These have been entered as a liability.

The tax authority has announced a changed assessment relating to VAT on issue costs of SEK 3.4M, which were declared in 1999 in accordance with the opinion of the National Tax Board applicable at that time. Pricer has appealed against the decision and has not entered the amount as a liability. Should the decision of the highest court be the same as that of the tax authority, Pricer will report the amount directly against equity.

Capital expenditure

Total capital expenditure for the first quarter amounted to SEK 0.4M (0.2) and to SEK 0.6M (0.4) for the half year.

Personnel

During first half of 2002, the average number of employees amounted to 39 (45) whereas the number at 30 June 2002 amounted to 37 (43).

Parent company

The parent company's net sales for the first six months amounted to SEK 37.9M (17.7) and the result before appropriations was SEK -27.7M (-35.5). Capital expenditure amounted to SEK 0.6M (0.4). The parent company's liquid funds amounted to SEK 97.0M (95.9) at 30 June 2002.

Accounting principles

This Interim Report has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation RR20 Interim Reports.

Compared with the Annual Report for 2001, the following new recommendations have been applied from 1 January 2002: RR 1:00 Consolidated accounts, RR15 Intangible fixed assets, RR 16 Provisions, contingent liabilities and contingent assets, and RR17 Write-downs. The application of these recommendations has not had any significant impact on the company's results and position.

Subsequent events

Pricer received orders for ESL systems to an additional three stores from its partner, TOSHIBA TEC EUROPE in Belgium.

Pricer moves headquarters to Sollentuna (Stockholm) in order to reduce costs. The move is planned to take place in the beginning of November 2002.

Forecast

In line with increasing sales, the action programme is aimed at achieving a faster improvement in the operating result by significantly reducing the fixed costs. It is difficult to assess the ongoing market trend.

The Board of Directors is of the opinion that the payment from the new share issue will meet Pricer's capital requirement until the operations generate a positive cash flow. This is expected to be achieved during the first half of 2004.

This forecast is unchanged from the Interim Report for the first quarter 2002.

Next reporting date

The Interim Report for January-September 2002 will be published on 7 November 2002.

Uppsala, 28 August 2002
Pricer AB (publ)

Jan Forssjö
President

We have reviewed this Interim Report in accordance with the recommendation issued by the Swedish Institute of Authorised Public Accountants, FAR. A review is significantly limited compared with an audit. Nothing has emerged which indicates that the Interim Report does not comply with the requirements in the Annual Accounts Act.

Stockholm, 28 August 2002

Per Bergman
Authorised Public Accountant

Kari Falk
Authorised Public Accountant

For further information, please contact:

Jan Forssjö, President of Pricer AB: +46 18-18 81 00

Pricer AB (publ), founded in 1991 in Uppsala, has the world's leading position as a supplier of electronic display and information systems to the retail industry. Pricer offers electronic information systems that improves significantly customer profitability and productivity.

With the largest product range on the market, Pricer ESL System is installed in more than 300 stores in three continents. Among others, the second largest retailer in Europe and some of the largest retailers in Japan are customers to Pricer. Pricer, in cooperation with highly competent partners, offer a totally integrated solution together with the supplementary products, applications and services.

Pricer AB (publ) is quoted on the O-list of Stockholm Exchange. For further information, please visit Pricer's website www.pricer.se. Registration to receive news releases automatically via e-mail can be made through the website.

CONSOLIDATED INCOME STATEMENT-SUMMARY	Q2	Q2	Halfyear	Halfyear	Fullyear
Amount in MSEK	2002	2001	2002	2001	2001
Net sales	20,5	9,5	38,2	17,8	36,4
Cost of goods sold	-18,2	-8,7	-32,3	-16,9	-31,8
Gross result	2,3	0,8	5,9	0,9	4,6
Sales and administrative expenses	-10,5	-16,1	-23,6	-32,7	-73,5
Research and development costs	-3,5	-3,9	-7,1	-7,6	-16,8
Items affecting comparability, operational	-	-	-	-	-
Amortisation of goodwill, marketing and industrial rights	-	-	-	-	-
Operating result	-11,7	-19,2	-24,8	-39,4	-85,7
Financial net	-2,2	-1,6	-2,8	-4,6	41,2
Result after financial items	-13,9	-20,8	-27,6	-44,0	-44,5
Other taxes	0,0	0,0	0,0	0,0	-
Net result for the period	-13,9	-20,8	-27,6	-44,0	-44,5

Result per share, number of shares	Q2	Q2	Halfyear	Halfyear	Fullyear
	2002	2001	2002	2001	2001
Net result per share in SEK	-0,04	-0,09	-0,08	-0,18	-0,19
Net result per share in SEK, with full dilution	-0,04	-0,09	-0,08	-0,18	-0,18
Number of shares, millions	334,0	238,6	334,0	238,6	238,6
Number of shares, millions, with full dilution	357,9	242,9	357,9	242,9	242,3

NET SALES BY GEOGRAPHIC MARKET	Q2	Q2	Halfyear	Halfyear	Fullyear
Amounts in MSEK	2002	2001	2002	2001	2001
The Nordic Countries	5,7	0,8	7,8	2,1	2,9
The rest of Europe	7,3	3,2	9,6	4,0	12,6
Asia	7,4	3,5	20,7	9,7	18,5
The rest of the world	0,1	2,0	0,1	2,0	2,4
Total net sales	20,5	9,5	38,2	17,8	36,4

CONSOLIDATED BALANCE SHEET-SUMMARY

Amounts in MSEK	2002-06-30	2001-06-30	2001-12-31
Goodwill	-	-	-
Market and industrial rights	-	-	-
Patent and licence rights	17,3	20,6	19,2
Total Intangible fixed assets	17,3	20,6	19,2
Tangible fixed assets	3,0	3,4	2,9
Total fixed assets	20,3	24,0	22,1
Inventories	6,1	17,2	12,9
Current receivables	30,4	10,3	12,6
Cash and bank	98,9	125,5	72,8
Total current assets	135,4	153,0	98,3
TOTAL ASSETS	155,7	177,0	120,4
Shareholders' equity	108,5	43,0	43,2
Allocations	8,1	11,8	9,7
Long-term loans	0,0	32,2	0,0
Other long-term non interest-bearing liabilities	0,0	11,8	0,0
Short-term loans	0,0	32,2	21,3
Other current non interest-bearing liabilities	39,1	46,0	46,2
Total liabilities	39,1	122,2	67,5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	155,7	177,0	120,4
Pledged assets	36,9	64,3	58,3
Contingent liabilities	-	-	-
Shareholders' equity per share, SEK	0,32	0,18	0,18
Shareholders' equity with full dilution, SEK	0,30	0,18	0,18

CHANGE IN SHAREHOLDERS' EQUITY	Halfyear	Halfyear	Fullyear
Amounts in MSEK	2002	2001	2001
Shareholders' Equity at start of period	43,2	89,6	89,6
New share issue	92,9	-2,6	-1,9
Translation difference	-	-2,6	-1,9
Net result for the period	-27,6	-44,0	-44,5
Shareholders' Equity at end of period	108,5	43,0	43,2

CONSOLIDATED CASH FLOW STATEMENT-SUMMARY	Q2	Q2	Halfyear	Halfyear	Fullyear
Amounts in MSEK	2002	2001	2002	2001	2001
Result after financial items	-13,9	-20,8	-27,6	-44,0	-44,5
Adjustment for items which are not included in the cash flow	1,8	7,4	4,9	12,7	-37,3
Changes in working capital	-4,8	-6,4	-13,7	-8,9	10,5
Cash flow from current operations	-16,9	-19,8	-36,4	-40,2	-71,2
Cash flow from investment operations	-0,9	-0,9	-1,1	-6,9	-6,7
Cash flow from financial operations	72,9	-	67,6	-	-21,4
Cash flow in the period	55,1	-20,7	30,1	-47,1	-99,3
Liquid funds at start of period	46,9	144,8	72,8	169,1	169,2
Exchange difference in liquid funds	-3,1	1,4	-4,0	3,4	2,9
Liquid funds at end of period	98,9	125,5	98,9	125,5	72,8
Less blocked bank deposits	-3,2	-25,2	-3,2	-25,2	-24,7
Unutilised overdraft facility	3,1	3,0	3,1	3,0	3,4
Disposable funds at end of period	98,8	103,3	98,8	103,3	51,5

KEY RATIOS	Q2	Q1	Q4	Q3	Q2
Amount in MSEK	2002	2002	2001	2001	2001
Order Entry	18,1	22,7	6,6	307,1	2,1
Order Entry-moving 4 quarters	354,5	338,5	328,2	328,1	25,0
Net sales	20,5	17,7	10,8	7,8	9,5
Net sales-moving 4 quarters	56,8	45,8	36,4	34,2	35,9
Operating result	-11,7	-13,1	-25,9	-20,4	-19,2
Operating result-moving 4 quarters	-71,1	-78,6	-85,7	-280,8	-293,0
Net result for the period	-13,9	-13,7	22,3	-22,9	-20,8
Cash flow from operations	-16,9	-19,5	-15,8	-15,2	-19,8
Cash flow from operations-moving 4 quarters	-67,4	-70,3	-71,2	-72,9	-87,4
Number of employees, end of period	37	40	43	46	43
Equity/assets ratio	70%	26%	36%	18%	24%
Debt/equity ratio	0,91	-0,88	-2,15	-5,84	-4,42

