



Q3 – 2023

INTERIM FINANCIAL REPORT JANUARY-SEPTEMBER 2023

THIRD QUARTER

- Net sales for the third quarter amounted to kSEK 8,379 (12,066).
- The gross margin on sales of goods was 67 (58)%.
- Result after taxes amounted to kSEK -9,590 (-10,648).
- Earnings per share before and after dilution was SEK -0.36 (-0.40).
- The cash flow from operating activities was kSEK -6,895 (-8,094).

JANUARI-SEPTEMBER

- Net sales for nine months amounted to kSEK 24,910 (32,966).
- The gross margin on sales of goods was 62 (60)%.
- Result after taxes amounted to kSEK -35,215 (-36,726).
- Earnings per share before and after dilution was SEK -1.33 (-1.55).
- The cash flow from operating activities was kSEK -27,430 (-29,247).
- Cash and cash equivalents on the balance sheet date amounted to kSEK 42,431 (112,649).

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Acconeer partners with Convergence Promotions to expand sales network in North America.
- Acconeer signed distribution agreement with Turkish Ansal Component.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Acconeer received order from Nexty worth USD 150,000.

COMMENTS FROM OUR CEO

During the third quarter, General Motors announced two new car models in addition to the already launched Cadillac Lyriq. After the end of the quarter yet another model was launched, and we now have four launched car models in total. This is pleasing as it indicates that the system for access control incorporating Acconeer's sensor has become a standard product and we hope for many more launches from General Motors. We were also happy to see as much as twelve launched customer products.

Product revenue in the third quarter was 31% higher than in the second quarter. Customers and distributors are still reducing their inventories, but we see a clear improvement in order intake. Postponed car launches affect the volumes negatively, but after the end of the quarter we have received an order indicating that mass production is now starting. We sold approximately 11,000 modules and 96,000 sensors in the quarter. Gross margin increased to a high 67% in the third quarter. We see very good sales of EVKs and new customer launches so we are convinced that the weak sales so far in 2023 are due to a general industry downturn and that it is temporary.

We had a cash flow positive quarter, the reason for this being a combination of that an important milestone reached in the A2 project generated a larger payment, issuance of warrant programs, that we did not receive any wafers, and deferred payment of taxes and fees. As the funds are sufficient, we still have not used the first part of the loan agreement we signed with Buntel AB and Exelity AB.

The sale of evaluation kits (EVK) gives an indication of the great interest in our sensor and is an important indicator of the potential of future product launches. In the third quarter of 2023 we sold 364 EVKs, which is more than the goal of selling more than 3 EVKs per day on average. Nice to note is that more than 80% of EVK sales are A121 which means that the introduction of A121 is faster than expected and our announcement of an IoT module with A121 (XM126) is a result of customer interest.

We have said before that we now have a pipeline of customers where we believe we should be able to launch at least ten new products per quarter. During the third quarter we saw twelve new customer launches and so far, the total number of customer launches amounts to 134. Nice to see two new launches in China, it seems the Chinese market has bounced back from the shutdowns caused by Covid-19. During the quarter, we certified A111 and A121 against the



new regulations in the USA and saw as many as four customer launches in the USA. We have already decided to increase the number of channels to the market and the contracts with JCD solutions in Israel and Ansal in Turkey are the result of an investment in the Middle East and North Africa (MENA). We got our first customer launch in MENA, an IoT company in Saudi Arabia. In order to present the types of solutions our sensor is used in, we together with our customers publish "customer stories" on our website. During the quarter, we published LevelCon from the USA, who uses Acconeer's sensor for remote monitoring of tanks in the agricultural industry.

We will focus on:

- Continue to launch new customers as well as help already launched customers grow.
- Focus on customers with high potential volume and help them launch their products.
- Deepen the collaboration with Alps Alpine and launch more car models with them.
- Invest in the development of new, more advanced use cases such as gesture control, breathing rate and speed measurement.
- Design of the next generation radar sensor A2, which will be a very strong complement to the A1 and which, right from the start, will meet all the special requirements of the automotive industry.

Our goal continues to be, together with our built-up network of distributors, in a controlled manner to take advantage of all growth opportunities that arise in order to establish a leading position in the area of low-power radar.

Malmö, 27 October 2023

A handwritten signature in black ink that reads "Lars Lindell". The signature is written in a cursive, flowing style.

Lars Lindell, CEO of Acconeer AB (publ)

SOLD EVALUATION KITS, MODULES AND SENSORS

	2022 Q3	2022 Q4	2023 Q1	2023 Q2	2023 Q3	Accumulated*
EVK	332	346	303	425	364	7,033
Modules	21,116	14,140	20,087	14,699	11,225	160,903
Sensors	185,419	264,783	116,286	66,997	95,703	1,752,365

*Accumulated since the products were launched.

CUSTOMER LAUNCHES BY MARKET AND AREA OF USE

	IoT & Smart cities	Industry & Agriculture	Consumer Electronics	Automotive	Total
Europe	35(34)	16(15)	5		56(54)
Japan	3	1	4		8
South Korea	7	1			8
Australia & New Zealand	3(2)	5(4)			8(6)
US	2(1)	9(8)	1	3(1)	15(11)
China	23(22)	9	2(1)		34(32)
Taiwan & Singapore	2	1(0)	1		4(3)
Middle east North Africa	1(0)				1(0)
Total	76(71)	42(38)	13(12)	3(1)	134(122)

The table refers to the accumulated number of customer launches since product launch Q2 2018. Figures in parentheses refer to the number in the previous quarter.

THIRD QUARTER NET SALES AND RESULT

Net sales for the third quarter amounted to kSEK 8,379 (12,066) i.e. a decrease of 30% compared to previous year. Net sales relate to sales to customers through distributors, mainly Digi-Key, Nexty, BEYD and Codico, and income from development services.

Gross profit, which only includes direct cost of goods, amounted to kSEK 6,547 (7,770). Reduced with revenues from development related services, gross profit amounted to kSEK 3,736 (5,742) which corresponds to a gross margin of 67 (58)%. Product mix between our sensors, modules and evaluation kits affect the gross margin.

Compared with the third quarter of last year, operating expenses decreased by 17% to kSEK 17,029 (20,418). The change is mainly due to decreased costs for administration and to the fact that a larger part of the period's development costs meet the criteria to be capitalized. Depreciation of capitalized development costs, patents and inventories was made during the third quarter with kSEK 2,935 (2,746).

Operating profit/loss for the third quarter amounted to kSEK -9,831 (-10,648) and the profit/loss after tax was kSEK -9,590 (-10,648).

The average number of employees during the period was 51 (48), of which 6 (6) were women.

NINE MONTHS NET SALES AND RESULT

Net sales for nine-month period amounted to kSEK 24,910 (32,966) i.e. a decrease of 24% compared to previous year. Net sales relate to sales to customers through distributors, mainly Digi-Key, Nexty, BEYD and Codico, and income from development services.

Gross profit, which only includes direct cost of goods, amounted to kSEK 18,258 (22,063). Reduced with revenues from development related services, gross profit amounted to kSEK 11,010 (16,578) which corresponds to a gross margin of 62 (60)%. Product mix between our sensors, modules and evaluation kits affect the gross margin.

Compared with the nine-month period of last year, operating expenses decreased by 12% to kSEK 55,675 (63,589). Operating profit/loss for the nine-month period amounted to kSEK -35,502 (-36,671) and the profit/loss after tax was kSEK -35,215 (-36,726).

The period's deficit is slightly lower than the previous year. The lower cost mass is offset by the reduction in turnover. A larger part of the development costs meet the criteria to be capitalized compared to the previous year. The company continues to invest in, above all, sales as well as research and development to adapt to the increased sales volumes and the broadening of the number of sensors that lie ahead.

INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 30 September the cumulative book value of balanced costs for development work amounted to kSEK 49,674 (24,863). This refers to development work related to the A2 product. By 30 September the A1 product was fully depreciated.

The corresponding patent portfolio value amounted to kSEK 2,168 (2,171) most of which is due to investments in patents and patent applications related to the A1 product. Acconeer has 12 patent families including in total 19 granted patents and 13 pending patent applications. The patent portfolio covers various geographic regions, including the U.S., Europe, Japan and China.

Investments in fixed tangible assets has been financed from the company's own resources, and amounted to kSEK 1,027 (1,215).

The Group is small and not covered by requirements for consolidated accounts, therefore no Group Accounts has been prepared.

The cash flow from operating activities during the nine month period amounted to kSEK -27,430 (-29,247).

After changes in working capital the cashflow for the period was kSEK 14,257 (-10,260). The company has used the possibility to get deferrals with employer contributions and deducted tax on employees' wages. The deferral amounts to kSEK 14,729 and expires in September 2024 with the option of extension for another year. The amount is reported as other short-term liabilities.

At the balance sheet date, cash and cash equivalents amounted to kSEK 42,431 (112,649).

Total equity amounted to kSEK 143,453 (180,201). Equity ratio was 80 (90) percent.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

On July 10 it was announced that Acconeer has signed a contract with Convergence Promotions LLC to promote and sell Acconeer's Pulsed Coherent Radar products on the North American market including the US, Canada and Mexico. The contract means that Convergence Promotions will promote Acconeer products and build a large network of sales representatives. This way Acconeer will complement the current sales setup with much increased coverage all over North America.

On August 29 it was announced that Acconeer has signed a distribution agreement with Turkish Ansal Component. The agreement concerns Acconeer's radar sensors along with related modules and evaluation kits (EVK) for the Turkish market. Ansal Component provides component supply services to organizations that provide R&D services and produce Electronic Systems in Turkey.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On October 26 it was announced that Acconeer had received an order from Nexty worth USD 150,000. The order relates to Acconeer's pulsed coherent radar sensor A1 for mass production. NEXTY Electronics is a leading Japanese distributor with a particularly strong position in the automotive industry.

ACCOUNTING AND VALUATION POLICIES

This interim financial report is prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3).

More information about the company's accounting policies can be found in the 2022 annual report, on pages 34-37. The accounting policies are the same.

Considering that Acconeer is in a start-up phase and not yet achieved any full-scale production only material costs are reported in Cost of goods sold. Cost of operations and product management function is reported in Sales costs, and amortization of Intangible assets is included in Research and development costs. More information can be found in Note 1 and 2.

Revenue has been recognized at the fair value of the consideration received or receivable to the extent that it is likely that the financial benefits arising from it will be available to the company and can be reliably calculated.

KEY RISKS AND UNCERTAINTY FACTORS

A description of Acconeer's key risks and uncertainty factors can be found in the 2022 annual report, on page 25-27. No significant changes have taken place since then.

SHARE PERFORMANCE

Since the turn of the year, the share price has fallen by about 56%. At the end of September 2023, the total number of shares amounts to 26,637,783 shares.

Acconeer's sale of goods is taken as income in its entirety when the risk passes to the buyer in accordance with delivery terms. In cases where sales are made to a distributor, the revenue recognition takes into account any returns and discounts. Development-related services is related to the company developing the new sensor A2 together with external party, ALPS Alpine. The project is divided into various Milestones and the revenues are reported linearly over each Milestone's term, degree of completion taken in to account.

Amounts expressed in kSEK and MSEK in this interim report refer to thousands and millions of Swedish kronor, respectively. Numbers within parentheses refer to values from the corresponding period in the preceding year.

UPCOMING FINANCIAL INFORMATION

Year-End-report 2023.....	16 February 2024
Annual Report 2023.....	22 March 2024
Interim report Jan-Mar 2024.....	19 April 2024
Annual general Meeting 2024.....	23 April 2024
Interim report Jan-Jun 2024.....	19 July 2024
Interim report Jan-Sep 2024.....	25 October 2024

The financial reports are available through Acconeer's website:<https://investor.acconeer.com/en/financial-reports/>.

AUDITORS' REVIEW

This report has not been reviewed by the company's auditors.

Malmö 27 October
The Board

FOR ADDITIONAL INFORMATION,
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INCOME STATEMENT IN SUMMARY

KSEK		2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 FULL YEAR
Net sales	Note 1	8,379	12,066	24,910	32,966	46,825
Cost of goods sold		-1,833	-4,296	-6,652	-10,903	-15,954
Gross profit		6,547	7,770	18,258	22,063	30,871
Operating expenses	Note 2					
Sales expenses		-6,431	-6,451	-20,465	-19,053	-25,862
Administrative expenses		-2,430	-3,352	-7,301	-10,203	-13,989
Research and Development expenses		-8,168	-10,615	-27,909	-34,333	-45,077
Other operating income/expenses		651	2,000	1,915	4,855	6,809
Operating result		-9,831	-10,648	-35,502	-36,671	-47,248
Result from financial items						
Result from participations in Group companies		-	-	-	-	-4
Other interest income and similar income		240	-	287	7	160
Interest expenses och similar expenses		2	-	-	-62	-62
Net financial income/expense		241	-	287	-55	94
Profit or loss before tax		-9,590	-10,648	-35,215	-36,726	-47,154
Tax		-	-	-	-	-
Net profit or loss for the period		-9,590	-10,648	-35,215	-36,726	-47 154
Earnings per share, before dilution, SEK		-0.36	-0.40	-1.33	-1.55	-1.81
Earnings per share after dilution, SEK		-0.36	-0.40	-1.33	-1.55	-1.81
Average number of shares during the period		26,346,585	26,305,599	26,435,225	23,630,688	26,021,962
Average number of shares during the period after dilution		27,680,388	27,205,599	27,769,028	24,530,688	27,011,962

BALANCE SHEET IN SUMMARY

KSEK	2023-09-30	2022-09-30	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	49,674	24,863	30,487
Patents	2,168	2,171	2,251
Total intangible fixed assets	51,842	27,034	32,738
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	7,874	1,237	1,087
Inventory, tools and installations	3,023	3,653	3,641
Payments on account and tangible assets in course of construction	301	7,063	7,063
Total tangible fixed assets	11,198	11,953	11,791
<i>Financial fixed assets</i>			
Participations in Group companies	828	832	828
Total fixed assets	63,868	39,819	45,357
Current assets			
<i>Inventories, etc.</i>			
Work in progress	38,157	17,674	23,075
Stocks of finished goods	9,954	5,167	7,162
Total inventories	48,111	22,841	30,237
<i>Short-term receivables</i>			
Accounts receivable	2,678	6,961	4,797
Current tax assets	1,417	1,174	493
Group company receivables	-	823	990
Other receivables	2,011	10,539	1,398
Prepayments and accrued income	18,079	4,714	17,520
Total short-term receivables	24,185	24,211	25,198
<i>Cash and bank balances</i>			
Cash and bank balances	42,431	112,649	89,883
Total current assets	114,727	159,701	145,318
Total assets	178,595	199,520	190,675

KSEK	2023-09-30	2022-09-30	2022-12-31
EQUITY AND LIABILITIES			
Total equity			
<i>Restricted equity</i>			
Share capital (26,331,798 shares)	1,332	1,317	1,317
Fund for development costs	49,674	22,206	28,495
	51,006	23,523	29,812
<i>Non-restricted equity</i>			
Share premium reserve	489,989	481,110	482,848
Retained profit or loss	-362,327	-287,706	-294,020
Net profit or loss for the year	-35,215	-36,726	-47,154
Total non-restricted equity	92,447	156,678	141,699
Total equity	143,453	180,201	171,511
Short-term liabilities			
Advance payments from customers	32	-	143
Accounts payable	-	375	6,166
Group company receivables	10,923	6,258	-
Other liabilities	16,583	1,698	933
Accruals and deferred income	7,604	10,988	11,922
Total short-term liabilities	35,142	19,319	19,164
Total equity and liabilities	178,595	199,520	190,675

CHANGES IN EQUITY

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	SHARE HOLDERS CONTRIB.	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2022-12-31	1,317	28,495	482,848	25	-341,173	171,512
New share issue	13		5,227			5,240
Exercise of warrants /new shares	2		2,147			2,149
Issue expenses			-233			-233
Capitalisation development costs		26,072			-26,072	0
Dissolution of depreciation of development costs		-4,893			4,893	0
Net profit/loss for the period					-35,215	-35,215
Total equity 2023-06-30	1,332	49,674	489,989	25	-397,567	143,453

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	SHARE HOLDERS CONTRIB.	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2021-12-31	1,286	13,632	463,912	25	-279,157	199,698
New share issue						0
Exercise of warrants /new shares	31		17,561			17,592
Issue expenses			-363			-363
Capitalisation development costs		13,467			-13,467	0
Dissolution of depreciation of development costs		-4,893			4,893	0
Net profit/loss for the period					-36,726	-36,726
Total equity 2022-06-30	1,317	22,206	481,110	25	-324,457	180,201

CASH FLOW STATEMENT IN SUMMARY

KSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 FULL YEAR
Cash flow from operating activities	-6,895	-8,094	-27,430	-29,247	-36,220
Cash flow from operating activities after change in working capital	14,257	-10,260	-27,389	-46,337	-62,529
Cash flow from investing activities	-7,557	-4,943	-27,220	-15,101	-23,413
Cash flow from financing activities	5,190	9,911	7,157	17,229	18,967
CASH FLOW FOR THE PERIOD	11,890	-5,292	-47,452	-44,209	-66,975
Cash and cash equivalents at the beginning of the period	30,541	117,941	89,883	156,858	156,858
Cash and cash equivalents at the end of the period	42,431	112,649	42,431	112,649	89,883

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 FULL YEAR
Net sales	8,379	12,066	24,910	32,966	46,825
Gross margin, sales of goods	67%	58%	62%	60%	59%
Operating result	-9,831	-10,648	-35,502	-36,671	-47,248
Net profit or loss for the period	-9,590	-10,648	-35,215	-36,726	-47,154
Cash flow, operating activities	-6,895	-8,094	-27,430	-29,247	-36,220
Cash and cash equivalents, short-term deposits	42,431	112,649	42,431	112,649	89,883
Total equity	143,453	180,201	143,453	180,201	171,511
Balance sheet total	178,595	199,520	178,595	199,520	190,675
Basic earnings per share, SEK*	-0.36	-0.40	-1.33	-1.55	-1.81
Diluted earnings per share, SEK*	-0.36	-0.40	-1.33	-1.55	-1.81
Cash flow per share, SEK*	-0.26	-0.31	-1.04	-1.24	-1.39
Number of shares	26,637,783	26,331,798	26,637,783	26,331,798	26,331,798
Average number of shares during the period	26,346,585	26,305,599	26,435,225	23,630,688	26,021,962
Average number of shares during the period after dilution	27,680,388	27,205,599	27,769,028	24,530,688	27,011,962
Equity/Ratio, %*	80	90	80	90	90
Equity per share, SEK*	5.39	6.84	5.39	6.84	6.51
Average number of full-time equivalent employees	51	48	51	47	49

*DEFINITIONS OF INDICATORS

Gross margin: Gross profit as a percentage of net sales.

Earnings per share = Net income after taxes divided by the average number of shares during the period.

Cash flow per share = Cash flow from operating activities during the period, divided by the average number of shares during the period.

Solidity = Total equity on the balance sheet date, divided by the balance sheet total on the balance sheet date.

Equity per share = Equity on the balance sheet date divided by the number of shares on the balance sheet date.

Note 1 Net sales

TSEK	2023 JUL-SEP	2022 JUL-SEP	2023 JAN-SEP	2022 JAN-SEP	2022 FULL YEAR
Sales of goods	5,569	10,038	17,662	27,481	39,005
Development-related services	2,810	2,028	7,248	5,485	7,820
Total net sales	8,379	12,066	24,910	32,966	46,825

Note 2 Information about the company's operating expenses

For the period, the operations and product management function amounts to kSEK 8,365 (13,528) and depreciation of tangible and intangible fixed assets to kSEK 8,709 (8,184).

Considering that Acconeer is in a start-up phase and has not yet reached full scale production, these costs are included in Sales costs and Research and development costs.

ACONEER IN BRIEF

Based on research from Lund University, Acconeer has created a radar sensor that combines the best of existing radar technologies and creates new opportunities for human interaction with technology. The radar sensor is able to combine the low power consumption of a pulsed system with the high accuracy of a coherent radar in a 5x5 mm component. The Acconeer radar is the first one with the proper size, power consumption and price for consumer electronics use. A radar sensor with these characteristics creates endless possibilities:



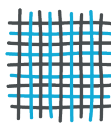
Millimeter-precision distance measurement enables applications such as fuel level measurements and robust parking sensors.



Object positioning allows, for example, presence detection and precise control of robots and tools.



By tracking movement, the sensor can provide the means for gesture control, vibration metering, and breathing or pulse rate monitoring.



Robot vacuum cleaners and lawn movers can make use of the material classification properties to determine the current surface type.

A LARGE AND GROWING MARKET

Based on key industry trends, Acconeer's market, 3D sensing, is expected to keep growing rapidly. The prevalent technologies today involve ultrasound, IR or cameras. Instead of having to build a new market, Acconeer can replace these existing solutions, which all have weaknesses. The most interesting domains are:



CONSUMER ELECTRONICS



INTERNET OF THINGS (IoT)



INDUSTRY AND AGRICULTURE



AUTOMOTIVE

New applications that require more sophisticated sensors for gesture control, 3D imaging and material recognition are being intensively developed in all of these areas. The potential impact of technology on our everyday life just a few years from now seems boundless.

PROMISING AND ATTRACTIVE GROWTH AND RETURNS

Acconeer's first product has now entered mass production. Our present focus is to increase sales. The use of Acconeer sensors in large-volume consumer products will generate a profitable business operation.

THE HEADQUARTERS IN MALMÖ AND THE EXPERIENCED MANAGING BODY

Acconeer has a competent and experienced managing body and board. The company is directed by CEO Lars Lindell, with a mobile industry background encompassing startups as well as large international companies. Co-founders Mats Ärlelid and Mikael Egard are responsible for developing the new radar technology, and are co-inventors of several of the patents.

LISTED ON FIRST NORTH GROWTH MARKET

The Acconeer share is listed on First North Growth Market, Stockholm, since 11 December 2017.



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