



# Q3 – 2020

INTERIM FINANCIAL REPORT JANUARY-SEPTEMBER 2020

## THIRD QUARTER

- Net sales for the third quarter amounted to kSEK 2,780 (1,693).
- The Gross margin was 52 (109)%.
- Result after taxes amounted to kSEK -12,325 (-15,476)
- Earnings per share before and after dilution was SEK -0.53 (-0.79).
- The cash flow from operating activities was kSEK -9,338 (-12,594).

## JANUARY-SEPTEMBER

- Net sales for the nine months period amounted to kSEK 6,549 (3,679).
- The Gross margin was 56 (59)%.
- Result after taxes amounted to kSEK -46,861 (-49,074).
- Earnings per share before and after dilution was SEK -2.20 (-2.55).
- The cash flow from operating activities was kSEK -38,068 (-41,178).
- Cash and cash equivalents including short term deposits at the balance date amounted to kSEK 95,611 (93,812).

## SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Acconeer received an order from Digi-Key worth USD 52,000.
- Acconeer received an order from BEYD worth USD 164,000 USD.
- Björn Bengtsson was appointed as new CFO at Acconeer.
- Acconeer signed a purchase agreement with Future Electronics.
- Acconeer has shipped more than 200 000 A1 radar sensors since the company started selling evaluation kits.
- It is the company's assessment that the effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Acconeer received order from Digi-Key worth USD 36,000.

# COMMENTS FROM OUR CEO

Focus in the third quarter 2020 has been to define the next generation radar sensor, A2, together with AlpsAlpine. This includes to decide on supply chain and project plans, in order to be able to sign a contract during the fourth quarter.

As reported in the previous quarter, we have entered into an agreement with AlpsAlpine to share the development cost of the next generation radar system. The agreement contributes approximately SEK 100 million to the development and is distributed as SEK 30 million in direct investment in Acconeer and a MoU of SEK 70 million as payment for exclusivity in the automotive industry and contribution with Acconeer IP. During the third quarter we have worked intensly together with AlpsAlpine to define the A2 product, supply chain and project plans, which is all necessary input to be able to sign the contract. Our goal is to convert the MoU to a contract by 2020, and we expect payments to start in the second quarter of 2021. The product we develop together is planned to reach the market in 2023/2024.

Otherwise, also the third quarter 2020 has been dominated by the global outbreak of the Covid-19 virus. We have previously announced that we do not see any impact from Covid-19 on the development or purchasing side, but that we believe we will see delays in launches and projects on the customer side due to Covid-19. We saw these effects in the third quarter, where we saw several customer projects delay their launches, as well as few new projects being started. This is entirely Covid-19 related and we continue to believe in a slow market as long as our customers are not able to work as normal in their offices and factories. Despite this our revenue grew in the third quarter, both compared to the first and second quarter, a development wholly driven by China which is going very strong, while we see a rather weak development both in the US and Europe. In the quarter, we also reached the important milestone of 200,000 sensors shipped in total.

During the quarter we launched our entry module, XM132, and the related evaluation kit XE132. The entry module is the final step to push the total system cost as low as possible by combining the radar sensor with a low-cost M0 processor. To get the system cost as low as possible for applications which do not require much processing power has been the single most important demand from IoT customers, so we have high hopes on the entry module.

The sale of evaluation kits gives an indication of the great interest that exists in our sensor and is an



important indicator of the potential of future product launches. We sold 345 evaluation kits in the third quarter, which is better than our goal of selling more than three per day on average in 2020. Since launch, we have now sold 2616 evaluation kits.

As in the second quarter, we saw five customer launches in the third quarter, and so far the total number of customer launches is 27. Five launches per quarter is a pace we believe we can maintain and even accelerate. In the quarter one robot was launched in Japan, Bocco from the company Yukai Engineering. In this product our sensor is used for presence detection. In China, a new parking sensor was launched, along with one level measurement product and one product within smart presence. Finally, another parking sensor was launched in South Korea. Refer to the table below for a more detailed compilation of launched products. Sales to these customers are reflected in our sales to Digi-Key and other distributors.

During the months 25-48 since product launch, we will focus on:

- Continue to launch new customers and help existing customers grow
- Increase focus on customers with high volume potential and support them in launching their products
- Expand collaboration with AlpsAlpine and receive more design wins
- Invest in the development of new more advanced applications such as gesture control, breathing frequency and speed measurement

Our goal is to continue, in cooperation with our network of distributors, to take advantage of all growth opportunities that emerge to establish a leading position in the area of low-power radar. .

Lund, October 27, 2020

A handwritten signature in dark ink, reading "Lars Lindell". The signature is written in a cursive, flowing style.

Lars Lindell, CEO Acconeer AB (publ)

## THIRD QUARTER NET SALES AND RESULT

As of Q1 2020, the company has transitioned to a functional income statement. Comparative periods have been recalculated.

Net sales for the third quarter amounted to kSEK 2,780 (1,693), ie an increase of 64% compared with the previous year. Net sales relate to sales to customers through the distributors Digi-Key, BEYD and Codico, ALPS and other new distributors.

Gross profit, which only includes direct cost of goods, amounted to kSEK 1,428 (1,853) which corresponds to a gross margin of 52% (109). The gross margin for the full year 2019 was 61%. Product mix between our sensors, modules and evaluation kits and changes in exchange rate affects the gross margin. The

higher gross margin for the last year is explained by an incorrect valuation in quarter 2 of inventories, which was adjusted in quarter 3.

Compared to the third quarter of last year, operating expenses decreased by 21% to kSEK 13,753 (17,329). The decrease mainly refers to reduced consulting costs in research and development. Depreciation of capitalized development costs, patents and equipment was made during the second quarter with kSEK 2,983 (2,882).

Operating profit for the third quarter amounted to kSEK -12,325 (-15,476) and the profit after tax was kSEK -12,325 (-15,476). The average number of employees during the period was 36 (33), of which 5 (3) were women.

## NINE-MONTH PERIOD IN SUMMARY

Net sales for the nine months period amounted to kSEK 6,549 (3,679), ie an increase of 78% compared with the previous year. Net sales relate to sales to customers through the distributors Digi-Key, BEYD and Codico, ALPS and other new distributors.

Gross profit, which only includes direct cost of goods, amounted to kSEK 3,636 (2,157) which corresponds to a gross margin of 56% (59). The gross margin for the full year 2019 was 61%. Product mix between our sensors, modules and evaluation kits and changes in exchange rate affects the gross margin. The higher gross margin for the last year is explained by an incorrect valuation in quarter 2 of inventories, which was adjusted in quarter 3.

Compared to the nine months period last year, operating expenses increased by 1,5% to kSEK 50,494 (51,254). The decrease is mainly related to reduced other external costs and an increase in other operating income. Depreciation of capitalized development costs, patents and equipment was made during the nine months period with kSEK 8,792 (8,635).

Operating profit for the first nine months amounted to kSEK -46,859 (-49,097) and the profit after tax was kSEK 46,861 (-49,074). The improved result compared with the corresponding period last year is mainly due to reduced administration costs and increased other operating income.

## CUSTOMER LAUNCHES BY MARKET AND AREA OF USE

|                         | IoT<br>Parking<br>sensors | IoT<br>Smart<br>presence | IoT<br>Wasteman-<br>agement | Industry<br>Level<br>gauge | Robotics<br>Object<br>detection | Other | Total |
|-------------------------|---------------------------|--------------------------|-----------------------------|----------------------------|---------------------------------|-------|-------|
| Europe                  | 4                         | 1                        | 1                           | 2                          |                                 |       | 8     |
| Japan                   |                           |                          |                             |                            | 2                               |       | 2     |
| South Korea             | 3                         |                          |                             |                            |                                 |       | 3     |
| Australia & New Zealand |                           |                          |                             | 1                          |                                 |       | 1     |
| US                      |                           |                          |                             |                            |                                 | 1     | 1     |
| China                   | 6                         | 3                        |                             | 2                          |                                 |       | 11    |
| Taiwan                  | 1                         |                          |                             |                            |                                 |       | 1     |
| Total                   | 14                        | 4                        | 1                           | 5                          | 2                               | 1     | 27    |

The table refers to the accumulated number of customer launches since product launch Q2 2018.



## INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 30 September 2020 the cumulative book value of balanced costs for development work amounted to kSEK 27,541 (36,722). This refers to development work related to the A1 product. No capitalization has occurred during the year since product commercialization is now underway.

The corresponding patent portfolio value amounted to kSEK 1,869 (1,732) most of which is due to investments in patents and patent applications related to the A1 product. Acconeer has 8 patent families including in total 22 granted patents and 9 pending patent applications. The patent portfolio covers various geographic regions, including the U.S., Europe, Japan and China.

Investments in fixed tangible assets and patents

has been financed from the company's own resources, and amounted to kSEK 1,665 (392).

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 months period amounted to kSEK -38,068 (-41,178).

After changes in working capital the cashflow for the period was kSEK -42,464 (-45,060).

At the balance sheet date, cash and cash equivalents amounted to kSEK 95,611 (93,812).

Total equity amounted to kSEK 135,407 (139,209). Equity ratio was 95, (94) percent.

## SIGNIFICANT EVENTS DURING THE NINE-MONTH PERIOD

In february Acconeer received an order from Glyn Limited worth USD 12,800. The order relates to Acconeer's radar sensor A1. The same month Acconeer received an order from Digi-Key worth USD 15,100. The order relates to Acconeer's XM122 IoT Module.

At the end of february Acconeer received an order from CODICO worth USD 62,700. The order relates to Acconeer's A1 radar sensor for a European customer.

It was announced that in february, 24 months after the company started selling Evaluation Kits (EVKs) at Digi-Key, Acconeer AB had shipped more than 100,000 A1 radar sensors to distributors and customers.

In March Acconeer received an order from a European customer worth USD 14,700. The order relates to Acconeer's A1 radar sensor, for production of the customer's IoT solution.

In the middle of March the company announced that they are planning to develop an integration-ready entry module with low system cost. The entry module, XM132, was released during the third quarter of 2020.

Acconeer announced at the end of March that the company was awarded three design wins by Alps Alpine for presence detection in cars to a European premium car manufacturer. Acconeer estimates the total potential value of the design wins to US\$ 9-12 million over three years starting in 2022. By "design win" Acconeer refers to that the company's radar sensor has been selected for use in a customer product, but it is not equivalent to that an order has been placed.

In April Acconeer received an order from Digi-Key worth USD 29,500. The order related to the XM112

High Performance Module and related connector board and lens kit.

On April 24 the company announced that they had entered into a non-binding Memorandum of Understanding (the "MoU") of a joint development agreement to develop next generation patented Pulse Coherent sensors. The MoU prescribes that Alps Alpine will contribute up to USD 7 million towards the development of the product and that Alps Alpine will, on commercial terms, receive exclusivity for the new product for the automotive market. The product is planned to be ready for production during 2023.

On May 4 Acconeer announced its intention to carry out a directed new share issue of approximately SEK 60 million to Swedish and international institutional investors. Alps Alpine Co., Ltd., undertook to subscribe for shares corresponding to a maximum of USD 3 million in the directed new share issue. Later that day, it was announced that the Board of Acconeer AB, had with support of the authorization granted by the annual general meeting 14 April 2020, resolved on and carried out a new share issue of 4,062,000 shares. The subscription price of the shares in the directed new share issue was SEK 16 per share. Through the directed new share issue Acconeer received proceeds amounting to approximately SEK 65 million before deduction of transaction costs. The directed new share issue was subscribed for by Alps Alpine Co., Ltd. and a number of institutional investors.

In May it was also announced that Acconeer has extended the agreement with Restar Electronics Corporation to include the Americas. Since July 2019 the two companies have a distributor agreement for the Japanese market, and the decision to extend it to

the Americas comes as a natural result of the good progress seen in Japan.

At the end of the month, the company received an order worth USD 28 400 from Taiwanese Chip Power Technology Corp. The order was for Acconeer's radar sensor A1.

In June, Acconeer's radar sensor A1 received qualification according to AEC - Q100 level 3, which covers temperatures between -40°C - +85 °C. The qualification was completed a quarter ahead of previously announced plans.

In June Acconeer also received ISO certification for quality and environmental management systems under the ISO Standards 9001:2015 and 14001:2015 for development and sales of radar sensors, modules and software.

At the end of June, Acconeer received an order from Digi-Key worth USD 30,000. The order relates to the radar sensor A1 and the reference card XR112.

In August, Acconeer received an order from Digi-Key worth USD 52,000. The order relates to Acconeers XM132 Entry Module and the relates evaluation kit (EVK) XE132.

Acconeer received its largest order to date from BEYD in August. The order amounted to USD 164,000 and mainly related to the radar sensor A1 and will be

used for delivery to customers in China.

The company announced that it had appointed Björn Bengtsson as new CFO, starting on 1 September. Björn has more than 20 years of experience in auditing and accounting at PwC and in recent years as the owner of the accounting firm FinansBalans. FinansBalans has been providing accounting services to Acconeer since 2018.

In September, Acconeer signed a purchase agreement with Future Electronics. The agreement enables Future Electronics to purchase and resell Acconeers A1 radar sensor as well as related modules and evaluation kits (EVK).

On September 10, it was announced that Acconeer has delivered more than 200,000 A1 radar sensors in total since the company began selling evaluation kits (EVK) in February 2018.

It is the company's assessment that the effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

Acconeer receivesDorder from Digi-Key worth USD 36,000, The order mainly relates to Acconeer's A1 radar sensor. Digi-Key's global online platform, serving

both global players as well as smaller local niche producers, remains an important distribution channel for Acconeer.

## ANNUAL GENERAL MEETING

Acconeer AB held its Annual General Meeting in Lund on Tuesday, 14 April 2020.

The General Meeting decided to re-elect Board members Bengt Adolfsson, Lars-Erik Wernersson, Git Sturesjö Adolfsson, Thomas Rex, and Johan Paulsson. Thomas Rex was elected as new Chairman of the Board.

The General Meeting resolved to approve the proposal that a total director's fee of 12 times the price base amount shall be paid, with four (4) times the price base amount going to the Chairman and two (2) times the price base amount going to each of the other Board members elected by the AGM and not employed by the company, and that remuneration to the auditor shall be paid according to approved invoice.

The Meeting resolved in accordance with the Board's proposal to establish an incentive scheme ("Warrant programme 2020/2023") with (A) an issue of Series 2020/2023 warrants with deviation from the share holders' preferential rights to Acconeer Incentive AB, and (B) approval of transfer of warrants to the

employees. The programme means that no more than 300,000 warrants shall be issued to Acconeer's wholly-owned subsidiary Acconeer Incentive AB, in order to subsequently be transferred to the company's employees. Transfer will take place in part on 20 April 2020 and in part on 2 November 2020, according to the market value at the time of transfer, and allotment shall be executed according to the principles set out in the Board's proposal. The maximum dilution from the programme is 1,54 percent.

The Meeting resolved to authorize the Board to decide, for one or more occasions, until the next Annual General Meeting, to increase the Company's share capital through a new share issue corresponding to a maximum of twenty-five (25) percent of the total number of shares in the Company at the time of the AGM's decision on the authorization.

The Meeting resolved to elect the audit firm Öhrlings PricewaterhouseCoopers AB as the company's auditor, with authorized public accountant Ola Bjärehall as responsible auditor.

## 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 2019 annual report, on pages 28-30. The accounting policies are the same.

As of Q1 2020, the company has switched to a Functional income statement. Comparative periods have been recalculated. 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.

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.

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.

## KEY RISKS AND UNCERTAINTY FACTORS

A description of Acconeer's key risks and uncertainty factors can be found in the 2019 annual report, on page 21-22. No significant changes have taken place since then.

It is the company's assessment that the effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

## SHARE PERFORMANCE

Since the turn of the year, the share price has gone up by about 1%. The share has recovered after the decline related to the Covid-19 situation last spring.

During the month of May, a directed new share issue was carried out and 4,062,000 shares were issued at a price of SEK 16 per share, which added kSEK 64,992 to the company. The issue cost amounted to kSEK 3,203, net to the company kSEK 61,789. The share capital increased from kSEK 962 to kSEK 1,165.

At the end of September 2020, the total number of shares amounted to 23,300,500 shares.

## UPCOMING FINANCIAL INFORMATION

|                                   |                  |
|-----------------------------------|------------------|
| Year End Report 2020.....         | 19 February 2021 |
| Annual Report 2020.....           | 24 March 2020    |
| Interim Report Jan-Mar 2021.....  | 23 April 2020    |
| Annual General Meeting.....       | 27 April 2020    |
| Interim Report Jan-Jun 2021.....  | 23 July 2020     |
| Interim Report Jan-Sep 2021 ..... | 29 October 2020  |

## AUDITORS' REVIEW

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

Lund, 27 October 2020  
The Board

FOR ADDITIONAL INFORMATION,  
PLEASE CONTACT:

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# INCOME STATEMENT IN SUMMARY

| KSEK  |        | 2020<br>JUL-SEP | 2019<br>JUL-SEP | 2020<br>JAN-SEP | 2019<br>JAN-SEP | 2019<br>FULL YEAR |
|---|--------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales   |        | 2,780           | 1,693           | 6,549           | 3,679           | 5,508             |
| Cost of goods sold  | Note 1 | -1,352          | 160             | -2,914          | -1,522          | -2,129            |
| Gross profit  |        | 1,428           | 1,853           | 3,635           | 2,157           | 3,379             |
| <b>Operating expenses</b>                                 |        |                 |                 |                 |                 |                   |
| Sales expenses  | Note 2 | -3,622          | -3,692          | -13,256         | -12,077         | -17,482           |
| Administrative expenses                                   |        | -1,613          | -2,815          | -6,511          | -8,586          | -11,459           |
| Research and Development expenses                         |        | -8,750          | -10,612         | -31,760         | -30,280         | -42,946           |
| Other operating income/expenses                           |        | 233             | -210            | 1,034           | -311            | -54               |
| <b>Operating result</b>                                   |        | <b>-12,325</b>  | <b>-15,476</b>  | <b>-46,858</b>  | <b>-49,097</b>  | <b>-68,562</b>    |
| <b>Result from financial items</b>                        |        |                 |                 |                 |                 |                   |
| Financial income  |        | 0               | 0               | 0               | 23              | 24                |
| Financial expense   |        | 0               | 0               | -3              | 0               | -1                |
| <b>Net financial income/expense</b>                       |        | <b>0</b>        | <b>0</b>        | <b>-3</b>       | <b>23</b>       | <b>23</b>         |
| <b>Profit or loss before tax</b>                          |        | <b>-12,325</b>  | <b>-15,476</b>  | <b>-46,861</b>  | <b>-49,074</b>  | <b>-68,539</b>    |
| Tax   |        | 0               | 0               | 0               | 0               | 0                 |
| <b>Net profit or loss for the period</b>                  |        | <b>-12,325</b>  | <b>-15,476</b>  | <b>-46,861</b>  | <b>-49,074</b>  | <b>-68,539</b>    |
| Earnings per share, before/after dilution, SEK            |        | -0.53           | -0.80           | -2.20           | -2.56           | -3.58             |
| Average number of shares during the period                |        | 23,300,500      | 19,238,500      | 21,329,235      | 19,140,071      | 19,164,881        |
| Average number of shares during the period after dilution |        | 24,387,500      | 20,129,500      | 22,416,235      | 20,031,071      | 20,055,881        |

# BALANCE SHEET IN SUMMARY

| KSEK  | 2020-09-30     | 2019-09-30     | 2019-12-31     |
|---|----------------|----------------|----------------|
| <b>ASSETS</b>                                   |                |                |                |
| <b>Fixed assets</b>                             |                |                |                |
| <i>Intangible fixed assets</i>                  |                |                |                |
| Balanced costs for development and similar work | 27,541         | 36,722         | 34,427         |
| Patents   | 1,869          | 1,732          | 1,740          |
| <b>Total intangible fixed assets</b>            | <b>29,410</b>  | <b>38,454</b>  | <b>36,167</b>  |
| <i>Tangible fixed assets</i>                    |                |                |                |
| Machinery and other technical equipment         | 3,822          | 4,340          | 3,884          |
| Inventory, tools and installations              | 144            | 161            | 149            |
| <b>Total tangible fixed assets</b>              | <b>3,965</b>   | <b>4,501</b>   | <b>4,033</b>   |
| <i>Financial fixed assets</i>                   |                |                |                |
| Participations in Group companies               | 842            | 2,192          | 842            |
| <b>Total fixed assets</b>                       | <b>34,217</b>  | <b>45,147</b>  | <b>41,042</b>  |
| <b>Current assets</b>                           |                |                |                |
| <i>Inventories, etc.</i>                        |                |                |                |
| Work in progress                                | 2,838          | 4,285          | 2,949          |
| Stocks of finished goods                        | 3,453          | 2,289          | 2,905          |
| <b>Total inventories</b>                        | <b>6,291</b>   | <b>6,574</b>   | <b>5,854</b>   |
| <i>Short-term receivables</i>                   |                |                |                |
| Accounts receivable                             | 2,150          | 700            | 1,045          |
| Current tax assets                              | 616            | 358            | 0              |
| Group company receivables                       | 959            | 0              | 658            |
| Other receivables                               | 1,553          | 747            | 859            |
| Prepayments and accrued income                  | 1,114          | 1,478          | 2,790          |
| <b>Total short-term receivables</b>             | <b>6,392</b>   | <b>3,283</b>   | <b>5,352</b>   |
| <i>Cash and bank balances</i>                   |                |                |                |
| Cash and bank balances                          | 95,611         | 93,812         | 77,954         |
| <b>Total current assets</b>                     | <b>108,294</b> | <b>103,669</b> | <b>89,160</b>  |
| <b>Total assets</b>                             | <b>142,511</b> | <b>148,816</b> | <b>130,202</b> |



| KSEK                                | 2020-09-30     | 2019-09-30     | 2019-12-31     |
|-------------------------------------|----------------|----------------|----------------|
| <b>EQUITY AND LIABILITIES</b>       |                |                |                |
| <b>Total equity</b>                 |                |                |                |
| <i>Restricted equity</i>            |                |                |                |
| Share capital (23,300,500shares)    | 1,165          | 962            | 962            |
| Fund for development costs          | 19,573         | 26,097         | 24,466         |
|                                     | 20,738         | 27,059         | 25,428         |
| <i>Non-restricted equity</i>        |                |                |                |
| Share premium reserve               | 333,153        | 270,832        | 271,267        |
| Retained profit or loss             | -171,623       | -109,608       | -107,977       |
| Net profit or loss for the year     | -46,861        | -49,074        | -68,539        |
| Total non-restricted equity         | 114,669        | 112,150        | 94,751         |
| <b>Total equity</b>                 | <b>135,407</b> | <b>139,209</b> | <b>120,179</b> |
| <b>Long-term liabilities</b>        |                |                |                |
| Liability to group companies        | 0              | 1,128          | 0              |
| <b>Total long-term liabilities</b>  | <b>0</b>       | <b>1,128</b>   | <b>0</b>       |
| <b>Short-term liabilities</b>       |                |                |                |
| Accounts payable                    | 1,450          | 3,346          | 2,931          |
| Tax liabilities                     | 0              | 0              | 102            |
| Other liabilities                   | 1,556          | 1,504          | 599            |
| Accruals and deferred income        | 4,098          | 3,629          | 6,391          |
| <b>Total short-term liabilities</b> | <b>7,104</b>   | <b>8,479</b>   | <b>10,023</b>  |
| <b>Total equity and liabilities</b> | <b>142,511</b> | <b>148,816</b> | <b>130,202</b> |

# CHANGES IN EQUITY

| KSEK   | SHARE<br>CAPITAL | FUND FOR<br>DEVELOPMENT<br>COSTS | SHARE<br>PREMIUM<br>RESERVE | RETAINED<br>EARNINGS | TOTAL<br>EQUITY |
|--|------------------|----------------------------------|-----------------------------|----------------------|-----------------|
| <b>Total equity<br/>2019-12-31</b>               | <b>962</b>       | <b>24,466</b>                    | <b>271,267</b>              | <b>-176,516</b>      | <b>120,179</b>  |
| Share issue                                      | 203              |                                  | 64,789                      |                      | 64,992          |
| Issueance of warrants                            |                  |                                  | 300                         |                      | 300             |
|  |                  |                                  | -3,203                      |                      | -3,203          |
| Dissolution of depreciation of development costs |                  | -4,893                           |                             | 4,893                | 0               |
| Net profit/loss for the period                   |                  |                                  |                             | -46,861              | -46,861         |
| <b>Total equity<br/>2020-09-30</b>               | <b>1,165</b>     | <b>19,573</b>                    | <b>333,153</b>              | <b>-218,484</b>      | <b>135,407</b>  |

| KSEK   | SHARE<br>CAPITAL | FUND FOR<br>DEVELOPMENT<br>COSTS | SHARE<br>PREMIUM<br>RESERVE | RETAINED<br>EARNINGS | TOTAL<br>EQUITY |
|--|------------------|----------------------------------|-----------------------------|----------------------|-----------------|
| <b>Total equity<br/>2018-12-31</b>               | <b>954</b>       | <b>30,990</b>                    | <b>267,789</b>              | <b>-114,501</b>      | <b>185,232</b>  |
| Exercise of warrants/ new shares                 | 8                |                                  | 3,043                       |                      | 3,051           |
| Dissolution of depreciation of development costs |                  | -4,893                           |                             | 4,893                | 0               |
| Net profit/loss for the period                   |                  |                                  |                             | -49,074              | -49,074         |
| <b>Total equity<br/>2019-09-30</b>               | <b>962</b>       | <b>26,097</b>                    | <b>270,832</b>              | <b>-158,682</b>      | <b>139,209</b>  |

# CASH FLOW STATEMENT IN SUMMARY

| KSEK  | 2020<br>JUL-SEP | 2019<br>JUL-SEP | 2020<br>JAN-SEP | 2019<br>JAN-SEP | 2019<br>FULL<br>YEAR |
|---|-----------------|-----------------|-----------------|-----------------|----------------------|
| Cash flow from operating activities                                 | -9,338          | -12,594         | -38,068         | -41,178         | -56,859              |
| Cash flow from operating activities after change in working capital | -13,455         | -16,449         | -42,464         | -45,060         | -60,701              |
| Cash flow from investing activities                                 | -406            | -199            | -1,968          | -393            | -526                 |
| Cash flow from financing activities                                 | 300             | 0               | 62,089          | 3,051           | 2,967                |
| <b>CASH FLOW FOR THE PERIOD</b>                                     | <b>-13,561</b>  | <b>-16 648</b>  | <b>17,657</b>   | <b>-42,402</b>  | <b>-58,260</b>       |
| Cash and cash equivalents at the beginning of the period            | 109,172         | 110,460         | 77,954          | 136,214         | 136,214              |
| Cash and cash equivalents at the end of the period                  | 95,611          | 93,812          | 95,611          | 93,812          | 77,954               |

# KEY INDICATORS

| KSEK UNLESS OTHERWISE SPECIFIED                           | 2020<br>JUL-SEP | 2019<br>JUL-SEP | 2020<br>JAN-SEP | 2019<br>JAN-SEP | 2019<br>FULL YEAR |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| Net sales   | 2,780           | 1,693           | 6,549           | 3,679           | 5,508             |
| Gross margin  | 52%             | 109%            | 56%             | 59%             | 61%               |
| Operating result  | -12,325         | -15,476         | -46,858         | -49,097         | -68,562           |
| Net profit or loss for the period                         | -12,325         | -15,476         | -46,861         | -49,074         | -68,539           |
| Cash flow, operating activities                           | -9,338          | -12,594         | -38,068         | -41,178         | -56,859           |
| Cash and cash equivalents, short-term deposits            | 95,611          | 93,812          | 95,611          | 93,812          | 77,954            |
| Total equity  | 135,407         | 139,209         | 135,407         | 139,209         | 120,179           |
| Balance sheet total                                       | 142,511         | 148,816         | 142,511         | 148,816         | 130,202           |
| Basic earnings per share, SEK*                            | -0.53           | -0.79           | -2.20           | -2.55           | -3.58             |
| Diluted earnings per share, SEK*                          | -0.53           | -0.79           | -2.20           | -2.55           | -3.58             |
| Cash flow per share, SEK*                                 | -0.40           | -0.64           | -1.78           | -2.14           | -2.97             |
| Number of shares  | 23,300,500      | 19,238,500      | 23,300,500      | 19,238,500      | 19,238,500        |
| Average number of shares during the period                | 23,300,500      | 19,238,500      | 21,329,235      | 19,140,071      | 19,164,881        |
| Average number of shares during the period after dilution | 24,387,500      | 20,129,500      | 22,416,235      | 19,140,071      | 20,055,881        |
| Equity/Ratio, %*  | 95              | 94              | 95              | 94              | 92                |
| Equity per share, SEK*                                    | 5.81            | 7.24            | 5.81            | 7.24            | 6.25              |
| Average number of full-time equivalent employees          | 36              | 33              | 35              | 31              | 33                |

## \*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 Operating expenses by cost type

| KSEK  | 2020<br>APR-SEP | 2019<br>APR-SEP | 2020<br>JAN-SEP | 2019<br>JAN-SEP | 2019<br>FULL YEAR |
|---|-----------------|-----------------|-----------------|-----------------|-------------------|
| Other operating income                              | 399             | 46              | 1 329           | 173             | 378               |
| Raw materials and consumables                       | -1,423          | 160             | -3,013          | -1,104          | -2,205            |
| Other external charges                              | -3,675          | -8,105          | -18,081         | -20,453         | -28,246           |
| Personnel expenses                                  | -7,256          | -6,246          | -24,554         | -22,387         | -32,040           |
| Depreciation of fixed tangible and intangible asset | -2,984          | -2,882          | -8,793          | -8,635          | -11,525           |
| Other operating expenses                            | -167            | -142            | -296            | -370            | -432              |
| Total operating expenses                            | -15,105         | -17,169         | -53,408         | -52,776         | 74,070            |

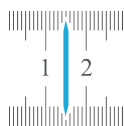
## Note 2 Information about the company's operating expenses

For the period, the operations and product management function amounts to 8,018 (7,284) kSEK and depreciation of tangible and intangible fixed assets to 8,793 (8,635) kSEK.

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.

# ACCONEER 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:



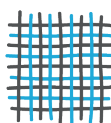
Millimeter-precision distance measurement enables applications such as fuel level measurements and robust parking sensors.



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:



**ROBOTS AND  
DRONES**



**WEARABLES**  
(mobile phones,  
watches, etc.)



**INTERNET OF  
THINGS**  
(IoT)



**POWER TOOLS &  
INDUSTRIAL**



**HEALTHCARE &  
FITNESS**



**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 LUND, 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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