



Q1-2023

INTERIM FINANCIAL REPORT JANUARY-MARCH 2023

FIRST QUARTER

- Net sales for the first quarter amounted to kSEK 10,131 (10,121).
- The gross margin on sales of goods was 60 (62)%.
- Result after taxes amounted to kSEK -12,127 (-13,881).
- Earnings per share before and after dilution was SEK -0.46 (-0.54).
- The cash flow from operating activities was kSEK -9,732 (-11,125).

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Acconeer received order from Digi-Key worth USD 100k.
- Acconeer's pulsed coherent radar sensor A121 ready for mass production.
- Acconeer launched first A121-based radar module - XM125 Entry+ Module.
- Acconeer signed manufacturing agreement with leading semiconductor supplier.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Acconeer signed distribution agreement with Korean TecAhead.
- Acconeer received automotive design win with a forecasted value of USD 800k.

COMMENTS FROM OUR CEO

In the first quarter of 2023, we were able to announce the good news that the radar sensor A121 is now ready for mass production. Otherwise, the first quarter was weaker than expected, mainly due to customers and distributors reducing their stocks because the component shortage is over. We sold more than 20 000 modules and more than 116 000 sensors in the quarter. We noted six new customer launches.

In the quarter, we signed a manufacturing agreement with GlobalFoundries, who produces Acconeer's silicon circuits. The agreement means that we have a direct relationship with GlobalFoundries, which gives us both margin benefits and better payment terms.

The big news this quarter is that the A121 has passed certification according to Jedec as well as AEC-Q100 grade 2 and is now ready for mass production. We have also launched the A121 on the Digi-Key and Mouser websites. Now we can focus our hardware resources on the A2 project.

The gross margin on product sales increased to 60%, this is because we shipped more than 20 000 A121s which have a higher gross margin than the A111.

The sale of the 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 first quarter of 2023 we sold 303 EVKs, which is more than our goal of selling more than 3 EVKs per day on average.

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 first quarter we saw six new customer launches and so far, the total number of customer launches amounts to 114. Although six launches are below the target, we still believe that for the full year 2023 we will end up with more than 40. Right now, we only see launches in Europe, in the "IoT and Smart Cities" segment above all. Sales to these customers are reflected in sales to our distributors.

After the end of the quarter, we announced a new design win with one of the five largest car manufacturer groups, in addition to the already launched car from GM and design wins with Volvo and Polestar. This means that Acconeer has now been chosen by two of the five largest car manufacturing groups in the world, as well as by Volvo and Polestar. We have previously



said that we expect the entire market for touchless access control to be transferred from capacitive solutions to radar and that Acconeer will become the world leader in this segment.

In 2023, our goal is to steer the company towards a better EBIT result and less outflow of liquidity. During the first quarter, the EBIT loss continued to decrease while cash flow remained negative due to investment in the development of A2 and that we continue to increase the inventory of A121 and A111 for future customer launches.

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, 21 April 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 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	Accumulated*
EVK	398	224	332	346	303	6,244
Modules	26,468	21,294	21,116	14,140	20,087	134,979
Sensors	129,113	167,654	185,419	264,783	116,286	1,589,665

*Accumulated since the products were launched.

CUSTOMER LAUNCHES BY MARKET AND AREA OF USE

	IoT & Smart cities	Industry & Agriculture	Consumer Electronics	Automotive	Total
Europe	32 (27)	15(14)	5		52(46)
Japan	2		4		6
South Korea	7				7
Australia & New Zealand	2	3			5
US	1	6	1	1	9
China	22	9	1		32
Taiwan & Singapore	2		1		3
Total	68(63)	33(32)	12	1	114(108)

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

FIRST QUARTER NET SALES AND RESULT

Net sales for the first quarter amounted to kSEK 10,131 (10,121) i.e. an marginal increase 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 6,979 (7,074) which corresponds to a gross margin of 69 (70)%. Reduced with revenues from development related services, gross profit amounted to kSEK 4,691 (5,070) which corresponds to a gross margin of 60 (62)%. Product mix between our sensors, modules and evaluation kits affect the gross margin. The margin is also affected by increased costs for components.

Compared with the first quarter of last year, operating expenses decreased by 10% to kSEK 19,831 (22,100). The decrease mainly refers to increased capitalization of development costs. From 2023, each function bears its own costs for office premises, etc., costs that previously was borne by the Administration function. Depreciation of capitalized development costs, patents and inventories was made during the first quarter with kSEK 2,838 (2,722) .

Operating profit/loss for the first quarter amounted to kSEK -12,127 (-13,827) and the profit/loss after tax was kSEK -12,127 (-13,881).

The average number of employees during the period was 52 (45), of which 5 (5) were women.

INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 31 March the cumulative book value of balanced costs for development work amounted to kSEK 37,769 (17,752). This mainly refers to development work related to the A2 product, which amounted to kSEK 33 179. kSEK 4,590 refers to the product A1, which will be fully depreciated during the third quarter.

The corresponding patent portfolio value amounted to kSEK 2,207 (1,935) most of which is due to investments in patents and patent applications related to the A1 product. Acconeer has 11 patent families including in total 20 granted patents and 11 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 0 (152).

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 first quarter amounted to kSEK -9,732 (-11,125).

After changes in working capital the cashflow for the period was kSEK -23,324 (-23,078).

At the balance sheet date, cash and cash equivalents amounted to kSEK 57,966 (131,624).

Total equity amounted to kSEK 160,415 (185,606)
Equity ratio was 89 (92) percent.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

On February 9 Acconeer received an order from Digi-Key worth USD 100k. The order related to the new A121 Pulsed Coherent Radar sensor for mass production, as well as the first A121-based module, the integration-ready XM125 and its related evaluation kit (EVK) XE125.

On 22 March it was announced that Acconeer's pulsed coherent radar sensor A121 was ready for mass production since it had been tested and qualified according to JEDEC and AEC-Q100 grade 2.

On 27 March the first A121-based radar module - XM125 Entry+ Module was launched. The previously announced XM125 Entry+ Module with ultra-low power

consumption, outstanding system cost and solderable design had been shipped to distributors and was available for customers to buy in the next few days.

At the end of March it was announced that Acconeer signs manufacturing agreement with leading semiconductor supplier. In February last year Acconeer agreed with their semiconductor manufacturer to become a direct customer. On 30 March 2023 all details was agreed upon and a contract signed by the two companies. The supplier is one of the world's leading semiconductor contract manufacturing companies, where Acconeer produces their semiconductor wafers.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

18 April it was announced that Acconeer and South Korean TecAhead signed a distribution agreement for pulsed coherent radar sensors and modules serving the Korean market. The two companies already have a sales agreement in place, and with the new distribution agreement in place TecAhead will help strengthen Acconeer's position on the Korean market.

The same day it was announced that Acconeer has received a design win for access control, which

allows touchless opening of the trunk of a car using the A121 pulsed coherent radar sensor, with one of the world's leading multinational automotive manufacturing corporations. The forecasted value of the design win is estimated to USD 800k in the period 2024-2030. 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.

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.

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.

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 10%. At the end of March 2023, the total number of shares amounts to 26,331,798 shares.

UPCOMING FINANCIAL INFORMATION

Annual General Meeting.....	27 April 2023
Interim Report Jan-Jun 2023.....	21 July 2023
Interim report Jan-Sep 2023.....	27 October 2023
Year-End-report 2023.....	16 February 2024
Annual Report 2023.....	22 March 2024
Interim report Jan-Mar 2024.....	19 April 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 21 April
The Board

FOR ADDITIONAL INFORMATION,
PLEASE CONTACT:

Lars Lindell, CEO Acconeer
Tel: +4610 - 218 92 00
Mail: ir@acconeer.com

INCOME STATEMENT IN SUMMARY

KSEK		2023 JAN-MAR	2022 JAN-MAR	2022 FULL YEAR
Net sales	Note 1	10,131	10,121	46,825
Cost of goods sold		-3,152	-3,047	-15,954
Gross profit		6,979	7,074	30,871
Operating expenses	Note 2			
Sales expenses		-7,148	-5,990	-25,862
Administrative expenses		-2,391	-3,393	-13,989
Research and Development expenses		-10,292	-12,717	-45,077
Other operating income/expenses		725	1,199	6,809
Operating result		-12,127	-13 827	-47,248
Result from financial items				
Result from participations in Group companies		-	-	-4
Other interest income and similar income		-	6	160
Interest expenses och similar expenses		-	-60	-62
Net financial income/expense		-	-54	94
Profit or loss before tax		-12,127	-13 881	-47,154
Tax		-	-	-
Net profit or loss for the period		-12,127	-13 881	-47 154
Earnings per share, before dilution, SEK		-0.46	-0.54	-1.81
Earnings per share after dilution, SEK		-0.46	-0.54	-1.81
Average number of shares during the period		26,331,798	25,642,808	26,021,962
Average number of shares during the period after dilution		27,531,798	26,867,449	27,011,962

BALANCE SHEET IN SUMMARY

KSEK	2023-03-31	2022-03-31	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	37,769	17,752	30,487
Patents	2,207	1,935	2,251
Total intangible fixed assets	39,976	19,687	32,738
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	7,941	8,600	1,087
Inventory, tools and installations	3,398	1,936	3,641
Payments on account and tangible assets in course of construction	-	1,070	7,063
Total tangible fixed assets	11,339	11,606	11,791
<i>Financial fixed assets</i>			
Participations in Group companies	828	832	828
Total fixed assets	52,143	32,125	45,357
Current assets			
<i>Inventories, etc.</i>			
Work in progress	30,751	12,813	23,075
Stocks of finished goods	9,912	2,486	7,162
Total inventories	40,663	15,299	30,237
<i>Short-term receivables</i>			
Accounts receivable	6,565	5,242	4,797
Current tax assets	936	787	493
Group company receivables	2,021	821	990
Other receivables	923	6,864	1,398
Prepayments and accrued income	18,883	8,351	17,520
Total short-term receivables	29,328	22,065	25,198
<i>Cash and bank balances</i>			
Cash and bank balances	57,966	131,624	89,883
Total current assets	127,957	168,988	145,318
Total assets	180,100	201,113	190,675

KSEK	2023-03-31	2022-03-31	2022-12-31
EQUITY AND LIABILITIES			
Total equity			
<i>Restricted equity</i>			
Share capital (26,331,798 shares)	1,317	1,286	1,317
Fund for development costs	34,029	13,767	28,495
	35,346	15,053	29,812
<i>Non-restricted equity</i>			
Share premium reserve	483,878	463,700	482,848
Shareholders' contributions	25	25	25
Retained profit or loss	-346,707	-279,291	-294,020
Net profit or loss for the year	-12,127	-13,881	-47,154
Total non-restricted equity	125,069	170,553	141,699
Total equity	160,415	185,606	171,511
Short-term liabilities			
Advance payments from customers	-	-	143
Accounts payable	6,610	2,588	6,166
Other liabilities	2,268	2,764	933
Accruals and deferred income	10,807	10,155	11,922
Total short-term liabilities	19,685	15,507	19,164
Total equity and liabilities	180,100	201,113	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	-341,174	171,511
Issue of warrants /new shares	0		1,031			1,031
Capitalisation development costs		7,165			-7 165	0
Dissolution of depreciation of development costs		-1,631			1,631	0
Net profit/loss for the period					-12 127	-12 127
Total equity 2023-03-31	1,317	34,029	483,879	25	-358,835	160,415

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	-279 156	199 699
Issue expenses			-212			-212
Capitalisation development costs		1 766			-1 766	0
Dissolution of depreciation of development costs		-1 631			1 631	0
Net profit/loss for the period					-13 881	-13 881
Total equity 2022-03-31	1 286	13 767	463 700	25	-293 172	185 606

CASH FLOW STATEMENT IN SUMMARY

KSEK	2023 JAN-MAR	2022 JAN-MAR	2022 FULL YEAR
Cash flow from operating activities	-9,732	-11,125	-36,220
Cash flow from operating activities after change in working capital	-23,324	-23,078	-62,529
Cash flow from investing activities	-9,624	-1,945	-23,413
Cash flow from financing activities	1,031	-211	18,967
CASH FLOW FOR THE PERIOD	-31,917	-25,234	-66,975
Cash and cash equivalents at the beginning of the period	89,883	156,858	156,858
Cash and cash equivalents at the end of the period	57,966	131,624	89,883

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2023 JAN-MAR	2022 JAN-MAR	2022 FULL YEAR
Net sales	10,131	10,121	46,825
Gross margin, sales of goods	60%	62%	59%
Operating result	-12,127	-13,827	-47,248
Net profit or loss for the period	-12,127	-13,881	-47,154
Cash flow, operating activities	-9,732	-11,125	-36,220
Cash and cash equivalents, short-term deposits	57,966	131,624	89,883
Total equity	160,415	185,606	171,511
Balance sheet total	180,100	201,113	190,675
Basic earnings per share, SEK*	-0.46	-0.54	-1.81
Diluted earnings per share, SEK*	-0.46	-0.54	-1.81
Cash flow per share, SEK*	-0.37	-0.41	-1.39
Number of shares	26,331,798	25,720,750	26,331,798
Average number of shares during the period	26,331,798	25,642,808	26,021,962
Average number of shares during the period after dilution	27,531,798	26,867,449	27,011,962
Equity/Ratio, %*	89	92	90
Equity per share, SEK*	6.09	7.22	6.51
Average number of full-time equivalent employees	52	45	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 JAN-MAR	2022 JAN-MAR	2022 FULL YEAR
Sales of goods	7,843	8,117	39,005
Development-related services	2,288	2,004	7,820
Total net sales	10,131	10,121	46,825

Note 2 Information about the company's operating expenses

For the period, the operations and product management function amounts to kSEK 3,805 (4,050) and depreciation of tangible and intangible fixed assets to kSEK 2,837 (2,722).

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:



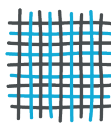
Millimeter-precision distance measurement enables applications such as fuel level measurements and robust parking sensors.



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.



Acconeer AB (publ)
Västra Varvsgatan 19
211 77 Malmö
+46 10 218 92 00
www.acconeer.com