



Q1-2020

INTERIM FINANCIAL REPORT JANUARY-MARCH 2020

FIRST QUARTER

- Net sales for the first quarter amounted to kSEK 2,150 (550).
- The Gross margin was 59 (40)%.
- Result after taxes amounted to kSEK -17,701 (-15,991)
- Earnings per share before and after dilution was SEK -0.92 (-0.84)
- The cash flow from operating activities was kSEK -14,810 (-13,117).

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Acconeer received an order from Glyn Limited worth USD 12,800.
- Acconeer received an order from Digi-Key worth USD 15,100.
- Acconeer received an order from CODICO worth USD 62,700.
- The Company announced that they have shipped more than 100,000 A1 radar sensors.

- Acconeer received an order from a European customer worth USD 14 700
- It was announced that the company is planning to develop integration-ready Entry Module with low system cost.
- Acconeer was awarded three design wins by Alps Alpine for presence detection in cars to a European premium car manufacturer. The estimated potential value of these design wins is SEK 90-120 million over three years starting in 2022.
- 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 AB held its Annual General Meeting on 14 April 2019. Thomas Rex was elected as new Chairman of the Board.

COMMENTS FROM OUR CEO

Despite a very turbulent time, our revenue grew during Q1

The first quarter of 2020 has been dominated by the pandemic spreading around the world. We have previously announced that we do not see any impact on the development or purchasing side of sensors. However, we believe that we will see delays in launches and customer projects due to Covid-19, but not to any greater extent than that they are contained within the uncertainties that generally exist.

Despite all the concerns, we are delighted to note that revenues in the first quarter of 2020 are growing compared to the fourth quarter of 2019. The background to the robust growth is a combination of more customers launching products using our sensor and that the order volume per customer is growing.

The sale of evaluation kits gives a glimpse of the high interest that exists in our sensor and is an essential indicator of the future potential of product launches. We can note that we sold 358 evaluation kits in the first quarter, which is almost four per day and better than our target of selling more than three per day on average in 2020. Since the launch, we have now sold 1939 evaluation kits.

Like other listed companies, we report the design wins we receive in the automotive industry. We think it is an excellent standard to provide the number and potential value of these. During the quarter, we announced three new design wins with AlpsAlpine, this time regarding presence detection with a potential revenue value in the range of SEK 90-120 million. We have earlier presented three design wins regarding "kick sensors". The total revenue value over the product life cycle for current design wins amounts to between SEK 110-140 million.

During the quarter, we saw three customer launches, and so far, the total number of customer launches is 17. We have eleven launches of parking sensors, five of which are in China, four in Europe, and two in Korea. Within level measurement in tanks, we have three, one each in China, Europe, and New Zealand. In the area of presence detection, we have seen a launch from a Chinese customer and in robotics a customer launch in Japan. Sales to these customers are reflected in our sales to Digi-Key and other distributors.



In the semiconductor industry, the expected time from product to customer launch is between 12 and 24 months. Since our radar sensor has been available for mass production for two years, it is in place to look forward to what will happen over the next 24-month period. In the months 25-48 since product launch, we will:

- Increase focus on customers with high volume potential and support them in launching their products
- Continue to start up new customers and help existing customers grow
- 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
- Continue processes to reduce product cost and launch the cost-effective Entry module XM132

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, April 17, 2020

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

Lars Lindell, CEO Acconeer AB (publ)

FIRST 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 first quarter amounted to kSEK 2,150 (550), ie an increase of 291% compared with the previous year. Net sales relate to sales to customers through the distributors Digi-Key, BEYD and Codico and other new distributors. Compared to the previous quarter, sales increased by kSEK 321, ie 18%.

Gross profit, which only includes direct cost of goods, amounted to 1,263 (220), which corresponds to a gross margin of 59% (40). The gross margin for the full year 2019 was 61%. Product mix between our sensors, modules and development kits affects the gross margin.

Compared to the first quarter of last year, operating expenses increased by 17% to kSEK 18,964 (16,234). The increase is mainly related to increased sales cost, reserach and development cost according to plan. Depreciation of capitalized development costs, patents and equipment was made during the first quarter with kSEK 2,891 (2,874).

Operating profit for the first quarter amounted to kSEK -17,701 (-16,014) and the profit after tax was kSEK -17,701 (-15 991). The lower result compared to the corresponding period last year is mainly due to increased planned costs.

The average number of employees during the period was 35 (28), of which 5 (2) were women.

INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 31 March 2020 the cumulative book value of balanced costs for development work amounted to kSEK 32,132 (41,313). 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 1,766 (1,575), 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 16 granted patents and 12 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 0 (526).

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 -14,810 (-13,117).

After changes in working capital the cashflow for the period was kSEK -16,007 (-14,426).

At the balance sheet date, cash and cash equivalents amounted to kSEK 61,864 (121,724).

Total equity amounted to kSEK 102,478 (169,241). Equity ratio was 92, (95) percent.

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

In february Acconeer received an order from Glyn Limited worth USD 12,800. The order relates to Acconeer's radar sensor A1. Based in New Zealand, Glyn Ltd is established as a leading distributor in New Zealand and Australia.

The same month Acconeer received an order from Digi-Key worth USD 15,100. The order relates to Acconeer's XM122 IoT Module, a low power connected radar module with an optimized circular form factor.

At the end of february Acconeer received an order from CODICO worth USD 62,700. The order relates to Acconeer's A111 radar sensor for a European customer. CODICO GmbH is a leading European distributor, headquartered in Vienna, Austria.

It was announced that, in February 2020, 24 months after the company started selling Evaluation Kits (EVKs) at Digi-Key, Acconeer AB has 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 A111 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 planned Entry Module, XM132, will be power and cost-efficient with optimized performance for a range of pre-defined use cases. It will be released during the second half 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.

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 - 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.

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 fallen about 18%. The decline is considered to be related to the general Covid-19 situation.

At the end of March 2020, the total number of shares amounted to 19,2380,500 shares.

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.

UPCOMING FINANCIAL INFORMATION

Interim Report Jan-Jun 2020 24 July 2020
Interim Report Jan-Sep 2020 27 October 2020
Year End Report 2020..... 19 February 2021

AUDITORS' REVIEW

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

Lund, 17 April 2020
The Board

FOR ADDITIONAL INFORMATION,
PLEASE CONTACT:

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INCOME STATEMENT

KSEK		2020 JAN-MAR	2019 JAN-MAR	2019 FULL YEAR
Net sales		2,150	550	5,508
Cost of goods sold	Note 1	-887	-330	-2,129
Gross profit		1,263	220	3,379
Operating expenses				
Sales expenses	Note 2	-4,826	-3,679	-17,482
Administrative expenses		-2,443	-3,526	-11,459
Research and Development expenses		-11,984	-9,031	-42,946
Other operating income/expenses		289	2	-54
Operating result		-17,701	-16,014	-68,562
Result from financial items				
Financial income		0	23	24
Financial expense		0	0	-1
Net financial income/expense		0	23	23
Profit or loss before tax		-17,701	-15,991	-68,539
Tax		-	-	-
Net profit or loss for the period		-17,701	-15,991	-68,539
Earnings per share, before/after dilution, SEK		-0.92	-0.84	-3.58
Average number of shares during the period		19,238,500	19,079,500	19,164,881
Average number of shares during the period after dilution		20,091,500	19,529,500	20,055,881

BALANCE SHEET

KSEK	2020-03-31	2019-03-31	2019-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	32,132	41,313	34,427
Patents	1,766	1,575	1,740
Total intangible fixed assets	33,898	42,888	36,167
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	3,358	5,344	3,884
Inventory, tools and installations	136	156	149
Total tangible fixed assets	3,494	5,500	4,033
<i>Financial fixed assets</i>			
Participations in Group companies	842	842	842
Total fixed assets	38,234	49,230	41,042
Current assets			
<i>Inventories, etc.</i>			
Work in progress	3,820	3,127	2,949
Stocks of finished goods	2,116	1,326	2,905
Total inventories	5,936	4,453	5,854
<i>Short-term receivables</i>			
Accounts receivable	2,008	245	1,045
Current tax assets	333	240	0
Group company receivables	658	0	658
Other receivables	756	744	859
Prepayments and accrued income	2,023	663	2,790
Total short-term receivables	5,778	1,892	5,352
<i>Cash and bank balances</i>			
Cash and bank balances	61,864	121,724	77,954
Total current assets	73,578	128,069	89,160
Total assets	111,812	177,299	130,202

KSEK	2020-03-31	2019-03-31	2019-12-31
EQUITY AND LIABILITIES			
Total equity			
<i>Restricted equity</i>			
Share capital (19 238 500 shares)	962	954	962
Fund for development costs	22,835	29,359	24,466
	23,797	30,313	25,428
<i>Non-restricted equity</i>			
Share premium reserve	271,267	267,789	271,267
Retained profit or loss	-174,885	-112,870	-107,977
Net profit or loss for the year	-17,701	-15,991	-68,539
Total non-restricted equity	78,681	138,928	94,751
Total equity	102,478	169,241	120,179
Long-term liabilities			
Liability to group companies	0	518	0
Total long-term liabilities	0	518	0
Short-term liabilities			
Accounts payable	1,847	1,181	2,931
Tax liabilities	0	0	102
Other liabilities	2,002	1,019	599
Accruals and deferred income	5,485	5,340	6,391
Total short-term liabilities	9,334	7,540	10,023
Total equity and liabilities	111,812	177,299	130,202

CHANGES IN EQUITY

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2019-12-31	962	24,466	271,267	-176,516	120,179
Dissolution of depreciation of development costs		-1,631		1,631	0
Net profit/loss for the period				-17,701	-17,701
Total equity 2020-03-31	962	22,835	271,267	-192,586	120,179

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2018-12-31	954	30,990	267,789	-114,501	185,232
Dissolution of depreciation of development costs		-1,631		1,631	0
Net profit/loss for the period				-15,991	-15,991
Total equity 2019-03-31	954	29,359	267,789	-128,861	169,241

CASH FLOW STATEMENT

KSEK	2020 JAN-MAR	2019 JAN-MAR	2019 FULL YEAR
Cash flow from operating activities	-14,810	-13,117	-56,859
Cash flow from operating activities after change in working capital	-16,007	-14,426	-60,701
Cash flow from investing activities	-83	-64	-526
Cash flow from financing activities	0	0	2,967
CASH FLOW FOR THE PERIOD	-16,090	-14,490	-58,260
Cash and cash equivalents at the beginning of the period	77,954	136,214	136,214
Cash and cash equivalents at the end of the period	61,864	121,724	77,954

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2020 JAN-MAR	2019 JAN-MAR	2019 FULL YEAR
Net sales	2,150	550	5,508
Gross margin	59%	40%	61%
Operating result	-17,701	-16,014	-68,562
Net profit or loss for the period	-17,701	-15,991	-68,539
Cash flow, operating activities	-14,810	-13,117	-56,859
Cash and cash equivalents, short-term deposits	61,864	121,742	77,954
Total equity	102,478	169,241	120,179
Balance sheet total	111,812	177,299	130,202
Basic earnings per share, SEK*	-0.92	-0.84	-3.58
Diluted earnings per share, SEK*	-0.92	-0.84	-3.58
Cash flow per share, SEK*	-0.77	-0.69	-2.97
Number of shares	19,238,500	19,079,500	19,238,500
Average number of shares during the period	19,238,500	19,079,500	19,164,881
Average number of shares during the period after dilution	20,091,500	19,529,500	20,055,881
Equity/Ratio, %*	92	95	92
Equity per share, SEK*	5.33	8.87	6.25
Average number of full-time equivalent employees	35	28	33

*DEFINITIONS OF INDICATORS

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 JAN-MAR	2019 JAN-MAR	2019 FULL YEAR
Other operating income	327	13	378
Raw materials and consumables	-887	0	-2 205
Other external charges	-7,948	-6 079	-28 246
Personnel expenses	-8,413	-7 613	-32 040
Depreciation of fixed tangible and intangible asset	-2,891	-2 874	-11 525
Other operating expenses	-38	-11	-432
Total operating expenses	-19,851	-16 564	74 070

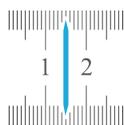
Note 2 Information about the company's operating expenses

For the period, the operations and product management function amounts to 1,043 (627) KSEK and depreciation of tangible and intangible fixed assets to 2,386 KSEK (2,374) 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.

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:



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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