



# Q2-2020

INTERIM FINANCIAL REPORT JANUARY-JUNE 2020

## SECOND QUARTER

- Net sales for the second quarter amounted to kSEK 1,619 (1,436).
- The Gross margin was 59 (6)%.
- Result after taxes amounted to kSEK -16,836 (-17,607).
- Earnings per share before and after dilution was SEK -0.79 (-0.92)
- The cash flow from operating activities was kSEK -13,920 (-15,467).

## SIX MONTHS PERIOD

- Net sales for the six months period amounted to kSEK 3,769 (1,986).
- The Gross margin was 59 (15)%.
- Result after taxes amounted to kSEK -34,536 (-33,598).
- Earnings per share before and after dilution was SEK -1.70 (-1.76).
- The cash flow from operating activities was kSEK -28,729 (-28,584).
- Cash and cash equivalents including short term deposits at the balance date amounted to kSEK 109,172 (110,460).

## SIGNIFICANT EVENTS DURING THE SECOND QUARTER

- Acconeer received two orders from Digi-Key worth USD 29,000 and 30,000.
- Acconeer AB held its Annual General Meeting on 14 April 2019. Thomas Rex was elected as new Chairman of the Board.
- Acconeer and Alps Alpine signed an MoU agreement on a joint development agreement regarding the next generation of sensor technology.
- Acconeer completed a directed new share issue of 4,062,000 new shares, raising proceeds of approximately SEK 65 million.
- Distributor agreement with Restar was extended to include the Americas.
- An order from Taiwanese Chip Power worth USD 28,400 was received.
- AEC - Q100 grade 3 qualification of the A1 radar sensor for the automotive industry was completed
- Acconeer received ISO certification for quality and environmental management system
- 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.

# COMMENTS FROM OUR CEO

The big news in the second quarter is our agreements with Alps Alpine, which will contribute SEK 100 million to the development of the next generation radar system.

In the second quarter, Acconeer closed a directed new share issue of SEK 65 million, which was led by Alps Alpine with SEK 30 million and subscribed to by financial investors with SEK 35 million.

We have entered into an agreement with Alps Alpine to share the development cost of the next generation radar system. The agreement contributes SEK 100 million to the development and is distributed as SEK 30 million in direct investment (Q2 2020) in Acconeer and a MoU of up to SEK 70 million as payment for the development. Our goal is to convert the MoU to a contract by 2020. We expect payments to start in the second quarter of 2021. This agreement and the rights issue strengthens Acconeer in three ways, immediate increase in our cash by SEK 65 million, increased credibility as a supplier in general and in the automotive industry specifically with Alps Alpine as the second largest owner, and financing of the next generation radar sensor. The product we develop together is planned to reach the market in 2023/2024.

An important step in selling our product is to convince customers that Acconeer is a stable company that delivers products with sufficient quality and in an environmentally sound way, and therefore we are very pleased that we are now both ISO-9001 certified for quality and ISO-14001 certified for the environment. In addition, our sensor has become AEC-Q100 certified, which is a necessary certification for the automotive industry.

The second quarter of 2020 was also 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.

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 332 evaluation kits in the second quarter, which is better than our goal of selling more than three per day on average in 2020. Since launch, we have now sold 2271 evaluation kits.

During the quarter, we saw five customer launches and so far the total number of customer launches is 22. We have twelve launches of parking sensors, of which five in China, four in Europe, two in Korea and one in Taiwan. In level measurement in tanks, we have four, two in Europe and one each in China and New



Zealand. In the area of presence detection, we now have three launches, two in China and one in Europe, and in the area of robotics a customer launch in Japan. In level measurement in garbage bins, our first customer has launched in Europe. An example of a customer launched in the quarter is German Packwise, which has a very innovative business concept focused on monitoring and recycling of IBC tanks. Sales to these customers are reflected in our sales to Digi-Key and other distributors.

Acconeer, Imagimob and Flexworks received a joint Vinnova grant of SEK 4 million to develop gesture control for in-ear headphones. The global headphone industry is growing rapidly and is expected to reach \$ 20 billion by 2023.

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

- 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, July 24, 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)

## SECOND 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 second quarter amounted to kSEK 1,619 (1,436), ie an increase of 13% compared with the previous year. Net sales relate to sales to customers through the distributors Digi-Key, BEYD and Codico and other new distributors.

Gross profit, which only includes direct cost of goods, amounted to 675 (1,352) which corresponds to a gross margin of 59% (6). The gross margin for the full year 2019 was 61%. Product mix between our sensors, modules and development kits affects the gross

margin. The lower gross margin in quarter 2 last year is explained by an incorrect valuation of inventories which was adjusted in quarter 3.

Compared to the second quarter of last year, operating expenses decreased by 3% to kSEK 18,452 (19,043) Depreciation of capitalized development costs, patents and equipment was made during the second quarter with kSEK 2,918 (2,879).

Operating profit for the second quarter amounted to kSEK -16,833 (-17,607) and the profit after tax was kSEK -16,836 (-17,607). The average number of employees during the period was 36 (28), of which 5 (2) were women.

## FIRST SIX MONTHS NET SALES AND RESULT

Net sales for the six months period amounted to kSEK 3,769 (1,986), ie an increase of 90% compared with the previous year. Net sales relate to sales to customers through the distributors Digi-Key, BEYD and Codico and other new distributors.

Gross profit, which only includes direct cost of goods, amounted to 1,562 (1,682) which corresponds to a gross margin of 59% (15). The gross margin for the full year 2019 was 61%. Product mix between our sensors, modules and development kits affects the gross margin. The lower gross margin in quarter 2 last year is explained by an incorrect valuation of inventories which was adjusted in quarter 3.

Compared to the six months period last year, operating expenses increased by 18% to 38,303 (35,607). 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 six months period with kSEK 5,809 (5,753)

Operating profit for the first six months amounted to kSEK -34,534 (-33,621) and the profit after tax was kSEK -34,536 (-33 598). The lower result compared to the corresponding period last year is mainly due to increased planned costs.

## CUSTOMER LAUNCHES BY MARKET AND AREA OF USE

	IoT Parking sensors	IoT Smart presence	IoT Wasteman- agement	Industry Level gauge	Robotics Object detection	Other	Total
Europe	4	1	1	2			8
Japan					1		1
South Korea	2						2
Australia & New Zealand				1			1
US						1	1
China	5	2		1			8
Taiwan	1						1
Total	12	3	1	4	1	1	22

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

## INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 30 June 2020 the cumulative book value of balanced costs for development work amounted to kSEK 29,837 (39,018). 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 1,726 (1,583) most of which is due to investments in patents and patent applications related to the A1 product. Acconeer has 9 patent families including in total 16 granted patents and 14 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 1,563 (194).

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 -28,729 (-28,584)

After changes in working capital the cashflow for the period was kSEK -29,008 (-28,611).

At the balance sheet date, cash and cash equivalents amounted to kSEK 109,172 (110,460)

Total equity amounted to kSEK 147,431 (154,685). Equity ratio was 93, (95) percent.

## SIGNIFICANT EVENTS DURING THE SECOND QUARTER

In April Acconeer received an order from Digi-Key worth USD 29,500. The order related to the XM112 High Performance Module and correlating 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 related to the radar sensor A1 and the reference card XR112.

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.

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

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 June 2020, the total number of shares amounted to 23,300,500 shares.

## UPCOMING FINANCIAL INFORMATION

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, 24 July 2020  
The Board

FOR ADDITIONAL INFORMATION,  
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# INCOME STATEMENT

KSEK		2020 APR-JUN	2019 APR-JUNE	2020 JAN-JUN	2019 JAN-JUN	2019 FULL YEAR
Net sales		1,619	1,436	3,769	1,986	5,508
Cost of goods sold	Note 1	-675	-1,352	-1,562	-1,682	-2,129
Gross profit		944	84	2,207	304	3,379
<b>Operating expenses</b>						
Sales expenses	Note 2	-4,808	-4,706	-9,634	-8,385	-17,482
Administrative expenses		-2,455	-2,245	-4,898	-5,771	-11,459
Research and Development expenses		-11,026	-10,637	-23,010	-19,668	-42,946
Other operating income/expenses		511	-103	800	-101	-54
<b>Operating result</b>		<b>-16,833</b>	<b>-17,607</b>	<b>-34,534</b>	<b>-33,621</b>	<b>-68,562</b>
<b>Result from financial items</b>						
Financial income		0	0	0	23	24
Financial expense		-3	0	-3	0	-1
<b>Net financial income/expense</b>		<b>-3</b>	<b>0</b>	<b>-3</b>	<b>23</b>	<b>23</b>
<b>Profit or loss before tax</b>		<b>-16,836</b>	<b>-17,607</b>	<b>-34,536</b>	<b>-33,598</b>	<b>-68,539</b>
Tax		-	-	-	-	-
<b>Net profit or loss for the period</b>		<b>-16,836</b>	<b>-17,607</b>	<b>-34,536</b>	<b>-33,598</b>	<b>-68,539</b>
Earnings per share, before/after dilution, SEK		-0.79	-0.92	-1.70	-1.76	-3.58
Average number of shares during the period		21,404,900	19,100,487	20,321,700	19,090,041	19,164,881
Average number of shares during the period after dilution		22,491,900	19,991,487	21,408,700	19,981,041	20,055,881

# BALANCE SHEET

KSEK	2020-06-30	2019-06-30	2019-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	29,837	39,018	34,427
Patents	1,726	1,583	1,740
<b>Total intangible fixed assets</b>	<b>31,563</b>	<b>40,601</b>	<b>36,167</b>
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	4,234	4,863	3,884
Inventory, tools and installations	158	174	149
<b>Total tangible fixed assets</b>	<b>4,392</b>	<b>5,037</b>	<b>4,033</b>
<i>Financial fixed assets</i>			
Participations in Group companies	842	2,192	842
<b>Total fixed assets</b>	<b>36,797</b>	<b>47,830</b>	<b>41,042</b>
<b>Current assets</b>			
<i>Inventories, etc.</i>			
Work in progress	3,373	2,298	2,949
Stocks of finished goods	3,161	1,757	2,905
<b>Total inventories</b>	<b>6,534</b>	<b>4,055</b>	<b>5,854</b>
<i>Short-term receivables</i>			
Accounts receivable	1,518	461	1,045
Current tax assets	474	619	0
Group company receivables	659	0	658
Other receivables	1,119	563	859
Prepayments and accrued income	1,680	1,429	2,790
<b>Total short-term receivables</b>	<b>5,450</b>	<b>3,072</b>	<b>5,352</b>
<i>Cash and bank balances</i>			
Cash and bank balances	109,172	110,460	77,954
<b>Total current assets</b>	<b>121,156</b>	<b>117,587</b>	<b>89,160</b>
<b>Total assets</b>	<b>157,953</b>	<b>165,417</b>	<b>130,202</b>

KSEK	2020-06-30	2019-06-30	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	21,203	27,728	24,466
	22,368	28,690	25,428
<i>Non-restricted equity</i>			
Share premium reserve	332,853	270,832	271,267
Retained profit or loss	-173,254	-111,239	-107,977
Net profit or loss for the year	-34,536	-33,598	-68,539
Total non-restricted equity	125,063	125,995	94,751
<b>Total equity</b>	<b>147,431</b>	<b>154,685</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	3,865	3,759	2,931
Tax liabilities	0	0	102
Other liabilities	1,296	843	599
Accruals and deferred income	5,361	5,002	6,391
<b>Total short-term liabilities</b>	<b>10,522</b>	<b>9,604</b>	<b>10,023</b>
<b>Total equity and liabilities</b>	<b>157,953</b>	<b>165,417</b>	<b>130,202</b>

# CHANGES IN EQUITY

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
<b>Total equity 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
Issuance cost			-3,204		-3,204
Dissolution of depreciation of development costs		-3,262		3,262	0
Net profit/loss for the period				-34,536	-34,536
<b>Total equity 2020-06-30</b>	<b>1,165</b>	<b>21,204</b>	<b>332,852</b>	<b>-207,790</b>	<b>147,431</b>

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
<b>Total equity 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		-3,262		3,262	0
Net profit/loss for the period				-33,598	-33,598
<b>Total equity 2019-06-30</b>	<b>962</b>	<b>27,728</b>	<b>270,832</b>	<b>-144,837</b>	<b>154,685</b>

# CASH FLOW STATEMENT

KSEK	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN	2019 FULL YEAR
Cash flow from operating activities	-13,920	-15,467	-28,729	-28,584	-56,859
Cash flow from operating activities after change in working capital	-13,001	-14,185	-29,008	-28,611	-60,701
Cash flow from investing activities	-1,480	-130	-1,563	-194	-526
Cash flow from financing activities	61,789	3,051	61,789	3,051	2,967
<b>CASH FLOW FOR THE PERIOD</b>	<b>47,308</b>	<b>-11,264</b>	<b>31,218</b>	<b>-25,754</b>	<b>-58,260</b>
Cash and cash equivalents at the beginning of the period	61,864	121,724	77,954	136,214	136,214
Cash and cash equivalents at the end of the period	109,172	110,460	109,172	110,460	77,954

# KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2020 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN	2019 FULL YEAR
Net sales	1,619	1,436	3,769	1,986	5,508
Gross margin	59%	6%	59%	15%	61%
Operating result	-16,833	-17,607	-34,534	-33,621	-68,562
Net profit or loss for the period	-16,836	-17,607	-34,536	-33,598	-68,539
Cash flow, operating activities	-13,920	-15,467	-28,729	-28,584	-56,859
Cash and cash equivalents, short-term deposits	109,172	110,460	109,172	110,460	77,954
Total equity	147,431	154,685	147,431	154,685	120,179
Balance sheet total	157,953	165,417	157,953	165,417	130,202
Basic earnings per share, SEK*	-0.79	-0.92	-1.70	-1.76	-3.58
Diluted earnings per share, SEK*	-0.79	-0.92	-1.70	-1.76	-3.58
Cash flow per share, SEK*	-0.65	-0.81	-1.41	-1.50	-2.97
Number of shares	23,300,500	19,238,500	23,300,500	19,029,500	19,238,500
Average number of shares during the period	21,404,900	19,100,487	20,321,700	19,090,041	19,164,881
Average number of shares during the period after dilution	22,491,900	19,991,487	21,408,700	19,981,041	20,055,881
Equity/Ratio, %*	93	94	93	95	92
Equity per share, SEK*	6.33	8.04	6.33	8.87	6.25
Average number of full-time equivalent employees	36	30	35	30	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 APR-JUN	2019 APR-JUN	2020 JAN-JUN	2019 JAN-JUN	2019 FULL YEAR
Other operating income	603	114	930	127	378
Raw materials and consumables	-703	-1,264	-1,590	-1,264	-2 205
Other external charges	-6,457	-6,269	-14,406	-12,348	-28 246
Personnel expenses	-8,885	-8,528	-17,298	-16,141	-32 040
Depreciation of fixed tangible and intangible asset	-2,918	-2,879	-5,809	-5,753	-11 525
Other operating expenses	-92	-217	-129	-228	-432
Total operating expenses	-18,452	-19,043	-38,303	-35,607	74 070

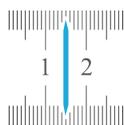
## Note 2 Information about the company's operating expenses

For the period, the operations and product management function amounts to 2,134 (1,398) KSEK and depreciation of tangible and intangible fixed assets to 5,809 (5,753) 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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