



Q4 – 2019

YEAR-END REPORT JANUARY-DECEMBER 2019

FOURTH QUARTER

- Net sales for the fourth quarter amounted to kSEK 1,829 (442).
- Result after taxes amounted to kSEK -19,465 (-15,112).
- Earnings per share was SEK -1,01 (-0.79).
- The cash flow from operating activities after changes in working capital was kSEK -15,641 (-16,560).

FULL YEAR

- Net sales for the full year amounted to kSEK 5,508 (953).
- Result after taxes amounted to kSEK -68,569 (-39,079).
- Earnings per share was SEK -3,58 (-2,05).
- The cash flow from operating activities after changes in working capital was kSEK -60,701 (-45,935).
- Cash and cash equivalents including short term deposits at the balance date amounted to kSEK 77,954 (136,214).

SIGNIFICANT EVENTS DURING THE FOURTH QUARTER

- Acconeer published two new focus use cases within presence detection.
- Acconeer received orders from BEYD worth USD 139,888.
- Orders from Digi-Key worth USD 47,748 were received.
- Acconeer received an order from Japanese Restar Electronics Corporation worth USD 108,570.
- Gross margin amounted to 61%.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Acconeer received an order from Glyn Limited worth USD 12,800.
- Thomas Rex proposed as new Chairman of Acconeer AB.

COMMENTS FROM OUR CEO

Two purchase orders of more than SEK 1 million and 430 sold evaluation kits were some of the highlights during the fourth quarter 2019

The fourth quarter was characterized by continued high pace, not least in terms of sales of evaluation kits. We sold 430 evaluation kits, which is well over four per day and well above the target of selling three a day. Our newly released IoT module certainly created a one-off effect, but we believe we can sell three evaluation kits a day during 2020. These figures do not include the 363 cards sold on Sparkfun since their relaunch in September. The sale of evaluation kits not only give insight to the great interest that exists in our sensor but is an important indicator of potential future product launches.

The total number of products launched by customers, including Sparkfun, amounts to 14. Parking sensors make up 9 launches, of which 4 in China, 3 in Europe and 2 in Korea. Within level measurement in tanks, we have 2, one each in China and New Zealand. Presence detection and robotics have one launch each, from a Chinese customer and Japanese GROOVE-X. Sales to these customers are reflected in our sales to Digi-Key and other distributors. In the semiconductor industry, it is usually expected that it takes between 12 and 24 months from product to customer launch. Since our sensor has been available for mass production for almost 21 months, we expect a continuous flow of new customer launches.

To initiate a customer project either a large volume potential is required, such as with Alps Alpine, or a unique application area where we see great opportunities and the customer needs access to our expertise, as with GROOVE X. Since we have identified several customer projects where we see substantial revenue growth potential, we intend to at least double the capacity to support and run customer projects in 2020. This will lead to a slightly higher cost level during the year.

A new feature during the quarter was that we started to present customer cases on our website. Based on customer input, we describe their business, offer and why they have chosen Acconeer's sensor. So far, we have introduced Korean Hancom, from the parking sensors segment, and GROOVE X, a robotics customer.

Acconeer is still a relatively small company, so partners who can help our customers build applications



based on our sensor are important to us. One is the specialist company Imagimob, which operates in the field of Edge AI. Together, we have developed a gesture control application for headphones, which was showcased at the CES fair in Las Vegas. We also see a great deal of interest in radar in the area of gesture control, not least since Google's launch of Pixel 4. Acconeer has made a major investment in the area of AI in 2019, as we see that the high-resolution information from our radar sensor is perfect for use with deep learning algorithms. The AI initiative includes the collaboration with Imagimob, but we also received a research scholarship for an industrial doctoral student from Wallenberg's AI initiative WASP and a scholarship from Vinnova aimed at gesture control. To make it easier for our customers to develop and implement AI-based applications, we have built-in deep learning support in our Exploration Tool.

New in this quarterly report is that we have started to report our gross margin. The reason why we haven't done this earlier was the risk of publishing misleading figures due to low volumes. We have the highest margins on evaluation kits because they are not volume products, the second highest in our sensors and the lowest margin we have on our modules because they also contain semiconductor products from other manufacturers. As the product mix changes towards sensors and modules, we believe that today's high margins may fall slightly.

Our goal is to continue, together with our built-up 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 February 20 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)

FOURTH QUARTER NET SALES AND RESULT

Net sales for the fourth quarter amounted to kSEK 1,829 (442), ie an increase of 313% compared to the previous year. Net sales relates to sales to customers via Digi-Key, BEYD, and other new distributors.

Compared to the fourth quarter last year, operating costs has increased by 38 percent, to kSEK 21,499 (15,557). The increase primarily relates to increased other external charges and personnel costs according to plan.

Capitalized development costs, patents and equipment were depreciated to the amount of kSEK 2,890 (2,921) during the fourth quarter.

Operating results for the fourth quarter amounted

to kSEK -19,465 (-15,071) and result after taxes amounted to kSEK -19,465 (-15,112). The lower result in comparison with the preceding year was mainly driven by cost increases according to plan.

The number of full-time equivalent employees averaged 35 (26) during the period, 4 (2) of whom were women.

INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 31 December 2019, the cumulative book value of balanced costs for development work amounted to kSEK 34,427 (43,607). 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 1,740 (1,558), 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 526 (2,380).

Older incentive programs have been partly used in June 2019. Overall, options have been converted to 159,000 shares and kSEK 2,312 have been paid for these.

In June and November 600,000 warrants have been subscribed and TSEK 1,174 have been paid for these.

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 full year amounted to kSEK -56,859 (-36,288). After changes in working capital the cashflow for the period was kSEK -60,701 (-45,935).

At the balance sheet date, cash and cash equivalents amounted to kSEK 77,954 (136,214).

Total equity amounted to kSEK 120,179 (185,232). Equity ratio was 92, (95) percent.

GROSS MARGIN

As the company has increased sales, new in this quarterly report is that we mention our gross margin for the full year 2019. Sales amounted to kSEK 5,508 and the direct cost of goods sold to 2,129 kSEK, which means a gross margin of 61%.

The gross margin is dependent on our product mix between sensors, modules and development kits.

THE FULL YEAR IN SUMMARY

Net sales for the full year amounted to kSEK 5,508 (953). Net sales relates to sales to customers via Digi-Key, BEYD, and other new distributors.

The full year operating costs has increased by 49 percent, to kSEK 74,448 (49,978). The increase primarily relates to amortization of intangible assets initiated during the fourth quarter of 2018 and increased other external charges according to plan.

Capitalized development costs, patents and equipment were depreciated to the amount of kSEK

11,525 (4,489) during the year.

Operating results for the full year amounted to kSEK -68,562 (-39,044) and result after taxes amounted to kSEK -68,539 (-39,079). The lower result in comparison with the preceding year was mainly driven by the kSEK 7,027 increase in depreciation costs, the lack of capitalized work performed for own account which amounted to kSEK 9,915 and cost increases according to plan.

SIGNIFICANT EVENTS DURING THE YEAR

JANUARY - MARCH

In January, Acconeer received an order of USD 22,450 from BEYD, which included Acconeer's A1 sensor and the XC112 and XR112 evaluation kits. Acconeer has cooperated with BEYD on the Chinese market since July 2018.

In early February, the company announced a planned launch of dielectric lenses during the second quarter of 2019.

In December 2018, Acconeer launched its first module for Digi-Key distribution - the XM112. It was very well received and the company is planning to launch an IoT module during the third quarter of 2019. This was announced in February.

During the first quarter 2019, Acconeer sold 224 evaluation kits.

APRIL- JUNE

In April, the company announced that object detection software for autonomous robots was released on the Acconeer website. In order to create simpler and faster development processes for customers Acconeer publish downloadable detectors with accompanying demonstration videos. Customers can thereby, without delay, download the detector directly from Acconeer's website and initiate sensor tests. The detector delivers data that enables customers to further develop the functionality at the application level and put their mark on the product.

In April, Acconeer received two additional orders from BEYD, worth USD 27,498 and USD 25,800 respectively. The new orders from BEYD includes two of Acconeer's products, the sensor A1 and the coupling board XB112.

In May, the company received orders from Digi-Key, amounting to USD 15,000, and from Restar, amounting to USD 12,900.

In June, a distribution agreement was signed with Taiwanese Chip Power Technology Corp., a leading distributor in Taiwan. Initially, the agreement refers to the sensor A1, modules and evaluation kit and cover the Taiwanese market.

In June, additional orders were received from BEYD worth USD 12,900.

At the end of June, a distribution agreement was signed with Glyn Ltd of New Zealand, a leading distributor in New Zealand and Australia. Initially, the agreement includes the radar sensor A1, modules and evaluation kits and covers both the New Zealand and Australian markets.

A Pan-European distribution agreement has also been signed at the end of June, with CODICO GmbH. CODICO is a leading European distributor with headquarters in Vienna, Austria. Initially, the agreement refers to the radar sensor A1, modules and evaluation kits and covers in addition to the European market also the Middle East and Africa.

During the second quarter 2019, Acconeer sold 249 evaluation kits.

SEPTEMBER - OCTOBER

In July Acconeer received orders from Digi-Key worth in total USD 33,283.

In July a distribution agreement with Restar Electronics Corporation, a leading distributor in Japan with especially strong coverage of companies in the consumer electronics segment, was signed. Initially, the agreement includes Pulsed Coherent Radar sensor A1 product and the evaluation kits and covers the Japanese market.

Acconeer's evaluation kits have been available on Digi-Key since February 15, 2018, and less than a year and a half later, on August 1, 2019, the sales of evaluation kits surpassed 1,000 units.

Acconeer has hired Anna Aleryd as the company's first Head of Marketing and Communication. Anna comes from a position as Head of Developer Communication at Sony Corporation.

In August two more orders were received from BEYD, worth USD 23,650.

Acconeer and Alps Alpine signed a strategic partnership agreement with the aim of developing products for the automotive industry. Alps Alpine is a world-leading manufacturer of electronic components, modules and systems for cars.

Acconeer announced plans for AEC Q-100 certification for the automotive industry. Since Acconeer's launch of the A1 sensor in Q1 2018, it has been JEDEC certified for consumer electronics.

In September Acconeer received two more orders from Digi-Key, in total worth USD 61,642.

Acconeer has for the second year running been named a Cool Vendor in Novel Sensors by Gartner.

SparkFun Electronics reintroduced A111 Pulsed Radar Board.

OCTOBER - DECEMBER

To simplify and create faster development processes Acconeer continuously publishes new focus use cases with associated reference applications and demonstration videos on their website. During October two new focus use cases for presence detection were published; smart presence and presence detection in cars.

During the period, Acconeer received three orders from BEYD worth a total of USD 139,888.

Two orders from Digi-Key were received in November and December. The total value was USD 47,748.

In December, Acconeer received an order from Japanese Restar Electronics Corporation worth USD 108,570. The order relates to Acconeer's radar sensor A1. Part of the order is for production of the social robot LOVOT from the Japanese company GROOVE X. Japanese Restar Electronics Corporation is a leading distributor in Japan with especially strong coverage of companies in the consumer electronics segment.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In February, Acconeer received an order from Glyn Limited worth USD 12 800. The order relates to Acconeer's radar sensor A1.

On February 17, BGA Invest AB and Winplantan AB (which together hold approximately 26 percent of the shares and votes in Acconeer AB) announced to the company that they will propose that Thomas Rex

be appointed Chairman of the Board at the Annual General Meeting on April 14, 2020. Current Chairman Bengt Adolfsson announced at the same time that he declines re-election as Chairman, but is available for re-election as a member of the Board.

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 2018 annual report, on pages 26-28. The accounting policies are the same.

Regarding accounting principles for revenue,

revenue is recognized when it can be reliably calculated and when the financial benefits arising from it likely will be available to the company.

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 2018 annual report, on page 20, and in the 2017 listing prospectus, on pages 8-9. No significant changes have taken place since then.

SHARE PERFORMANCE

The IPO lockup that covered approximately 70 percent of Acconeer's shares expired in December 2018.

The rising supply of shares had a downward effect on the share price for the rest of the year. Since the beginning of the year, the share has bounced back somewhat but still trades below the IPO price of SEK 25.

At the beginning of 2019, the number of shares in Acconeer amounted to 19,079,500 shares. At the Annual General Meeting on May 21, 2015, a decision was made about an incentive program that was partly used during June 2019. Overall, options have been converted to 159,000 shares. At the end of December 2019, the total number of shares amounted to 19,238,500 shares.

ANNUAL GENERAL MEETING 2020

The AGM is held at Ideon Gateway, Scheelevägen 27, 223 70 Lund, Tuesday 14 April at 5.30 pm.

The notice will be available on the website no later than March 10, 2020. Annual Report for 2020 is expected to be on the company's website on March 24.

PROPOSALS DISTRIBUTION OF PROFITS

The Board proposes that no dividend be paid for the 2019 financial year.

UPCOMING FINANCIAL INFORMATION

Annual Report 2019.....	24 March 2020
Annual General Meeting.....	14 April 2020
Interim Report Jan-Mar 2020.....	29 April 2020
Interim Report Jan-Jun 2020	24 July 2020
Interim Report Jan-Sep 2020	27 October 2020

AUDITORS' REVIEW

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

Lund, 20 February 2020
The Board

FOR ADDITIONAL INFORMATION,
PLEASE CONTACT:

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INCOME STATEMENT

KSEK	2019 OCT-DEC	2018 OCT-DEC	2019 FULL YEAR	2018 FULL YEAR
Net sales	1,829	442	5,508	953
Work performed for own account	0	15	0	9,915
Other operating income	205	29	378	66
	2,034	486	5,886	10,934
Operating costs				
Raw materials and consumables	-1,101	-511	-2,205	-874
Other external charges	-7,793	-6,740	-28,246	-20,962
Personnel costs	-9,653	-5,231	-32,040	-23,467
Depreciation of fixed tangible and intangible assets	-2,890	-2,921	-11,525	-4,498
Other operating costs	-62	-154	-432	-177
	-21,499	-15,557	-74,448	-49,978
Operating result	-19,465	-15,071	-68,562	-39,044
Result from financial items				
Other interest income and similar items	1	3	24	24
Interest costs and similar items	-1	-44	-1	-59
Total result from financial items	0	-41	23	-35
Result after financial items	-19,465	-15,112	-68,539	-39,079
Profit or loss before tax	-19,465	-15,112	-68,539	-39,079
Net profit or loss for the year	-19,465	-15,112	-68,539	-39,079
Basic earnings per share, SEK	-1.01	-0.79	-3.58	-2.05
Diluted earnings per share, SEK	-1.01	-0.79	-3.58	-2.05
Average number of shares during the period	19,238,500	19,056,167	19,164,881	19,036,167
Average number of shares during the period after dilution	20,129,500	19,486,167	20,055,881	19,506,167

BALANCE SHEET

KSEK	2019-12-31	2018-12-31
ASSETS		
Fixed assets		
<i>Intangible fixed assets</i>		
Balanced costs for development and similar work	34,427	43,607
Patents	1,740	1,558
Total intangible fixed assets	36,167	45,165
<i>Tangible fixed assets</i>		
Machinery and other technical equipment	3,884	5,865
Inventory, tools and installations	149	168
Total tangible fixed assets	4,033	6,033
<i>Financial fixed assets</i>		
Participations in Group companies	842	842
Total fixed assets	41,042	52,040
Current assets		
<i>Inventories, etc.</i>		
Work in progress	2,949	2,980
Stocks of finished goods	2,905	995
Total inventories	5,854	3,975
<i>Short-term receivables</i>		
Accounts receivable	1,045	553
Current tax assets	0	54
Group company receivables	658	0
Other receivables	859	1,021
Prepayments and accrued income	2,790	641
Total short-term receivables	5,352	2,269
<i>Short-term deposits</i>		
Short-term deposits	0	0
<i>Cash and bank balances</i>		
Cash and bank balances	77,954	136,214
Total current assets	89,160	142,458
Total assets	130,202	194,498

KSEK	2019-12-31	2018-12-31
EQUITY AND LIABILITIES		
Total equity		
<i>Restricted equity</i>		
Share capital (19 238 500 shares)	962	954
Fund for development costs	24,466	30,990
	25,428	31,944
<i>Non-restricted equity</i>		
Share premium reserve	271,267	267,789
Retained profit or loss	-107,977	-75,422
Net profit or loss for the year	-68,539	-39,079
Total non-restricted equity	94,751	153,288
Total equity	120,179	185,232
Long-term liabilities		
Liability to group companies	0	518
Total long-term liabilities	0	518
Short-term liabilities		
Accounts payable	2,931	1,964
Tax liabilities	102	0
Other liabilities (note 1)	599	992
Accruals and deferred income	6,391	5,792
Total short-term liabilities	10,023	8,748
Total equity and liabilities	130,202	194,498

Note 1: Liability due to the CEO's share appreciation rights, settled in February 2019. As of 2018-12-31, the item is included in other short-term liabilities and is valued at kSEK 424. Was included in long-term liabilities in 2018-06-30. For additional information, please refer to the 2018 annual report, page 27.

CHANGES IN EQUITY

KSEK	SHARE CAPITAL	ONGOING NEW ISSUE	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2018-12-31	954	0	30,990	267,789	-114,501	185,232
Exercise of warrants/ new shares	8			2,304		2,312
Issuance of warrants				1,174		1,174
Dissolution of depreciation of development costs			-6,524		6,524	0
Net profit/loss for the period					-68,539	-68,539
Total equity 2019-12-31	962	0	24,466	271,267	-176,516	120,179

KSEK	SHARE CAPITAL	ONGOING NEW ISSUE	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2017-12-31	591	360	22,706	266,717	-67,138	223,236
New share issue	360	-360				0
Exercise of warrants/ new shares	3			1,072		1,075
Fund for development costs			8,284		-8,284	0
Net profit/loss for the period					-39,079	-39,079
Total equity 2018-12-31	954	0	30,990	267,789	-114,501	185,232

CASH FLOW STATEMENT

KSEK	2019 OCT-DEC	2018 OCT-DEC	2019 FULL YEAR	2018 FULL YEAR
Cash flow from operating activities	-15,681	-13,807	-56,859	-36,288
Cash flow from operating activities after change in working capital	-15,641	-16,560	-60,701	-45,936
Cash flow from investing activities *)	-133	-59,044	-526	-12,161
Cash flow from financing activities	-84	1,075	2,967	178,075
CASH FLOW FOR THE PERIOD	-15,858	-43,559	-58,260	119,978
Cash and cash equivalents at the beginning of the period	93,812	92,655	136,214	16,236
Cash and cash equivalents at the end of the period	77,954	136,214	77,954	136,214

*) kSEK 60,000 worth of surplus cash, invested in interest funds, was realized in December 2018.

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2019 OCT-DEC	2018 OCT-DEC	2019 FULL YEAR	2018 FULL YEAR
Net sales	1,829	442	5,508	953
Operating result	-19,465	-15,071	-68,562	-39,044
Net profit or loss for the period	-19,465	-15,112	-68,539	-39,079
Cash flow, operating activities	-15,681	-13,807	-56,859	-36,197
Cash and cash equivalents, short-term deposits	77,954	123,214	77,954	136,214
Total equity	120,179	185,232	120,179	185,232
Balance sheet total	130,202	194,498	130,202	194,498
Basic earnings per share, SEK*	-1.01	-0.79	-3.58	-2.05
Diluted earnings per share, SEK*	-1.01	-0.79	-3.58	-2.05
Cash flow per share, SEK*	-0.82	-0.72	-2.97	-1.90
Number of shares	19,238,500	19,029,500	19,238,500	19,079,500
Average number of shares during the period	19,238,500	19,056,167	19,164,881	19,036,167
Average number of shares during the period after dilution	20,129,500	19,486,167	20,055,881	19,506,167
Equity/Ratio, %*	92	95	92	95
Equity per share, SEK*	6.25	9.71	6.25	9.71
Average number of full-time equivalent employees	35	27	33	25

*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.

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:



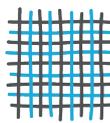
Millimeter-precision distance measurement enables applications such as fuel level measurements and robust parking sensors.



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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