



# Q1-2021

INTERIM FINANCIAL REPORT JANUARY-MARCH 2021

## FIRST QUARTER

- Net sales for the first quarter amounted to kSEK 7,545 (2,150).
- The Gross margin on sales of goods was 74 (59) %.
- Result after taxes amounted to kSEK -11 876 (-17 701).
- Earnings per share before and after dilution was SEK -0.51 (-0.92).
- The cash flow from operating activities was kSEK -8 898 (-14,810).

## SIGNIFICANT EVENTS DURING THE FIRST QUARTER

- Sweden's Innovation Agency granted Acconeer 4 million SEK for a research project on sleep monitoring with Sleepiz and the University of Gothenburg.
- Acconeer received order from Digi-Key worth USD 47,000.
- Acconeer received order from Glyn Limited worth USD 156,000.

- Acconeer received order from CODICO worth USD 96,000.
- Acconeer and Alps Alpine signed a joint development agreement of Next-Generation Sensing Technology.
- A distribution agreement was signed with Mouser Electronics and the first order received.
- It is the company's assessment that the effects of Covid-19 will have a limited impact of operations in 2021. We expect no impact on either the development side or the manufacture of sensors, while the manufacture of modules will be affected by a global shortage on processors that have arisen in connection with Covid-19. Regarding demand for the company's products we expect further delays in customer projects, fewer start-up projects and that our customers' production rate will be affected by the lack of processors.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Acconeer announced A121 pulsed coherent radar sensor, new high-performance product in A1 family.

# COMMENTS FROM OUR CEO

In Q1 2021 we signed an agreement with Alps Alpine regarding development of the next generation radar sensor, A2. The agreement means that investment cost for Acconeer is cut in half, since our revenue is increased and our development cost is decreased. At the same time we secure a large international customer for the product.

During the first quarter we signed a development agreement with Alps Alpine to develop next generation patented Pulse Coherent sensors, targeting a wide range of applications in the automotive, industrial and consumer segments including mobile phones. The contract is based on the principles in the MoU signed and announced in April 2020, and prescribes that Alps Alpine will contribute up to USD 6 million towards the development of which USD 3.85 million is paid for development-related services. The balance will be invested in tools and third party IP. In addition to payments, Alps Alpine contributes to the project with their knowledge of applications in the automotive business and with resources for development of the digital parts of the product. In return, Alps Alpine will receive exclusivity for the new product for the automotive market. The product is planned to be ready for production during 2024. For Acconeer's shareholders, the signed agreement means that development cost is cut in half, while we have at the same time secured our first large customer for the product.

We launched the A111 radar sensor during spring 2018, and the A1 product family will be complemented with A121 during the second half of 2022, which was announced after the end of Q1. The A2 radar sensor which is developed together with Alps Alpine will be the next generation's product family.

In the quarter we also launched on-line sales with Mouser, who together with Digi-Key is a leader in global online sales of electronic components.

The first quarter 2021 has been dominated by the global outbreak of the Covid-19 virus. We have previously announced that we do not see any impact from Covid-19 on the development or purchasing side, but that we have seen delays in some projects on the customer side due to Covid-19. We believe that we will see more delays during 2021. There is a global shortage of processors and other components, which affects our modules where we have not been able to ship all orders we have received. We expect continued problems with the purchasing of processors during all of 2021. The shortage of components has also had the effect that our customers have not been able to produce products in the expected pace. Despite this,



our product revenue grew in the first quarter compared to the fourth quarter last year; during the first quarter 2021 the online sales through Digi-Key has been very strong and we see an uptake in activities in Europe.

We can state that we sold 399 evaluation kits in the first quarter, and since launch we have now sold 3,516 EVK. We will also start presenting the number of sold sensors and modules in our quarterly reports; during the first quarter 2021 we sold 4,024 modules and since launch we have sold an accumulated 9,701 modules. We sold 74,881 sensors in Q1 2021, and we have sold 324,212 sensors in total (see table below).

We have previously stated that based on our customer pipeline, we believe that we will be able to launch at least five new customer products per quarter. During the first quarter, we saw five new customer launches and so far the total number of customer launches is 39. After the quarter, we presented another customer story, Winext from China who have launched a parking sensor. Refer to the table below for a compilation of all launched products. Sales to these customers is reflected in the sales to our distributors.

2021 is a new year with new challenges and goals, when we will focus on:

- Continue to launch new customers and help existing customers grow.
- Focus on customers with high volume potential.
- Receive more design wins together with Alps Alpine.
- Invest in the development of new more advanced applications such as gesture control, breathing frequency and speed measurement.
- Start designing the next generation radar sensor, A2, which will be a very strong complement to A1 and which will already from the start cover the specific requirements of the automotive industry.

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

Lund, April 23 2021

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)

## FIRST QUARTER NET SALES AND RESULT

Net sales for the first quarter amounted to kSEK 7,545 (2,150) ie an increase of 251% compared with the previous year. Net sales relate to sales to customers through the distributors Digi-Key, BEYD and Codico and other new distributors and income from development services related to the Alps Alpine agreement.

Gross profit, which only includes direct cost of goods, amounted to kSEK 6,629 (1,263). Reduced with revenues from development related services gross profit amounted to 2,585 (1,263), which corresponds to a gross margin of 74% (59)%. Product mix between our sensors, modules and evaluation kits affects the gross margin.

Compared to the first quarter of last year, operating expenses increased by 2 % to kSEK 19,421 (18,964). The change mainly refers to increased costs for administration and reduced costs for R&D. Depreciation of capitalized development costs, patents and equipment was made during the first quarter with kSEK 2,406 (2,891).

Operating profit for the first quarter amounted to kSEK -10,915 (-17,701) and the profit after tax was kSEK -10 915 (-17 701).

The average number of employees during the period was 37 (35), of which 5 (4) were women.

## SOLD EVALUATION KITS, MODULES AND SENSORS

	2021 Q1	Accumulated
EVK	399	3,516
Modules	4,024	9,701
Sensors	74,881	324,212

## 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	6(5)	2(1)	1	4			13
Japan					2		2
South Korea	4						4
Australia & New Zealand				1			1
US						2(1)	2
China	7	4		4(3)		1(0)	16
Taiwan	1						1
Total	18	6	1	9	2	3	39

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.

## INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 31 March the cumulative book value of balanced costs for development work amounted to kSEK 23,902 (32,132). This refers to development work related to the A1 product, kSEK 22,941.

The corresponding patent portfolio value amounted to kSEK 1,837 (1,766) most of which is due to investments in patents and patent applications related to the A1 product. Acconeer has 8 patent families including in total 22 granted patents and 10 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 7,063 (0).

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 -7,937 (-14,810).

After changes in working capital the cashflow for the period was kSEK -12,227 (-16,007).

At the balance sheet date, cash and cash equivalents amounted to kSEK 61,843 (61,864).

Total equity amounted to kSEK 108,616 (102,478). Equity ratio was 91 (92) percent.

## SIGNIFICANT EVENTS DURING THE FIRST QUARTER

On February 18, it was announced that Acconeer will receive a grant for about SEK 4 million from Vinnova for projects within sleep monitoring with Sleepiz and the University of Gothenburg. The project will run for three years starting in April 2021 and will be a consortium with Swiss Sleepiz and the University of Gothenburg. The aim of the project is to deliver a revolutionary contactless device for diagnosis and monitoring, where Acconeer's next generation pulsed coherent radar sensor will be used to monitor cardio-respiratory patterns.

On February 26, Acconeer received an order from Digi-Key worth USD 47,000. The order relates to Acconeer's radar sensor A1 and the IoT module XM122. Digi-Key's global online platform, serving customers with evaluation kits and sensors intended for mass production, remains an important distribution channel for Acconeer.

In March Acconeer received an order from Glyn Limited worth USD 156,000. The order relates to Acconeer's A1 radar sensor intended for mass production of customer products. New Zealand-based Glyn Ltd is Acconeer's main distributor in New Zealand and Australia, and the two companies have a distribution agreement since June 2019.

An order worth USD 96 000 was received from CODICO. The order relates to Acconeer's A1 radar sensor intended for mass production of customer products. CODICO GmbH is a leading European distributor, headquartered in Vienna, Austria.

On 19th of March it was announced that Acconeer AB and Alps Alpine Co., Ltd. had signed a joint development agreement to develop next generation

patented Pulse Coherent sensors, targeting a wide range of applications in the automotive, industrial and consumer segments including mobile phones. The contract is based on the principles in the MoU signed and announced in April 2020, and prescribes that Alps Alpine will contribute up to USD 6 million towards the development of which USD 3.85 million is paid as a Non Recurring Engineering fee and the balance will be invested in tools and third party IP. In return, Alps Alpine will receive exclusivity for the new product for the automotive market. The product is planned to be ready for production during 2024.

In late March, it was announced that a distribution agreement was signed with Mouser Electronics and Acconeer's radar products will soon be available through Mouser's online store. At the same time, Mouser Electronics placed an order worth USD 35,000 for initial stock. The order relates to Acconeer's A1 radar sensor and related modules, evaluation kits (EVK) and lenses. Mouser is one of the largest electronic component distributors in the world, with a global reach.

It is the company's assessment that the effects of Covid-19 will have a limited impact of operations in 2021. We expect no impact on either the development side or the manufacture of sensors, while the manufacture of modules will be affected by a global shortage on processors that have arisen in connection with Covid-19. Regarding demand for the company's products we expect further delays in customer projects, fewer start-up projects and that our customers' production rate will be affected by the lack of processors.

## SIGNIFICANT EVENTS DURING AFTER THE PERIOD

On April 22 Acconeer announced a new product in the A1 pulsed coherent radar family, based on the design of A111 but with extended performance.

The product is planned to be ready for mass-production in the second half of 2022.

## 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 2020 annual report, on pages 29-31. 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 are recognized as revenue as they are earned.

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 2020 annual report, on page 21-23. 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 of operations in 2021. We expect no impact on either the development side or the manufacture of sensors, while the manufacture of modules will be affected by a global shortage on processors that have arisen in connection with Covid-19. Regarding demand for the company's products we expect further delays in customer projects, fewer start-up projects and that our customers' production rate will be affected by the lack of processors.

## SHARE PERFORMANCE

Since the turn of the year, the share price has gone up by about 45 %. The share has recovered after the decline related to the Covid-19 situation last spring.

At the end of March 2021, the total number of shares amounted to 23,300,500 shares.

## UPCOMING FINANCIAL INFORMATION

Annual General Meeting.....	27 April 2020
Interim Report Jan-Jun 2021.....	23 July 2020
Interim Report Jan-Sep 2021 .....	29 October 2020
Year-end Report 2021.....	18 February 2022

## AUDITORS' REVIEW

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

Lund, 23 April  
The Board

FOR ADDITIONAL INFORMATION,  
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# INCOME STATEMENT IN SUMMARY

KSEK		2021 JAN-MAR	2020 JAN-MAR	2020 FULL YEAR
Net sales	Note	7,545	2,150	9,505
Cost of goods sold	Note 1	-916	-887	-3,749
Gross profit		6,629	1,263	5,756
<b>Operating expenses</b>				
Sales expenses	Note 2	-4,819	-4,826	-18,027
Administrative expenses		-3,002	-2,443	-9,527
Research and Development expenses		-10,573	-11,984	-42,298
Other operating income/expenses		-111	289	1,787
<b>Operating result</b>		<b>-11,876</b>	<b>-17,701</b>	<b>-62,309</b>
<b>Result from financial items</b>				
Financial income		0	0	0
Financial expense		0	0	-2
<b>Net financial income/expense</b>		<b>0</b>	<b>0</b>	<b>-2</b>
<b>Profit or loss before tax</b>		<b>-11,876</b>	<b>-17,701</b>	<b>-62,311</b>
Tax		-	-	-
<b>Net profit or loss for the period</b>		<b>-11,876</b>	<b>-17,701</b>	<b>-62,311</b>
Earnings per share, before/after dilution, SEK		-0.51	-0.92	-2.85
Average number of shares during the period		23,300,500	19,238,500	21,887,147
Average number of shares during the period after dilution		24,282,500	20,091,500	22,869,147

# BALANCE SHEET IN SUMMARY

KSEK	2021-03-31	2020-03-31	2020-12-31
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	22,951	32,132	25,247
Patents	1,837	1,766	1,824
<b>Total intangible fixed assets</b>	<b>24,788</b>	<b>33,898</b>	<b>27,071</b>
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	9,673	3,358	3,213
Inventory, tools and installations	143	136	159
<b>Total tangible fixed assets</b>	<b>9,816</b>	<b>3,494</b>	<b>3,372</b>
<i>Financial fixed assets</i>			
Participations in Group companies	842	842	842
<b>Total fixed assets</b>	<b>35,446</b>	<b>38,234</b>	<b>31,285</b>
<b>Current assets</b>			
<i>Inventories, etc.</i>			
Work in progress	5,885	3,820	5,192
Stocks of finished goods	3,242	2,116	2,464
<b>Total inventories</b>	<b>9,127</b>	<b>5,936</b>	<b>7,656</b>
<i>Short-term receivables</i>			
Accounts receivable	2,153	2,008	1,967
Current tax assets	681	333	161
Group company receivables	1,494	658	1,494
Other receivables	4,609	756	610
Prepayments and accrued income	3,443	2,023	3,099
<b>Total short-term receivables</b>	<b>12,380</b>	<b>5,778</b>	<b>7,331</b>
<i>Cash and bank balances</i>			
Cash and bank balances	61,843	61,864	82,170
<b>Total current assets</b>	<b>83,350</b>	<b>73,578</b>	<b>97,157</b>
<b>Total assets</b>	<b>118,796</b>	<b>111,812</b>	<b>128,442</b>

KSEK	2021-03-31	2020-03-31	2020-12-31
<b>EQUITY AND LIABILITIES</b>			
<b>Total equity</b>			
<i>Restricted equity</i>			
Share capital (23,300,500shares)	1,165	962	1,165
Fund for development costs	16,311	22,835	17,942
	17,476	23,797	19,107
<i>Non-restricted equity</i>			
Share premium reserve	333,689	271,267	333,688
Retained profit or loss	-230,673	-174,885	-169,992
Net profit or loss for the year	-11,876	-17,701	-62,311
Total non-restricted equity	91,140	78,681	101,385
<b>Total equity</b>	<b>108,616</b>	<b>102,478</b>	<b>120,492</b>
<b>Short-term liabilities</b>			
Accounts payable	1,562	1,847	1,095
Other liabilities	1,372	2,002	662
Accruals and deferred income	7,246	5,485	6,193
<b>Total short-term liabilities</b>	<b>10,180</b>	<b>9,334</b>	<b>7,950</b>
<b>Total equity and liabilities</b>	<b>118,796</b>	<b>111,812</b>	<b>128,442</b>

# CHANGES IN EQUITY

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
<b>Total equity 2020-12-31</b>	<b>1,165</b>	<b>17,942</b>	<b>333,688</b>	<b>-232,303</b>	<b>120,492</b>
Dissolution of depreciation of development costs		-1,631		1,631	0
Net profit/loss for the period				-11,876	-11,876
<b>Total equity 2021-03-31</b>	<b>1,165</b>	<b>16,311</b>	<b>333,688</b>	<b>-242,548</b>	<b>108,616</b>

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>
Dissolution of depreciation of development costs		-1,631		1,631	0
Net profit/loss for the period				-17,701	-17,701
<b>Total equity 2020-03-31</b>	<b>962</b>	<b>24,466</b>	<b>-192,586</b>	<b>-192,586</b>	<b>102,478</b>

# CASH FLOW STATEMENT IN SUMMARY

KSEK	2021 JAN-MAR	2020 JAN-MAR	2020 FULL YEAR
Cash flow from operating activities	-8,898	-14,810	-50,800
Cash flow from operating activities after change in working capital	-13,188	-16,007	-56,391
Cash flow from investing activities	-7,139	-83	-2,017
Cash flow from financing activities	0	0	62,624
<b>CASH FLOW FOR THE PERIOD</b>	<b>-20,327</b>	<b>-16,090</b>	<b>4,216</b>
Cash and cash equivalents at the beginning of the period	82,170	77,954	77,954
Cash and cash equivalents at the end of the period	61,843	61,864	82,170

# KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2021 JAN-MAR	2020 JAN -MAR	2020 FULL YEAR
Net sales	7,545	2,150	9,505
Gross margin, sales of goods	74%	59%	61%
Operating result	-11,876	-17,701	-62,309
Net profit or loss for the period	-11,876	-17,701	-62,312
Cash flow, operating activities	-8,898	-14,810	-50,800
Cash and cash equivalents, short-term deposits	61,843	61,864	82,170
Total equity	108,616	102,478	120,492
Balance sheet total	118.796	111,812	128,442
Basic earnings per share, SEK*	-0.51	-0.92	-2.85
Diluted earnings per share, SEK*	-0.51	-0.92	-2.85
Cash flow per share, SEK*	-0.38	-0.77	-2.32
Number of shares	23,500,000	19,238,500	23,300,500
Average number of shares during the period	23,500,000	19,238,500	21,887,147
Average number of shares during the period after dilution	24,282,500	20,091,500	22,869,147
Equity/Ratio, %*	91	92	94
Equity per share, SEK*	4.62	5.33	5.17
Average number of full-time equivalent employees	37	35	37

## \*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	2021 JAN-MAR	2020 JAN-MAR	2020 FULL YEAR
Sales of goods	3,501	2,150	9,505
Development-related services	4,044	-	-
<b>Total net sales</b>	<b>7,545</b>	<b>2,150</b>	<b>9,505</b>

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

For the period, the operations and product management function amounts to 1,120 (1,043) kSEK and depreciation of tangible and intangible fixed assets to 2,406 (2,386) 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



CONSUMER  
ELECTRONICS



INTERNET OF  
THINGS  
(IoT)



INDUSTRY AND  
AGRICULTURE



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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