



Q3 – 2021

INTERIM FINANCIAL REPORT JANUARY-SEPTEMBER 2021

THIRD QUARTER

- Net sales for the third quarter amounted to kSEK 7,859 (2,780).
- The Gross margin on sales of goods was 70 (65)%.
- Result after taxes amounted to kSEK -10,309 (-12,325).
- Earnings per share before and after dilution was SEK -0.44 (-0.53).
- The cash flow from operating activities was kSEK -7,673 (-9,339).

JANUARY-SEPTEMBER

- Net sales for the nine months period amounted to kSEK 23,047 (6,549).
- The Gross margin on sales of goods was 71 (50)%.
- Result after taxes amounted to kSEK -33,881 (-46,861).
- Earnings per share before and after dilution was SEK -1.45 (-2.20)
- The cash flow from operating activities was kSEK -25,973 (-38,068).
- Cash and cash equivalents on the balance sheet date amounted to kSEK 47,849 (95,611).

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Acconeer receives orders from Asteelflash with a total value of USD 161,000.
- Acconeer develops new smaller Entry Module targeting presence use case.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Acconeer receives order from CODICO worth USD 91,000.
- Acconeer receives order from Digi-Key worth USD 59,000.

COMMENTS FROM OUR CEO

In Q3 we sold more than 10,000 modules and more than 130,000 sensors, which both are new records for Acconeer. At the same time, we saw seven new customer launches. Compared with the previous year, Acconeer's revenue grew by 183% in the third quarter and 252% during the first nine months.

During the third quarter we have gone back to working like before the Covid-19 outbreak, but the pandemic will continue to affect our possibilities to travel to meet customers and partners. 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 the rest of 2021.

There is a global shortage of processors and other critical 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 components during the rest of 2021 and first half of 2022. The shortage of components has also had the effect that our customers have not been able to produce products in the expected pace even though Acconeer has been able to deliver sensors. Despite this, our product revenue grew strongly in the third quarter, compared to the second quarter with as much as 46%.

The sale of evaluation kits (EVK) gives an indication of the big interest that exist for our sensor, and it is an important signal of the potential of future product launches. The sale of evaluation kits continues to be strong in the third quarter (273) which is in line with our goal of selling more than 3 EVK per day on average.

During the third quarter 2021 we managed to produce and deliver 10,723 modules, which is almost as much as we previously had sold in total since the first module was introduced in Q4 2018 (11 927). Despite this, we are far from meeting the demand and XM132 continues to be sold out on Digi-Key and Mouser. We also announced a new module, "Entry Module XM131 presence", which is optimized for the presence use case and will be launched in Q1 2022. In the XM131 we have removed certain components that are hard to source, and by that we hope we will be able to increase production of modules to meet the demand. We sold 130,662 sensors which is a new record. See the table below for more information about our product sales.

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 third quarter we saw seven new customer launches and so far, the total number of customer



launches is 54. Five of these launches are in Europe, and three are in the area level measurement. Sales to these customers is reflected in the sales to our distributors.

Acconeer works continuously to monitor and influence regulation of the use of products emitting radio signals, to ensure that changes in laws are made in a way where our technology, PCR, is not disadvantaged. This work is done on a global scale and current regulation is communicated by respective authorities in the different legislations. One example of this is that we are active in the ongoing update of rulemaking in the American market.

During summer we have moved in to a new, larger office where we among other things have increased the lab space with more than four times and increased the number of employees to 45. This is necessary to be able to meet our commitments in the collaboration with Alps Alpine. We will focus on:

- Continue to launch new customers and help existing customers grow.
- Focus on customers with high volume potential and help them launch their products.
- 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.
- Design of 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.

Malmö, 29 October 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)

SOLD EVALUATION KITS, MODULES AND SENSORS

	2021 Q1	2021 Q2	2021 Q3	Accumulated
EVK	399	461	273	4,250
Modules	4,024	2,226	10,723	22,650
Sensors	74,881	112,256	130,662	567,130

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	7(6)	2	2(1)	7(4)		2(0)	20(15)
Japan					2		2
South Korea	4						4
Australia & New Zealand				1			1
US						3(2)	3(2)
China	9(7)	5(4)		7(4)		1	22(21)
Taiwan	1			1(0)			2
Total	21(20)	7(6)	2(1)	16(13)	2	6(5)	54(47)

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.

THIRD QUARTER NET SALES AND RESULT

Net sales for the third quarter amounted to kSEK 7,859 (2,780) i.e. an increase of 183% compared to previous year. Net sales relate to sales to customers through the distributors, mainly Digi-Key, BEYD and Codico and other new distributors and income from development services that was added the first quarter 2021.

Gross profit, which only includes direct cost of goods, amounted to kSEK 6,025 (1,428). Reduced with revenues from development related services gross profit amounted to 4,379 (1,264) which corresponds to a gross margin of 70% (65)%. Product mix between our sensors, modules and evaluation kits affects the gross margin.

Compared with the third quarter of last year, operating expenses increased by 19% to kSEK 16,307 (13,753). The change mainly refers to increased costs for administration due to the relocation of office and increased research and development costs, additional employment was made during the period. Depreciation of capitalized development costs, patents and equipment was made during the second quarter with kSEK 2,800 (2,983).

Operating profit for the third quarter amounted to kSEK -10,309 (-12,325) and the profit after tax was kSEK -10,309 (-12,325).

The average number of employees during the period was 46 (36), of which 5 (5) were women.

NINE MONTHS NET SALES AND RESULT

Net sales for the nine months period amounted to kSEK 23,047 (6,549) ie an increase of 252% compared to 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.

Gross profit, which only includes direct cost of goods, amounted to kSEK 19,101 (3,635). Reduced with revenues from development related services gross profit amounted to 9,378 (3,098), which corresponds to a gross margin of 71% (50)%. Product mix between our

sensors, modules and evaluation kits affects the gross margin.

Compared with the nine months period of last year, operating expenses increased by 5 % to kSEK 52,955 (50,494). Operating profit for the nine months period amounted to kSEK -33,854 (-46,858) and the profit after tax was kSEK -33,881 (46,861).

The reduced deficit is mainly due to the improved net sales, which increased by kSEK 16,498 compared to the previous year.

INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 30 September 2021 the cumulative book value of balanced costs for development work amounted to kSEK 18,361 (27,541). This refers to development work related to the A1 product.

The corresponding patent portfolio value amounted to kSEK 1,861 (1,869) 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 21 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 has been financed from the company's own resources, and

amounted to kSEK 8,848 (1,665) TSEK during the nine months period.

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 nine months period amounted to kSEK -25,973 (-38,068).

After changes in working capital the cashflow for the period was kSEK -28,879 (-42,464).

At the balance sheet date, cash and cash equivalents amounted to kSEK 47,849 (95,611).

Total equity amounted to kSEK 90,252 (135,407). Equity ratio was 88 (95) percent.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

In the beginning of September Acconeer received orders from Asteelflash with a total value of USD 161,000. The orders related to Acconeer's XM132 Entry Module for European customer mass production. Asteelflash is a European specialist EMS company.

At the end of September it was announced that Acconeer develops a new smaller Entry Module targeting presence use case. After the success with

XM132 Entry Module released last year, Acconeer now extends the Entry Module family with a smaller, lower priced version targeting the presence use case. The new module will be called Entry Module XM131 Presence and will be available on the market in Q1 2022.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In early October it was announced that Acconeer received an order from CODICO worth USD 91,000. The order related to Acconeer's A111 radar sensor for European customers' mass production. CODICO GmbH is a leading European distributor, headquartered in Vienna, Austria.

Later in October Acconeer received an order from Digi-Key worth USD 59,000.

The order relates to Acconeer's XM132 Entry Module for customers' mass production. Digi-Key's global online platform, serving customers with evaluation kits and sensors intended for mass production, remains an important distribution channel for Acconeer.

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 have a limited impact on 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 and other crucial components 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 and crucial components.

SHARE PERFORMANCE

Since the turn of the year, the share price has risen by about 235%. The stock has recovered from the downturn related to the Covid-19 situation.

At the end of September 2021, the total number of shares amounts to 23 382 500 shares.

UPCOMING FINANCIAL INFORMATION

Year-end Report 2021.....	18 February 2022
Annual report 2021.....	24 March 2022
Interim Report Jan-Mar 2022.....	22 April 2022
Annual General Meeting 2022.....	26 April 2022
Interim Report Jan-Jun 2022.....	22 July 2022
Interim Report Jan-Sep 2022.....	28 October 2022

AUDITORS' REVIEW

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

Malmö 29 October
The Board

FOR ADDITIONAL INFORMATION,
PLEASE CONTACT:

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INCOME STATEMENT IN SUMMARY

KSEK		2021 JUL-SEP	2020 JUL-SEP	2021 JAN-SEP	2020 JAN-SEP	2020 FULL YEAR
Net sales	Note 1	7,859	2,780	23,047	6,549	9,505
Cost of goods sold		-1,834	-1,352	-3,946	-2,914	-3,749
Gross profit		6,025	1,428	19,101	3,635	5,756
Operating expenses	Note 2					
Sales expenses		-4,253	-3,622	-13,952	-13,256	-18,027
Administrative expenses		-3,335	-1,613	-9,041	-6,511	-11,562
Research and Development expenses		-9,668	-8,750	-31,386	-31,760	40,263
Other operating income/expenses		949	234	1,424	1,034	1,787
Operating result		-10,282	-12,325	-33,854	-46,858	-62,309
Result from financial items						
Financial income		0	0	0	0	0
Financial expense		-27	0	-27	-3	-3
Net financial income/expense		-27	0	-27	-3	-3
Profit or loss before tax		-10,309	-12,325	-33,881	-46,861	-62,312
Tax		0	0	-	-	-
Net profit or loss for the period		-10,309	-12,325	-33,881	-46,861	-62,312
Earnings per share, before dilution, SEK		-0.44	-0.53	-1.45	-2.20	-2.85
Earnings per share after dilution, SEK		-0.44	-0.53	-1.45	-2.20	-2.85
Average number of shares during the period		23,380,239	23,300,500	23,330,998	21,329,235	21,887,147
Average number of shares during the period after dilution		24,580,239	24,387,500	23,450,998	22,416,235	22,869,147

BALANCE SHEET IN SUMMARY

KSEK	2021-09-30	2020-09-30	2020-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	18,361	27,541	25,247
Patents	1,861	1,869	1,824
Total intangible fixed assets	20,222	29,410	27,071
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	8,766	3,822	3,213
Inventory, tools and installations	1,781	144	159
Total tangible fixed assets	10,547	3,965	3,372
<i>Financial fixed assets</i>			
Participations in Group companies	842	842	842
Total fixed assets	31,611	34,217	31,285
Current assets			
<i>Inventories, etc.</i>			
Work in progress	7,627	2,838	5,192
Stocks of finished goods	2,611	3,453	2,464
Total inventories	10,238	6,291	7,656
<i>Short-term receivables</i>			
Accounts receivable	3,035	2,150	1,967
Current tax assets	1,010	616	161
Group company receivables	0	959	1,494
Other receivables	909	1,553	610
Prepayments and accrued income	7,440	1,114	3,099
Total short-term receivables	12,394	6,392	7,331
<i>Cash and bank balances</i>			
Cash and bank balances	47,849	95,611	82,170
Total current assets	70,481	108,294	97,157
Total assets	102,092	142,511	128,442

KSEK	2021-09-30	2020-09-30	2020-12-31
EQUITY AND LIABILITIES			
Total equity			
<i>Restricted equity</i>			
Share capital (23,366,500 shares)	1,169	1,165	1,165
Fund for development costs	13,049	19,573	17,942
	14,218	20,738	19,107
<i>Non-restricted equity</i>			
Share premium reserve	337,325	333,153	333,688
Retained profit or loss	-227,410	-171,623	-169,992
Net profit or loss for the year	-33,881	-46,861	-62,311
Total non-restricted equity	76,034	114,669	101,385
Total equity	90 252	135,407	120,492
Short-term liabilities			
Liabilities group companies	405	0	0
Accounts payable	2,371	1,450	1,095
Other liabilities	786	1,556	662
Accruals and deferred income	8,278	4,098	6,193
Total short-term liabilities	11,840	7,104	7,950
Total equity and liabilities	102,092	142,511	128,442

CHANGES IN EQUITY

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2020-12-31	1,165	17,942	333,688	-232,303	120,492
Exercise of warrants / new shares	4		3,706		3,710
Issue expenses			-69		-69
Dissolution of depreciation of development costs		-4,893		4,893	0
Net profit/loss for the period				-33,881	-33,881
Total equity 2021-09-30	1,169	13,049	337,325	-261,291	90,252

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
New share issue	203		64,789		64,992
Issuance warrants			300		300
Issue expenses			-3,203		-3,203
Dissolution of depreciation of development costs		-4,893		4,893	0
Net profit/loss for the period				-46,861	-46,861
Total equity 2020-09-30	1,165	19,573	333,153	-218,484	135,407

CASH FLOW STATEMENT IN SUMMARY

KSEK	2021 JUL-SEP	2020 JUL-SEP	2021 JAN-SEP	2020 JAN-SEP	2020 FULL YEAR
Cash flow from operating activities	-7,673	-9,338	-25,973	-38,068	-50,800
Cash flow from operating activities after change in working capital	-8,672	-13,455	-28,879	-42,464	-56,391
Cash flow from investing activities	-1,564	-406	-9,083	-1,968	-2,017
Cash flow from financing activities	472	300	3,641	62,089	62,624
CASH FLOW FOR THE PERIOD	-9,764	-13,561	-34,321	17,657	4,216
Cash and cash equivalents at the beginning of the period	57,613	109,172	82,170	77,954	77,954
Cash and cash equivalents at the end of the period	47,849	95,611	47,849	95,611	82,170

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2021 JUL-SEP	2020 JUL-SEP	2021 JAN-SEP	2020 JAN -SEP	2020 FULL YEAR
Net sales	7,859	2,780	23,047	6,549	9,505
Gross margin, sales of goods	70%	65%	71%	50%	56%
Operating result	-10,282	-12,325	-33,854	-46,858	-62,309
Net profit or loss for the period	-10,309	-12,325	-33,881	-46,861	-62,312
Cash flow, operating activities	-7,673	-9,338	-25,973	-38,068	-50,800
Cash and cash equivalents, short-term deposits	47,849	95,611	47,849	95,611	82,170
Total equity	90,252	135,407	90,252	135,407	120,492
Balance sheet total	102,092	142,511	102,092	142,511	128,442
Basic earnings per share, SEK*	-0.44	-0.53	-1.45	-2.20	-2.85
Diluted earnings per share, SEK*	-0.44	-0.53	-1.45	-2.20	-2.85
Cash flow per share, SEK*	-0.33	-0.40	-1.11	-1.78	-2.32
Number of shares	23,382,500	23,300,500	23,382,500	23,300,500	23,300,500
Average number of shares during the period	23,380,239	23,300,500	23,330,998	21,329,235	21,887,147
Average number of shares during the period after dilution	24,580,239	24,387,500	23,450,998	22,416,235	22,869,147
Equity/Ratio, %*	88	95	88	95	94
Equity per share, SEK*	3.86	5.81	3.86	5.81	5.17
Average number of full-time equivalent employees	46	36	41	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 JUL-SEP	2020 SEP-JUL	2021 JAN-SEP	2020 JAN-SEP	2020 FULL YEAR
Sales of goods	6,213	2,616	13,684	8,828	9,505
Development-related services	1,646	164	9,363	537	677
Total net sales*	7,859	2,780	23,047	6,549	9,505

*In this report, Development-related services for the comparison year 2020 have been redistributed from Sales of goods to Development-related services. For July - September, the redistribution is kSEK 164, January - September kSEK 537 and for the full year kSEK 677. As a result of the adjustment, the relevant key figures have been updated.

Note 2 Information about the company's operating expenses

For the period, the operations and product management function amounts to 5,870 (4,540) kSEK and depreciation of tangible and intangible fixed assets to 8,756 (8,793) kSEK.

A redistribution regarding the product management function has been done after a re-examination of the allocation of cost when preparing this report. In the previous year's report, 8,018 kSEK was reported as a cost for the operations and management function. Considering that Aconeer 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:



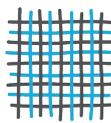
Millimeter-precision distance measurement enables applications such as fuel level measurements and robust parking sensors.



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 MALMÖ AND THE EXPERIENCED MANAGING BODY

Acconeer has a competent and experienced managing body and board. The company is directed by CEO Lars Lindell, with a mobile industry background encompassing startups as well as large international companies. Co-founders Mats Ärlelid and Mikael Egard are responsible for developing the new radar technology, and are co-inventors of several of the patents.

LISTED ON FIRST NORTH GROWTH MARKET

The Acconeer share is listed on First North Growth Market, Stockholm, since 11 December 2017.



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