



Q3 – 2022

INTERIM FINANCIAL REPORT JANUARY-SEPTEMBER 2022

THIRD QUARTER

- Net sales for the third quarter amounted to kSEK 12,066 (7,859).
- The gross margin on sales of goods was 58 (70)%.
- Result after taxes amounted to kSEK -10,648 (-10,309).
- Earnings per share before and after dilution was SEK -0.40 (-0.44).
- The cash flow from operating activities was kSEK -8,094 (-7,673).

JANUARY-SEPTEMBER

- Net sales for nine months amounted to kSEK 32,966 (23,047).
- The gross margin on sales of goods was 60 (71) %.
- Result after taxes amounted to kSEK -36,726 (-33,881).
- Earnings per share before and after dilution was SEK -1.55 (-1.45).
- The cash flow from operating activities was kSEK -29,247 (-25,973).
- Cash and cash equivalents on the balance sheet date amounted to kSEK 112,649 (47,849).

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

- Acconeer received order from BEYD worth USD 300k.
- First car using Acconeer's A1 radar sensor launched.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Acconeer develops module based on the new A121 pulsed coherent radar sensor.

COMMENTS FROM OUR CEO

The biggest highlights of the third quarter were the great accomplishments in the car industry, especially the first launched car with Acconeer's sensor. In addition, we sold more than 21,000 modules and passed the milestone of 100,000 modules sold. We also sold more than 185,000 sensors in the quarter, which is a new record. We noted eleven new customer launches. On an annualized basis, Acconeer's product revenue grew 62% in the third quarter.

The big news of the quarter was General Motors' launch of the Cadillac Lyriq, the first car to use Acconeer's sensor for "access control," as well as Volvo's presentation of the EX90 and Polestar's presentation of the Polestar 3. In the latter two, Acconeer's sensor is used for "interior detection" and "access control". All three models are the first models on the companies' new electric platforms, so we hope to see many more car launches from General Motors, Volvo and Polestar with Acconeer's sensor. Volumes to the automotive industry are growing rapidly and by the end of the quarter we had shipped more than 260,000 sensors in total to the automotive industry.

There is a general shortage of processors and other critical components in the world which has affected our modules, but we now see that the crisis is abating and during Q3 we have delivered against all the orders we received. The lack of components has also meant that our customers have not been able to produce products at the pace they had planned, even though Acconeer has been able to supply sensors.

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. In the third quarter of 2022, we sold 332 EVKs, which is more than the target of selling more than 3 EVKs per day on average. Over 50% of these were A121 EVKs, which assures a quick market introduction of A121. What remains for A121 is characterization and qualification of the product before we can declare "ready for mass production", which is planned for Q1 2023. The fact that we are developing A121 in parallel with A2 is the biggest reason for our increased development costs, a necessary investment in our organization in order to become a multi-sensor company.

Ahead of 2022, we have said that we now have a pipeline of customers where we believe we will be able to launch at least ten new products per quarter. During the third quarter, we saw eleven new customer launches and so far the total number of customer launches is 98. Right now we see the most launches in Europe, in the "IoT and Smart cities" segment,



but "Industry & agriculture" is also growing rapidly. Worth mentioning is especially our first two launched chargers for electric cars where the charger will detect if a car is parked in a parking lot without charging, something we believe will become a standard function in public car chargers as we have many more launches in the pipeline. Sales to these customers are reflected in sales to our distributors. In order to present to our investors and customers the types of solutions our sensor is used in, we publish "customer stories" on our website. During the quarter, we published Orbital from Malmö, who uses Acconeer's sensor for level measurement in the tank and presence detection in its high-tech shower, and Enuva from Norway with the aforementioned electric car charger.

We will focus on:

- Continue to launch new customers and help existing customers grow.
- Focus on customers with high volume potential and support them in launching their products.
- Deepen the collaboration with Alps Alpine and launch car models together with them.
- Invest in the development of new more advanced applications for A121 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, 28 October 2022

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 Q3	2021 Q4	2022 Q1	2022 Q2	2022 Q3	Accumulated*
EVK	273	391	398	224	332	5,595
Modules	10,723	10,224	26,468	21,294	21,116	100,752
Sensors	130,662	159,280	129,113	167,654	185,419	1,208,596

*Accumulated since the products were launched.

CUSTOMER LAUNCHES BY MARKET AND AREA OF USE

	IoT & Smart cities	Industry & Agriculture	Consumer Electronics	Automotive	Total
Europe	24(22)	(13)10	3		40(35)
Japan	2(1)		4		6(5)
South Korea	5				5
Australia & New Zealand	1	3(2)			4(3)
US	1	6(5)	1	1(0)	9(7)
China	21(19)	9	1		31(29)
Taiwan & Singapore	2		1		3
Total	56(51)	31(26)	10	1(0)	98(87)

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 12,066 (7,859) i.e. an increase of 54% compared to previous year. Net sales relate to sales to customers through distributors, mainly Digi-Key, BEYD and Codico, and income from development services.

Gross profit, which only includes direct cost of goods, amounted to kSEK 7,770 (6,025). Reduced with revenues from development related services gross profit amounted to kSEK 5,742 (4 379) which corresponds to a gross margin of 58 (70)%. Product mix between our sensors, modules and evaluation kits, currency fluctuations and an adjustment of stock value affect the gross margin.

Compared with the third quarter of last year, operating expenses increased by 18% to kSEK 20,418 (17,265). The increase mainly refers to increased expenses for sales and research and development. Depreciation of capitalized development costs, patents and inventories was made during the third quarter with kSEK 2,746 (2,800).

Operating profit/loss for the third quarter amounted to kSEK -10,648 (-10,309) and the profit/loss after tax was kSEK -10,648 (-10,309).

The average number of employees during the period was 48 (46), of which 6 (5) were women.

NINE MONTHS NET SALES AND RESULT

Net sales for the nine-month period amounted to kSEK 32,966 (23,047) i.e. an increase of 43% compared to previous year. Net sales relate to sales to customers through distributors, mainly Digi-Key, BEYD and Codico, and income from development services.

Gross profit, which only includes direct cost of goods, amounted to kSEK 22,063 (19,101). Reduced with revenues from development related services gross profit amounted to kSEK 16,578 (9,378) which corresponds to a gross margin of 60 (71)%. Product mix between our sensors, modules and evaluation kits, currency fluctuations and an adjustment of stock value affect the gross margin.

Compared with the nine-month period last year, operating expenses increased by 20% to kSEK 63,589 (52,955). Operating profit/loss for the nine-month period amounted to kSEK -36,671 (-33,854) and the profit/loss after tax was kSEK -36,726 (-33,881). The increased deficit is mainly due to the fact that costs increased faster than gross profit. The company makes investments in sales, administration and research and development to adapt to the increased sales volumes and the broadening of the number of sensors that lie ahead.

INVESTMENTS, LIQUIDITY AND FINANCIAL POSITION

On 30 September 2022 the cumulative book value of balanced costs for development work amounted to kSEK 24,863 (18,361). This refers to development work related to the A1 and A2 products. Capitalization of A1 ended in 2019 when commercialization began. Since the fourth quarter of 2021, capitalization of development work related to the next generation radar sensor, the product A2, has been made with kSEK 15,682.

The corresponding patent portfolio value amounted to kSEK 2,171 (1,861) most of which is due to investments in patents and patent applications related to the A1 product. Acconeer has 11 patent families including in total 20 granted patents and 13 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 1,215 (8,848).

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 -29,247 (-25,973). After changes in working capital the cashflow for the period was kSEK -46,337 (-28,879).

At the balance sheet date, cash and cash equivalents amounted to kSEK 112,649 (47,849). Total equity amounted to kSEK 180,201 (90,252). Equity ratio was 90 (88) percent.

SIGNIFICANT EVENTS DURING THE THIRD QUARTER

On 6 July Acconeer received an order from BEYD worth USD 300k. The order relates to Acconeer's A111 radar sensor for customers' mass production, the evaluation kit (EVK) XE121 and related products, as well as the coming modules XM124 and XM123 including EVKs for these.

On 9 August it was announced that the first car using Acconeer's A1 radar sensor had been launched. Acconeer's A1 pulsed coherent radar sensor is used in an electrical car model from one of the top two

American high-volume car makers for the use case access control, which allows touchless opening of the trunk of a car. This is the first commercially available car using the company's technology. Based on forecasts from the distributor, the value of the launch of this one model is estimated to USD 600k over three years. Sales to this customer is reflected in sales to Acconeer's distributors.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

In October it was announced that Acconeer develops a module based on the new A121 pulsed coherent radar sensor. The new module - which will be the first to integrate the new A121 radar sensor - will be called XM125 Entry+ Module. It will have ultra-low power

consumption, outstanding system cost and solderable design for optimized integration into mass-produced solutions. The module is planned to be available for customers in Q1 2023.

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 2021 annual report, on pages 33-35. 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 2021 annual report, on page 25-27. No significant changes have taken place since then.

In 2022 we expect that the manufacture of the company's products 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.

Acconeer has neither employees nor consultants in Ukraine or Russia so we do not expect that the war in Ukraine will have more impact on Acconeer than the general risks with the economy.

SHARE PERFORMANCE

Since the turn of the year, the share price has fallen by about 56%. At the end of September 2022, the total number of shares amounts to 26,331,798 shares.

UPCOMING FINANCIAL INFORMATION

Year End-Report 2022.....	17 February 2023
Annual report 2022.....	23 March 2023
Interim Report Jan-Mar 2023.....	21 April 2023
Annual General Meeting.....	25 April 2023
Interim Report Jan-Jun 2023.....	21 July 2023
Interim report Jan-Sep 2023.....	27 October 2023

AUDITORS' REVIEW

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

Malmö 28 October
The Board

FOR ADDITIONAL INFORMATION,
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INCOME STATEMENT IN SUMMARY

KSEK		2022 JUL-SEP	2021 JUL-SEP	2022 JAN-SEP	2021 JAN-SEP	2021 FULL YEAR
Net sales	Note 1	12,066	7,859	32,966	23,047	31,157
Cost of goods sold		-4,296	-1,834	-10,903	-3,946	-5,828
Gross profit		7,770	6,025	22,063	19,101	25,330
Operating expenses	Note 2					
Sales expenses		-6,451	-4,253	-19,053	-13,952	-19,562
Administrative expenses		-3,352	-3,335	-10,203	-9,041	-12,347
Research and Development expenses		-10,615	-9,668	-34,333	-31,386	-47,103
Other operating income/expenses		2,000	949	4,855	1,425	2,582
Operating result		-10,648	-10,282	-36,671	-33,853	-51,101
Result from financial items						
Financial income		-	-	7	-	-
Financial expense		-	-27	-62	-27	-37
Net financial income/expense		0	-27	-55	-27	-37
Profit or loss before tax		-10,648	-10,309	-36,726	-33,880	-51,138
Tax		-	-	-	-	-
Net profit or loss for the period		-10,648	-10,309	-36,726	-33,880	-51,138
Earnings per share, before dilution, SEK		-0.40	-0.44	-1.55	-1.45	-2.19
Earnings per share after dilution, SEK		-0.40	-0.44	-1.55	-1.45	-2.19
Average number of shares during the period		26,305,599	23,380,239	23,630,688	23,330,998	23,344,023
Average number of shares during the period after dilution		27,205,599	24,580,239	24,530,688	23,450,998	26,907,164

BALANCE SHEET IN SUMMARY

KSEK	2022-09-30	2021-09-30	2021-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	24,863	18,361	18,281
Patents	2,171	1,861	1,983
Total intangible fixed assets	27,034	20,222	20,264
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	1,237	8,766	1,676
Inventory, tools and installations	3,653	1,781	2,577
Payments on account and tangible assets in course of construction	7,063	-	7,553
Total tangible fixed assets	11,953	10,547	11,806
<i>Financial fixed assets</i>			
Participations in Group companies	832	842	832
Total fixed assets	39,819	31,611	32,902
Current assets			
<i>Inventories, etc.</i>			
Work in progress	17,674	7,627	9,938
Stocks of finished goods	5,167	2,611	3,454
Total inventories	22,841	10,238	13,392
<i>Short-term receivables</i>			
Accounts receivable	6,961	3,035	3,558
Current tax assets	1,174	1,010	821
Group company receivables	823	-	469
Other receivables	10,539	909	5,823
Prepayments and accrued income	4,714	7,440	9,400
Total short-term receivables	24,211	12,394	20,071
<i>Cash and bank balances</i>			
Cash and bank balances	112,649	47,849	156,858
Total current assets	159,701	70,481	190,321
Total assets	199,520	102,092	223,223

KSEK	2022-09-30	2021-09-30	2021-12-31
EQUITY AND LIABILITIES			
Total equity			
<i>Restricted equity</i>			
Share capital (26,331,798 shares)	1,317	1,169	1,169
Non-registered share capital			117
Fund for development costs	22,206	13,049	13,632
	23,523	14,218	14,918
<i>Non-restricted equity</i>			
Share premium reserve	481,110	337,325	463,912
Retained profit or loss	-287,706	-227,410	-227,994
Net profit or loss for the year	-36,726	-33,881	-51,138
Total non-restricted equity	156,678	76,034	184,780
Total equity	180,201	90,252	199,698
Short-term liabilities			
Group company liabilities	-	405	-
Advance payments from customers	375	-	118
Accounts payable	6,258	2,371	6,312
Other liabilities	1,698	786	781
Accruals and deferred income	10,988	8,278	16,314
Total short-term liabilities	19,319	11,840	23,525
Total equity and liabilities	199,520	102,092	223,223

CHANGES IN EQUITY

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2021-12-31	1,286	13,632	463,912	-279,132	199,698
Exercise of warrants/ new shares	31		17,561		17,592
Issue expenses			-363		-363
Capitalisation development costs		13,467		-13,467	0
Dissolution of depreciation of development costs		-4,893		4,893	0
Net profit/loss for the period				-36,726	-36,726
Total equity 2022-09-30	1,317	22,206	481,110	-324,432	180,201

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

CASH FLOW STATEMENT IN SUMMARY

KSEK	2022 JUL-SEP	2021 JUL-SEP	2022 JAN-SEP	2021 JAN-SEP	2021 FULL YEAR
Cash flow from operating activities	-8,094	-7,673	-29,247	-25,973	-39,999
Cash flow from operating activities after change in working capital	-10,260	-8,672	-46,337	-28,879	-42,592
Cash flow from investing activities	-4,943	-1,564	-15,101	-9,083	-13,064
Cash flow from financing activities	9,911	472	17,229	3,641	130,344
CASH FLOW FOR THE PERIOD	-5,292	-9,764	-44,209	-34,321	74,688
Cash and cash equivalents at the beginning of the period	117,941	57,613	156,858	82,170	82,170
Cash and cash equivalents at the end of the period	112,649	47,849	112,649	47,849	156,858

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2022 JUL-SEP	2021 JUL-SEP	2022 JAN-SEP	2021 JAN-SEP	2021 FULL YEAR
Net sales	12,066	7,859	32,966	23,047	31,157
Gross margin, sales of goods	58%	70%	60%	71%	71%
Operating result	-10,648	-10,282	-36,671	-33,854	-51,101
Net profit or loss for the period	-10,648	-10,309	-36,726	-33,881	-51,138
Cash flow, operating activities	-8,094	-7,673	-29,247	-25,973	-39,986
Cash and cash equivalents, short-term deposits	112,649	47,849	112,649	47,849	156,858
Total equity	180,201	90,252	180,201	90,252	199,698
Balance sheet total	199,520	102,092	199,520	102,092	223,223
Basic earnings per share, SEK*	-0.40	-0.44	-1.55	-1.45	-2.19
Diluted earnings per share, SEK*	-0.40	-0.44	-1.55	-1.45	-2.19
Cash flow per share, SEK*	-0.31	-0.33	-1.24	-1.11	-1.71
Number of shares	26,331,798	23,382,500	26,331,798	23,382,500	23,382,500
Average number of shares during the period	26,305,599	23,380,239	23,630,688	23,330,998	23,344,023
Average number of shares during the period after dilution	27,205,599	24,580,239	24,530,688	23,450,998	26,907,164
Equity/Ratio, %*	90	88	90	88	89
Equity per share, SEK*	6.84	3.86	6.84	3.86	8.54
Average number of full-time equivalent employees	48	46	47	41	41

*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	2022 JUL-SEP	2021 JUL-SEP	2022 JAN-SEP	2021 JAN-SEP	2021 FULL YEAR
Sales of goods	10,038	6,213	27,481	13,684	20,300
Development-related services	2,028	1,646	5,485	9,363	10,857
Total net sales	12,066	7,859	32,966	23,047	31,157

Note 2 Information about the company's operating expenses

For the period, the operations and product management function amounts to kSEK 13,528 (5,870) and depreciation of tangible and intangible fixed assets to kSEK 8,184 (8,756).

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:



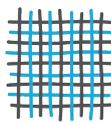
Millimeter-precision distance measurement enables applications such as fuel level measurements and robust parking sensors.



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 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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