

2020

ANNUAL REPORT

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THE YEAR IN BRIEF

THE FINANCIAL YEAR 2020

- During the year, major orders were received from Glyn Limited, CODICO, Digi-Key and BEYD.
- XM132, an entry-level module ready for integration at low system cost, was developed and launched.
- Acconeer was awarded three "design wins" by Alps Alpine for presence detection in cars to a European premium car manufacturer.
- The Annual General Meeting for 2019 was held on the 14th April and Thomas Rex was elected new chairman.
- Acconeer and Alps Alpine entered into a MoU agreement for a joint development agreement on Next-Generation Sensing Technology.
- Acconeer carried out a directed new share issue of 4,062,000 new shares, raising proceeds of approximately SEK 65 million.
- The distributor agreement with Restar was extended to America.
- The radar sensor A1 received qualification AEC-Q100 level 3 for the automotive industry.
- Acconeer became ISO-certified for quality and environmental management system.
- Björn Bengtsson was appointed new CFO.
- Purchase agreement with Future Electronics was signed.
- More than 200,000 A1 radar sensors had been

delivered since the company started selling evaluation kits.

- Distribution agreement with Marubun was signed.
- Acconeer received an order from BEYD worth USD 420,000, the company's largest order to date.

SIGNIFICANT EVENTS AFTER THE PERIOD

- Sweden's Innovation Agency granted Acconeer 4 million SEK for research on sleep monitoring using radar. The project starts in April 2021 and will be a consortium with Sleepiz based in Switzerland and the University of Gothenburg, Sweden.
- Acconeer received orders from CODICO (USD 96,000), Glyn Limited (USD 156,000) and Digi-Key (USD 74,000).
- Acconeer and Alps Alpine signed a joint development agreement of Next-Generation Sensing Technology.
- 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.

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2020	2019
Net sales	9,505	5,508
Gross margin	61%	61%
Operating result	-62,309	-68 562
Profit or loss after tax	-62,312	-68,539
Cash flow, operating activities	-50,800	-56,859
Cash and cash equivalents, short-term deposits	82,170	77,954
Equity	120,492	120,179
Balance sheet total	128,442	130,202
Basic earnings per share, SEK*	-2.85	-3.58
Diluted earnings per share, SEK*	-2.85	-3.58
Cash flow per share, SEK*	-2.32	-2.97
Number of shares	23,300,500	19,238,500
Average number of shares during the period	21,887,147	19,164,881
Average number of shares during the period after dilution	22,869,147	20,055,881
Equity/Ratio, %*	94	92
Equity per share, SEK*	5.17	6.25
Average number of full-time equivalent employees	37	35

*DEFINITIONS OF INDICATORS

Gross margin: Gross profit as a percentage of net sales. Regarding the cost of goods sold, only the material cost is included. Costs for the operations and product management function are reported with regard to this in Sales costs and amortization of Intangible assets are included in Research and development costs. More information can be found in the notes 3 and 4.

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.

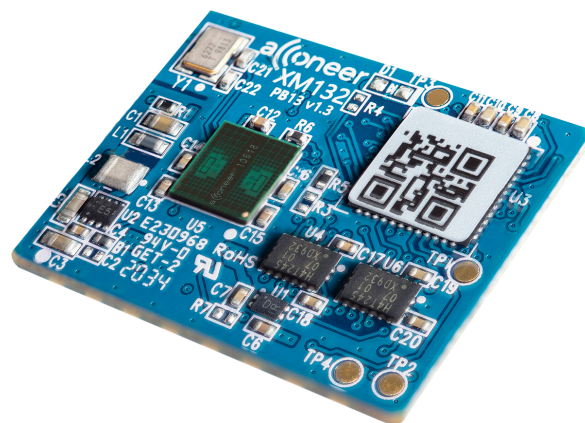
Equity per share = Equity on the balance sheet date divided by the number of shares on the balance sheet date.

COMMENTS FROM OUR CEO

During 2020 Acconeer continued to grow while we at the same time deepened our cooperation with Alps Alpine

2020 was a year dominated by Covid-19, and looking back we can see that our development has continued as expected, since we always had a strategy to have plenty of material in stock for production to make and ship sensors to meet customer orders. The largest effect has been seen on the sales and marketing side where customers have delayed launches and not started new projects to the extent we expected, and we have not been able to travel and meet customers as needed. Despite this Acconeer has taken big steps forward during 2020.

2020 started off as usual with CES in Las Vegas where we rent a suite and invite around 30 customers for demonstrations and discussions during a week. It was during CES we asked Alps Alpine if they were interested in developing the next generation radar sensor together with Acconeer. The thought was to combine Acconeers radar expertise with Alps Alpine's expertise in the automotive industry to develop a state-of-the-art radar for systems within the chassis of a car, but to also be able to solve certain use case on the exterior of a car. Alps Alpine showed interest and invited Mikael Egard, COO, and me to a week's workshop where we made a common plan. The result was a direct investment of three million USD by Alps Alpine in Acconeer, making them our second largest owner, and an MoU regarding joint development of A2 where Alps Alpine will contribute up to 7 million USD. In April 2020 the project was started with definition of requirements, identification of IP suppliers and production partners and negotiation of prices and contracts with these. A contract based on the MoU was signed in March this year. The establishment of the A2 project was the most significant event of 2020, as it means that we have now secured that Acconeer will not be a one product company but that we have



the muscles to develop the next generations of radar sensors.

We also had success together with Alps Alpine when we were able to announce three new design wins with a European premium car manufacturer in the use case of interior detection. Our sensor is used to detect living objects inside a car. For each car we sell one sensor per seat, which means five or seven sensors per car, making this a large deal. Together with Alps Alpine we now have a total of six design wins in the automotive industry.

Acconeer's strategy to sell through distributors and partners around the world has helped us a lot during 2020 when we have not been able to travel. During the year we have continued to develop our market channels, and we now have sales through three different channels; direct sales, sales through distributors and sales through system integrators. Our distributor network is soon complete with nine local distributors covering all large markets and Digi-Key selling globally. This means that all customers have a choice of at least two ways to buy our products, which creates a healthy competition between our distributors.

The sale of evaluation kits is an important first step on the road to customer launches and an



acknowledgment that the product is attractive. Throughout 2020, sales of evaluation kits have remained on a high level, and by the end of the year, we can conclude that we have sold more than 3100 evaluation kits since launching on Digi-Key, of which as much as 501 were sold in the fourth quarter. This translates to more than four per day on average during 2020, which we are delighted with. The quality of companies that buy evaluation kits is very high, and among the customers, there are many large global technology companies.

We really see that the large sales of evaluation kits has resulted in an acceleration of the number of customers who have launched products based on Acconeer's sensor. At the end of the year, 34 customers had launched products within the areas identified as initial focus areas; parking sensors, level measurement, presence detection and robotics. Geographically, fourteen of these customers are found in China, eleven in Europe, four in Korea, two in Japan and one each in the US, Taiwan and New Zealand. A distribution showing the strength in the global sales and distribution network we have built.

In the semiconductor industry, it is expected that it takes between 12 and 24 months from a product launch to a customer launch. Gross margin is an important variable in the semiconductor industry, and our margin for 2020 reached the high figure of 61 percent, which we believe will decrease somewhat as larger customers launch high-volume products. Our goal is to over time have margins between 40 and 60 percent, which is in par with the semiconductor industry in general.

Acconeer continues to launch new innovative

products. We launched our Entry Module XM132 which has been requested by many customers. Our Entry Module is optimized with small memory and processing power to give the lowest possible system cost for the customer. Acconeer has for a long time researched the area of gesture control, and during CES 2019, we presented an application for gesture control of headphones together with Imagimob, who are experts in edge AI. During 2020 we took the concept a step further and presented gesture-controlled in-ear headphones together with Imagimob and OSM Group.

Acconeer will continue to invest heavily in research and product development as well as in patents, entirely in line with what a product company should do. The company now has 8 patent families with a total of 22 patents granted and 9 pending patent applications. The patent portfolio covers various geographical regions - the United States, Europe, China, Japan, and Korea. Acconeer's most important patents covering the radar system are now granted in the EU, USA, Japan and China.

Certifications and quality systems are very important for companies in the semiconductor business, Acconeer has during 2020 worked intensely to show our customers that we can live up to high product requirements. Our product was certified according to AEC-Q100, which is an industry standard for the automotive business. In addition, Acconeer as a company was certified according to ISO-9001 for quality management system and ISO-14001 for environment management system.

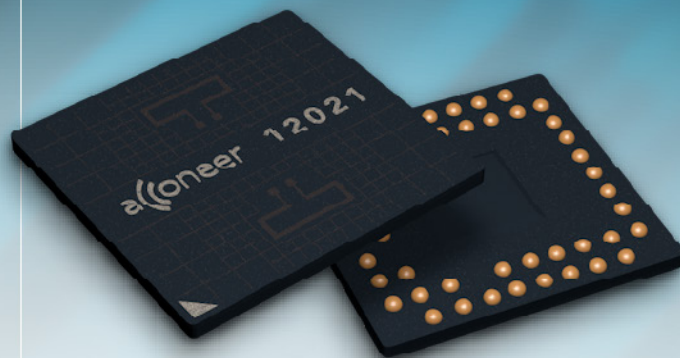
I find that the interest in our product remains very high, and we still get the feedback that what we do is unique.

Acconeer's main goal right now is to seize the opportunities to grow quickly, under controlled forms, to establish a leading position in the area of low-power radar for mobile devices. Expansion is a high priority.

Lund, 24 March 2021

Lars Lindell, CEO Acconeer AB (publ)

THIS IS ACONEER



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 combines the low power consumption of a pulsed system with the high accuracy of a coherent radar, and also provides the opportunity to identify different materials - all in a 5x5 mm component. The radar sensor can be used for distance measurement, gesture control, materials characterization and camera-aided applications. The most interesting domains are:



ROBOTS



CONSUMER
ELECTRONICS



INTERNET OF
THINGS



INDUSTRIAL &
AGRICULTURE



HEALTHCARE &
FITNESS



AUTOMOTIVE

Acconeer's major competitive advantages include the low power consumption, the precision, the compact size and the low cost. These properties are especially important in battery-powered mobile consumer products, making the Acconeer radar sensor the first radar sensor that can be integrated in products on this high-volume market.

In 2020, Acconeer saw many customers launch their products and start mass production. In addition the radar sensor is currently under evaluation by a large number of prospective clients - large global companies as well as smaller innovation companies. They explore uses and provide feedback on the product's performance within their own applications.

The dynamics vary between different business segments, which means that the process towards product launch requires different time frames. Due to this fact, Acconeers first customer launches are seen in faster-moving industries such as the Internet of Things (parking sensors and various kinds of level measurements among other products) and consumer

market robotics. The automotive industry is another focus area, but is expected to take a little longer.

Acconeer was founded in 2011 by (among others) the entrepreneurs Mats Ärlelid, Mikael Egard, Mårten Öbrink and Professor Lars-Erik Wernersson. Mats and Mikael got to know each other at the University, where they both studied nanotechnology. They eventually completed their Ph.D.s together in a research project at the University of Lund led by Lars-Erik Wernersson. Based on this university research, Acconeer has created an innovative radar sensor that combines the advantages of existing radar technologies.

A LARGE AND GROWING MARKET

Acconeer's radar is addressing an existing and large market for 3D sensors; a market that is expected to continue to grow rapidly considering a number of key industry trends such as 5G, Artificial Intelligence and the Internet of Things. The market is mostly served by ultrasonic transducers, infrared sensors and different kinds of camera solutions today. This means

that Acconeer will not have to create a new market; instead, it can replace existing solutions which all have their specific weaknesses.

ATTRACTIVE GROWTH AND RETURNS

The hardware for the first Acconeer product has been available for approximately two years, and has now been shipped to a number of customers who are in different phases of evaluation, prototyping, market launch and mass production. The use of Acconeer sensors in large-volume consumer products will generate a profitable business operation. At the same time as sales and marketing activities have intensified, the company is focusing on developing the next generation radar sensor.

HEADQUARTERS IN THE ÖRESUND REGION, EXPERIENCED MANAGING BODY

Acconeer is based in and has its headquarters in Lund. The company has a competent and experienced managing body and board of directors. The company is directed by CEO Lars Lindell, with a mobile industry background encompassing managerial positions within sales and business development in 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. During 2021 the company is planning to move to Malmö.

LISTED ON NASDAQ FIRST NORTH GROWTH MARKET

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

AWARDS

Acconeer has been given the Innovation of the Year award at the Swedish Mobile Awards, and has been named as one of the 33 most interesting startups

in Sweden by the magazines Affärsvärlden and Ny Teknik. In 2018, the international research and advisory company Gartner proclaimed Acconeer as one of their three global "Cool Vendors".

OBJECTIVE

Acconeer will take its opportunities to grow quickly - but in a controlled manner - in order to establish a leading position in the segment of ultra-low-power radar for mobile devices. Expansion is thus the company's priority.

OPERATIVE GOALS

In 2020, Acconeer had:

- Sold more than 4 evaluation kits per day
- A total of 20 customer launches globally
- Signed an MoU with Alps Alpine concerning joint development of next generation radar sensor
- Launched an Entry module with focus on optimal system cost
- Been granted six patents

The objectives for 2021 are to:

- Continue to sell more than three evaluation kits per day
- Accelerate the launch of customer products to more than five per quarter
- Get more design wins from the automotive industry
- Invest in the development of next generation radar sensor together with Alps Alpine
- Win customers in new application areas
- Continue to focus on aggressive revenue growth
- Continue to grow the patent portfolio



SENSORS ARE CHANGING OUR DAILY LIVES



A sensor is a device that – similar to our own five senses – can detect its surroundings and provide feedback in the form of data. Signals are processed with different methods, such as light, ultrasound or camera solutions. Different sensors, more or less sophisticated, make it possible to measure position, depth, distance, thickness and surfaces, so that a three-dimensional image of an object can be generated.

Imaging sensors are commonplace for example in the entertainment industry, and position sensors, pressure sensors and temperature sensors are often found in consumer electronics, and in medical and military applications. Sensors are used for everything from controlling a robot vacuum at home to measuring the amount of fuel in the tank of a car, or to control tools and robots in the manufacturing industry.

AN ESTABLISHED MARKET, READY FOR INNOVATION

Through the technological development, the world has become more connected and interconnected. Not only does this enhance the acceptance of sensors, but it also increases the demand for products with convenient user experience – not least within consumer electronics, where Acconeer believes the potential for growth will be strong in the years to come. This implies a demand from the market for cost-efficient technology, with high precision, low power consumption, simpler integration and design and enhanced functionality – and that is also reliable and robust enough to work in difficult environments.

Many conventional sensors on the market are limited by their sensitivity to light and/or sound, or by a bulky size that makes it difficult to mount them optimally where they are needed the most. Gesture control, for example, often translates to high power consumption, while camera-aided measuring may find

itself limited by daylight and distance. Some sensors are obstructed by dust, and many sensors are unable to tell different materials apart.

There are, thus, several potential markets for sensors, but it is also a market where intense development of new applications that will require more sophisticated software is taking place.

A few early developers are currently breaking new ground, for example in sophisticated gesture control and 3D mapping. This is going to open additional markets and applications, and there appears to be no boundaries to the role technology may take on in our everyday lives in just a few years time.

THE PRODUCT – A COMPACT AND ENERGY-EFFICIENT RADAR SENSOR

Size, energy consumption and high cost have previously prevented the use of radar technology in consumer electronics, which means that Acconeer's energy-efficient and physically compact radar sensor can open up new opportunities for interaction.

PULSED COHERENT RADAR

The radar sensor from Acconeer is a pulsed coherent radar, PCR, based on a patented solution where the low power consumption of a pulsed system is combined with the high accuracy of a coherent radar.

In simple terms, extremely short high-accuracy pulses are transmitted towards an object and reflected back to a receiver with high time resolution to detect multiple objects with millimeter accuracy. Acconeer's radar sensor is specified in the unlicensed 60 GHz frequency band. This brings a number of benefits; for instance, it allows for extreme miniaturization.

LOW POWER CONSUMPTION

The radar sensor is capable of performing more than 1000 measurements per second, and at fewer measurements (less than 10 times per second) power

consumption remains in the microwatt (μW) range. This is the requirement for integration in mobile devices. The low power consumption also enables applications within the Internet of Things, where sensors have to be battery powered and still have long life cycles without charging or battery replacement.

MOTION AND GESTURE CONTROL

Since the radar sensor is able to perform measurements continuously, it is possible to detect the speed of an object as well. It is also possible to detect several different objects with a single measurement. By measuring motion, smart robots and tools could make use of Acconeer's technology to understand their surroundings and keep track of moving objects. Furthermore, continuous measurements enable gesture control, which is an attractive feature in smartphones, smartwatches and many other applications.

MATERIALS CHARACTERIZATION

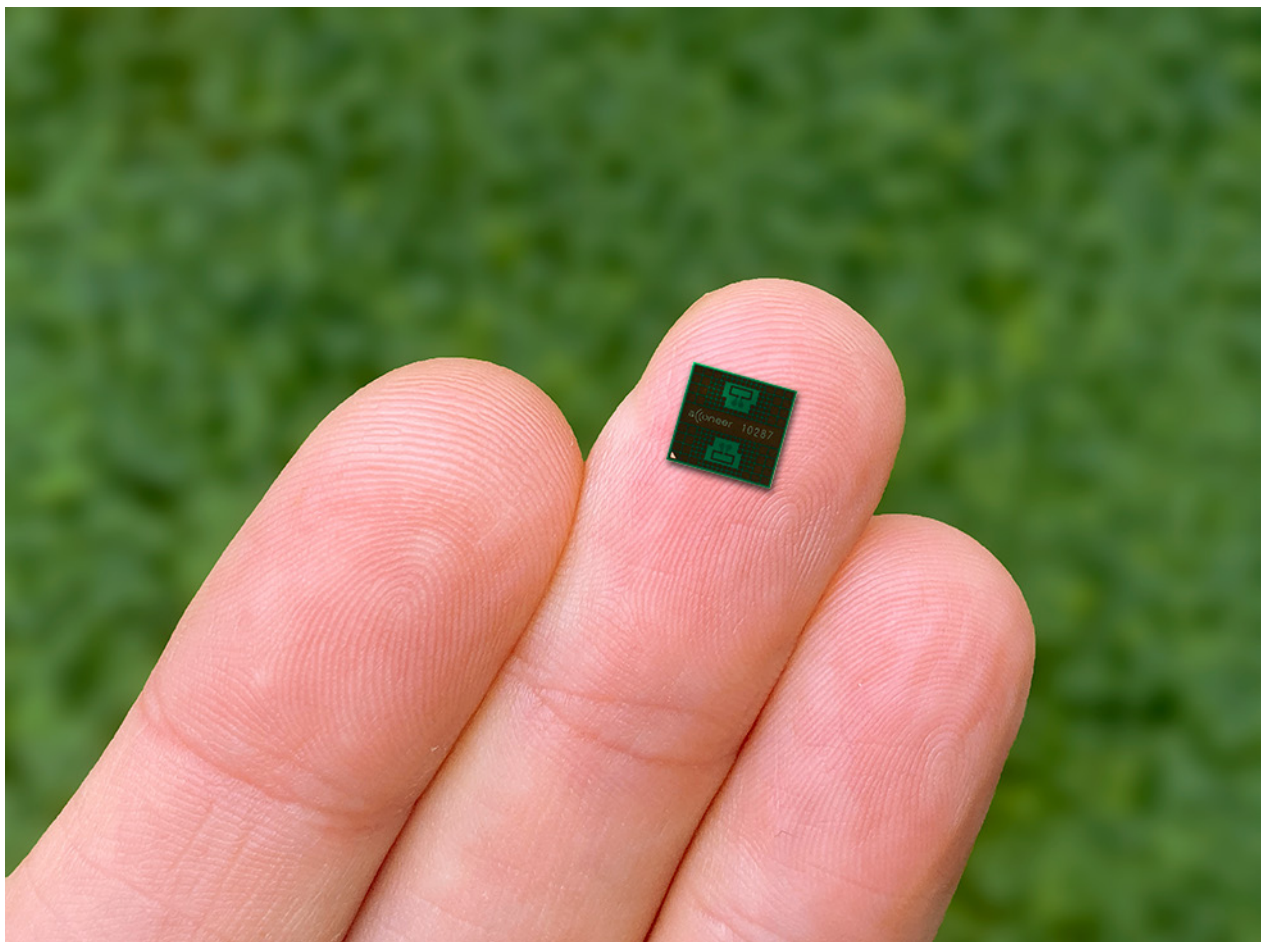
Acconeer's radar sensor provides the opportunity to categorize materials. This feature could be used in a robot vacuum cleaner to avoid puddles of water, or to adapt the power to different surfaces.

EASILY INTEGRATED

The signal can penetrate materials such as plastic or thin adjacent glass, which means that the radar sensor does not require an "unobstructed view"; it can be put behind a plastic cover or behind the glass of a display. This allows the customers greater freedom in the design of their products, and it also translates to better performance in polluted environments (compared to, for instance, lens-based sensors, where dirt can cause the sensor to "go blind"). In the 60 GHz band, light, temperature and sound do not interfere with the radar sensor's signal. The low power consumption and the compact size of the radar sensor also leaves customers more freedom in how to integrate it into their product.

HIGH ACCURACY

Acconeer's radar sensor can perform absolute distance measurements with millimeter accuracy and relative distance measurements with a micrometer accuracy across the entire operating range, which is up to 10 meters depending on the surface and the material of the measured object.



CUSTOMERS AND APPLICATIONS



The unique properties of Acconeer's radar sensor makes it a good fit with great potential for a large number of applications, such as distance measurement, gesture control, materials characterization, detection of objects and people, and camera-aided applications. Our customers are found in a wide range of products and business areas such as industry automotive industry, smart homes and consumer electronics. Acconeer has identified a number of segments with a strong and clear need, and where there is potential for larger volumes.

ROBOTS

A robot can become safe, efficient and smart through the use of radar sensors that gather information and generate understanding of the surroundings and materials

Obstacle detection: Helps robots to avoid obstacles. In this area Acconeer has seen customer launches from among others Japanese Groove-X, whose social robot Lovot avoids obstacles thanks to Acconeer's radar sensor.

Materials: A robot vacuum cleaner could for example adapt the power to the surface material and achieve better cleaning effect and reduced energy consumption. It could also detect puddles of fluid on the floor, so that it could maneuver around it instead of going through it and spreading it out further.

CONSUMER ELECTRONICS

The segment of consumer electronics contains a wide range of products such as headphones, smartphones and other devices in homes. In this area, Acconeer has seen customer launches with among others Japanese Yukai, who uses Acconeer's technology for presence detection so that the product wakes up when a person approaches.

Gesture control: In the field of gesture control, Acconeer is driving an initiative together with Imagimob and OSM Group, where a platform for gesture control has been developed together with a working prototype of gesture-controlled in-ear headphones.

INTERNET OF THINGS

Power-efficient sensors play a central role in the Internet of Things, for example when developing Smart Cities and Smart Homes. The radar sensor provides accurate, rich and reliable information and satisfies the required power consumption performance; IoT products often require a battery lifetime of multiple years.

Parking sensors: Enables the registration of vacant and filled parking spaces. This is an application where Acconeer's technology enabling smarter, battery-powered solutions has led to great success and several customer products are already launched in China, Korea and Europe.

Presence detection: Connected radar sensors can detect and track human presence to improve security and, for example, to optimize the use of air conditioners.

Gesture control: Connected systems and units can be controlled easily, without the need for screens or bulky buttons.

INDUSTRY AND AGRICULTURE

The radar sensor enables precise regulation, added safety and cordless installations in industrial and professional electronics tools. When compared to solutions in use today, radar technology provides a much more robust system for operation in contaminated and dusty environments, which opens up new opportunities in that market.

Motion sensor: Automatic doors and vibration meters.

Safety applications: Detection of human presence, hands or fingers near an operating robot or a tool to avoid accidents and injuries.

Measurement of fluids: Radar sensors can accurately measure levels of fluids from the outside of a tank. This is an area where several customer products have been launched, including German Packwise and a number of Chinese customers.

HEALTHCARE & FITNESS

Acconeer's technology creates new opportunities in healthcare through the combination of detection properties and easy integration.

Vital signs: Breathing or pulse rate monitoring. Motion sensor technologies in use today are resource-demanding, while the power consumption of Acconeer's technology is in the microwatt range (μW). Future healthcare products could therefore be developed to monitor babies, pulse rate or breathing. Acconeer conducts research in this area together with Swiss Sleepiz and Gothenburg University.

Presence detection: The radar sensor can detect and track persons without the breach of personal integrity that camera surveillance may be associated with.

AUTOMOTIVE

In the automotive industry, Acconeer has an established cooperation with a strategic partner, Alps Alpine, and the companies have several design wins together. Current use cases are in presence detection and for safety and access control.

Presence detection: Using Acconeer's radar sensor, the car can detect and notify the driver if a child or a pet has been left behind in the car.

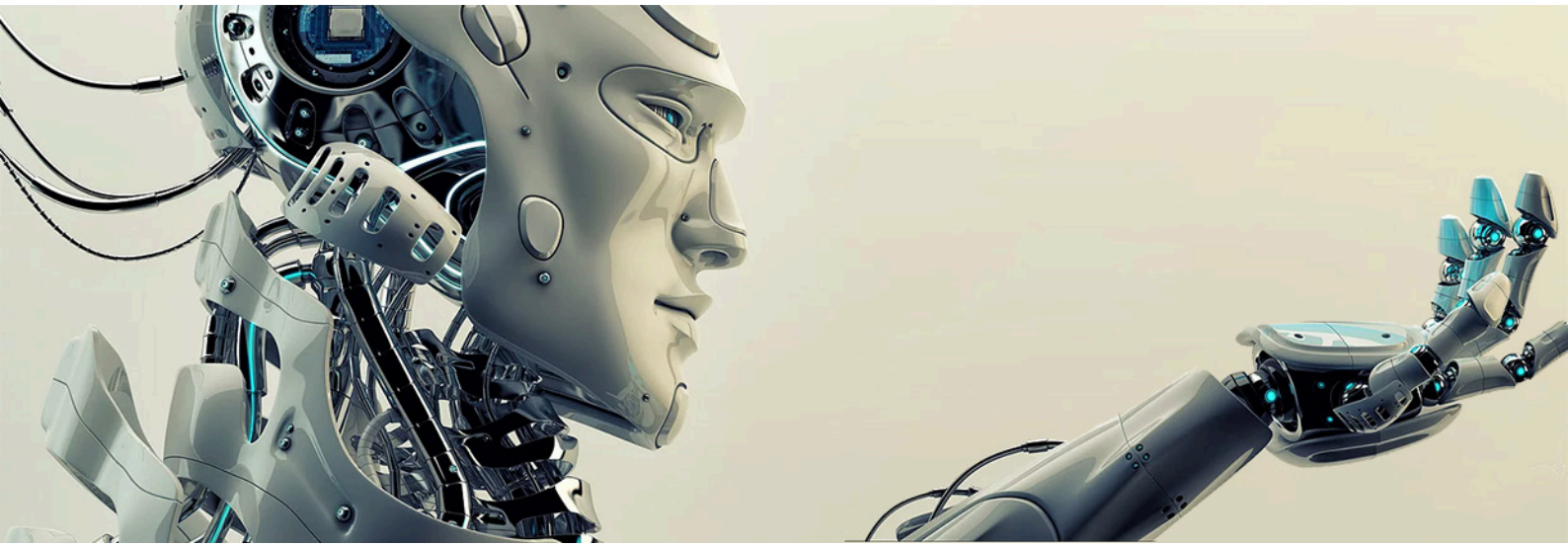
Safety and alarms: Enables activation of alarms or safety systems when persons are detected close to or inside the vehicle.

Access control: Acconeer's radar sensor is used for easy opening of the trunk by a simple movement of the foot under the car.

Gesture control: An area where Acconeer sees potential is to easily control music and other vehicle functions without distracting attention from traffic.



STRONG GROWTH FOR THE GLOBAL 3D SENSOR MARKET



The market for 3D sensors has experienced tremendous growth in recent years, and the market is expected to grow from USD 2.9 billion in 2020 to USD 10.0 billion by 2025, at a CAGR of 27.3% during the forecast period.* In step with the development of new innovations and products, in particular in the consumer electronics and optics segments, demand is increasing for features such as accuracy and precision as well as for security and surveillance systems.

The most important drivers of the growth of the global 3D sensor market are the continuous development of sensor technology, the increased demand and impact of 3D sensors in consumer electronics products, demand for 3D sensors from the gaming industry and the need for more sophisticated safety and surveillance systems.

WELL ESTABLISHED SENSOR MARKET EVOLVES WITH 3D SENSORS

3D sensors usually utilize light (IR) or sound, but sometimes radar as well, to measure depth, a distance or the thickness of an object. They contribute to better understanding and improved procedures in a number of industries and market segments. 3D sensors can be seen as an evolution of the already well-developed sensor market, and are considered very suitable for applications in healthcare, automotive industry, consumer electronics, industrial robotics and safety and surveillance systems.

In recent years, the market has experienced greater acceptance and development of motion detection in

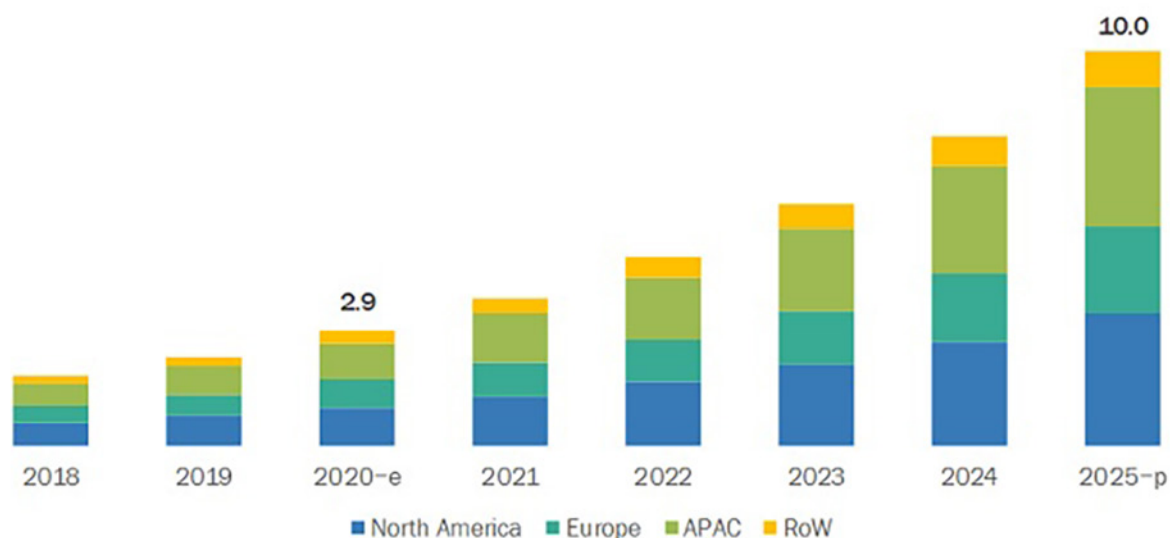
consumer electronics. This has led several analysts to believe that the technology has significant potential in this segment. The main arguments for 3D sensors are that the technology is cost-efficient, reliable and effective. Acconeer's radar technology currently employs two leading technologies: pulsed radar and coherent radar. The advantage of a pulsed radar is primarily its low power consumption, while the coherent radar's advantage is its high accuracy. Unlike most of the sensors on the market, Acconeer's radar sensor technology is based on high-frequency pulsed radio signals; our assessment is that it is more energy-efficient and more easily integrated in products than, for example, technologies based on IR or ultrasound.

LARGE DEMAND IN MANY APPLICATION AREAS

Digitalization will be the single biggest driver of societal change in the next ten years. The development is making the world more connected and interconnected. More and more people are demanding faster, reliable and user-friendly technologies that function together. The demand for products with good functionality and convenient user experience is especially strong on the consumer electronics market, which also is the segment where we expect the highest growth in the years to come. This segment includes the development of tablets, smartphones and pulse watches as well as virtual reality (VR) and motion detection, for example in the gaming industry.

* Markets and Markets, 3D sensors market, Global trend & forecast to 2025 (2020).

3D SENSOR MARKET, BY REGION (USD BILLION)



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A SEGMENTED MARKET

The global 3D sensor market is segmented and can be divided into several categories: product type, technology, form of use and region. With respect to product type, a common differentiation is between position sensors, pressure sensors, imaging sensors, temperature sensors and other sensors. Imaging sensors constitute the largest market share and is expected to maintain a high growth rate.

When segmenting on technology, a common differentiation is between structured light projection, ultrasound, stereoscopic imaging and time-of-flight technology. As for form of use, the market is divided by the applications in different market segments. This includes consumer electronics, medical, automotive, industrial, entertainment and defense applications. At the time of writing, the largest market segment is the entertainment industry.

Innovations and new products in several different areas also contribute to increasing demand for products that meet the speed, functionality and accuracy requirements but still are sustainable, environmentally and quality-wise. To meet the market's increasing requirements and demand has a lot to do with being able to offer cost-efficient technology with high precision, low power consumption, enhanced functionality and robustness.

COMPETITION

Acconeer assesses that there mainly will be two types of competition: other radar sensors and alternative technologies.

RADAR COMPETITORS

Examples of radar sensor developers that Acconeer believes to be potential competitors are Infineon, Texas Instruments, and Novelda. Most of the competing radar products are FMCW Radars (Frequency-Modulated Continuous Wave). "Continuous" refers to the fact that they are transmitting all the time, hence consuming more energy than Acconeer's pulsed coherent radar.

Acconeer's pulsed coherent radar is optimized to perform close-range detection with high accuracy and low power consumption. This is possible due to the unique systemic solution developed by Acconeer to meet the requirements for battery-powered consumer products.

ALTERNATIVE TECHNOLOGIES

Acconeer's product can be applied to a number of existing markets where technologies such as infrared sensors, ultrasonic transducers or magnetometers already are established. As for alternative technologies, examples of developing companies include Murata (ultrasonic sensors), STMicroelectronics (IR sensors), and Honeywell Microelectronics (magnetometers, radar).

Infrared radiation, IR for short, is electromagnetic radiation with longer wavelengths than those of visible light. In general, IR sensors may suffer from interference from light sources, such as daylight or LED lamps. Furthermore, light reflects differently depending on the color of the reflecting object. Black objects, for example, reflect poorly, which could cause

lower accuracy or even failure. A light-based sensor also requires an unobstructed line of sight in order to work, which makes it sensitive to dirt and dust and thus more difficult to integrate in a final product.

Ultrasound is sound waves with frequencies higher than the upper audible limit of human hearing. The speed of sound is temperature dependent, which impacts performance and accuracy. Ultrasonic sensors may also suffer from interference in noisy environments. An ultrasonic sensor also requires an open aperture (without obstruction) to work.

A magnetometer measures the magnetic field in a specific direction. It is sensitive to electromagnetic interference caused by electrical sockets, underground transformers, electric vehicles, electrified light railways and so on.

Acconeer's radar sensor has a competitive robustness compared to other technologies, thanks to its high resilience to natural sources of interference such as light conditions, dust, dirt and temperature conditions. A radar is only disturbed by other radio sources that operate in the same frequency range. The robustness of Acconeer's product is also a result of the physical properties of the radar signal, which allow the sensor to be integrated within a plastic or thin glass casing. For the customer, this translates not only to better robustness but also provides design, integration and maintenance advantages.

The low power consumption, the millimeter accuracy, and the ability to detect materials and motion give Acconeer's radar sensor a significant competitive advantage over other technologies.



HISTORY

● 200,000
sensors delivered

● At the end of 2020, the company had sold 3117 development kits and counted in total 34 launched customer projects

● 2020 MoU with Alps Alpine to mutually develop the next generation radar sensor

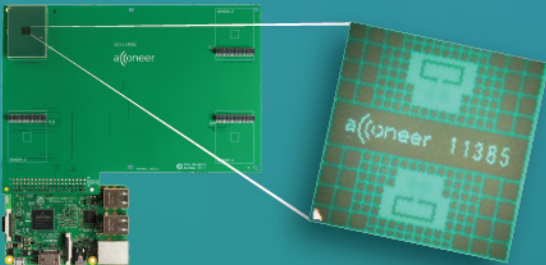
● 2019 Commercial break through with in total 1581 sold evaluation kits, 14 launched customer projects and a total order value of 650k USD for the full year



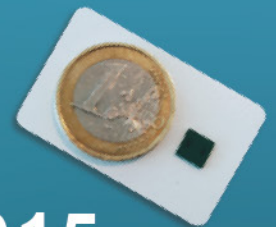
● 2018 Product ready for mass production. Launched on Digi-Key's global platform at the beginning of the year

● 2017 IPO, new share issue amounting to MSEK 180, approximately 4,000 new owners

● 2016 Commercial product delivered. The company receives an MSEK 67 investment



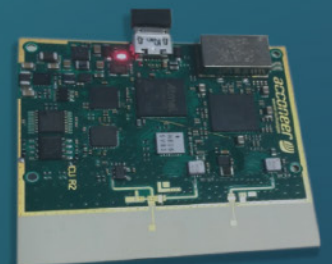
● 2015 The company receives an MSEK 20 investment. First integrated prototype designed



● 2012 The company begins operations with support from the University of Lund



● 2014 System demonstrator delivered



● 2007 The founders begin research at the nano electronics group at LTH



THE TEN LARGEST OWNERS

2020-12-31

NAME	NUMBER OF SHARES	SHARE %
BGA Invest AB	2,717,500	11.66
Avanza Pension	1,967,365	8.44
Alps Alpine CO LTD	1,854,300	7.96
Nordnet Pensionsförsäkring	909,436	3.90
Wingren Hightec	775,468	3.33
Nord Fondkommission AB	665,299	2.86
Ardventor AB/ Egard, Mikael	581,550	2.50
Ärlelid, Mats	571,000	2.45
Lars Erik Wernersson AB	556,500	2.39
Peak Asset Management	286,000	1.23
	10,884,418	46.71
Other shareholders	12,416,082	53.29
Total number of shares	23 300 500	100%

THE SHARE



FINANCIAL CALENDAR

Annual General Meeting 2021.....	2021-04-27
Q1 Interim report 2021	2021-04-23
Q2 Interim report 2021	2021-07-23
Q3 Interim report 2021	2021-10-29
Year-end report 2021.....	2021-02-18

The Annual General Meeting will be held on Tuesday, 27 April 2021. Due to the covid-19 pandemic, the AGM will be conducted by advance voting. More information will be included in the notice convening the AGM.

BOARD OF DIRECTORS



THOMAS REX

Born in 1963. Chairman of the board since 2020, member of the board since 2014.

Education and experience: Master of Science in Electrical Engineering, University of Lund.

Other current assignments: Senior Vice President på Fingerprint Cards, Special Projects.

Previous assignments: Global Sales Manager at Fingerprint Cards.

Vice President of Ericsson Mobile Platforms Asia.

Shareholding: Private holding of 115,260 shares.



LARS-ERIK WERNERSSON

Born in 1968. Member of the board since 2011.

Education and experience: Professor in Nano Electronics at the University of Lund since 2005.

Other current assignments: Member of the board of C2Amps AB, member of the board and owner of Lars Erik Wernersson AB.

Previous assignments: Member of the board of the Royal Physiographic Society of Lund,

Shareholding: 556,500 shares (through the company Lars-Erik Wernersson AB).



GIT STURESJÖ ADOLFFSSON

Born in 1961. Member of the board since 2015.

Education and experience: Economics, University of Lund.

Other current assignments: Chairman of the boards of SmartRefill i Helsingborg AB and Digimail Sweden AB. Board member of BGA FÖRVALTNING AB, BGA Invest AB and Minesto AB. Deputy board member of Watersprint AB.

Previous assignments: Member of the boards of BGA Capital AB and Bacapps Support.

Member of the boards and CEO of Facino AB, Facino Produktion AB, Facino Produktion AB, Facino AS.

Shareholding: 2,717,500 shares (through the company BGA INVEST AB) and private holding of 28,000 shares.



BENGT ADOLFFSSON

Born in 1949. Member of the board since 2015.

Education and experience: Economics, Växjö University.

Other current assignments: Chairman of the Board of Minesto AB. Member of the boards of BGA FÖRVALTNING AB, Minesto Warrants One AB and SmartRefill i Helsingborg AB. Deputy board member of Digimail Sverige AB. Member of the board and majority owner of BGA INVEST AB.

Previous assignments: Member of the boards of BGA Capital AB and Bacapps Support.

Member of the boards and CEO of Facino AB, Facino Produktion AB, Facino Produktion AB, Facino AS.

Shareholding: 2,717,500 shares (through the company BGA INVEST AB).



JOHAN PAULSSON

Born in 1963. Member of the board since 2019.

Education and experience: MSc Engineering University of Lund

Other current assignments: CTO at Axis Communications AB, Chairman of the board Winplantan AB.

Previous assignments: Board member poLight A/S.

Shareholding: Privat holding of 192 213 shares.

MANAGEMENT



LARS LINDELL

Born in 1963. CEO. Employed since 2015.

Education and experience: Master of Science in Electrical Engineering, University of Lund. Master of Business Administration, University of Cambridge.

Other current assignments: Member of the board of Acconeer Incentive AB.

Previous assignments: Sales Manager of Business Unit Modems of Ericsson Lund (2014 – 2015). Country Manager of ST-Ericsson Japan (2009 – 2014).

Shareholding: Private holding of 108,602 shares and 77,172 warrants.



MATS ÄRLELID

Born in 1979. Chief Technology Officer. Employed since 2012.

Education and experience: PhD in Integrated Circuit Design, University of Lund. Master of Science in Electrical Engineering, University of Lund.

Other current assignments: -

Previous assignments: Member of the board of Acconeer AB until 2014-03-25.

Shareholding: Private holding of 571,000 shares and 5,369 warrants.



MIKAEL EGARD

Born in 1982. Chief Operating Officer. Employed since 2012.

Education and experience: PhD in Physics, University of Lund. Master of Science in Engineering Physics, University of Lund.

Other current assignments: Member of the board and owner of Ardventor AB. Alternate board member of Acconeer Incentive AB.

Previous assignments: CEO and member of the board of Acconeer AB.

Shareholding: Holding of 581,550 shares and 45,070 warrants in total, privately and via Ardventor AB.



MAGNUS HANSSON

Born in 1964. Head of Operations. Consultant since 2016.

Education and experience: Master of Science in Electrical Engineering, Lund University.

Other current assignments: Member of the board in BeammWave AB.

Previous assignments: Various assignments as consultant in the high-tech sector.

Shareholding: 5773 shares through Magnus Hansson Konsult AB.



MIKAEL ROSENHED

Born in 1962. Head of Product Management. Employed since 2016.

Education and experience: Master of Science in Electrical Engineering, University of Lund.

Other current assignments: -

Previous assignments: IT Management Consultant (2015 – 2016), R&D Manager Software of Sony Mobile Communications, Lund (2011 – 2015).

Shareholding: Private holding of 1,600 shares and 11,751 warrants.

MANAGEMENT



DAVID HÅKANSSON HAGMAN

Born in 1970. Head of Customer Support. Employed since 2017.

Education and experience: Systems Science, University of Lund, and Media and Communication Studies, University of Lund.

Other current assignments: -

Previous assignments: -

Shareholding: Private holding of 4,000 shares and 71,022 warrants.



BJÖRN BENGTSSON

Born in 1966. CFO. Consultant since 2020.

Education and experience: Studies in economics at Lunds University 1988-1991, Authorised auditor.

Other current assignments: Business leader and consultant at accounting firm FinansBalans.

Previous assignments: -

Shareholding: -



MAGNUS GERWARD

Born in 1974. Business Development Director. Employed since 2016.

Education and experience: Master of Science in Electrical Engineering and Technology Management, University of Lund.

Other current assignments: -

Previous assignments: Head of Market Unit and Sales Director, Tieto (2013 – 2016). Business Development Director, Scalado (2010 – 2013).

Shareholding: Private holding of 12,000 shares and 59,921 warrants.



ANNA ALERYD

Born in 1980. Head of Marketing and Communications. Employed since 2019.

Education and experience: Master of Science in Automation and Mechatronics, Chalmers University of Technology.

Other ongoing assignments: -

Previous assignments: Head of Developer Communication, Developer Program, Sony Corporation.

Shareholding: 1,933 shares and 31,218 warrants.

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of Acconeer AB hereby present the annual report for the financial year 2020-01-01 - 2020-12-31
The annual report is prepared in Swedish kronor, SEK.

INFORMATION ABOUT OPERATIONS

The object of the Company's business is to develop, construct, manufacture, license and sell high-frequency electronics. The company is seated in Lund, Sweden.

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

In 2020, a new share issue of 4,062,000 shares was carried out. The share capital thus amounts to SEK 1,165,025 and the number of shares to 23,300,500. The directed share issue was subscribed for by Alps Alpine Co., Ltd. as well as a number of institutional investors and contributed the company approximately SEK 65 million.

Acconeer was awarded three "design wins" by Alps Alpine for presence detection in cars to a European premium car manufacturer.

A non-binding Memorandum of Understanding ("MoU") on a joint development agreement to develop the next generation of patented pulsed coherent sensor was entered into with Alps Alpine.

The radar sensor A1 was qualified according to AEC- Q100 level 3 and the company was certified for quality and environmental management systems according to ISO standards 9001: 2015 and 14001: 2015.

Events during 2020

The company's first major order of the year was received from Glyn Limited in February. The value amounted to USD 12,800 and referred to the radar sensor A1. The same month the company received an order from Digi-Key worth USD 15,100. The order referred to the IoT module XM122.

At the end of February, Acconeer received an order from CODICO worth USD 62,700. The order referred to the radar sensor A1 on behalf of a European customer.

It was announced that in February, 24 months after the company started selling Evaluation Kits (EVKs) at Digi-Key, Acconeer AB had shipped more than 100,000 radar sensors to distributors and customers.

In March Acconeer received an order from a European customer worth USD 14,700. The order relates to Acconeer's A1 radar sensor, for production of the customer's IoT solution.

In the middle of March the company announced that they are planning to develop an integration-ready entry module with low system cost. The entry module, XM132, was released during the third quarter of 2020.

Acconeer announced at the end of March that the company was awarded three design wins by Alps Alpine for presence detection in cars to a European premium car manufacturer. Acconeer estimates the total potential value of the design wins to US\$ 9-12 million over three years starting in 2022. By "design win" Acconeer refers to that the company's radar sensor has been selected for use in a customer product, but it is not equivalent to that an order has been placed.

In April Acconeer received an order from Digi-Key worth USD 29,500. The order related to the XM112 High Performance Module and related connector board and lens kit.

On April 24 the company announced that they had entered into a non-binding Memorandum of Understanding (the "MoU") of a joint development agreement to develop next generation patented Pulse Coherent sensors. The MoU prescribes that Alps Alpine will contribute up to USD 7 million towards the development of the product and that Alps Alpine will, on commercial terms, receive exclusivity for the new product for the automotive market. The product is planned to be ready for production during 2023.

On May 4 Acconeer announced its intention to carry out a directed new share issue of approximately SEK 60 million to Swedish and international institutional investors. Alps Alpine Co., Ltd., undertook to subscribe for shares corresponding to a maximum of USD 3 million in the directed new share issue. Later that day, it was announced that the Board of Acconeer AB, had with support of the authorization granted by the annual general meeting 14 April 2020, resolved on and carried out a new share issue of 4,062,000 shares. The subscription price of the shares in the directed new share issue was SEK 16 per share. Through the directed new share issue Acconeer received proceeds amounting to approximately SEK 65 million before deduction of transaction costs. The directed new share issue was subscribed for by Alps Alpine Co., Ltd. and a number of institutional investors.

In May it was also announced that Acconeer has extended the agreement with Restar Electronics Corporation to include the Americas. Since July 2019 the two companies have a distributor agreement for the Japanese market, and the decision to extend it to

the Americas comes as a natural result of the good progress seen in Japan.

At the end of the month, the company received an order worth USD 28,400 from Taiwanese Chip Power Technology Corp. The order was for Acconeer's radar sensor A1.

In June, Acconeer's radar sensor A1 received qualification according to AEC - Q100 level 3, which covers temperatures between -40°C - +85 °C. The qualification was completed a quarter ahead of previously announced plans.

In June Acconeer also received ISO certification for quality and environmental management systems under the ISO Standards 9001:2015 and 14001:2015 for development and sales of radar sensors, modules and software.

At the end of June, Acconeer received an order from Digi-Key worth USD 30,000. The order relates to the radar sensor A1 and the reference card XR112.

In August, Acconeer received an order from Digi-Key worth USD 52,000. The order relates to Acconeers XM132 Entry Module and the relates evaluation kit (EVK) XE132.

Acconeer received its largest order to that date from BEYD in August. The order amounted to USD 164,000 and mainly related to the radar sensor A1 and will be used for delivery to customers in China.

Björn Bengtsson was appointed to new CFO, starting on 1 September. Björn has more than 20 years of experience in auditing and accounting at PwC and in recent years as the owner of the accounting firm FinansBalans. FinansBalans has been providing accounting services to Acconeer since 2018.

In September, Acconeer signed a purchase agreement with Future Electronics. The agreement enables Future Electronics to purchase and resell Acconeers A1 radar sensor as well as related modules and evaluation kits (EVK).

On September 10, it was announced that Acconeer has delivered more than 200,000 A1 radar sensors in total since the company began selling evaluation kits (EVK) in February 2018.

In November, it was announced that a distribution agreement had been signed with the Japanese distributor Marubun. The agreement concerns Acconeer's radar sensors together with related modules and evaluation kits (EVK) for the Japanese market.

At the end of November, another order was received from Digi-Key. The order related to the radar sensor A1 and the IoT module XM122 and its value amounted to USD 37,000.

In December, Acconeer received an order from BEYD worth USD 421,000. This is Acconeer's largest order to date. It related to the radar sensor A1 and will be used for the production of customers' products.

It is the company's assessment that the effects of Covid-19 has had a limited impact on operations

in 2020. No impact was seen on the development side, while manufacturing was somewhat affected by a global shortage of processors that occurred in connection with Covid-19. Regarding demand for the company's products, we see that some customer projects have been delayed, but the assessment is that this falls within the margin of uncertainty that always exists.

Events after the end of the year

After the end of the financial year it was announced in that Sweden's Innovation Agency has granted Acconeer 4 million SEK for research on sleep monitoring using radar. The project will run for three years starting in April 2021 and will be a consortium with Sleepiz based in Switzerland and the University of Gothenburg, Sweden.

Acconeer received orders from CODICO (USD 96,000), Glyn Limited (USD 156,000) and Digi-Key (USD 47,000).

Acconeer and Alps Alpine signed a joint development agreement of Next-Generation Sensing Technology. 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.

It is the company's assessment that the effects of Covid-19 will 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 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 CIRCUMSTANCES

The company had one major owner (more than 10%) on 2020-12-31: BGA Invest (11,66%).

EXPECTED FUTURE DEVELOPMENT, KEY RISKS AND UNCERTAINTY FACTORS

There is a very strong interest in Acconeer's solution, from customers in a wide range of segments and applications. Some of these hold prominent positions in their respective markets.

As with every early-stage company, Acconeer faces significant risks. The company is working continuously to make sure that the Board of Directors and the executive management consider every alternative carefully and make informed choices.

It is the company's assessment that the effects of Covid-19 will 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 that have arisen in connection with Covid-19. Regarding demand for the company's products we expect further delays customer projects, fewer start-up projects and that our customers' production rate will be affected by the lack of processors.

Financing needs

Acconeer will continue to develop the product in the future, which will incur significant costs. Both the size and the timing of any future capital needs depend on a number of factors, including success with product development, revenue generated and collaboration agreements. There is a risk that the Company will seek opportunities for financing, including loan financing. If additional external capital would need to be acquired through a new share issue, existing shareholders' holdings risk being diluted. There is a risk that new capital cannot be raised when the need arises, that it cannot be procured on terms favorable to the Company or that such capital would not be sufficient to finance the business according to the Company's deferred plan, which could have adverse effects on the Company's development and investment opportunities. Acconeer is thus dependent on the fact that in the future capital can be raised to the extent required. Possible delays in product development may mean that cash flow is generated later than planned. In the event that the Company fails to raise capital when the need arises, there is a risk of temporary development stoppage or that the Company is forced to conduct the business at a lower rate than desired, which may lead to delayed or missing revenues. There is also a risk that Acconeer will have to substantially curtail the Company's planned activities or ultimately discontinue operations.

Delivery and manufacturing risks

Problems with quality in mass production can arise which can affect Acconeer's ability to ensure smooth deliveries and satisfied customers. Furthermore, customers may have problems integrating the product and achieving expected results. This can have a negative impact on the Company's operations, earnings and financial position. Acconeer is a so-called fabless company, which means that all manufacturing and production testing is outsourced. This means that Acconeer has reduced, or none, control over production and production testing. In the event that problems or other obstacles arise with the Company's production and production testing, this may have a negative impact on the Company's operations, earnings and financial position. Although no problems or other obstacles arise with the manufacture and

production testing of Acconeer's products, there is a risk that the Company's products will not achieve commercial success.

Intellectual property rights, confidentiality, business secrets and the like

Acconeer's future success depends on the Company's ability to maintain intellectual property protection in the form of patents, future trademarks, company names and domain names that are protected by intellectual property law and agreements. There is a risk that the Company will not be able to obtain or retain patents for its products or technology or obtain patents for new ones. In the event that a third party holds a patent covering the same product or technology as Acconeer, the Company may be forced to pursue legal processes, including internationally, to determine whether commercialization of a product or technology is feasible. The company may also be forced to pursue legal proceedings, even internationally, in the event that a third party is deemed to infringe on the Acconeer patent. The cost of such processes can be significant. The Company also risks losing such processes, which could mean that the Company's right to intellectual property is terminated. All of these factors can have a material adverse effect on the Company's operations, earnings and financial operations.

There is no guarantee that confidentiality agreements with employees, consultants and business partners fully protect against disclosure of confidential information, against the right of employees, consultants and business partners to intellectual property rights or that the agreements provide sufficient penalties for breach of contract. In addition, Acconeer's business secrets may otherwise be known or developed independently by competitors. If the Company's internal information and knowledge cannot be protected, operations may be adversely affected.

Market and competition-related risks

Some product application areas within several of the market segments that Acconeer wishes to enter do not yet exist, which may mean that it may take longer than expected for the Company's products to reach the market and generate revenue within these segments. This results in forecasting uncertainty. Even in cases where areas of use already exist, it must be taken into account that the Company sells new technology, which may mean that the customer response may take longer than expected. This, in turn, can lead to longer revenue and cash flow generation. Furthermore, competitors to the Company may have developed, or may develop, directly or indirectly competing products or other alternative solutions that can meet the same underlying customer needs as the Company's products, which could adversely affect Acconeer's sales opportunities.

Regulatory barriers

Acconeer's products operate within the unlicensed 60 GHz band, meaning that all end-user products must be type-approved / certified by relevant regulatory systems. Thus, there is a risk that the Company, or others using Acconeer's products in its end-user products, will not receive or lose type approval / certifications and / or other approvals necessary to sell end-user products with Acconeer's products per se. Every product placed on the market needs a type approval from the respective country or region's equivalent to the Post and Telecom Agency. Acconeer works with the following certified test houses, Cetecom GmbH and TUV Rheinland Japan Ltd. These test houses verify the product against current regulations and ensure that type approval is obtained. Even if the Company, or others who use Acconeer's products in its end-user products, receive the necessary permits and approvals, there is a risk that the Company's products will not reach commercial success. In the event that the Company, or others using Acconeer's products in its end-user products, in one or more markets fails to obtain new or retain necessary permits for the business, it may have a material adverse effect on the Company's operations, financial position and results.

FINANCING

The Board continuously evaluates the company's need for financing and with the aim of being able to raise working capital and seize future opportunities to acquire long-term strong owners and to further finance the Company's growth strategy, proposed the Annual General Meeting to approve an authorization for the Board to decide on a new issue. shares up to 25% of the total number of shares.

It is the company's assessment that the effects of Covid-19 will 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 that have arisen in connection with Covid-19. Regarding demand for the company's products we expect further delays customer projects, fewer start-up projects and that our customers' production rate will be affected by the lack of processors.

The Board of Directors and the Chief Executive Officer of Acconeer AB hereby present the annual report for the financial year 2020-01-01 - 2020-12-31.

MULTIPLE YEAR OVERVIEW

AMOUNTS IN KSEK	2020	2019	2018	2017	2016
Net sales	9,505	5,508	953	33	0
Own work capitalized	0	0	9,915	13,026	9,680
Operating result	-62,309	-68,562	-39,044	-23,073	-12,459
Balance sheet total	128,442	130,202	194,498	243,067	77,938
Solidity %	94	92	95	92	93

See Accounting and valuation policies for definitions of key indicators.

CHANGES IN EQUITY

AMOUNTS IN KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL
Opening balance equity 2020-01-01	962	24,466	271,267	-176,516	120,179
New share issue	203		64,789		64,992
Exercise of subscription warrants			835		835
Issue costs			3,203		-3,203
Dissolution of amortisation of development costs		-6,524		6,524	0
Net profit or loss for the year				-62,311	-62,311
Closing balance equity 2020-12-31	1,165	17,942	333,688	-232,303	120,492

AMOUNTS IN KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL
Opening balance equity 2019-01-01	954	30,990	267,789	-114,501	185,232
Exercise of subscription 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 or loss for the year				-68,539	-68,539
Closing balance equity 2019-12-31	962	24,466	271,267	-176,516	120,179

PROPOSED APPROPRIATIONS OF PROFIT OR LOSS

The following funds (SEK) are available to the annual general meeting

	Amount
Retained loss	-169,992,310
Premium reserve	333,688,882
Loss for the year	-62,311,062
Total	101,385,510

The Board of Directors proposes the following distribution:

To be retained	101,385,510
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The financial result and position of the Company in general is set out in the income statement, balance sheet, cash flow statement and notes below.

INCOME STATEMENT

AMOUNTS IN SEK	NOTE 1	2020-01-01 -2020-12-31	2019-01-01 - 2019-12-31
Net sales		9,505,155	5,508,454
Cost of goods sold	2	-3,748,972	-2,129,008
Gross profit		5,756,183	3,379,446
Operating expenses	3-12		
Sales expenses		-18,026,626	-17,482,163
Administrative expenses		-11,562,198	-11,459,106
Research and Development expenses		-40,262,995	-42,946,708
Other operating income/ expenses		1,787,077	-53,855
Operating result		-62,308,559	-68,562,386
Result from financial items			
Financial income	13	0	24,094
Financial expense	14	-2,503	-1,202
Net financial income/expense		-2,503	22,892
Profit or loss before tax		-62,311,062	-68,539,494
Tax		-	-
Net profit or loss for the year		-62,311,062	-68,539,494

BALANCE SHEET

AMOUNTS IN SEK	NOTE 1	2020-12-31	2019-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Balanced costs for development and similar work	8	25,246,478	34,427,016
Patents	9	1,824,264	1,740,355
		27,070,742	36,167,371
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	10	3,213,347	3,883,857
Equipment, tools, fixtures and fittings	11	158,605	148,791
		3,371,952	4,032,648
<i>Financial fixed assets</i>			
Participations in Group companies	15,16	842,000	842,000
		842,000	842,000
Total fixed assets		31,284,694	41,042,019
Current assets			
<i>Inventories, etc.</i>			
Work in progress		5,192,346	2,948,836
Finished goods and merchandise		2,463,273	2,904,814
		7,655,619	5,853,650
<i>Short-term receivables</i>			
Accounts receivable		1,967,493	1,045,694
Receivables from Group companies		1,493,995	657,614
Current tax assets		161,496	0
Other receivables	17	609,541	858,982
Prepayments and accrued income	18	3,099,240	2,790,285
		7,331,765	5,352,575
<i>Cash and bank balances</i>			
Cash and bank balances		82,169,945	77,953,559
Total current assets		97,157,329	89,159,784
TOTAL ASSETS		128,442,023	130,201,803

BALANCE SHEET (CONT'D)

AMOUNTS IN SEK	NOTE 1	2020-12-31	2019-12-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	19	1,165,025	961,925
Fund for development costs		17,941,719	24,465,987
		19,106,744	25,427,912
<i>Non-restricted equity</i>			
Share premium reserve		333,688,882	271,267,184
Retained profit or loss		-169,992,310	-107,977,085
Net profit or loss for the year		-62,311,062	-68,539,494
		101,385,510	94,750,605
Total equity		120,492,254	120,178,517
Short-term liabilities			
Accounts payable		1,095,120	2,931,088
Current tax liabilities		0	102,198
Other liabilities		661,751	599,379
Accruals and deferred income	20	6,192,898	6,390,621
		7,949,769	10,023,286
TOTAL EQUITY AND LIABILITIES		128,442,023	130,201,803

CASH FLOW STATEMENT

AMOUNTS IN SEK	NOTE 1	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Operating activities			
Result after financial items		-62,311,062	-68,593,494
Adjustments for items not included in cash flow	21	11,774,640	11,524,558
Income tax paid		-263,695	155,776
Cash flow from operating activities before change in working capital		-50,800,117	-56,859,160
Cash flow from change in working capital			
Change in inventories		-1,801,969	-1,878,426
Change in receivables		-921,800	-492,463
Change in short-term receivables		-895,895	-2,644,959
Change in trade payables		-1,835,968	967,485
Change in current liabilities		-135,349	205,279
Cash flow from operating activities		-56,391,098	-60,702,244
Investing activities			
Investments in intangible fixed assets		-322,993	-384,343
Investments in tangible fixed assets		-1,694,322	-142,422
Cash flow from investing activities		-2,017,315	-526,765
Financing activities			
New share issue after issue costs		61,789,799	0
Raised loans		0	-517,680
Exercise of subscription warrants/new shares		0	2,311,861
Issue of warrants		835,000	1,174,000
Cash flow from financing activities		62,624,799	2,968,581
CASH FLOW FOR THE YEAR		4,216,386	-58,260,428
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the beginning of the year		77,953,559	136,213,987
Cash and cash equivalents at the end of the year		82,169,945	77,953,559

NOTES

NOTE 1 ACCOUNTING AND VALUATION POLICIES

General information

The annual 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).

Receivables are recognized at the amount expected to be received.

Other assets and liabilities are recognized at cost unless otherwise indicated.

Receivables and liabilities in foreign currency are valued at the exchange rate at the balance sheet date. Exchange gains or losses on operating receivables and -payables are recognized in the operating result while exchange gains or losses on financial claims and liabilities are recognized as financial items.

Group structure

The company is a parent company, but according to the exemptions stated in the Swedish Annual Accounts Act 7 ch. 3 s. no consolidated accounts are prepared. The subsidiary Acconeer Incentive AB has no operations of its own but is used only to administer the warrants available in Acconeer AB.

New accounting policy

As of Q1 2020, the company has switched to a Functional income statement. Comparative periods have been recalculated. Considering that Acconeer is in a start-up phase and not yet achieved any fullscale 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 cost. More information can be found in the notes 3 and 4.

Recognition of revenue

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.

ACCOUNTING PRINCIPLES FOR PARTICULAR BALANCE AND INCOME SHEET ITEMS

Operational lease agreements

All lease agreements where the Company is the lessee are reported as operational lease agreements, regardless of whether the agreements are financial or operational. The lease cost is recognized as an expense on a straight-line basis over the lease period.

In the Company's accounts, the operational lease agreements correspond essentially to rented premises. The leasing contract for the Swedish offices is for a period of three years with a possibility for the Company to extend it.

Remuneration to employees

Remuneration to employees refers to all kinds of remuneration given by the Company to its employees. Short-term employee benefits include salaries, paid annual leave, compensated absences, bonus and post-employment benefits. The company has only defined contribution pension plans and no defined benefit pension plans. Short-term employee benefits are recognized as expenses and liabilities when there is legal or constructive obligation to pay a remuneration due to a previous event and a reliable estimate of the amount can be given.

Intangible fixed assets

Research and development costs

Costs for research, that is, planned and systematic search for new scientific or technological knowledge and insight, is recognised as an expense when incurred. Development costs are recognised according to the capitalization model. This means that costs incurred during development are recognized as assets when all of these conditions are met:

- It is technically possible to complete the intangible fixed asset for use or sale.
- The intention is to complete the intangible fixed asset and to use it or sell it.
- It is feasible to use or sell the intangible asset.
- It is likely that the intangible asset will generate future economic benefits.

- Sufficient and adequate technological, economic and other resources are available to complete the development and use or sell the intangible asset.
- The costs that are attributable to the intangible asset can be calculated reliably.

Internally generated intangible assets are recognized at cost less accumulated amortisation. The cost of an internally generated intangible asset is all directly attributable development expenditure (for example raw materials and salaries).

Other intangible fixed assets

Other intangible fixed assets acquired by the Company are recognized at cost less accumulated amortisation and impairment. Expenditure for new patent applications is capitalized as incurred, while expenditure for protection of existing patents is expensed.

Fixed assets

Tangible and intangible fixed assets are recognized at cost less accumulated depreciation/amortisation according to plan and impairment. Depreciation/amortisation is linear over the asset's estimated useful life, taking significant residual values into account. The following depreciation rates are applied:

Intangible fixed assets

Balanced costs for development work	5 years
Patents	10 years

Tangible fixed assets

Machinery and other technical equipment	5-6 years
Equipment, tools, fixtures and fittings	5 years

Public grants

Accounting for grants related to fixed assets. Public grants related to assets are recognized on the balance sheet by deducting the grant from the recognized value of the asset.

Shares and participations in subsidiaries

Shares and participations in subsidiaries are recognized at cost less impairment. The cost includes the purchase price paid for the shares as well as acquisition costs. Any capital injections and intra-group transfers are added to the cost as they occur. Dividends from subsidiaries are recognized as income.

Inventories

The inventories are valued at the lower of cost and net realizable value at the balance sheet date. Net realizable value refers to the estimated selling price of the goods less the transaction costs. The chosen valuation method takes the effect of technological obsolescence into account.

Financial instruments

Derivative instruments

The Company holds derivatives in the form of employee options (share appreciation rights programmes). These are categorized as "at fair value through profit or loss" in the subcategory "held for trading".

Subscription warrants

No initial cost has been incurred since a valuation at fair value through an option pricing model corresponds to the premium received by the Company.

The Company has already established warrant programmes for certain present and former executive directors and other key employees, consisting of subscription warrants.

The subscription warrants have been issued in the customary way. 2018/2021 outstanding warrants are covered of pre-emption rights for Acconeer in the event of transfers. All of the subscription warrants outstanding are covered by Acconeer's right of first refusal in the event of transfer. The Company has furthermore reserved the right to buy back the warrants if the employment is terminated. If the subscription warrants are fully exercised, the share capital will increase by SEK 49,100 and the number of shares by 982,000, corresponding to a dilutive effect of approximately 4.2 percent.

The options programs are distributed as follows:

2018/2021, paid subscription price per option SEK 3.96, subscription price per share SEK 31.80 during 2021, 45,000 options.

2018/2021, paid subscription price per option SEK 5.34, subscription price per share SEK 31.80 during 2021, 18,000 options.

2018/2021, paid subscription price per option SEK 1.81, subscription price per share SEK 31.80 during 2021, 19,000 options.

2019/2022, paid subscription price per option SEK 2.35, subscription price per share SEK 29.27 during 2022, 300,000 options.

2019/2022 paid subscription price per option SEK 1.45, subscription price per share SEK 29.27 during 2022, 300,000 options.

2020/2023, paid subscription price per option SEK 2.00, subscription price per share SEK 21.13 during 2022, 150,000 options.

2020/2023 paid subscription price per option SEK 3.57, subscription price per share SEK 21.13 during 2023, 150 000 options.

Accounts receivable/Short-term receivables

Accounts receivable and short-term receivables are recognized as current assets to the amount expected to be paid less individually assessed bad debt.

Loans and accounts payable

Loans payable and accounts payable are initially

recognized at cost less transaction costs. If the recognized amount differs from the amount to be repaid at maturity, the difference is recognized as interest expense over the life of the loan by means of the effective interest rate of the instrument. At maturity, the recognized amount will thereby be consistent with the amount to be repaid.

Income taxes

Tax on profit for the year in the income statement consists of current tax and deferred tax liabilities. Current tax is income taxes for the current financial year, relating to taxable profit for the year and part of taxable profit from previous year yet to be recognized. Deferred tax liabilities is income taxes on taxable profit relating to future financial years due to previous transactions or events.

Deferred tax liabilities are recognized for all taxable temporary differences except temporary differences arising from the initial recognition of goodwill. Deferred tax assets are recognized for deductible temporary differences and for the carryforward of unused tax losses. The valuation is based on how the recognized value of the corresponding asset or liability is expected to be recovered or settled. The amounts are based on tax rates and tax laws that have been enacted before the balance sheet date and not calculated in present value terms.

Deferred tax assets are valued at most at the amount likely to be recovered based on current and future taxable results. The valuation is reassessed on every balance sheet date.

The assessment of the recognition of a deferred tax asset will take place only when the Company has shown profitability.

Cash flow statement

The cash flow statement is drawn up using an indirect method. The reported cash flow covers only operations resulting in cash transactions.

In cash and cash equivalents, the Company includes cash, available balances with banks and other credit institutions as well as short-term, highly liquid investments listed on a market with maturity less than three months from the date of acquisition. Changes in blocked funds are reported in the investing activities.

Definitions of indicators

Net sales

The undertaking's main income, invoiced costs, additional income and income adjustments.

Result after depreciation/amortisation

Result after depreciation/amortisation and items affecting comparability, but before financial income and expenses.

Balance sheet total

The Company's entire assets, equity capital and liabilities.

Solidity %

Adjusted equity capital (equity and untaxed reserves less deferred tax) in relation to the balance sheet total, expressed in percent.

Estimates and assessments

The management makes estimates and assessments of the future. These estimates will rarely correspond to the actual outcome. Those estimates and assessments which may lead to risk of having to materially adjust the carrying amounts of assets and liabilities are primarily the valuation of intangible assets.

It is examined every year whether there are any indications that the value of the assets is lower than the recognized value. If such an indication is found, the asset's recoverable amount is determined as the lower of the fair value of the asset less costs to sell and the value in use.

NOTE 2 OTHER OPERATING INCOME

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Other operating income	278,421	221,903
WASP	750,000	0
Vinnova grant	745,082	135,702
SER Prize	0	20,000
Sick pay compensation with regard to Corona regulations	13,574	0
	1,787,077	377,605

NOTE 3 OPERATING EXPENSES BY COST CATEGORY

	2020 FULL YEAR	2019 FULL YEAR
Other operating income	-1,787,077	-377,605
Raw materials and consumables	3,848,347	2,205,001
Other external costs	23,751,602	28,245,939
Personnel costs	33,833,849	32,040,486
Depreciation of fixed tangible and intangible assets	11,774,640	11,524,558
Other operating costs	392,353	432,460
	1,787,077	74,070,839

This year, the Board's costs are included in Other external costs with SEK 567,600 but are included in the basis for the note Salaries and other remuneration.

NOTE 4 INFORMATION ABOUT THE COMPANY'S OPERATING EXPENSES

For the period, the operation and product management function amounts to kSEK 11,276 (11,565) and depreciation of tangible and intangible fixed assets to kSEK 11,775 (11,525). Given that Acconeer is in a start-up phase and has not yet reached full-scale production, are these costs included in Sales Costs and Research and Development Costs.

NOTE 5 SALARIES AND REMUNERATIONS

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Salaries and remunerations		
Directors and Chief Executive Officer*)	1,971,386	1,929,984
Other employees	23,497,922	18,151,542
	25,469,308	20,081,526
Social security contributions		
Pension costs for directors and CEO	322,284	262,222
Pension costs for other employees	2,582,414	2,201,760
Other statutory and contractual social security contributions	5,777,886	6,686,538
	8,682,584	9,150,520
Total salaries, remunerations, social security contributions and pension costs	34,151,892	29,323,046

*) The CEO's employment has a three month period of notice when terminated by either party.

NOTE 6 EMPLOYEES AND PERSONNEL COSTS

AVERAGE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Sweden	37	35
Of whom men	32	30
Total	37	35
Gender distribution of the Board and management		
Percentage of women, %		
Board of Directors	20	20
Other executive directors	11	13

NOTE 7 REMUNERATION AND OTHER BENEFITS

2020-01-01 - 2020-12-31	BASE PAY	VARIABLE PAY	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Remuneration and benefits					
Chief Executive Officer	1,393,875	36,523	0	322,284	1,752,682
Other executive directors*)	5,333,147	139,497	0	889,452	6,362,096
	6,727,022	176,020	0	1,211,736	8,114,778

2019-01-01 - 2019-12-31	BASE PAY	VARIABLE PAY	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Remuneration and benefits					
Chief Executive Officer	1,219,038	67,047	6,899	262,222	1,555,206
Other executive directors*)	4,485,117	246,682	7,891	755,976	5,495,666
	5,704,155	313,729	14,790	1,018,198	7,050,872

*) Included in "Other employees" in the table "Salaries and remunerations".

NOTE 8 BALANCED COSTS FOR DEVELOPMENT AND SIMILAR WORK

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Cost, opening balance	45,902,688	45,902,688
Accumulated cost, closing balance	45,902,688	45,902,688
Amortisation, opening balance	-11,475,672	-2,295,134
Amortisation for the year	-9,180,538	-9,180,538
Accumulated amortisation, closing balance	-20,656,210	-11,475,672
Carrying amount	25,246,478	34,427,016

NOTE 9 PATENTS

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Cost, opening balance	2,242,346	1,858,003
Acquisitions	322,993	384,343
Accumulated cost, closing balance	2,565,339	2,242,346
Amortisation, opening balance	-501,991	-300,313
Amortisation for the year	-239,084	-201,678
Accumulated amortisation, closing balance	-741,075	-501,991
Carrying amount	1,824,264	1,740,355

NOTE 10 MACHINERY AND OTHER TECHNICAL EQUIPMENT

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Cost, opening balance	10,573,640	10,459,936
Purchases	1,628,760	113,704
Accumulated cost, closing balance	12,202,400	10,573,640
Depreciation, opening balance	-6,689,783	-4,595,381
Depreciation for the year	-2,299,270	-2,094,402
Accumulated depreciation, closing balance	-8,989,053	-6,689,783
Carrying amount	3,213,347	3,883,857

NOTE 11 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Cost, opening balance	249,274	220,556
Purchases	65,562	28,718
Accumulated cost, closing balance	314,836	249,274
Depreciation, opening balance	-100,483	-52,543
Depreciation for the year	-55,748	-47,940
Accumulated depreciation, closing balance	-156,231	-100,483
Carrying amount	158,605	148,791

NOTE 12 TRANSACTIONS BETWEEN GROUP COMPANIES

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
No intra-group transactions have taken place during the year.		
Share of total purchases for the year made from group companies	0.00%	0.00%
Share of total sales for the year made to group companies	0.00%	0.00%

NOTE 13 OTHER INTEREST INCOME AND SIMILAR ITEMS

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Other interest income	0	24,094
	0	24,094

NOTE 14 INTEREST COSTS AND SIMILAR ITEMS

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Interest costs	2,503	1,202
	2,503	1,202

NOTE 15 PARTICIPATIONS IN GROUP COMPANIES

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Acquisition value, opening balance	842,000	842,000
Accumulated cost, closing balance	842,000	842,000
Carrying amount	842,000	842,000

NOTE 16 SPECIFICATION OF PARTICIPATIONS IN GROUP COMPANIES

NAME	CAPITAL SHARE	VOTING RIGHTS	NUMBER OF SHARES	BOOK VALUE	MARKET VALUE
Acconeer Incentive AB	100%	100%	50,000	842,000	838,962
				842,000	838,962

NAME	REG.NO.	REGISTERED OFFICE	EQUITY CAPITAL	RESULT
Acconeer Incentive AB	559156-2474	Lund, Sweden	838,962	-1,394

NOTE 17 OTHER RECEIVABLES

	2020-12-31	2019-12-31
Recoverable VAT	322,368	854,442
Other receivables	287,173	4,540
	609,541	858,982

NOTE 18 PREPAID EXPENSES AND ACCRUED INCOME

	2020-01-01 -2020-12-31	2019-01-01 -2019-12-31
Advance to supplier	1,942,915	1,892,962
Prepaid rent	302,101	295,140
Other prepaid expenses	854,224	602,183
	3,099,240	2,790,285

NOTE 19 NUMBER OF SHARES AND QUOTA VALUE

NAME	NUMBER OF SHARES	QUOTA VALUE
Number of A shares	23.300.500	0.05
	23.300.500	

NOTE 20 ACCRUALS AND DEFERRED INCOME

	2020-12-31	2019-12-31
Accrued holiday pay	1,695,079	1,402,566
Accrued social security cost	532,594	440,686
Special payroll tax	704,680	597,762
Deferred grant Vinnova	85,716	123,798
Deferred income	449,534	347,915
Accrued Directors' fees	567,600	558,000
Accrued bonus incl. social security cost	825,833	1,474,537
Other accrued expenses	1,331,862	1,445,357
	6,192,898	6,390,621

NOTE 21 NON-CASH ITEMS

	2020-12-31	2019-12-31
Depreciation	11,774,640	11,524,558
	11,774,640	11,524,558

NOTE 22 RELATED PARTY TRANSACTIONS

No related party transactions except for directors' fees.

NOTE 23 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

After the end of the financial year it was announced that Sweden's Innovation Agency has granted Acconeer 4 million SEK for research on sleep monitoring using radar. The project will run for three years starting in April 2021 and will be a consortium with Sleepiz based in Switzerland and the University of Gothenburg, Sweden.

Acconeer received orders from CODICO (USD 96,000), Glyn Limited (USD 156,000) and Digi-Key (USD 47,000).

Acconeer and Alps Alpine signed a joint development agreement of Next-Generation Sensing Technology. 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.

It is the company's assessment that the effects of Covid-19 will 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 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.

SIGNATURES

The income statement and balance sheet will be submitted for adoption
by the Annual General Meeting on 2021-04-27

Lund, 2021-03-24

Thomas Rex
Chairman of the Board

Lars-Erik Wernersson

Git Sturesjö Adolfsson

Bengt Adolfsson

Johan Paulsson

Lars Lindell
Chief Executive Officer

Our auditor's report was submitted on 2021-03-24
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

AUDITOR'S REPORT

To the General Meeting of the Shareholders of Acconeer AB (publ), corporate identity number 556872-7654

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of Acconeer AB for the year 2020. The annual accounts of the company are included on pages 20-21 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of Acconeer AB as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for Acconeer AB.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Acconeer AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1-19 and 42. The Board of Directors and the Managing Director are responsible for this other information. Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and that they give a fair presentation in accordance with the Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit

procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts, we have also audited the administration of the Board of Directors and the Managing Director of Acconeer AB for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of

shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of Acconeer AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss.

At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed

appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

Stockholm 24 March 2021
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant



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