2021

ANNUAL REPORT

CONTENTS

THE YEAR IN BRIEF

THE FINANCIAL YEAR 2021

- Sweden's Innovation Agency granted Acconeer 4 million SEK for research on sleep monitoring using radar. The project is a consortium with Sleepiz based in Switzerland and the University of Gothenburg, Sweden.
- During the year Acconeer received large orders from Digi-Key, Glyn Ltd, CODICO, Mouser Electronics, Asteelflash, Baumüller, EMSYS Design, NEXTY and Drainage Management Systems.
- Acconeer and Alps Alpine signed a joint development agreement of Next-Generation Sensing Technology.
- A distribution agreement was signed with Mouser Electronics.
- A121, a new high-performance product in A1 family, was announced.
- A distribution agreement was signed with Japanese NEXTY.
- It was announced that Acconeer develops a new smaller Entry Module targeting presence use case.
- Acconeer's A1 radar sensor in robotic lawn mower from large European technology company.
- Acconeer announced a rights issue of approximately SEK 140 million before issue expenses.
- Acconeer announced the outcome of the rights issue.

SIGNIFICANT EVENTS AFTER THE PERIOD

- Acconeer received an order from Glyn worth USD 58,500
- Acconeer received an order from Codico worth USD 177,600 and another one from Nexty Electronics worth USD 81,600.
- Acconeer becomes direct customer of GlobalFoundries.
- Acconeer received an order from Nexty worth USD 245,000.

KEY INDICATORS

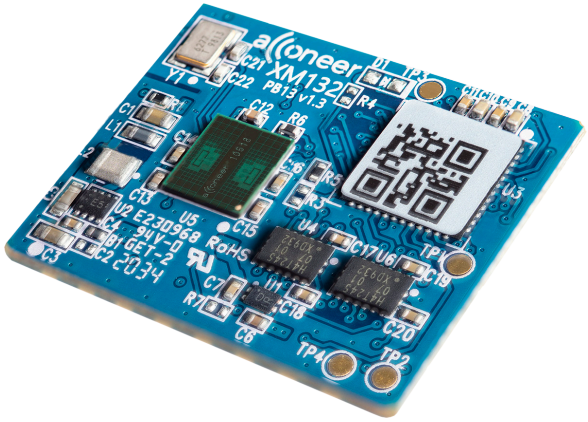
KSEK UNLESS OTHERWISE SPECIFIED	2021	2020
Net sales	31,157	9,505
Gross margin, referring to sales*	71%	61%
Operating result	-51,101	-62,309
Profit or loss after tax	-51,138	-62,312
Cash flow, operating activities	-39,986	-50,800
Cash and cash equivalents, short-term deposits	156,858	82,170
Equity	199,698	120,492
Balance sheet total	223,223	128,442
Basic earnings per share, SEK*	-2.19	-2.85
Diluted earnings per share, SEK*	-2.19	-2.85
Cash flow per share, SEK*	-1.71	-2.32
Number of shares	23,382,500	23,300,500
Average number of shares during the period	23,344,023	21,887,147
Average number of shares during the period after dilution	26,907,164	22,869,147
Equity/Ratio, %*	89	94
Equity per share, SEK*	8.54	5.17
Average number of full-time equivalent employees	41	37

*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

In 2021, Acconeer continued to grow very strongly while we managed to launch a number of new use cases that will drive our growth in 2022. We deepened our collaboration with Alps Alpine in research and development by signing a development agreement for the next generation Pulsed Coherent Radar, A2.



2021 was a year dominated by Covid-19, but in retrospect we can state that research and development has continued as expected. Since we have always had a strategy of having plenty of material in stock for production, we have been able to manufacture and ship sensors at the rate customers have ordered.

The greatest impact of Covid-19 has been seen on the sales and marketing side, where the suites of Covid-19 have created a shortage of components, which has meant that Acconeer has not been able to meet customers' demand for modules. Since our customers' engineers have been focused on redesigning existing products due to the lack of components, they have delayed launches and not started new projects to the extent we had expected. In addition, we have not been able to travel and meet customers to the extent needed. Despite this, we think that Acconeer in research and development has taken great strides forward in 2021.

In March 2021, we announced that Acconeer and Alps Alpine had signed a joint development agreement to develop the next generation of pulsed coherent radar with a view to a wide range of applications in the automotive, industrial and consumer industries. Roughly speaking, the contract stipulates that the companies will share the cost of developing the radar sensor A2, which is expected to be launched in 2024. In addition, Alps Alpine will pay a per unit fee for all sensors sold in the automotive industry. In December 2021, Acconeer closed a financing round worth SEK 140 million, with the main purpose to pay for Acconeer's contribution to the development of A2. The signing of the A2 contract and the financing round were the most significant events in 2021, as we have now ensured that Acconeer does not become a one-product company, but we have the muscles to develop future generations of radar sensors.

In April, we announced a new radar sensor in the A1 family, the A121. A121 which is physically very similar to A111 will be certified for AEC-Q100 grade 2 which is a standard specific to the automotive industry and guarantees a wider temperature range. At the same time, we take the opportunity to reduce the system cost for car manufacturers and improve detection distances and power consumption. A121 will be launched in 2022. In order to successfully develop two new hardware products in parallel, Acconeer has had to expand our R&D organization in 2021, which we will continue to do in 2022

The commercial side also developed very positively during the year, we have good progress in the automotive industry, new areas of use, and the volume has grown in all stages from EVK sales, customer launches to revenue.

The work of launching the first car models has progressed, we received the first volume orders for the car industry already in 2021 and have shipped the first deliveries in March 2022, which makes us confident that car launches will take place in 2022. Our sensor is included in two different products in the automotive industry, "interior detection" and "access control". In "interior detection", our sensor is used to detect living objects inside a car, which seat is occupied and to trigger burglar alarms. In "interior detection", we sell one sensor per seat, five or seven sensors per car, which makes it a big deal. In "access control", our sensor is used to open and close doors or trunks with a foot gesture, usually one sensor per car. In 2021, Acconeer received a "waiver" from the American FCC for the user cases "interior detection" and "access control" and in 2022 we have succeeded in certifying the product against the conditions in our "waiver". As a result, all regulatory barriers should be removed for the US market.

Acconeer continues to launch new innovative products. Three new areas of use have been launched: in the area of "touchless button" we have launched 2 customers who use our sensor for button pressing at pedestrian crossings without touch, we have several customers who launched products that measure levels in sewer systems and we have launched the first robotic lawnmower that uses our sensor for both "object detection" and material recognition where the lawnmower notices the difference between grass and other surfaces.

During the first quarter of 2022 we are about to launch our "Entry Module XM131 Presence", smaller in size and cost than the very popular XM132, which has unfortunately, due to a shortage of components, been constantly sold out since we introduced it. Since we have reduced the number of components on the XM131, we hope it will be easier to deliver modules in high volume.

The sale of evaluation kits is an important first step on the road to customer launches and a proof that the product is attractive. Throughout 2021, sales of evaluation kits have continued at a high level and by the end of 2021 we can conclude that we have sold more than 4,600 evaluation kits since launching on Digi-Key in 2018. This is more than four per day on average in 2021, which we are very happy with. The quality of companies that buy evaluation kits is very high, and among the customers are many large global technology companies.

In addition to sales via distributors, Acconeer runs more than 20 customer projects, which is when we work very close to a customer and help them all the way to launch. We create customer projects for cases that can create very large volumes or are new innovative user cases where we see that if we help the first reference customer launch a good product, it will lead to many more customers in the same area. At the turn of the year, we could count to our customers having launched 64 products, of which 10 were launched in the fourth quarter. The reason why the number of launches is accelerating is the high number of evaluation kits sold in combination with the fact that many customer projects are beginning to mature and lead to launches. We believe that the pipeline we have built will generate more than 10 launches per quarter in 2022. The combination of many new customer launches and existing customers that is growing rapidly has meant that Acconeer's revenues in 2021 grew by more than 200% compared to 2020 with a product margin of over 70%.

We believe that the problems caused by the component shortage will dampen demand throughout 2022. We see no direct consequences from Russia's attack on Ukraine as Acconeer has neither employees nor consultants in the region, but of course there will be an indirect impact as some of Acconeer's customers sell their products in Russia and Ukraine and that the general economy may be adversely affected. Regardless of these problems, we believe Acconeer can continue to grow strongly in 2022.

I feel that the interest in our product is still very large, and we still get the feedback that what we do is unique.

Acconeer's main goal right now is to take advantage of the opportunities to grow quickly, under controlled forms, to maintain a leading position in the field of low-power mobile radar. Expansion is a high priority.

Malmö, 24 March 2022

Lars Lindell, CEO Acconeer AB (publ)

SOLD EVALUATION KITS, MODULES AND SENSORS

	2021 Q1	2021 Q2	2021 Q3	2021 Q4	Accumulated*
EVK	399	461	273	391	4,641
Modules	4,024	2,226	10,723	10,224	32,874
Sensors	74,881	112,256	130,662	159,280	726,410

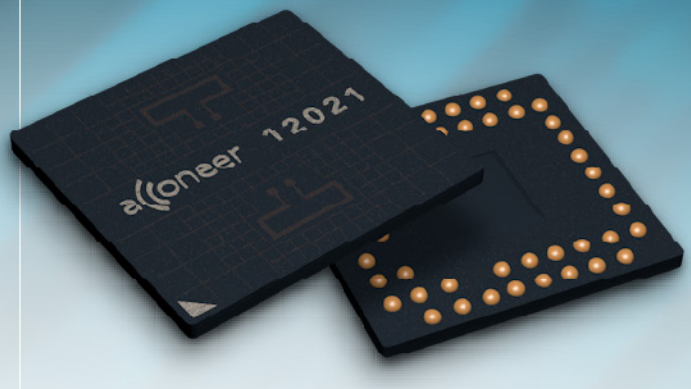
*Accumulated since the products were launched.

CUSTOMER LAUNCHES BY MARKET AND AREA OF USE

	IoT Parking sensors	IoT Smart presence	IoT Wasteman-agement	Industry Level gauge	Robotics Object detection	Other	Total
Europe	8(7)	3(2)	3(2)	8(7)	2(0)	2	26(20)
Japan					2		2
South Korea	4						4
Australia & New Zealand	1(0)			1			2(1)
US				1(0)		3	4(3)
China	9	6(5)		8(7)		1	24(22)
Taiwan	1			1(0)			2
Total	23(21)	9(7)	3(2)	19(16)	4(2)	6	64(54)

The table refers to the accumulated number of customer launches since product launch Q2 2018. Figures in parentheses refer to the number in the previous quarter.

THIS IS ACCONEER



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 2021, Acconeer saw that the launch of customer products took off when a large number of customers released their products to the market, and began mass production of these. 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 which is expected to take a little longer, but important successes were also seen there in 2021, including the first volume order in the industry.

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 four years, and has now been shipped to a number of customers who are in different phasees 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 Malmö. 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.

LISTED ON NASDAQ FIRST NORTH GROWTH MARKET

The Acconeeer 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 and 2019, the international research and advisory company Gartner proclaimed Acconeer as one of their three global "Cool Vendors". In 2020, Gartner included Acconeer in its “Hype Cycle” report on trends in the sensor market.

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 2021, Acconeer had:

- Sold more than 4 evaluation kits per day
- A total of 30 customer launches globally
- Signed a development agreement with Alps Alpine concerning joint development of next generation radar sensor
- Increased revenue by more than 200% with a product margin of more than 70%

The objectives for 2022 are to:

- Continue to sell more than three evaluation kits per day
- Accelerate the launch of customer products to more than ten per quarter
- Launch of the first car model using Acconeer's sensor
- Launch the sensor A121 and the Entry module XM131 presence
- Continue to invest in the development of next generation radar sensor together with Alps Alpine
- Launch customers in new application areas
- Continue to focus on aggressive revenue growth with good margins while continuing to improve the company's result

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

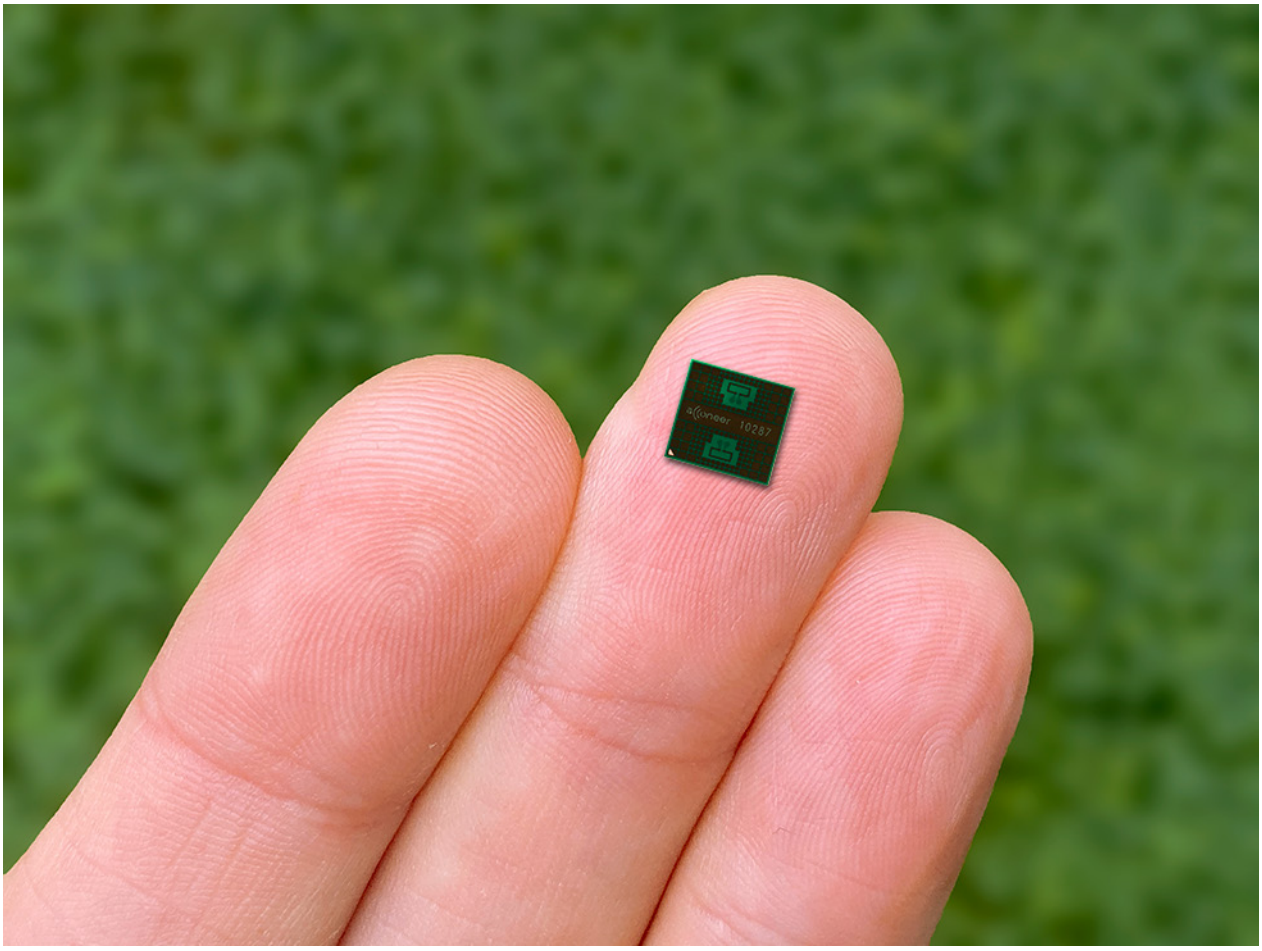
Acconeer's radar sensor provides the opportunity to categorize materials. This feature could be used in a robot vacuum cleaner to avoid puddles of water, or to adapt the power to different surfaces.

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. A robotic lawnmower can similarly detect if it is moving on grass or other surfaces, an area where Acconeer has now seen its first customer launches.

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. Several customers have also used Acconeer's sensor to measure the water level in sewage systems, to prevent flooding and leakage.

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 University of Gothenburg. The Japanese company MaRI also operates in the field, and has successfully developed an application that uses Acconeer's radar to measure heart rate with an accuracy comparable to medical equipment.

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.

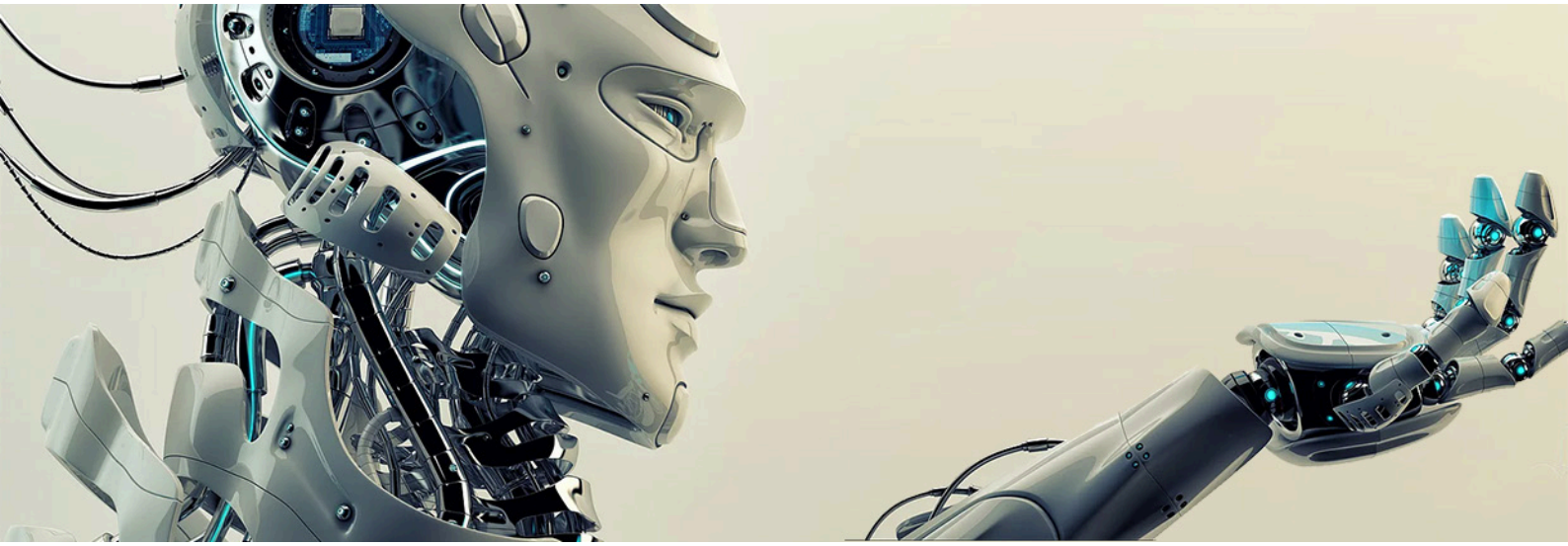
Presence detection inside the car: With the help of Acconeer's radar sensor, a number of use cases inside the car can be implemented. Radar sensors can be used to detect passengers and trigger a reminder to use a seat belt. The same sensors can also detect and warn the driver if a child or pet has been left behind in the car. In addition, the sensors are used to detect and alert in the event of a burglary. .

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 3.7 billion in 2021 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

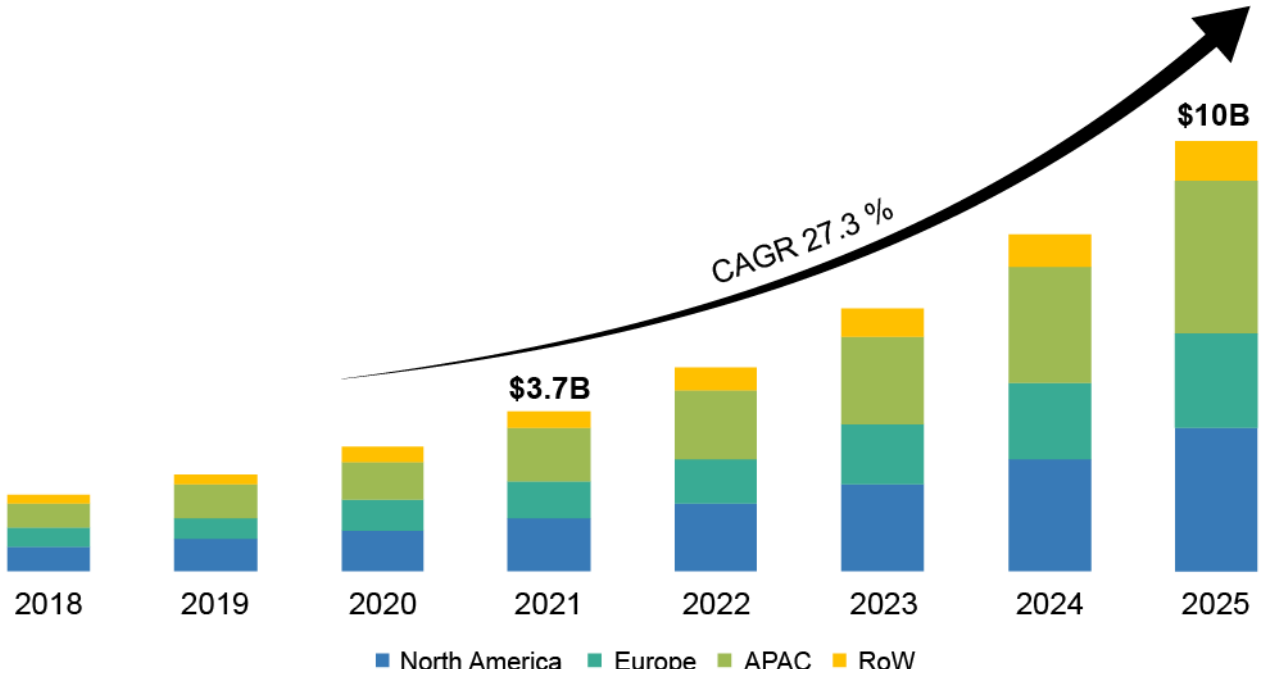
3D sensors usually utilize light (IR) or sound, but sometimes radar as well, to measure depth, a distance or the thickness of an object. They contribute to better understanding and improved procedures in a number of industries and market segments. 3D sensors can be seen as an evolution of the already 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 and Acconeer, 3D sensors market, Global trend & forecast to 2025 (2020).



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). "Continous" 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

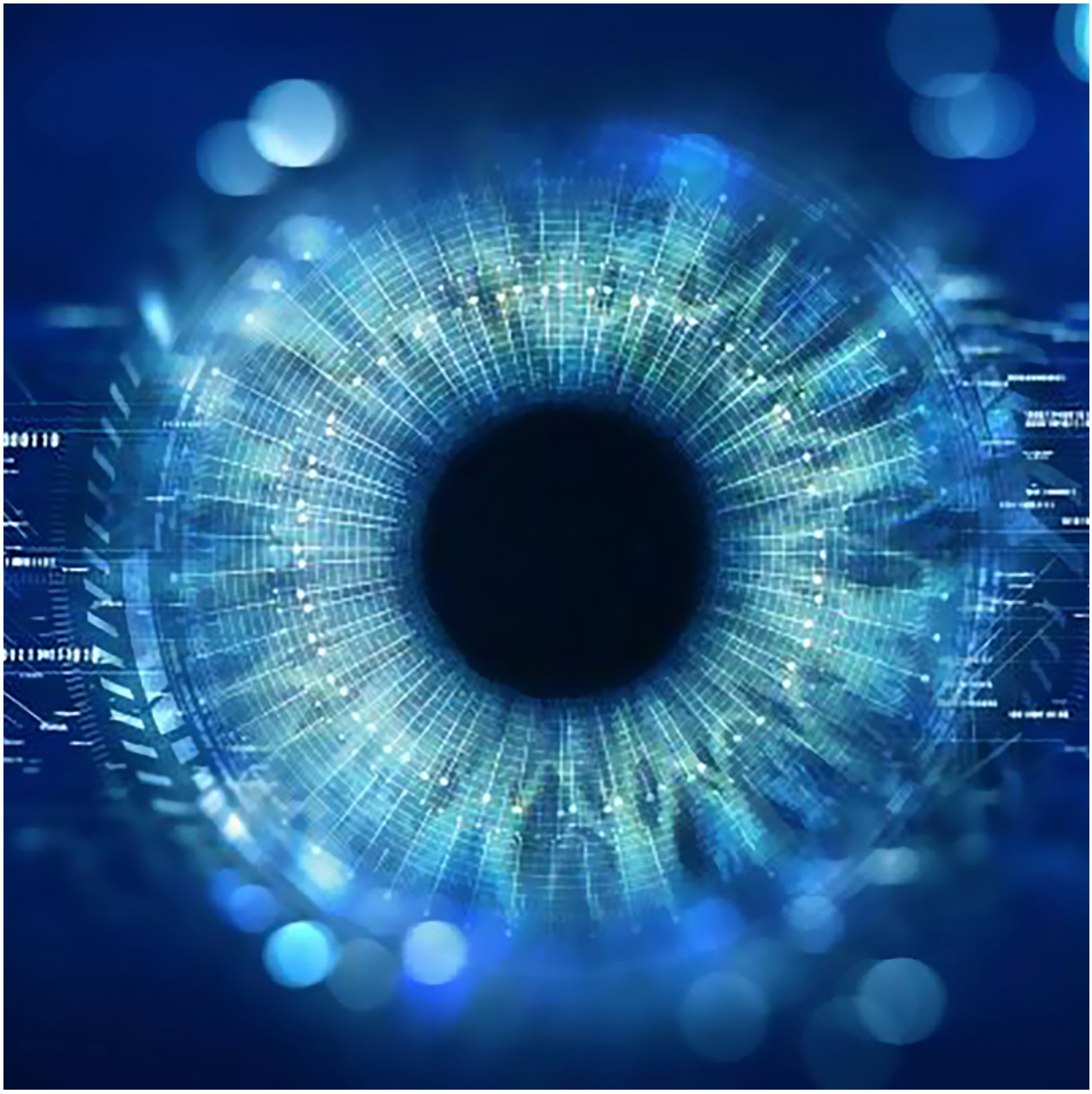
lower accuracy or even failure. A light-based sensor also requires an unobstructed line of sight in order to work, which makes it sensitive to dirt and dust and thus more difficult to integrate in a final product.

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.



SUSTAINABILITY IN ACCONEER

Acconeer's social impact consists of opportunities in the form of innovations, products, and employments, but also of negative imprints in the form of resource consumption or the risk of ethical abuse. In order to make sure our business contribute to a sustainable society and at the same time limit the negative impact, we at Acconeer are now increasing our focus on following up the work with our most important sustainability issues where we have the greatest impact.

Although Acconeer is not obliged to submit a sustainability report, we will begin work on voluntary reporting. Through the follow-up and to continuously report the results of it, we gain better control over our impact and increase the understanding of the outside world's expectations of us. We believe that our reporting and development into an increasingly sustainable company contributes to Acconeer's overall business benefits.

SUSTAINABILITY MANAGEMENT

Sustainability is currently reported internally within Acconeer, but forms part of Acconeer's business strategy and ambitions for 2022 are to identify goals to include in the annual report. Therefore, the management is integrated into the company's ongoing business operations.

ORGANIZATIONAL

The CEO is overall responsible, and ensures that sustainability work is part of the overall business strategy, makes sure that Acconeer manages sustainability risks, implements sustainable working methods in our operations.

The Board has established the overall sustainability strategy (framework) and monitors the work and manages risks.

The CMO monitors the work and compiles it for annual reporting.

The quality manager is responsible for following up key figures, quality certification and ensuring that sustainability work is integrated into the company's quality work.

POLICIES AND CERTIFICATION

The overall guiding document is Acconeers Code of Conduct, which is based on the principles of the UN Global Compact and also implements the Responsible Business Alliance (RBA), which is common in the industry.

In addition to this, there is a quality and environmental policy, a business policy, annually reviewed quality and environment management systems certified according to ISO9001: 2015 and ISO 14001: 2015, and declarations regarding RoHS and REACH.

United Nations Global Compact

THE SUSTAINABILITY WORK IS CENTRED AROUND THE STAKEHOLDERS

To ensure sustainability in the business and operations, Acconeer began working on a sustainability strategy at the end of 2021.

As a first step, the company's primary stakeholders and their expectations of Acconeer were identified. The expectations are currently based on Acconeer's own hypotheses, but will be confirmed or adjusted based on dialogues with stakeholders. Based on this stakeholder analysis, Acconeer has identified its most important sustainability issues, and work on these has been organized into four focus areas:

- A sound business
- Responsible business (Responsible business)
- Care for the environment
- Social responsibility (social responsibility)

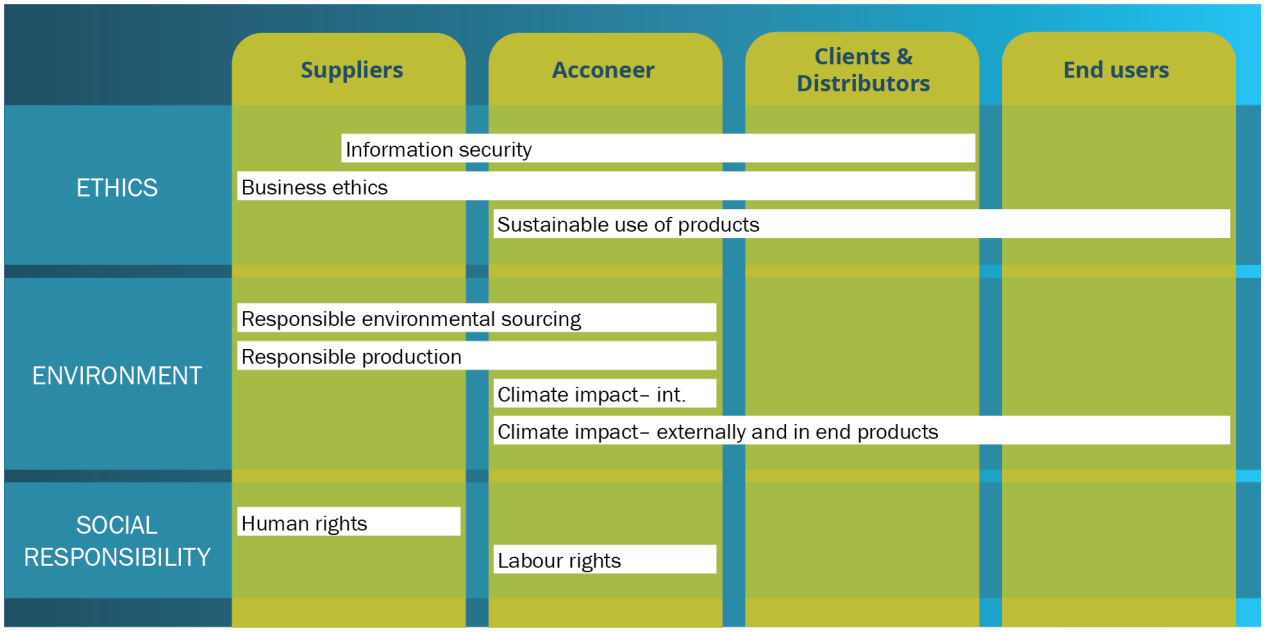
ACCONEERS FRAMEWORK FOR SUSTAINABILITY WORK

The framework ensures that sustainability becomes part of the business by measuring and following up our sustainability work, that the essential areas have clear control via policies and organizational responsibility. It also helps us prioritize activities such as evaluating suppliers based on Acconeer's requirements and encourages our employees to live and work in line with Acconeer's values.

At present, Acconeer has established long-term ambitions for various sustainability issues. Preliminary KPIs for various issues have been listed. In the long term, Acconeer will develop the work and set clear goals and metrics. We believe that work that can be developed together with the company and gradually integrated business operations will create both the best sustainability result and business value.

RESPONSIBILITY THROUGHOUT THE VALUE CHAIN

Acconeer's responsibility for its sustainability issues is not onlhy limited to the company but to the entire value chain. The work in these areas will therefore take place towards suppliers, customers and employees.



A SOUND BUSINESS

Over arching Acconeer's sustainability work and a prerequisite for us to be able to conduct business, is that we deliver high product quality on our sensors and modules and have stable and healthy finances. The description of risks and considerations takes place in the management report on pages 25-27.

ETHICS = RESPONSIBLE BUSINESS

Having an ethical and responsible behaviour in all business is an important matter for Acconeer. In 2021, a Code of Conduct was adopted based on the Responsible Business Alliance (RBA) framework which regulates how employees and consultants are expected to behave when they represent Acconeer.

ENVIRONMENT = CARE FOR THE ENVIRONMENT

Reducing our impact on the environment, and to the extent that it is possible to make a positive contribution, is important to Acconeer. Our management system is certified according to ISO 14001 and our products meet the REACH and RoHs standards with regard to production and product content.

Several of our customers have launched products that contribute to a more sustainable use of resources such as energy and water. We also work continuously to reduce our sensor's power consumption in different use cases. Here our long-term ambition is to reduce the footprint.

SOCIAL RESPONSIBILITY

For Acconeer, social responsibility means that we make demands on suppliers and producers to follow global guidelines for social sustainability, and that we want to be a pioneer as a workplace with good conditions and opportunities for our employees. The former is done by our commitment to comply with the Responsible Business Alliance (RBA), which is also included in our Code of Conduct which is available via our website.

Acconeer conducts an annual employee survey that provides an indication of how employees view their employer. The result of this is followed up with measures if necessary.

UN GLOBAL DEVELOPMENT GOALS

In 2015, the member states of the UN agreed on 17 common development goals to reach the year 2030 in order to reduce poverty and environmental problems in the world. Companies have, via the Swedish state, undertaken to contribute to these goals.

Based on our most important sustainability issues, Acconeer has selected a number of the UN's global development goals that we have chosen to work with in the first instance. As Acconeer follows up its sustainability work from 2022, the company will also report on its contribution to the goals.

HISTORY

700,000
sensors delivered

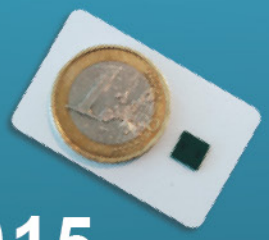
At the end of 2021, the company had sold 4641 developement kits and counted in total 64 launched customer projects

2021 Agreement with Alps Alpine for the next generation radar sensor A2 and start of developing it

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

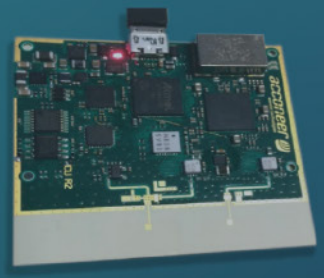
2017 IPO, new share issue amounting to MSEK 180, approximately 4,000 new owners



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



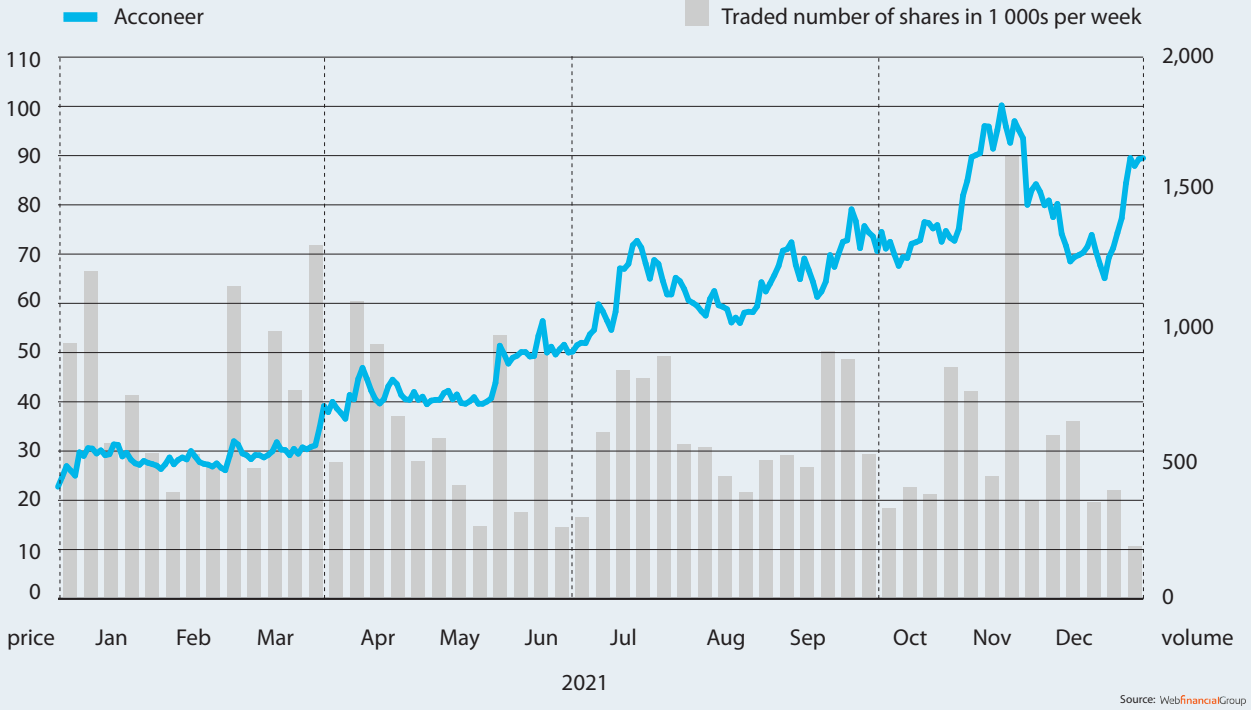
2007 The founders begin research at the nano electronics group at LTH

THE TEN LARGEST OWNERS

2021-12-31

NAME	NUMBER OF SHARES	SHARE %
BGA Invest AB	2,989,250	11.62
Avanza Pension	2,010,913	7,82
Alps Alpine CO LTD	1,854,300	7.21
Swedbank Försäkring	963,925	3,75
Nordnet Pensionsförsäkring	820,832	3.19
Ardventor AB/ Egard, Mikael	581,850	2,26
Ärlelid, Mats	571,100	2.22
Lars Erik Wernersson	556,500	2.16
Skandinaviska Enskilda Banken S.A	280,000	1.09
Lars Ingvarsson	240,525	0.94
	10,869,195	**42,26**
Other shareholders	14,851,555	57,74
Total number of shares	**25,720,750**	**100%**

THE SHARE



Source: WebfinancialGroup

FINANCIAL CALENDAR

Annual General Meeting 2022..... 2022-04-26
Q1 Interim report 2022 2022-04-22
Q2 Interim report 2022 2022-07-22
Q3 Interim report 2022 2022-10-28
Year-end report 2022.....2023-02-17
Annual Report 2022.....2023-03-23

The Annual General Meeting will be held on Tuesday, 26 April 2022. More information about time and place 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 126.786 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 NordAmps 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 ADOLFSSON

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.
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. Deputy board member of Watersprint AB.
Shareholding: 2,989,250 shares (through the company BGA INVEST AB).

BENGT ADOLFSSON

Born in 1949. Member of the board since 2015.
Education and experience: Economics, Växjö University.
Other current assignments: CEO, Chairman of the board and majority owner of BGA INVEST AB. Member of the boards of Minesto AB, Minesto Warrants One AB, Smart Refill i Hbg.
Previous assignments: Chairman of the board and CEO of Hilding Anders. 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: 2,989,250 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. Board member GARO AB.
Previous assignments: Board member poLight A/S.
Shareholding: Privat holding of 198,603 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 90,172 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 17,882 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 581,850 shares and 47,570 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: Private holding of 6350 shares.

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 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 58,522 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 13,255 shares and 70,762 warrants.

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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: 2,200 shares and 42,218 warrants.

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of Acconeer AB hereby present the annual report for the financial year 2021-01-01 - 2021-12-31
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 Malmö, Sweden.

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

In 2021 Acconeer and Alps Alpine signed a joint development agreement to develop next generation patented Pulse Coherent sensors.

A rights issue was carried out and Acconeer received approximately SEK 140 million before deduction of issue expenses.

A distribution agreement was signed with Nexty and Acconeer received its first volume order related to the automotive industry.

Events in 2021

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

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

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

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

On March 19 it was announced that Acconeer AB and Alps Alpine Co., Ltd. had signed a joint development agreement to develop next generation patented Pulse Coherent sensors, targeting a wide range of applications in the automotive, industrial and consumer segments including mobile phones. The contract is based on the principles in the MoU signed and announced in April 2020, and prescribes that Alps Alpine will contribute up to USD 6 million towards the development of which USD 3.85 million is paid as a Non Recurring Engineering fee and the balance will be invested in tools and third party IP. In return, Alps Alpine will receive exclusivity for the new product for the automotive market. The product is planned to be ready for production during 2024.

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

On April 22 Acconeer announced a new product in the A1 pulsed coherent radar family, based on the design of A111 but with extended performance. The product is planned to be ready for massproduction in the second half of 2022.

The Annual General Meeting was held on April 27.

In May Acconeer signed a distribution agreement with Japanese NEXTY Electronics. NEXTY, a core company of the Toyota Tsusho Group's electronics business, is a leading Japanese distributor with especially strong coverage of companies in the automotive sector.

In June Acconeer received an order from CODICO worth USD 125,000. The order related to the A1 radar sensor for European customers' mass production.

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

At the end of September it was announced that Acconeer develops a new smaller Entry Module

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

In early October it was announced that Acconeer received an order from CODICO worth USD 91,000. The order related to Acconeer's A111 radar sensor for European customers' mass production.

Later in October Acconeer received an order from Digi-Key worth USD 59,000. The order related to XM132 Entry Module for customers' mass production.

On November 3 it was announced that the A1 pulsed coherent radar sensor from Acconeer is used for surface classification and obstacle detection in a recently launched robotic lawn mower from one of the leading European manufacturers in the garden segment. The total potential value of the project going forward is estimated to US$ 600 thousand annually for Acconeer.

Acconeer received an order from Asteelflash worth UDS 82,300 in November. The order related to Acconeer's XM132 Entry Module for European customer mass production. Asteelflash is a European specialist EMS company.

It was announced that the board of directors of Acconeer AB ("Acconeer" or the "Company") had, based on the authorization from the annual general meeting on 27 April 2021, resolved to carry out a rights issue of shares with preferential rights for the Company's existing shareholders of approximately SEK 140 million (the "Rights Issue") on November 22. The Company had received subscription commitments from a selection of the Company's largest shareholders, board members and senior executives, amounting to approximately SEK 29 million, corresponding to approximately 21 percent of the Rights Issue. Furthermore, the Company had entered into agreements on guarantee commitments of approximately SEK 90 million, which means that the Rights Issue was secured to approximately 85 percent.

On November 29 Acconeer published prospectus in connection with forthcoming rights issue.

In the beginning of December Acconeer received an order from Baumüller worth USD 112,900. The order related to A1 Pulsed Coherent Radar sensor for European customer mass production. Baumüller Nürnberg GMBH is a is a leading manufacturer of electric drive and automation systems.

An order from EMSYS Design worth USD 87,780 was received on December 7. The order related to A1 Pulsed Coherent Radar sensor for mass production. EMSYS Design LCC is a company providing industrial applications.

A supplementary prospectus was published on December 9.

Acconeer received an order from Nexty worth USD 163,000 on December 17. The order related to A1 Pulsed Coherent Radar sensor for mass production.

The outcome of the rights issue was announced on December 20. The final count in the Rights Issue showed that 2,310,373 shares, corresponding to approximately 99 per cent of the Rights Issue, had been subscribed for by the exercise of subscription rights. Furthermore, 2,465,919 shares were subscribed for without subscription rights, corresponding to approximately 105 per cent of the Rights Issue. The final outcome showed that the Rights Issue had been oversubscribed. Through the Rights Issue, Acconeer received approximately SEK 140 million before deduction of transaction costs.

The last large order of the year was received from Drainage Management Services on December 21. It was worth USD 60,000 and related to A1 Pulsed Coherent Radar sensor for mass production. Drainage Management Services Ltd is a UK-based company providing monitoring solutions for drainage and sewage systems.

Events after the end of the year

On February 8 2022 Acconeer received an order from Glyn worth USD 58,500. The order related to Acconeer's A1 radar sensor intended for customer mass production in the Asia Pacific region. Based in New Zealand, Glyn Ltd is established as a leading distributor in New Zealand and Australia.

On February 17 Acconeer received an order from Codico worth USD 177 600 and another one from Nexty Electronics worth USD 81 600. Both orders related to Acconeer's A1 pulsed coherent radar sensor for customers' mass production.

February 25 it was announced that Acconeer will become a direct customer of GlobalFoundries. Contract discussions commenced immediately and should be closed before end 2022. GlobalFoundries Inc. is one of the world's leading semiconductor contract manufacturing companies, where Acconeer produces their semiconductor wafers.

On March 14 Acconeer received an order from Nexty worth USD 245,000. It is Acconeer's third volume order for the automotive industry. It related to Acconeer's A111 Pulsed Coherent Radar sensor for mass production.

SIGNIFICANT CIRCUMSTANCES

The company had one major owner (more than 10%) on 2021-12-31: BGA Invest (11,62%).

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 continously 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 production of modules will be affected by a global shortage of processors that has arisen in connection with Covid-19. Regarding demand for the company's products, we expect further delays in customer projects, fewer newly started projects and that our customers' production rate will be affected by the lack of processors.

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

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.

Risks regarding purchase of materials for production

Acconeer is dependent on being able to purchase certain materials and components for the production of radar modules. There is a risk that the price of the materials and components that the Company uses for production increases, which will increase the Company's costs and thereby affect the Company's earnings and financial position in a negative way. Furthermore, certain materials that the Company need are produced from a limited number of suppliers. Should such suppliers not deliver products according to the Company's specifications, or at all, and replacement providers are not possible to find to acceptable conditions, this may have a negative impact on The company's ability to deliver products in desired extent and that can lead to loss of revenue.

Risks with "tape-out" and production return

Acconeer designs pattern drawings that describe in detail how the commercial circuit is to be manufactured. These drawings are delivered to the factory partner through a so-called "tape-out". Factory partners design production equipment and return commercial prototypes that Acconeer validates. In the event that commercial samples would not have the expected quality, there is a risk that the process will have to be repeated one or more times, which could lead to significant delays in launch and large costs. Furthermore, there are no guarantees that the production yield will be high enough to achieve the gross margins Acconeer wants.

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.

The Board of Directors and the Chief Executive Officer of Acconeer AB hereby present the annual report for the financial year 2021-01-01 - 2021-12-31.

MULTIPLE YEAR OVERVIEW

AMOUNTS IN KSEK	2021	2020	2019	2018	2017
Net sales	31,157	9,505	5,508	953	33
Operating result	-51,101	-62,309	-68,562	-39,044	-23,073
Balance sheet total	223,223	128,442	130,202	194,498	243,067
Solidity %	89	94	92	95	92

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 2021-01-01	**1,165**	**17,942**	**333,689**	**-232,304**	**120,492**
New share issue	117		140,178		140,295
Exercise of subscription warrants/ new shares	4		4,931		4,935
Issue expenses			-14,886		-14,886
Capitalisation fund for development costs		2,215		-2,215	0
Dissolution of deprecation of development costs		-6,525		6,525	0
Net profit or loss for the year				-51,138	-51,138
Closing balance equity 2021-12-31	**1,286**	**13,632**	**463,912**	**-279,132**	**199,698**

AMOUNTS IN KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL
Opening balance equity 2020-01-01	**926**	**24,466**	**271,267**	**-176,516**	**120,179**
New share issue	**203**		64,789		64,992
Issuance of warrants			835		835
Issue expenses			-3,203		-3,203
Reversal of capitalised 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**

PROPOSED APPROPRIATIONS OF PROFIT OR LOSS

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

	Amount
Retained loss	-227,994,105
Premium reserve	463,911,692
Loss for the year	-51,138,004
Total	**184,779,583**

The Board of Directors proposes the following distribution:

To be retained	**184,779,583**

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	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Net sales		31,157,452	9,505,155
Cost of goods sold	2	-5,827,914	-3,748,972
Gross profit		**25,329,538**	**5,756,183**
Operating expenses	3-12		
Sales expenses		-19,562,346	-18,026,626
Administrative expenses		-12,347,057	-11,562,198
Research and Development expenses		-47,103,130	-40,262,995
Other operating income/ expenses		2,581,805	1,787,077
Operating result		**-51,101,190**	**-62,308,559**
Result from financial items			
Financial income		0	0
Financial expense	13,14	-36,814	-2,503
Net financial income/expense		**-36,814**	**-2,503**
Profit or loss before tax		**-51,138,004**	**-62,311,062**
Tax		**-**	**-**
Net profit or loss for the year		**-51,138,004**	**-62,311,062**

BALANCE SHEET

AMOUNTS IN SEK	NOTE 1	2021-12-31	2020-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Capitalised development costs	8	18,280,940	25,246,478
Patents	9	1,983,268	1,824,264
		20,264,208	**27,070,742**
Tangible fixed assets			
Machinery and other technical equipment	10	1,675,897	3,213,347
Equipment, tools, fixtures and fittings	11	2,576,911	158,605
Assets under construction and advance payments referring to tangible fixed assets	15	7,552,744	0
		11,805,552	**3,371,952**
Financial fixed assets			
Participations in Group companies	16,17	832,000	842,000
		832,000	**842,000**
Total fixed assets		**32,901,760**	**31,284,694**
Current assets			
Inventories, etc.			
Work in progress		9,938,707	5,192,346
Finished goods and merchandise		3,453,434	2,463,273
		13,392,141	**7,655,619**
Short-term receivables			
Accounts receivable		3,557,692	1,967,493
Receivables from Group companies		820,905	1,493,995
Current tax assets		469,230	161,496
Other receivables	18	5,823,591	609,541
Prepayments and accrued income	19	9,400,240	3,099,240
		20,071,658	**7,331,765**
Cash and bank balances			
Cash and bank balances		156,857,771	82,169,945
Total current assets		**190,321,570**	**97,157,329**
TOTAL ASSETS		**223,223,330**	**128,442,023**

BALANCE SHEET (CONT'D)

AMOUNTS IN SEK	NOTE 1	2021-12-31	2020-12-31
EQUITY AND LIABILITIES			
Equity	20		
Restricted equity			
Share capital		1,169,125	1,165,025
Non-registered share capital		116,912	
Fund for development costs		13,632,451	17,941,719
		14,918,488	**19,106,744**
Non-restricted equity			
Share premium reserve		463,911,692	333,688,882
Retained profit or loss		-227,994,105	-169,992,310
Net profit or loss for the year		-51,138,004	-62,311,062
		184,779,583	**101,385,510**
Total equity		**199,698,071**	**120,492,254**
Short-term liabilities			
Advances from customers		118,244	0
Accounts payable		6,311,843	1,095,120
Other liabilities		780,863	661,751
Accruals and deferred income	21	16,314,309	6,192,898
		23,525,259	**7,949,769**
TOTAL EQUITY AND LIABILITIES		**223,223,330**	**128,442,023**

CASH FLOW STATEMENT

AMOUNTS IN SEK	NOTE 1	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Operating activities			
Result after financial items		-51,138,004	-62,311,062
Adjustments for items not included in cash flow	21	11,446,520	11,774,640
Income tax paid		-307,735	-263,695
Cash flow from operating activities before change in working capital		**-39,999,219**	**-50,800,117**
Cash flow from change in working capital			
Change in inventories		-5,736,521	-1,801,969
Change in receivables		-1,590,199	-921,800
Change in short-term receivables		-10,841,960	-895,895
Change in trade payables		5,216,724	-1,835,968
Change in current liabilities		10,358,763	-135,349
Cash flow from operating activities		**-42,592,412**	**-56,391,098**
Investing activities			
Investments in intangible fixed assets		-2,644,740	-322,993
Investments in tangible fixed assets		-10,422,653	-1,694,322
Sales of financial assets		3,808	0
Cash flow from investing activities		-13,063,585	**-2,017,315**
Financing activities			
New share issue after issue expenses		130,343,823	61,789,799
Issue of warrants		0	835,000
Cash flow from financing activities		**130,343,823**	**62,624,799**
CASH FLOW FOR THE YEAR		**74,687,826**	**4,216,386**
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the beginning of the year		82,169,945	77,953,559
Cash and cash equivalents at the end of the year		**156,857,771**	**82,169,945**

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 exhange 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.

The accounting polocoes are unchanged compared with the previous year.

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.

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 termsIn 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 för 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 deprecitation/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
Fixtures and fittings on leased property	4-5 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. 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 61,232 and the number of shares by 1,224,641 corresponding to a dilutive effect of approximately 5.2 percent.

The warrant programs are distributed as follows:
2019/2022, paid subscription price per warrant SEK 2.35, subscription price per share SEK 29.27 during 2022, 300,000 warrants.
2019/2022 paid subscription price per warrant SEK 1.45, subscription price per share SEK 29.27 during 2022, 300,000 warrants.
2020/2023, paid subscription price per warrant SEK 2.00, subscription price per share SEK 21.13 during 2022, 150,000 options.
2020/2023 paid subscription price per warrant SEK 3.57, subscription price per share SEK 21.13 during 2023,150 000 warrants.
2021/2024 paid subscription price per warrant SEK 5.06, subscription price per share 55.27 SEK during 2024, 217,503 warrants.
2021/2024 paid subscription price per warrant SEK 11.44, subscription price per share SEK 112.48 during 2024, 107,138 warrants.

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 insitutions 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

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
License and royalties	33,293	0
BYDA grant	365,235	0
WASP grant	180,000	750,000
Vinnova grant	1,190,762	745,082
Sick pay compensation due to Corona regulations	0	13,574
Other operating income	1,617,083	278,421
	3,386,319	**1,787,077**

NOTE 3 OPERATING EXPENSES BY COST CATEGORY

	2021 FULL YEAR	2020 FULL YEAR
Other operating income	-3,386,318	-1,787,077
Raw materials and consumables	5,935,829	3,848,347
Other external costs	24,477,337	23,751,602
Personnel costs	45,205,759	33,833,849
Depreciation of fixed tangible and intangible assets	11,436,520	11,774,640
Other operating costs	804,514	392,353
	84,473,641	**1,787,077**

The Board's costs are included in Other external costs with SEK 571 200 (567 600) and are also 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 8,478 (6,072) and depreciation of tangible and intangible fixed assets to kSEK 11,437 (11,775). After a re-examination of the allocation of costs in connection with this report a redistribution regarding the management function was made. In the previous year's report, SEK 11,276 was reported as cost of the operation and management function.
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

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Salaries and remunerations		
Directors and Chief Executive Officer*)	1,936,401	1,971,386
Other employees	29,614,840	23,497,922
	31,551,241	**25,469,308**
Social security contributions		
Pension costs for directors and CEO	469,185	322,284
Pension costs for other employees	2,906,474	2,582,414
Other statutory and contractual social security contributions	10,179,107	5,777,886
	13,554,766	**8,682,584**
Total salaries, remunerations, social security contributions and pension costs	**45,106,007**	**34,151,892**

*) 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	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Sweden	41	37
Of whom men	36	32
Total	**41**	**37**
Gender distribution of the Board and management		
Percentage of women, %		
Board of Directors	20	20
Other executive directors	11	11

NOTE 7 REMUNERATION AND OTHER BENEFITS

2021-01-01 - 2021-12-31	BASE PAY	VARIABLE PAY	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Remuneration and benefits					
Chief Executive Officer	1,340,929	137,745	4,104	469,185	1,951,963
Other executive directors*)	5,394,232	553,382	6,155	851,583	6,805,352
	6,735,161	**691,127**	**10,259**	**1,320,768**	**8,757,315**

2020-01-01 - 2021-12-31	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**

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

NOTE 8 CAPITALISED DEVELOPMENT COSTS

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Cost, opening balance	45,902,688	45,902 688
Capitalisation own work for the year	2,215,000	**0**
Accumulated cost, closing balance	**48 117 688**	**45,902,688**
Amortisation, opening balance	-20,656,210	-11,475,672
Amortisation for the year	-9,180,538	-9,180,538
Accumulated amortisation, closing balance	**-29,836,748**	**-20,656,210**
Carrying amount	**18,280,940**	**25,246,478**

NOTE 9 PATENTS

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Cost, opening balance	2,565,339	2,242,346
Acquisitions	429,740	322,993
Accumulated cost, closing balance	**2,995,079**	**2,565,339**
Amortisation, opening balance	-741,075	-501,991
Amortisation for the year	-270,736	-239,084
Accumulated amortisation, closing balance	**-1,011,811**	**-741,075**
Carrying amount	**1,983,268**	**1,824,264**

NOTE 10 MACHINERY AND OTHER TECHNICAL EQUIPMENT

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Cost, opening balance	12,202,400	10,573,640
Purchases	7,245,320	1,628,760
Reclassification	-7,062,735	0
Accumulated cost, closing balance	**12,384,985**	**12,202,400**
Depreciation, opening balance	-8,989,053	-6,689,783
Depreciation for the year	-1,720,035	-2,299,270
Accumulated depreciation, closing balance	**-10,709,088**	**-8,989,053**
Carrying amount	**1,675,897**	**3,213,347**

NOTE 11 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Cost, opening balance	314,836	249,274
Purchases	2,687,325	65,562
Sale/disposal	-17,564	0
Accumulated cost, closing balance	**2,984,597**	**314,836**
Depreciation, opening balance	-156,231	-100,483
Sale/disposal	13,756	0
Depreciation for the year	-265,211	-55,748
Accumulated depreciation, closing balance	**-407,686**	**-156,231**
Carrying amount	**2,576,911**	**158,605**

NOTE 12 TRANSACTIONS BETWEEN GROUP COMPANIES

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
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 RESULT PARTICIPATIONS IN GROUP COMPANIES

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Impairment, participations in Group Companies	10,000	0
	10,000	**0**

NOTE 14 INTEREST COSTS AND SIMILAR ITEMS

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Interest costs	26,814	2,503
	26,814	**2,503**

NOTE 15 FIXED ASSETS UNDER CONSTRUCTION AND ADVANCE PAYMENTS REFERRING TO TANGIBLE FIXED ASSETS

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Machinery and technical equipment	7,062,735	0
Fixtures and fittings leased property	490,009	0
	7,552,744	**0**

NOTE 16 PARTICIPATIONS IN GROUP COMPANIES

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Acquisition value, opening balance	842 000	842,000
Impairment	-10,000	0
Accumulated cost, closing balance	**-832,000**	**842,000**
Carrying amount	**832,000**	**842,000**

NOTE 17 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 18 OTHER RECEIVABLES

	2021-12-31	2020-12-31
Recoverable VAT	1,318,123	322,368
Accrued income not yet invoiced	4,117,900	0
Other receivables	387,568	287,173
	5 823 591	**609,541**

NOT 19 PREPAID EXPENSES AND ACCRUED INCOME

	2021-01-01 -2021-12-31	2020-01-01 -2020-12-31
Advance to supplier	4,170,497	1,942,915
Prepaid rent	591,211	302,101
Rent deposition	1,302,190	0
Other prepaid expenses	3,336,342	854,224
	9,400,240	**3,099,240**

NOTE 20 NUMBER OF SHARES AND QUOTA VALUE

NAME	NUMBER OF SHARES	QUOTA VALUE
Number of A shares	23 382 500	0.05
	23 382 500	

NOTE 21 ACCRUALS AND DEFERRED INCOME

	2021-12-31	2020-12-31
Accrued holiday pay	1,969,259	1,695,079
Accrued social security cost	618,741	532,594
Special payroll tax	874,968	704,680
Deferred grant Vinnova	956,029	85,716
Deferred income	703,724	449,534
Accrued Directors' fees	571,200	567,600
Accrued bonus incl. social security cost	3,503,669	825,833
Employers contributions referring to RnD	3,894,114	0
Discount rent	720,000	0
Other accrued expenses	2,502,605	1,331,862
	16,314,309	**6,192,898**

NOTE 22 NON-CASH ITEMS

	2021-12-31	2020-12-31
Depreciation	11,436,520	11,774,640
Impairment, participations in Group Companies	10,000	0
	11 446 520	**11,774,640**

NOTE 23 RELATED PARTY TRANSACTIONS

No related party transactions except for directors' fees.

NOTE 24 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On February 8 2022 Acconeer received an order from Glyn worth USD 58,500. The order related to Acconeer's A1 radar sensor intended for customer mass production in the Asia Pacific region. Based in New Zealand, Glyn Ltd is established as a leading distributor in New Zealand and Australia.

On February 17 Acconeer received an order from Codico worth USD 177 600 and another one from Nexty Electronics worth USD 81 600. Both orders related to Acconeer's A1 pulsed coherent radar sensor for customers' mass production.

On February 25 it was announced that Acconeer will become a direct customer of GlobalFoundries. Contract discussions commenced immediately and should be closed before end 2022. GlobalFoundries Inc. is one of the world's leading semiconductor contract manufacturing companies, where Acconeer produces their semiconductor wafers.

On March 14 Acconeer received an order from Nexty worth USD 245,000. It is Acconeer's third volume order for the automotive industry and it related to Acconeer's A111 Pulsed Coherent Radar sensor for mass production.

SIGNATURES

The income statement and balance sheet will be submitted for adoption
by the Annual General Meeting on 2022-04-26

Malmö, 2022-03-24

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 2022-03-24
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 2021. The annual accounts of the company are included on pages 24-42 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 2021 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.

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 Director's and the Managing Director.
- Conclude on the appropriateness of the Board of Director's 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 Director's and the Managing Director of Acconeer AB for the year 2021 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 Director's 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 Director's 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.

Lund 24 March 2022
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Authorized Public Accountant

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