
acconeer
2019
ANNUAL REPORT

CONTENTS

THE YEAR IN BRIEF

THE FINANCIAL YEAR 2019

- Distribution agreements were signed with Chip Power Technology Corp, Glyn Limited, CODICO GmbH and Restar Electronics Corporation.
- Acconeer received orders amounting to total of USD 614,600 in 2019.
- A strategic partnership was signed with Alps Alpine and the first customer project was announced.
- Acconeer announced plans for AEC Q-100 certification for the automotive industry.
- The company launched dielectric lenses for increased range.
- XM122 was launched, a coin cell battery powered module optimized for IoT use.
- Acconeer was selected as Cool Vendor by Gartner for the second time.
- SparkFun Electronics reintroduced A111 Pulsed Radar Board.
- Acconeer published two new focus use cases in presence detection on the company's website.
- In the year-end report it was announced that the gross margin was 61% for the fourth quarter 2019.
- In 2019, Acconeer sold 1164 evaluation kits
- The total number of customer launches was 14.

SIGNIFICANT EVENTS AFTER THE PERIOD

- After the end of the financial year, Acconeer received orders from Glyn Limited (USD 12,800), Digi-Key (USD 15,100) and CODICO (USD 62,700).
- The company announced that it has supplied more than 100,000 radar sensors to customers and distributors.
- An order from a European customer worth USD 14,700 was received. The order relates to Acconeer's A1 radar sensor, for production of the customer's IoT solution.
- It was announced that Acconeer develops an integration-ready Entry Module with low system cost. The module is planned to be launched in the second half of 2020.
- It is the company's assessment that the effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2019	2018
Net sales	5 508	953
Operating result	-68,562	-39,044
Net profit or loss for the period	-68,539	-39,079
Cash flow, operating activities	-56,859	-36,197
Cash and cash equivalents, short-term deposits	77,954	136,214
Equity	120,179	185,232
Balance sheet total	130,202	194,498
Basic earnings per share, SEK*	-3.58	-2.05
Diluted earnings per share, SEK*	-3.58	-2.05
Cash flow per share, SEK*	-2.97	-1.90
Number of shares	19,238,500	19,079,500
Average number of shares during the period	19,164,881	19,036,167
Equity/Ratio, %*	92	95
Equity per share, SEK*	6.25	9.71
Average number of full-time equivalent employees	35	25

*DEFINITIONS OF INDICATORS

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

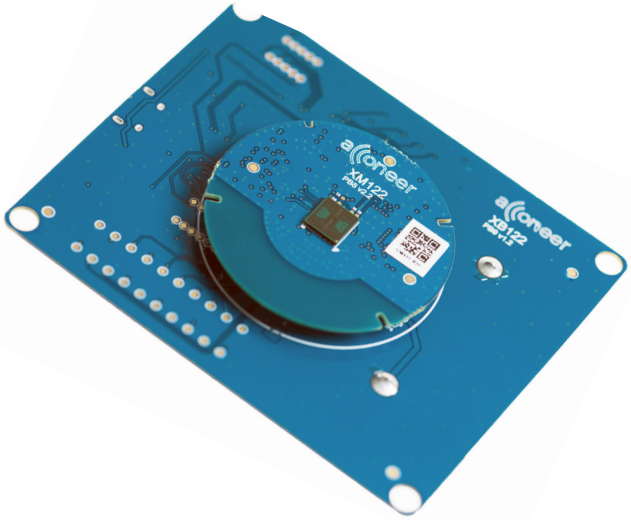
Acconeer made its commercial breakthrough in 2019

Acconeer achieved its commercial breakthrough in 2019. During the year, we saw 14 customers launch products in the areas designated as primary focus areas: parking sensors, level measurement, presence detection, and Robotics. Geographically, six of these customers are located in China, three in Europe, two in Korea, and one in the United States, Japan, and New Zealand. A proliferation of customers that shows the strength of the global distributor network we have built up. During the year, Acconeer also signed a strategic collaboration agreement with Alps Alpine, a leading global system supplier to the automotive industry, and at the same time announced our first design wins in the automotive industry.

The sale of evaluation kits is an important first step on the road to customer launches and an acknowledgment that the product is attractive. Throughout 2019, sales of evaluation kits have accelerated, and by the end of the year, we can conclude that we have sold nearly 1,600 evaluation kits since launching on Digi-Key, of which a total of 430 were sold in the fourth quarter. This translates to more than four per day on average, which we are delighted with. The quality of companies that buy evaluation kits is very high, and among the customers, there are many large global technology companies.

In 2019, Acconeer worked intensively to develop our market channels, and we now have sales through three different ones: direct sales, sales via distributors, and system integrators. Our network of distributors is soon complete with eight local distributors covering all major markets, as well as Digi-Key, which sells globally. This means that all customers have a choice of at least two ways to buy our products, creating a healthy competition between our distributors.

In the semiconductor industry, it is expected that it takes between 12 and 24 months from a product



launch to a customer launch. Twenty-four months after we launched our product, we have seen 14 customer launches, more than 100,000 sensors sold, and an incredibly strong pipeline of customers intending to launch. Gross margin is an important variable in the semiconductor industry, and our margin for 2019 reached the high figure of 61 percent, which we believe will decrease somewhat as larger customers launch high-volume products. Our goal is to over time have margins between 40 and 60 percent, which is in par with the semiconductor industry in general.

Acconeer will continue to invest heavily in research and product development as well as in patents, entirely in line with what a product company should do. The company now has 8 patent families with a total of 16 patents granted and 12 pending patent applications. The patent portfolio covers various geographical regions - the United States, Europe, China, Japan, and Korea. Most gratifying is that the system patent for Acconeer's pulsed coherent radar has now been granted in both the US and China.

Acconeer continues to launch new innovative products. An earlier limitation of our product was that the range was limited to about two meters depending on the application. For this reason, we started

experimenting with dielectric lenses made of plastic that focus the radar signal. In 2019, we launched these lenses, and now we can measure objects up to 10 meters away, which opens up for a large number of new applications. We also launched our IoT module XM122, which many of our customers demanded. Our IoT module can be operated for several years on only one coin cell battery, which is made possible by our sensor's low power consumption. Both products are as far as we can see unique on the global market.

Radar components in mobile phones gained their breakthrough in 2019 through Google's launch of Pixel 4, where radar is used for gesture control. Google's Pixel 4 uses a 60 GHz radar from our closest radar competitor Infineon. Students at the University of Zurich have completely independently made a comparison between Infineon's radar and Acconeer's radar, where they find that our radar is better at power consumption, accuracy, and memory usage. Acconeer has long researched in the area of gesture control, and during CES, we presented an application for gesture control of headphones together with Imagimob, who are experts in edge AI.

I find that the interest in our product remains very high, and we still get the feedback that what we do is unique. The icing on the cake was that Gartner, the world's largest analysis house, nominated Acconeer's sensor for the second time as a "cool vendor" globally in sensor technology.

The company assesses that the effects of Covid-19 will have a limited impact on operations in 2020. We do not see any effect on either the development or the manufacturing side. Regarding the demand for the company's products, it is likely that some customer projects will be delayed. Still, our assessment is that this is within the uncertainty margin that always exists.

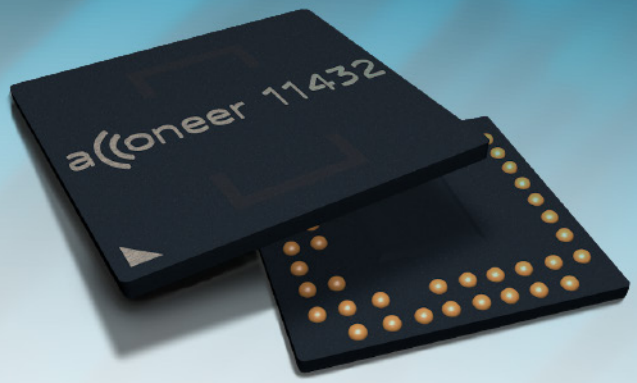
Acconeer's main goal right now is to seize the opportunities to grow quickly, under controlled forms, to establish a leading position in the area of low-power radar for mobile devices. Expansion is a high priority.

Lund, 24 March 2020

Lars Lindell, CEO Acconeer AB (publ)

Acconeer's head office is located in Ideon Gateway, Lund

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 AND DRONES

WEARABLES (mobile phones, watches, etc.)

INTERNET OF THINGS (IoT)

POWER TOOLS & INDUSTRIAL

HEALTHCARE & FITNESS

AUTOMOTIVE

Acconeers 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 2019, Acconeer achieved its commercial breakthrough. The radar sensor is currently under evaluation by 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 expected to happen in faster-moving industries such as the Internet of Things (inter alia, parking sensors and various kinds of level measurements) and consumer market robotics. The automotive industry is another focus area, but is expected to take a little longer.

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

A LARGE AND GROWING MARKET

Acconeer's radar will be launched to 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.

PROMISING, ATTRACTIVE GROWTH AND RETURNS

The hardware for the first Acconeer product is fully developed, and has now been shipped to a number of customers for evaluation, prototyping and market launch. Mass production is underway, and marketing activities have intensified. The use of Acconeer sensors in large-volume consumer products will generate a profitable business operation.

HEADQUARTERS IN LUND, EXPERIENCED MANAGING BODY

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

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, the international research and advisory company Gartner proclaimed Acconeer as one of their three global "Cool Vendors".

OBJECTIVE

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

OPERATIVE GOALS

In 2019, Acconeer had:

- A total of 14 customer launches globally
- Completed a worldwide distributor network
- Launched a set of dielectric lenses that extend the range to 10 meters
- Launched an IoT module that can be operated for several years on a coin cell battery.
- Sold 1,164 evaluation kits
- Added two patent families and been granted three patents

The objectives for 2020 are to:

- Sell more than three evaluation kits per day
- Get more design wins from the automotive industry
- Double the number of customer projects
- Accelerate the launch rate from customers
- Win customers in new application areas
- Continue to focus on aggressive revenue growth
- Invest in new modules and dielectric lenses
- Grow the patent portfolio

SENSORS ARE CHANGING OUR DAILY LIVES

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

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

AN ESTABLISHED MARKET, READY FOR INNOVATION

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

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

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

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

THE PRODUCT – A COMPACT AND ENERGY-EFFICIENT RADAR SENSOR

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

PULSED COHERENT RADAR

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

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

LOW POWER CONSUMPTION

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

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

MOTION AND GESTURE CONTROL

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

MATERIALS CHARACTERIZATION

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

EASILY INTEGRATED

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

HIGH ACCURACY

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

POTENTIAL CUSTOMERS AND APPLICATIONS

Our assessment is that these unique properties make our radar sensor 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. Acconeer is aimed primarily at the so-called sensor market for consumer electronics, but it also has substantial utility within industry, security, automotive industry and healthcare. Acconeer has identified a number of segments with a strong and clear need, and where there is potential for larger volumes.

ROBOTS AND DRONES

A robot or drone 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 and landing assistance Helps robots to avoid obstacles and assists drones with their landing.

Materials: A robotic lawn mower could differentiate between plants and tissue, thereby preventing harm to animals and fingers.

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

MOBILES AND WEARABLES

Tablets, smartphones and pulse watches can benefit from improved user interaction, new features and new applications, powered by distance and speed measurements as well as sensor-aided camera functionality.

Gesture control: Enables device control without touch. Gestures can be used to change the volume, navigate, play games or when using AR/VR (Augmented reality/Virtual reality).

Autofocus support: Enables a camera to auto focus quickly, regardless of lighting conditions.

Measurement of distance and speed: Can provide depth information for advanced computational imaging and advanced AR/VR applications.

3D mapping: Enables a camera to measure the distance to an object, or to recognize and follow a face. Tablets, smartphones and pulse watches can benefit from improved user interaction, new features andnew applications, powered by distance and speed measurements as well as sensor-aided camera functionality.

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. Parking sensors already exist, but there is a demand for smarter, battery-powered solutions.

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.

POWER TOOLS & INDUSTRIAL

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.

Measurements: Radar sensors allow industrial robots and tools to operate with increased precision, thereby reducing the risk of error.

Materials: A power drill can detect the location of wall studs behind a drywall or wooden surface.

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.

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.

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

AUTOMOTIVE

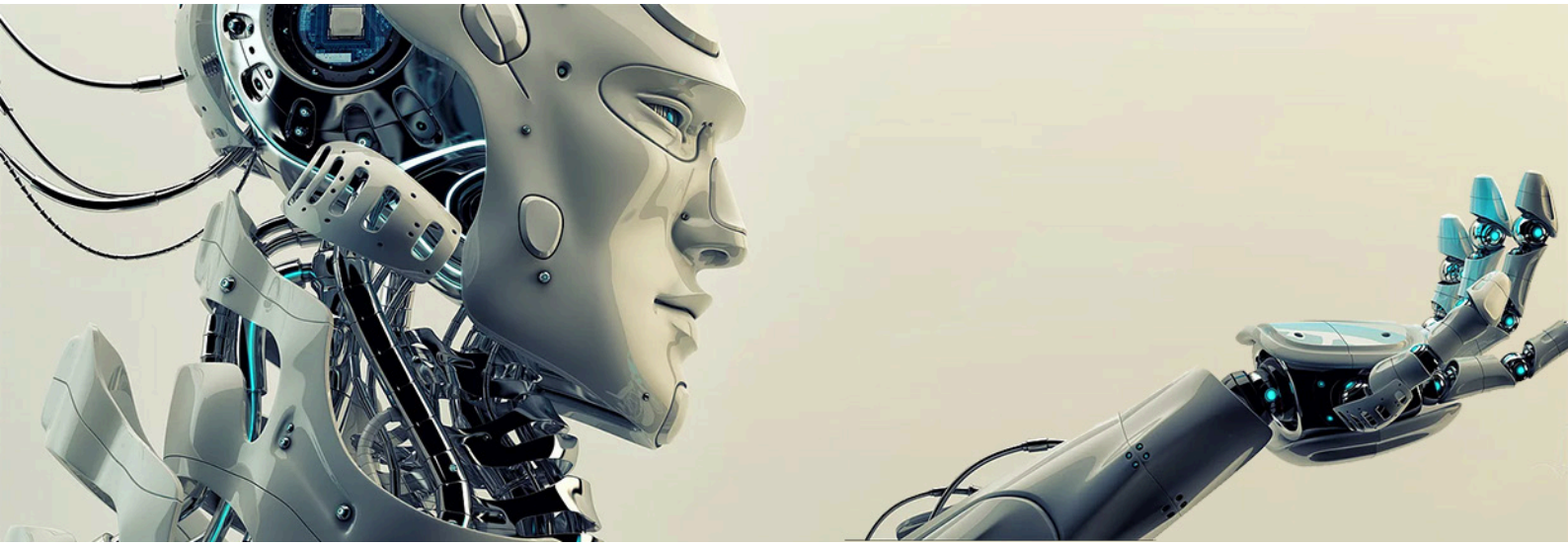
Radar sensors can help passengers to interact with systems. They can also monitor the state of the driver and adjust the safety systems accordingly.

Gesture control: Enables intuitive control of vehicle functions without distracting attention from traffic. It could also aid with opening the doors and the trunk.

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

Measurement of fluids and fuel: Radar sensors can accurately measure levels of fluids from the outside of a tank.

STRONG GROWTH FOR THE GLOBAL 3D SENSOR MARKET



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

The most important drivers of the growth of the global 3D sensor market are the continous 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

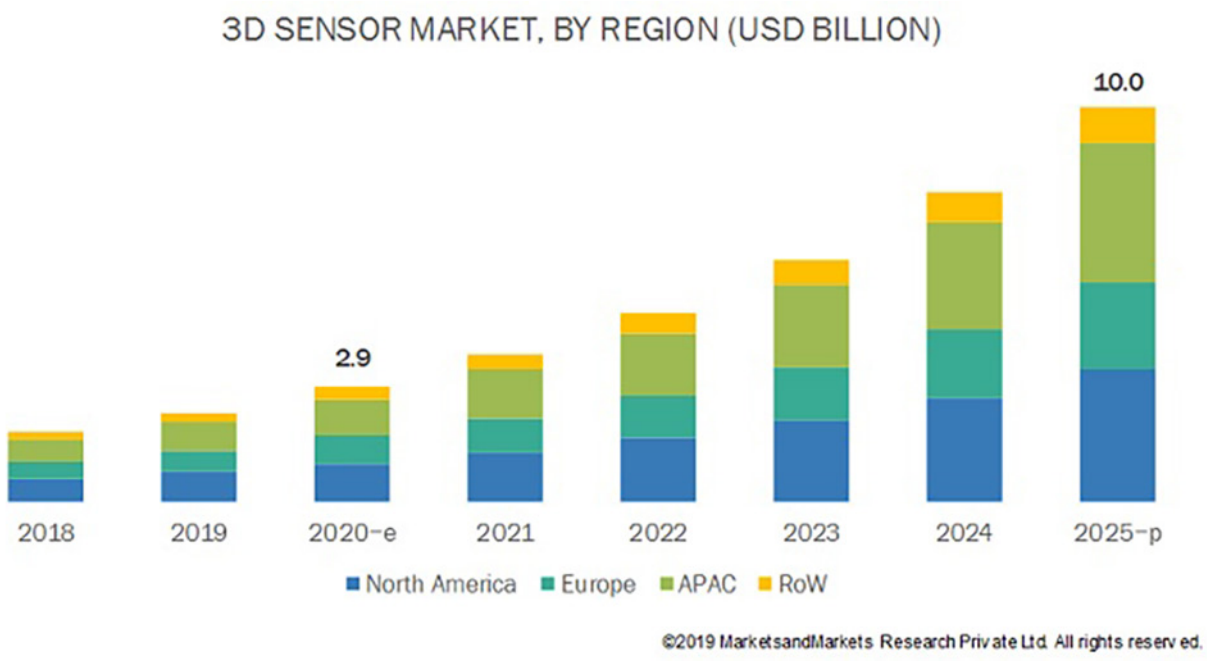
3D sensors usually utilize light (IR) or sound, but sometimes radar as well, to measure depth, a distance or the thickness of an object. They contribute to better understanding and improved procedures in a number of industries and market segments. 3D sensors can be seen as an evolution of the already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

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

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



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

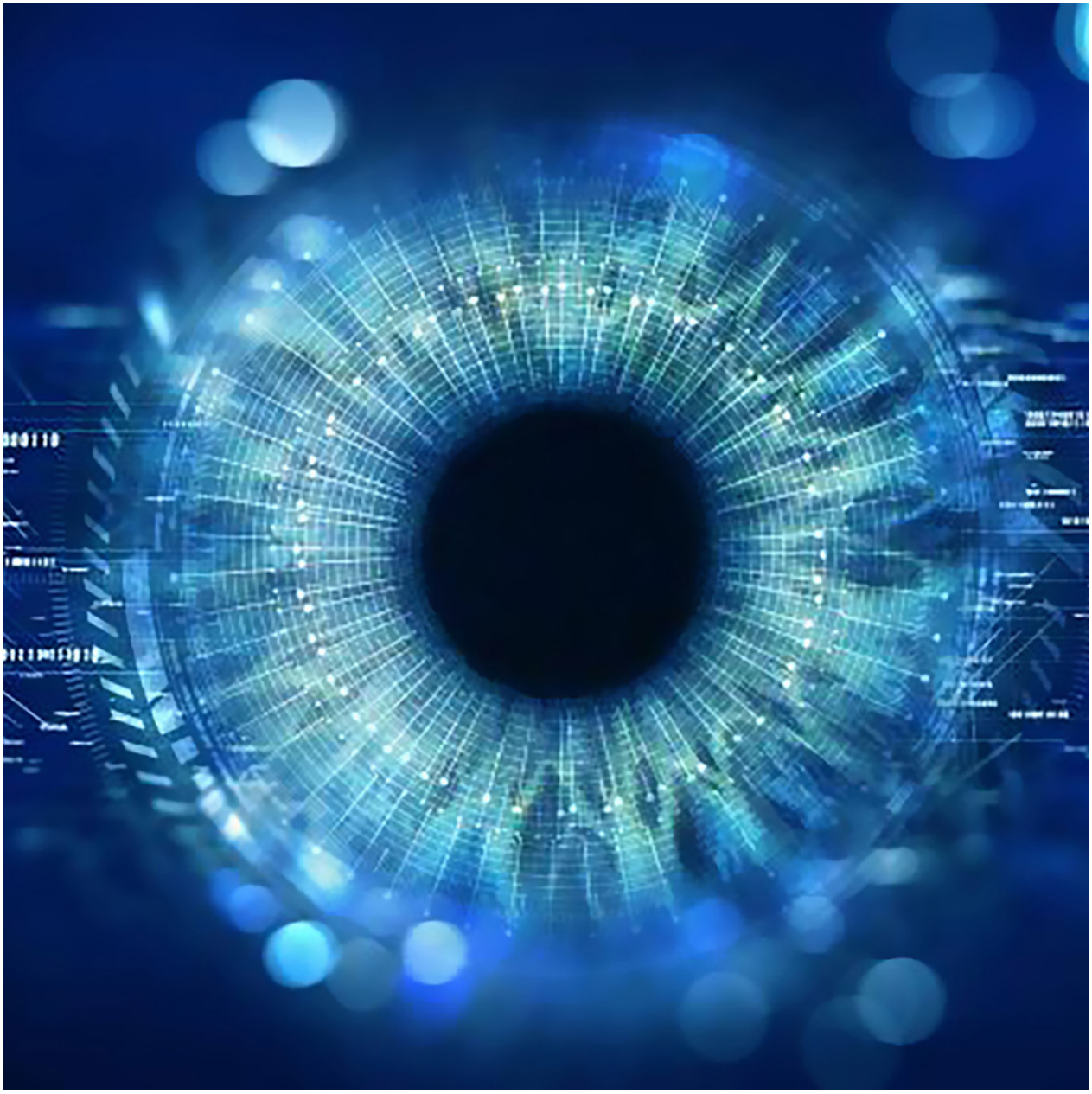
lower accuracy or even failure. A light-based sensor also requires an unobstructed line of sight in order to work, which makes it sensitive to dirt and dust and thus more difficult to integrate in a final product.

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.



HISTORY

2020

100,000 sensors delivered

2019

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

2018

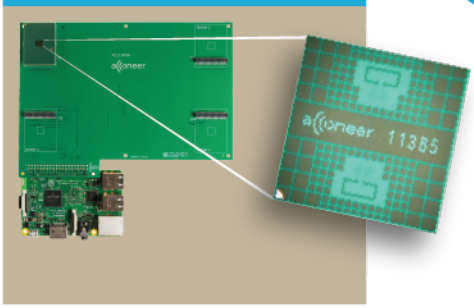
The company had at the end of 2019 sold 1581 evaluation kits and the total number of launched customer projects was 14.

2017

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

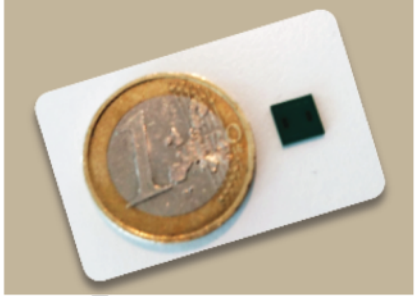
2016

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



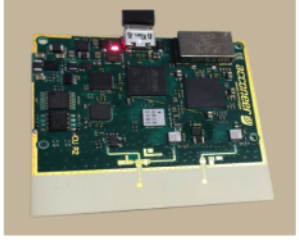
2015

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



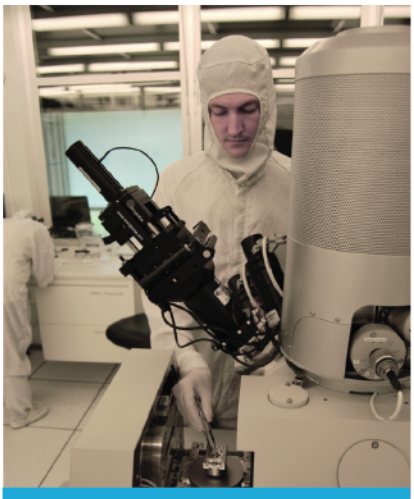
2014

System demonstrator delivered.



2012

The company begins operations with support from the University of Lund.



2007

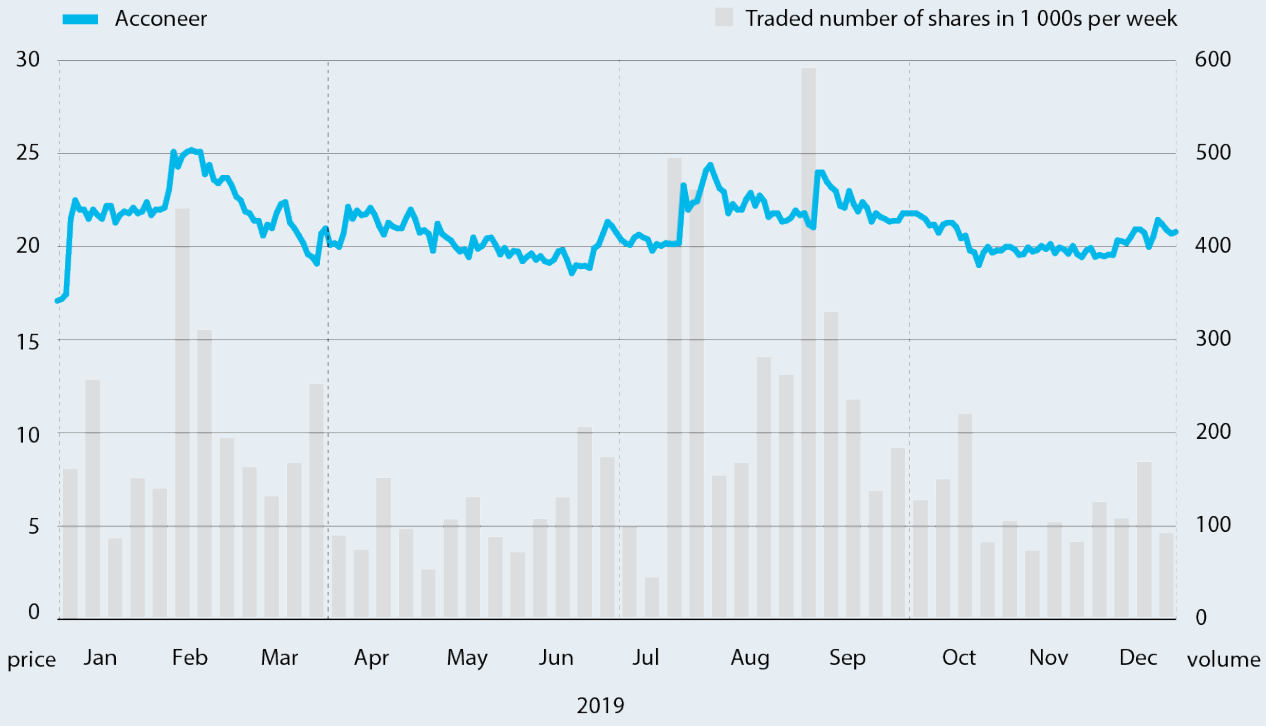
The founders begin research at the nano electronics group at LTH.

THE TEN LARGEST OWNERS

2019-12-31

NAME	NUMBER OF SHARES	SHARE %
BGA Invest AB	2,717,500	14.13
Winplantan	2,222,500	11.55
Avanza Pension	1,030,891	5.36
Nordnet Pension	664,852	3.46
Uniquest	603,320	3.14
Dreamtech Co. Ltd	603,320	3.14
Egard, Mikael/Ardventor AB	581,550	3.02
Ärlelid, Mats	571,000	2.97
Lars Erik Wernersson AB	556,500	2.89
Peak AM Securities AB	286,000	1.49
	9,837,433	**51.13**
Other shareholders	9,401,067	48,87
Total number of shares	**19,238,500**	**100%**

THE SHARE



FINANCIAL CALENDAR

Annual General Meeting 2020..... 2020-04-14
Q1 Interim report 2020 2020-05-29
Q2 Interim report 2020 2020-07-24
Q3 Interim report 2020 2020-10-27

The Annual General Meeting will be held on Tuesday, 14 April 2020, 17:30.
Location: Ideon Gateway; Scheelevägen 27, 223 70 Lund, Sweden.

BOARD OF DIRECTORS

BENGT ADOLFSSON

Born in 1949. Chairman of the board since April 2019, member of the board since 2015.
Education and experience: Economics, Växjö University.
Other current assignments: Chairman of the Board of Minesto AB. Member of the boards of BGA FÖRVALTNING AB, Watersprint AB, Minesto Warrants One AB and SmartRefill i Helsingborg AB. Deputy board member of Digimail Sverige AB. Member of the board and majority owner of BGA INVEST AB.
Previous assignments (in the last five years): Member of the boards of BGA Capital AB and Bacapps Support. Member of the boards and CEO of Facino AB, Facino Produktion AB, Facino Produktion AB, Facino AS.
Shareholding: 2,717,500 shares (through the company BGA INVEST AB).

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 boards of C2Amps AB and the Royal Physiographic Society of Lund, and member of the board and owner of Lars Erik Wernersson AB.
Previous assignments (in the last five years): -
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. Deputy board member of Watersprint AB.
Previous assignments (in the last five years): Member of the boards of BGA Capital AB and Bacapps Support.Member of the boards and CEO of Facino AB, Facino Produktion AB, Facino Produktion AB, Facino AS.
Shareholding: 2,717,500 shares (through the company BGA INVEST AB) and private holding of 28,000 shares.

THOMAS REX

Born in 1963. 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 (in the last five years): Global Sales Manager at Fingerprint Cards. Vice President of Ericsson Mobile Platforms Asia.
Shareholding: Private holding of 115,260 shares.

JOHAN PAULSSON

Born in 1963. Member of the board since 2019.
Education and experience: MSc Engineering University of Lund
Other current assignments: CTO at Axis Communications AB, Chairman of the board Winplantan AB.
Previous assignments (in the last five years): Board member poLight A/S.
Shareholding: 192 213 shares (through the company Winplantan AB).

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 (in the last five years): 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 51 869 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 (in the last five years): Member of the board of Acconeer AB until 2014-03-25.
Shareholding: Private holding of 571,000 shares.

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 (in the last five years): CEO and member of the board of Acconeer AB.
Shareholding: Holding of 581,550 shares and 34,559 warrants in total, privately and via Ardventor AB.

MIKAEL ROSENHED

Born in 1962. Head of Product Management. Employed since 2016.
Education and experience: Master of Science in Electrical Engineering, University of Lund.
Other current assignments: -
Previous assignments (in the last five years): IT Management Consultant (2015 – 2016), R&D Manager Software of Sony Mobile Communications, Lund (2011 – 2015).
Shareholding: Private holding of 1,600 shares and 11,751 warrants.

MANAGEMENT

DAVID HÅKANSSON HAGMAN

Born in 1970. Head of Customer Support. Employed since 2017.
Education and experience: Systems Science, University of Lund, and Media and Communication Studies, University of Lund.
Other current assignments: -
Previous assignments (in the last five years): -
Shareholding: Private holding of 4,000 shares and 55,455 warrants.

HENRIK LJUNG

Born in 1958. CFO Consultant since 2016.
Education and experience: Master of Business Administration, University of Lund. Chartered Accountant. CFO of listed companies.
Other current assignments: Consultant since 2009, through his own company Ljung and Winbladh AB.
Previous assignments (in the last five years): -
Shareholding: Private holding of 10,000 shares.

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 (in the last five years): Head of Market Unit and Sales Director, Tieto (2013 – 2016). Business Development Director, Scalado (2010 – 2013).
Shareholding: Private holding of 12,000 shares and 46,273 warrants.

ANNA ALERYD

Born in 1980. Head of Marketing and Communications. Employed since 2019.
Education and experience: Master of Science in Automation and Mechatronics, Chalmers University of Technology.
Other ongoing assignments: -
Previous assignments (the last five years): Head of Developer Communication, Developer Program, Sony Corporation.
Shareholding: 16,110 warrants.

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of Acconeer AB hereby present the annual report for the financial year 2019-01-01 - 2019-12-31
The annual report is prepared in Swedish kronor, SEK.

INFORMATION ABOUT OPERATIONS

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

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

In November, 159,000 shares were subscribed through the exercise of warrants. The share capital thereby amounts to SEK 961,925 and the number of shares amounts to 19,238,500.

During the year, distribution agreements were signed with Chip Power Technology Corp., Glyn Ltd, CODICO GmbH and Restar Electronics Corporation. The company now has agreements with nine different distributors.

Acconeer's goal is to continue, together with their built-up network of distributors, to take advantage of all growth opportunities that emerge to establish a leading position in the area of low-power radar.

Events during 2019

In January, Acconeer received the first order of the year from BEYD. The total value of the larger orders from BEYD amounted to USD 252,186. Acconeer has been cooperating with BEYD in the Chinese market since August 2018.

In early February, the company announced that they planned to launch dielectric lenses for increased range in the second quarter of 2019. The same month, it was announced that they were planning to launch an IoT module in the third quarter of 2019. Their first module, XM112, was launched for sales at Digi-Key in December 2018, and was very well received.

In April, the company announced that object detection software for autonomous robots was released on the Acconeer website. In order to create simpler and faster development processes for customers Acconeer continuously publish downloadable detectors with associated demonstration videos.

In May, the company received an order from Digi-Key worth USD 15,000. During the following months additional orders were received from Digi-Key and the total value of the larger orders amounted to USD 170,061.

In June, distribution agreements were signed with three new distributors: Taiwanese Chip Power Technology Corp., a leading distributor in Taiwan, New Zealand Glyn Ltd, a leading distributor in New Zealand and Australia, and CODICO GmbH, a leading European distributor headquartered in Vienna, Austria.

In July, another distribution agreement was signed. This time with Japanese Restar Electronics Corporation, a leading Japanese distributor with with especially strong coverage of companies in the consumer electronics segment.

On August 1, 2019, the company announced that the sales of evaluation kits surpassed 1,000 units. Acconeer's evaluation kits have been available on Digi-Key since February 15, 2018.

Anna Aleryd was hired as the company's first Head of Marketing and Communication. Anna comes from a position as Head of Developer Communication at Sony Corporation.

Acconeer and Alps Alpine signed a strategic partnership agreement with the aim of developing products for the automotive industry. Alps Alpine is a world-leading manufacturer of electronic components, modules and systems for cars.

In September Acconeer announced plans for AEC Q-100 certification for the automotive industry. Since Acconeer's launch of the A1 sensor in Q1 2018, it has been JEDEC certified for consumer electronics.

Acconeer was for the second year running named a Cool Vendor in Novel Sensors by Gartner.

SparkFun Electronics reintroduced A111 Pulsed Radar Board.

During October two new focus use cases for presence detection were published: smart presence and presence detection in cars.

In December, Acconeer received an order from Restar Electronics Corporation worth USD 108,570. The order relates to Acconeer's radar sensor A1. Part of the order is for production of the social robot LOVOT from the Japanese company GROOVE X. Earlier in the year, an order of USD 12,900 was received from Restar.

Acconeer sold 1164 evaluation kits in 2019.

Events after the end of the year

After the end of the financial year, Acconeer received orders from Glyn Limited (USD 12,800), Digi-Key (USD 15,100) and CODICO (USD 62,700).

BGA Invest AB and Winplantan AB (which together hold approximately 26 percent of the shares and

votes in Acconeer AB) announced to the company that they will propose that Thomas Rex be appointed Chairman of the Board at the Annual General Meeting on April 14, 2020. Current Chairman Bengt Adolfsson announced at the same time that he declines re-election as Chairman, but is available for re-election as a member of the Board.

The company announced that it has supplied more than 100,000 radar sensors to customers and distributors.

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

It was announced that Acconeer develops integration-ready Entry Module with low system cost. The module is planned to be launched in the second half of 2020.

It is the company's assessment that the effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

SIGNIFICANT CIRCUMSTANCES

The company had two major owners on 2019-12-31: BGA Invest (14%) and Winplantan AB (12%).

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 effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

Financing needs

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

Delivery and manufacturing risks

Problems with quality in mass production can arise which can affect Acconeer's ability to ensure smooth deliveries and satisfied customers. Furthermore, customers may have problems integrating the product and achieving expected results. This can have a negative impact on the Company's operations, earnings and financial position. Acconeer is a so-called fabless company, which means that all manufacturing and production testing is outsourced. This means that Acconeer has reduced, or none, control over production and production testing. In the event that problems or other obstacles arise with the Company's production and production testing, this may have a negative impact on the Company's operations, earnings and financial position. Although no problems or other obstacles arise with the manufacture and production testing of Acconeer's products, there is a risk that the Company's products will not achieve commercial success.

Intellectual property rights, confidentiality, business secrets and the like

Acconeer's future success depends on the Company's ability to maintain intellectual property protection in the form of patents, future trademarks, company names and domain names that are protected by intellectual property law and agreements. There is a risk that the Company will not be able to obtain or retain patents for its products or technology or obtain patents for new ones. In the event that a third party holds a patent covering the same product or technology as Acconeer, the Company may be forced to pursue legal processes, including internationally, to determine whether commercialization of a product or technology is feasible. The company may also be forced to pursue legal proceedings, even internationally, in the event

that a third party is deemed to infringe on the Acconeer patent. The cost of such processes can be significant. The Company also risks losing such processes, which could mean that the Company's right to intellectual property is terminated. All of these factors can have a material adverse effect on the Company's operations, earnings and financial operations.

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

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

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

FINANCING

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

It is the company's assessment that the effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

The Board of Directors and the Chief Executive Officer of Acconeer AB hereby present the annual report for the financial year 2019-01-01 - 2019-12-31.

MULTIPLE YEAR OVERVIEW

AMOUNTS IN KSEK	2019	2018	2017	2016	2015
Net sales	5,508	953	33	0	0
Own work capitalized	0	9,915	13,026	9,680	11,547
Operating result	-68,562	-39,044	-23,073	-12,459	-6,270
Balance sheet total	130,202	194,498	243,067	77,938	19,307
Solidity %	92	95	92	93	94

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 2019-01-01	954	30,990	267,789	-114,501	185,232
Exercise of subscription warrants/ new shares	8		2 304		2,312
Issuance of warrants			1 174		1 174
Dissolution of depreciation of development costs		-6,524		6,524	0
Net profit or loss for the year				-68,539	-68,539
Closing balance equity 2019-12-31	**962**	**24,466**	**271,267**	**-176,516**	**120,179**

AMOUNTS IN KSEK	SHARE CAPITAL	ONGOING NEW ISSUE	FUND FOR DEVELOPMENT COSTS.	SHARE PREMIUM RESERVE	RETAINED EARNINGS	TOTAL
Opening balance equity 2018-01-01	591	360	22,706	266,717	-67,138	223,237
New share issue	360	-360				0
Exercise of subscription warrants/ new shares	3			1,072		1,075
Capitalization of fund for development costs			9,915		-9,915	0
Dissolution of amortisation of development costs			-1,631		1,631	0
Net profit or loss for the year					-39,079	-39,079
Closing balance equity 2018-12-31	**954**	**0**	**30,990**	**267,789**	**-114,501**	**185,232**

PROPOSED APPROPRIATIONS OF PROFIT OR LOSS

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

	Amount
Retained loss	-107,977,085
Premium reserve	271,267,184
Loss for the year	-68,539,494
Total	**94,750,605**

The Board of Directors proposes the following distribution:

To be retained	**94,750,605**

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	2019-01-01 - 2019-12-31	2018-01-01 - 2018-12-31
Net sales		5,508,453	952,821
Own work capitalized	2	0	9,915,000
Other operating income	3	377,605	65,815
		5,886,058	**10,933,636**
Operating costs			
Raw materials and consumables		-2,205,001	-873,766
Other external charges		-28,245,939	-20,961,702
Personnel costs	4,5,6,19	-32,040,486	-23,467,234
Depreciation of fixed tangible and intangible assets	7,8,9,10	-11,524,558	-4,498,235
Other operating costs		-432,460	-177,027
		-74,448,444	**-49,977,964**
Operating result	11	**-68,562,386**	**-39,044,328**
Result from financial items			
Other interest income and similar items	12	24,094	24,391
Interest costs and similar items	13	-1,202	-59,464
		22,892	**-35,073**
Result after financial items		**-68,539,494**	**-39,079,401**
Profit or loss before tax		**-68,539,494**	**-39,079,401**
Net profit or loss for the year		**-68,539,494**	**-39,079,401**

BALANCE SHEET

AMOUNTS IN SEK	NOTE 1	2019-12-31	2018-12-31
ASSETS			
Fixed assets			
Intangible fixed assets			
Balanced costs for development and similar work	7	34,427,016	43,607,554
Patents	8	1,740,355	1,557,690
		36,167,371	**45,165,244**
Tangible fixed assets			
Machinery and other technical equipment	9	3,883,857	5,864,555
Equipment, tools, fixtures and fittings	10	148,791	168,013
		4,032,648	**6,032,568**
Financial fixed assets			
Participations in Group companies	14.15	842,000	842,000
		842,000	**842,000**
Total fixed assets		**41,042,019**	**52,039,812**
Current assets			
Inventories, etc.			
Work in progress		2,948,836	2,980,014
Finished goods and merchandise		2,904,814	995,210
		5,853,650	**3,975,224**
Short-term receivables			
Accounts receivable		1,045,694	553,231
Receivables from Group companies		657,614	0
Current tax assets		0	53,578
Other receivables	16	858,982	1,020,816
Prepayments and accrued income	17	2,790,285	641,106
		5,352,575	**2,268,731**
Cash and bank balances			
Cash and bank balances		77,953,559	136,213,987
Total current assets		**89,159,784**	**142,457,942**
TOTAL ASSETS		**130,201,803**	**194,497,754**

BALANCE SHEET (CONT'D)

AMOUNTS IN SEK	NOTE 1	2019-12-31	2018-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	18	961,925	953,975
Fund for development costs		24,465,987	30,990,255
		25,427,912	**31,944,230**
Non-restricted equity			
Share premium reserve		271,267,184	267,788,874
Retained profit or loss		-107,977,085	-75,421.951
Net profit or loss for the year		-68,539,494	-39,079,401
		94,750,605	**153,287,522**
Total equity		**120,178,517**	**185,231,752**
Long-term liabilities			
Liabilities to group companies		0	517,680
Total long-term liabilities		**0**	**517,680**
Short-term liabilities			
Accounts payable		2,931,088	1,963,603
Current tax liabilities		102,198	0
Other liabilities	19	599,379	992,582
Accruals and deferred income	20	6,390,621	5,792,137
		10,023,286	**8,748,322**
TOTAL EQUITY AND LIABILITIES		**130,201,803**	**194,497,754**

CASH FLOW STATEMENT

AMOUNTS IN SEK	NOTE 1	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Operating activities			
Result after financial items		-68,593,494	-39,079,401
Adjustments for items not included in cash flow	21	11,524,558	2,881,959
Income tax paid		155,776	-91,331
Cash flow from operating activities before change in working capital		**-56,859,160**	**-36,288,773**
Cash flow from change in working capital			
Change in inventories		-1,878,426	-3,105,799
Change in receivables		-492,463	-552,412
Change in short-term receivables		-2,644,959	-131,336
Change in trade payables		967,485	-1,602,619
Change in current liabilities		205,279	-4,253,996
Cash flow from operating activities		**-60,702,244**	**-45,934,935**
Investing activities			
Investments in intangible fixed assets		-384,343	-10,358,607
Investments in tangible fixed assets		-142,422	-960,731
Investments in financial fixed assets		0	-842,000
Cash flow from investing activities		**-526,765**	**-12,161,338**
Financing activities			
New share issue		0	180,000,000
Raised loans		-517,680	-3,000,000
Exercise of subscription warrants/new shares		2,311,861	1,074,320
Issue of warrants		1,174,000	0
Cash flow from financing activities		**2,968,581**	**178,074,320**
CASH FLOW FOR THE YEAR		**-58,260,428**	**119,978,047**
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the beginning of the year		136,213,987	16,235,940
Cash and cash equivalents at the end of the year		**77,953,559**	**136,213,987**

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 policies are the same as 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.

Share appreciation rights
The Company's share appreciation rights programme, for which a market premium is paid, is recognized and valued at fair value through the application of an option pricing model. For accounting policy, see "Derivative instruments" below.

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

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".

Share appreciation rights
The liability is remeasured at fair value through the application of an option pricing model, taking into account the terms and conditions. Revaluations during the option life are recognized as personnel costs. When share appreciation rights are exercised by the holder, the financial liability, previously revalued to fair value, is settled. Realized results are recognized as personnel costs. In the event that the share appreciation rights expire worthless, the recognized liability is recognized as income. Premium received would then be recognized as financial liability.

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 44,500 and the number of shares by 891,000, corresponding to a dilutive effect of approximately 4.6 percent.The options programs are distributed as follows:
2016/2020, paid subscription price per option SEK 0.5, subscription price per share SEK 30 during 2020, 104,000 options
2017/2020, paid subscription price per option SEK 0.5, subscription price per share SEK 30 during 2020, 105,000 options
2018/2021, paid subscription price per option SEK 3.96, subscription price per share SEK 31.80 during 2021,45,000 options
2018/2021, paid subscription price per option SEK 5.34, subscription price per share SEK 31.80 during 2021,18,000 options
2018/2021, paid subscription price per option SEK 1.81, subscription price per share SEK 31.80 during 2021,19,000 options
2019/2022, paid subscription price per option SEK 2.35, subscription price per share SEK 29.27 during 2022,300,000 options
2019/2022, paid subscription price per option SEK 1.45, subscription price per share SEK 29.27 during 2022, 300,000 options

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 OWN WORK CAPITALIZED

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Internal work capitalized	0	6,222,368
External expenses capitalized less grants	0	3,692,632
	0	**9,915,000**

NOTE 3 OTHER OPERATING INCOME

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Other operating income	221,903	55,815
SKAPA	0	10,000
Vinnova grant	135,702	0
SER Prize	20,000	0
	377,605	**65,815**

NOT 4 SALARIES AND REMUNERATIONS

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Salaries and remunerations		
Directors and Chief Executive Officer*)	1,929,984	1,978,441
Other employees	18,151,542	15,904,111
	20,081,526	**17,882,552**
Social security contributions		
Pension costs for directors and CEO	262,222	291,492
Pension costs for other employees	2,201,760	1,848,908
Other statutory and contractual social security contributions	6,686,538	5,310,760
	9,150,520	**7,451,160**
Total salaries, remunerations, social security contributions and pension costs	**29,323,046**	**25,333,712**

*) The CEO's employment has a three month period of notice when terminated by either party.
For share appreciation rights see also Note 19.

NOTE 5 EMPLOYEES AND PERSONNEL COSTS

AVERAGE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Sweden	35	25
Of whom men	(30)	(23)
Total	**35**	**25**
Gender distribution of the Board and management		
Percentage of women, %		
Board of Directors	20	17
Other executive directors	13	0

NOTE 6 REMUNERATION AND OTHER BENEFITS

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

2018-01-01 - 2018-12-31	BASE PAY	VARIABLE PAY	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Remuneration and benefits					
Chief Executive Officer	1,128,955	52,500	0	291,492	1,472,947
Other executive directors*)	3,896,190	73,500	0	689,545	4,659,235
	5,025,145	**126,000**	**0**	**981,037**	**6,132,182**

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

NOTE 7 BALANCED COSTS FOR DEVELOPMENT AND SIMILAR WORK

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Cost, opening balance	45,902,688	35,987,688
Own work capitalized during the year	0	6,222,368
Purchased services capitalized during the year	0	3,692,632
Accumulated cost, closing balance	**45,902,688**	**45,902,688**
Amortisation, opening balance	-2,295,134	-
Amortisation for the year	-9,180,538	-2,295,134
Accumulated amortisation, closing balance	**-11,475,672**	**-2,295,134**
Carrying amount	**34,427,016**	**43,607,554**

NOTE 8 PATENTS

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Cost, opening balance	1,858,003	1,414,396
Acquisitions	384,343	443,607
Accumulated cost, closing balance	**2,242,346**	**1,858,003**
Amortisation, opening balance	-300,313	-141,440
Amortisation for the year	-201,678	-158,873
Accumulated amortisation, closing balance	**-501,991**	**-300,313**
Carrying amount	**1,740,355**	**1,557,690**

NOTE 9 MACHINERY AND OTHER TECHNICAL EQUIPMENT

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Cost, opening balance	10,459,936	9,602,757
Purchases	113,704	857,179
Accumulated cost, closing balance	**10,573,640**	**10,459,936**
Depreciation, opening balance	-4,595,381	-2,586,389
Depreciation for the year	-2,094,402	-2,008,992
Accumulated depreciation, closing balance	**-6,689,783**	**-4,595,381**
Carrying amount	**3,883,857**	**5,864,555**

NOTE 10 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Cost, opening balance	220,556	117,004
Purchases	28,718	103,552
Accumulated cost, closing balance	**249,274**	**220,556**
Depreciation, opening balance	-52,543	-17,307
Depreciation for the year	-47,940	-35,236
Accumulated depreciation, closing balance	**-100,483**	**-52,543**
Carrying amount	**148,791**	**168,013**

NOTE 11 TRANSACTIONS BETWEEN GROUP COMPANIES

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
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 12 OTHER INTEREST INCOME AND SIMILAR ITEMS

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Other interest income	24,094	24,391
	24,094	**24,391**

NOTE 13 INTEREST COSTS AND SIMILAR ITEMS

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Interest costs	1,202	15,494
Exchange differences	0	617
Realization of fixed-income funds	0	43,353
	1,202	**59,464**

NOTE 14 PARTICIPATIONS IN GROUP COMPANIES

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Acquisition value, opening balance	842,000	0
Share capital	0	50,000
Shareholder contribution	0	792,000
Accumulated cost, closing balance	**842,000**	**842,000**
Carrying amount	**842,000**	**842,000**

NOTE 15 SPECIFICATION OF PARTICIPATIONS IN GROUP COMPANIES

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

NAME	REG.NO.	REGISTERED OFFICE	EQUITY CAPITAL	RESULT
Acconeer Incentive AB	559156-2474	Lund, Sweden	840,356	-1,394

NOTE 16 OTHER RECEIVABLES

	2019-12-31	2018-12-31
Recoverable VAT	854,442	1,004,179
Other receivables	4,540	16,637
	858,982	**1,020,816**

NOT 17 PREPAID EXPENSES AND ACCRUED INCOME

	2019-01-01 -2019-12-31	2018-01-01 -2018-12-31
Advance to supplier	1,892,962	0
Prepaid rent	295,140	241,544
Other prepaid expenses	602,183	399,562
	2,790,285	**641,106**

NOTE 18 NUMBER OF SHARES AND QUOTA VALUE

NAME	NUMBER OF SHARES	QUOTA VALUE
Number of A shares	19,238,500	0.05
	19,238,500	

NOTE 19 OTHER LIABILITIES

On 1 April 2016, the Company awarded share appreciation rights to the CEO corresponding to the current value of 151,500 shares in the Company. In the event that the share appreciation rights are exercised, the CEO is entitled to a cash settlement. The amount of the settlement is determined by the amount by which the then current market price of the 151,500 underlying shares exceeds the exercise price. The exercise price amounts to SEK 2,202,810. The share appreciation rights may be exercised between 1 and 8 April 2019 at the latest, or at an earlier date on condition that the exercise takes place between 12 and 18 months after the IPO, and in connection with an exit event (a change in ownership resulting in more than 50 percent of the Company being controlled by owners other than those representing the corresponding share on 1 April 2016). The option price is SEK 0.26. In the event that the CEO's employment with the Company for any reason is terminated, the Company shall have a right of first refusal to the share appreciation rights. The Company shall have the same right in the event that the CEO wishes to transfer the share appreciation rights, under conditions specified in the transfer agreement.

The share appreciation rights have been valued by an independent party and amounts to SEK 424,792 at the balance sheet date, 2018-12-31. The amortisation of the share appreciation rights are recognized as a reduction of personnel costs. Since as the share appreciation rights has expired, the company no longer has any debt to the CEO as of December 31, 2019. When exercised, the option was worth SEK 1,418,040.

	2019-12-31	2018-12-31
Long-term liabilities		
Share appreciation rights	0	2,133,957
Transfer to current liability	0	-2,133,957
	0	**0**
Short-term liabilities		
Share appreciation rights	0	2,133,957
Amortisation of share appreciation rights liability	0	-1,709,165
Other short-term liabilities	559,379	567,790
	559,379	**992,582**

NOTE 20 ACCRUALS AND DEFERRED INCOME

	2019-12-31	2018-12-31
Accrued holiday pay	1,402,566	1,168,817
Accrued social security cost	440,686	367,242
Special payroll tax	597,762	519,262
Deferred grant Vinnova	123,798	0
Deferred income	347,915	1,390,419
Accrued Directors' fees	558,000	630,668
Accrued bonus incl. social security cost	1,474,537	0
Other accrued expenses	1,445,357	1,715,729
	6,390,621	**5,792,137**

NOTE 21 NON-CASH ITEMS

	2019-12-31	2018-12-31
Depreciation	11,524,558	4,498,235
Share appreciation rights	0	-1,709,165
Other non-cash items	0	92,889
	11,524,558	**2,881,959**

NOTE 22 RELATED PARTY TRANSACTIONS

No related party transactions except for directors' fees.

NOTE 23 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

After the end of the financial year, Acconeer received orders from Glyn Limited (TSEK 123), Digi-Key (TSEK 147) and CODICO (TSEK 610).

Thomas Rex was proposed as new chairman of Acconeer AB.

The company announced that it has supplied more than 100,000 radar sensors to customers and distributors.

Acconeer received an order worth 139 TSEK from a European customer. The order relates to Acconeer's A1 radar sensor, for production of the customer's IoT solution.

It was announced that Acconeer develops integration-ready Entry Module with low system cost. The module is planned to be launched in the second half of 2020.

It is the company's assessment that the effects of Covid-19 will have a limited impact on operations in 2020. No impact is seen on either the development or the manufacturing side. With regard to demand for the company's products, it is likely that some customer projects will be delayed, but the assessment is that this is within the uncertainty margin that always exists.

SIGNATURES

The income statement and balance sheet will be submitted for adoption
by the Annual General Meeting on 2020-04-14

Lund, 2020-03-24

Bengt Adolfsson
Chairman

Lars-Erik Wernersson

Git Sturesjö Adolfsson

Thomas Rex

Johan Paulsson

Lars Lindell
Chief Executive Officer

Our auditor's report was submitted on 2020-03-24
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Chartered 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 (publ) for the year 2019. The annual accounts of the company are included on pages 20-40 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 2019 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts.

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

Basis for Opinions

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

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

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1-19 and on page 41. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

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

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

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

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

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

Auditor's responsibility

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

As part of an audit in accordance with ISAs, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. The auditor also:

- Identifies and assesses the risks of material misstatement in the annual accounts and consolidated accounts, whether due to fraud or error, designs and performs audit procedures

responsive to those risks, and obtains audit evidence that is sufficient and appropriate to provide a basis for the 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.

- Obtains an understanding of the company's internal control relevant to the 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.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and, where applicable, the Managing Director.
- Concludes on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts. The auditor also draws 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 the auditor concludes that a material uncertainty exists, the latter is required to draw attention in the auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify the opinion about the annual accounts. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluates 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.

The auditor must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. The auditor must also inform the Board of Directors of significant audit findings during the audit, including any significant deficiencies in internal control that the auditor 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 (publ) for the year 2019 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 and the group'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, the auditor exercises professional judgment and maintains professional skepticism throughout the audit. The review 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 the auditor's professional judgment guided by risk and materiality. This means that the auditor focuses the review 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. The auditor reviews and tests decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to the opinion concerning discharge from liability. As a basis for the opinion on the Board of Directors' proposed appropriations of the company's profit or loss, the auditor reviewed whether the proposal is in accordance with the Companies Act.

Lund, 24 March 2020
Öhrlings PricewaterhouseCoopers AB

Ola Bjärehäll
Auditor in charge
Authorized public accountant

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