

2023

ANNUAL REPORT

Årsstämman beslutade att
disponera bolagets resultat i
enlighet med styrelsens förslag

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THE YEAR IN BRIEF

THE FINANCIAL YEAR 2023

- During the year Acconeer received large orders from NEXTY, BEYD, SweIoT, Micro Summit K.K and Digi-Key.
- The radar sensor A121 became ready for mass production.
- The first A121-based radar module, XM125 Entry+ Module, was launched.
- Manufacturing agreement with leading semiconductor supplier was signed.
- Distribution agreement was signed with Korean TecAhead.
- Acconeer received Automotive design win with a forecasted value of USD 800k.
- A loan facility agreement of up to SEK 60 million was signed with Buntel AB and Exelity AB.
- Distribution agreement with Data JCE Electronic was signed.
- Acconeer became partners with Convergence Promotions to expand sales network in North America.
- Distribution agreement was signed with Turkish Ansal Component.
- Large Japanese electronics company launched module based on Acconeer's A1 radar sensor.
- Acconeer announced five new automotive design wins to an estimated value of USD 4 million. By "design win" Acconeer refers to that the company's radar sensor has been selected for use in a customer product, but it is not equivalent to that an order has been placed.

SIGNIFICANT EVENTS AFTER THE PERIOD

- Acconeer announced automotive design win to an estimated value of USD 5 million.
- Acconeer announced it's intention to carry out a fully guaranteed rights issue of approximately SEK 150 million and announced financial targets and financial information for FY 2023.
- Acconeer received largest order yet from NEXTY Electronics worth 1,8 million USD.

KEY INDICATORS

KSEK UNLESS OTHERWISE SPECIFIED	2023	2022
Net sales	35 522	46,825
Gross margin*	72%	66%
Gross margin, referring to sales*	62%	59%
Operating result	-46,807	-47,248
Operating margin*	-132%	-101%
Profit or loss after tax	-46,504	-47,154
Cash flow, operating activities	-37,276	-36,220
Cash and cash equivalents, short-term deposits	38,653	89,883
Equity	132,286	171,511
Balance sheet total	199,220	190,675
Basic earnings per share, SEK*	-1.76	-1.81
Diluted earnings per share, SEK*	-1.76	-1.81
Cash flow per share, SEK*	-1.40	-1.39
Number of shares	26,637,783	26,331,798
Average number of shares during the period	26,486,280	26,021,962
Average number of shares during the period after dilution	27,820,083	27,011,962
Equity/Ratio, %*	66	90
Equity per share, SEK*	4.97	6.51
Average number of full-time equivalent employees	52	49

*DEFINITIONS OF INDICATORS

Gross margin: Gross profit as a percentage of net sales.

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

Operating margin: Operating result as a percentage of net sales

Earnings per share = Net income after taxes divided by the average number of shares during the period.

Cash flow per share = Cash flow from operating activities during the period, divided by the average number of shares during the period.

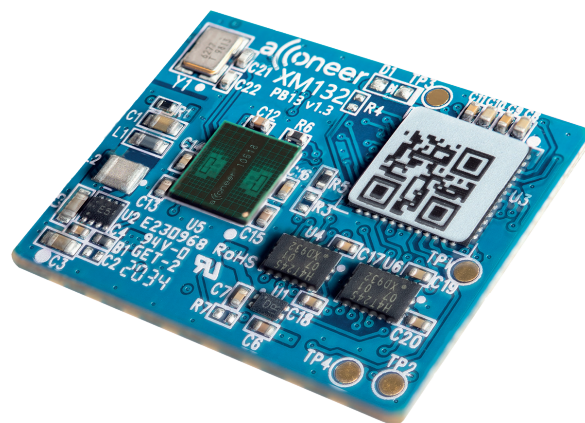
Solidity = Total equity on the balance sheet date, divided by the balance sheet total on the balance sheet date.

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

COMMENTS FROM OUR CEO



2023 was a year in which many puzzle pieces for Acconeer's future development fell into place. Launch of A121, new regulation for the 60 GHz band in the USA, strong development in the automotive industry and reception of A2 prototypes. At the same time, the financial result was weak, caused by customers buying stock during the Covid years, and in January Acconeer's board announced the intention to carry out a fully guaranteed rights issue of SEK 150 million.



In March 2023, we were able to announce that the A121 was ready for mass production. A121 is an improvement of A111 where we addressed an extended temperature range according to requirements from the automotive industry, lower power consumption, reduced system costs in the automotive industry with 3.3V power supply and reduced waste from production which should improve our gross margins. Acconeer has also launched two modules based on the A121, the XM125 Entry+ which is a low-cost module and the XM126 which is an "IoT module".

The regulation for 60 GHz in the USA previously meant certain limitations in output power and area of use for radar. For some years now, Acconeer has participated in a working group with other radar companies such as Infineon and Texas Instrument to convince the Federal Communications Commission (FCC) to update the rules. Counterparty in these discussions was a group of communications companies represented by Qualcomm, Meta and Intel. In November 2022, the communications companies and Acconeer published a joint view on the regulation of pulsed radar in the 60 GHz band, and in May 2023, the FCC published new rules that exactly

matched our wishes. In July, we signed a contract with Convergence Promotions to build a sales network in the US and accelerate the company's revenue. In September, both the A111 and A121 were fully certified under the new rules.

Our sensor is included in two different products in the automotive industry "interior detection" and "access control". Within "interior detection", our sensor is used to detect living objects inside a car, which seat is being used and to trigger burglar alarms. Within "interior detection" we sell one sensor per seat, amounting to five or seven sensors per car, which makes it a big business. In "access control", our sensor is used to open and close doors or tailgates with a foot movement, usually one sensor per car.

During 2023, the number of design wins and launched cars with Acconeer's sensor has grown strongly. The number of design wins has grown from 4 to 14 car models, of which 4 are launched by General Motors. Three of these car models will include "interior detection". In the area of access control, three of the five largest car manufacturers in the world have now chosen Acconeer's sensor.



We are finished with the first prototypes in the A2 project, which is Acconeer's first sensor with multiple transmitter and receiver antennas, which is needed for angle measurements. The A2 will also contain a microprocessor. Our assessment is that the prototypes work well enough to be sent to selected customers for evaluation, which will take place in the spring of 2024. We expect to be able to commercially launch A2 in 2025.

In order to report on the attractiveness of the A1 product and to measure the influx of customers who evaluate the product, we measure the number of evaluation kits sold (EVK), in 2023 we sold 1400 evaluation kits, which is four pieces a day on average and more than the ambition to sell more than 3 a day. We saw 38 customers launch products containing our sensor, which is slightly below the ambition of 40.

In addition to selling through distributors, Acconeer runs more than 20 customer projects, which means we work very close together with a customer and help them all the way to launch. We create customer projects for cases that can create very large volumes or are new innovative use cases where we see that if we help the first reference customer to launch a good product, it will lead to many more customers in the same field. At the turn of the year, we could count that our customers had launched 145 products since we introduced the first sensor.

In January, the company announced a fully guaranteed rights issue of SEK 150 million. The company had established that Acconeer's liquid funds would not be enough, the background to this was high development costs for A2, that our customers had bought large stocks and did not order enough, and that a couple of car projects that would have generated high volumes were delayed. This had the consequence that the gross profit was lower than estimated while we bought much material for production.

In connection with the decision on the rights issue, the board has adopted financial targets. These are:

- Net sales of more than SEK 300 million in 2027
- EBIT break-even during 2025
- Long-term EBIT margin of at least 25 per cent

The net proceeds from the rights Issue are expected to be sufficient to fund the company's business plan until positive cash flow is achieved, which is anticipated to occur during 2026.

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

Acconeer's main goal right now is to take advantage of the opportunities to grow quickly, under controlled forms, to maintain a leading position in the field of small, low-power and low-cost radar. Expansion remains a high priority, while we also increase the focus on becoming profitable.

Malmö, 5 March 2024

A handwritten signature in black ink that reads "Lars Lindell". The signature is written in a cursive, flowing style.

Lars Lindell, CEO Acconeer AB (publ)

SOLD EVALUATION KITS, MODULES AND SENSORS

	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4	Accumulated*
EVK	346	303	425	364	308	7,341
Modules	14,140	20,087	14,699	11,225	10,071	170,974
Sensors	264,783	116,286	66,997	95,703	153,498	1,905,863

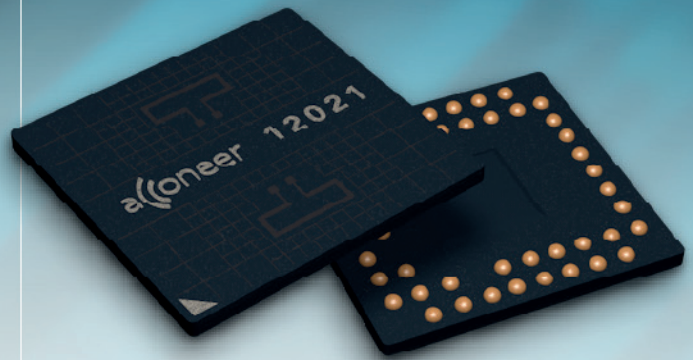
*Accumulated since the products were launched.

CUSTOMER LAUNCHES BY MARKET AND AREA OF USE

	IoT & Smart cities	Industry & Agriculture	Consumer Electronics	Automotive	Total
Europe	38(35)	16(16)	5(5)		59(56)
Japan	4(3)	1(1)	4(4)		9(8)
South Korea	7(7)	2(1)			9(8)
Australia & New Zealand	4(3)	5(4)			9(8)
US	3(2)	11(10)	1(1)	4(3)	19(15)
China	24(23)	9(9)	2(2)		35(34)
Taiwan & Singapore	2(2)	1(1)	1(1)		4(4)
Middle east North Africa	1(1)				1(1)
Total	83(76)	45(42)	13(13)	4(3)	145(134)

The table refers to the accumulated number of customer launches since product launch Q2 2018. Figures in parentheses refer to the number in the previous quarter. Customer launch means that a customer has either communicated that the product has been launched or that the customer has placed an order for over 1000 sensors.

THIS IS ACONEER



Based on research from Lund University, Acconeer has created a radar sensor that combines the best of existing radar technologies and creates new opportunities for human interaction with technology. The radar sensor combines the low power consumption of a pulsed system with the high accuracy of a coherent radar, and also provides the opportunity to identify different materials - all in a 5x5 mm component. The radar sensor can be used for distance measurement, gesture control, materials characterization and other things. The most interesting domains are:



CONSUMER
ELECTRONICS



INTERNET OF
THINGS



INDUSTRIAL &
AGRICULTURE



AUTOMOTIVE

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

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

A LARGE AND GROWING MARKET

Acconeer's radar is addressing an existing and large market for 3D sensors; a market that is expected to

continue to grow rapidly considering a number of key industry trends such as 5G, Artificial Intelligence and the Internet of Things. The market is mostly served by ultrasonic transducers, infrared sensors and different kinds of camera solutions today. This means that Acconeer will not have to create a new market; instead, it can replace existing solutions which all have their specific weaknesses.

ATTRACTIVE GROWTH AND RETURNS

The hardware for the first Acconeer product has been available for approximately since 2018, and has now been shipped to a number of customers who are in different phases of evaluation, prototyping, market launch and mass production. The use of Acconeer sensors in large-volume consumer products will generate a profitable business operation. At the same time as sales and marketing activities have intensified, the company is focusing on developing the next generation radar sensor.

HEADQUARTERS IN THE ÖRESUND REGION, EXPERIENCED MANAGING BODY

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

LISTED ON NASDAQ FIRST NORTH GROWTH MARKET

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

AWARDS

Acconeer has been given the Innovation of the Year award at the Swedish Mobile Awards, and has been named as one of the 33 most interesting startups in Sweden by the magazines Affärsvärlden and Ny Teknik. In both 2018 and 2019, the international analysis company Gartner named Acconeer as one of three and four "cool vendors" globally. In 2020, Gartner included Acconeer in its "Hype Cycle" report on trends in the sensor market. In both 2022 and 2023, Acconeer was listed among Sweden's 50 fastest growing technology companies by Deloitte.

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 2023, Acconeer has:

- Launched A121 and seen it well received by the market. More than 80% of sold evaluation kits (EVK) are A121.
- Initiated an expanded sales network in the USA, after new regulations came into place. Acconeer's sensor is now certified according to these.
- Seen strong development in the car industry:
 - Acconeer announced ten new design wins and now has 14 in total.
 - Acconeer now has design wins with three of the world's five largest car manufacturers
- Received A2 prototypes that work well enough for customer evaluation.
- Sold close to 4 evaluation kits per day, which is well over the ambition to sell 3 per day
- Seen a total of 37 customer launches globally.

The objective for 2024 is to:

- Continue to sell more than three evaluation kits per day
- Continue to launch more than 10 customer products per quarter
- Assist our customers to launch of additional car models such as the Volvo EX90 and Polestar 3
- Continue to invest in the development of the next generation radar sensor together with Alps Alpine
- Launch customers into new application areas
- Continue to focus on aggressive revenue growth to good margins while continuing to improve the company's results.

FINANCIAL TARGETS

- Net sales of more than SEK 300 million in 2027
- EBIT break-even during 2025
- Long-term EBIT margin of at least 25 per cent



SENSORS ARE CHANGING OUR DAILY LIVES



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

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

AN ESTABLISHED MARKET, READY FOR INNOVATION

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

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

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

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

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

THE PRODUCT – A COMPACT AND ENERGY-EFFICIENT RADAR SENSOR

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

PULSED COHERENT RADAR

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

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

LOW POWER CONSUMPTION

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

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

MOTION AND GESTURE CONTROL

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

MATERIALS CHARACTERIZATION

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

EASILY INTEGRATED

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

HIGH ACCURACY

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



CUSTOMERS AND APPLICATIONS



The unique properties of Acconeer's radar sensor makes it a good fit with great potential for a large number of applications, such as distance measurement, gesture control, materials characterization, detection of objects and people. In 2023, we saw customer products launch at a steady pace, and so far, close to 150 products have been launched worldwide with Acconeer's radar sensor in them. These customers are found in a wide range of products and business areas such as industry, automotive industry, smart cities and consumer electronics. In all these segments there is a strong and clear need, and potential for larger volumes going forward.

AUTOMOTIVE

As modern cars become more advanced in terms of functionality, convenience and safety, the number of sensors grows as well. It's not uncommon that a car has hundreds of sensors to monitor its operation and its users. Together with our partner Alps Alpine, we provide the automotive industry with radar sensors for a range of use cases. In 2023, several new car models with our radar sensor were launched, and we received a number of important design wins with large companies in the automotive industry.

EXISTING USE CASES IN CARS

The car models that have been launched so far, or where we have design wins, are all a result of the collaboration with Alps Alpine. These models implement one or more of the following use cases.

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

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

ADDITIONAL OPPORTUNITIES IN THE AUTOMOTIVE INDUSTRY

In addition to the above-mentioned applications in the automotive industry, there are many potential use cases. Among other things, level measurement of liquid in tanks, a case where products have been launched in other industries. Another example is the measurement of load weight by measuring the compression of the car's suspension.

IOT AND SMART CITIES

The Internet of Things (IoT) and smart cities segment is the business area with the most customer launches and the largest volumes to date: Here you can find products such as parking sensors, contactless buttons as well as level gauges for dustbins, tanks and sewage systems. What these products have in common is that low-power sensors are central, as they are often battery-powered and require a long battery life. The radar sensor provides accurate, rich and reliable information and satisfies the required power consumption performance.

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

Electric vehicle charger: The radar sensor is used to detect if a car is parked at a public charging point without charging.

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: Touchless buttons, for example for crosswalks.

Level measurement: Several customers have launched products for level measurement in sewage systems, waste bins and other containers.

INDUSTRY AND AGRICULTURE

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

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

Vibration measurement: Thanks to the high precision in detecting even very small movements, Acconeer's sensor can be used for vibration measurement. This way, for example, changes in a machine's vibrations can be detected and maintenance can be carried out before it fails.

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

Measurement of fluids: Radar sensors can accurately measure levels of fluids from the outside of a tank. This is an area where several customer products have been launched. Several customers have also used Acconeer's sensor for measuring the water level in sewage systems to prevent flooding and leakages.

Agricultural use: In agriculture, Acconeer's radar sensor is currently used to measure the level of content in silos and to measure the size of livestock. Great potential is also found in the automation of agricultural machinery such as combine harvesters and seeders.

CONSUMER ELECTRONICS

The segment of consumer electronics contains a wide

range of products such as headphones, smartphones and other devices in homes. Here, Acconeer has seen customer launches in products such as robotic lawnmowers that see obstacles and materials, as well as keyboards that use Acconeer's technology for presence detection so that the computer goes into power-saving mode when no one is sitting on it.

ROBOTS

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

Obstacle detection: Helps robots to avoid obstacles. In this area Acconeer has seen customer launches from several Japanese companies, whose robots avoid obstacles thanks to Acconeer's radar sensor.

Materials: A robot vacuum cleaner could for example adapt the power to the surface material and achieve better cleaning effect and reduced energy consumption. It could also detect puddles of fluid on the floor, so that it could maneuver around it instead of going through it and spreading it out further. A robotic lawnmower can similarly detect whether it is moving on grass or other surfaces, an area where Acconeer has now seen its first customer launches.

HEALTHCARE & FITNESS

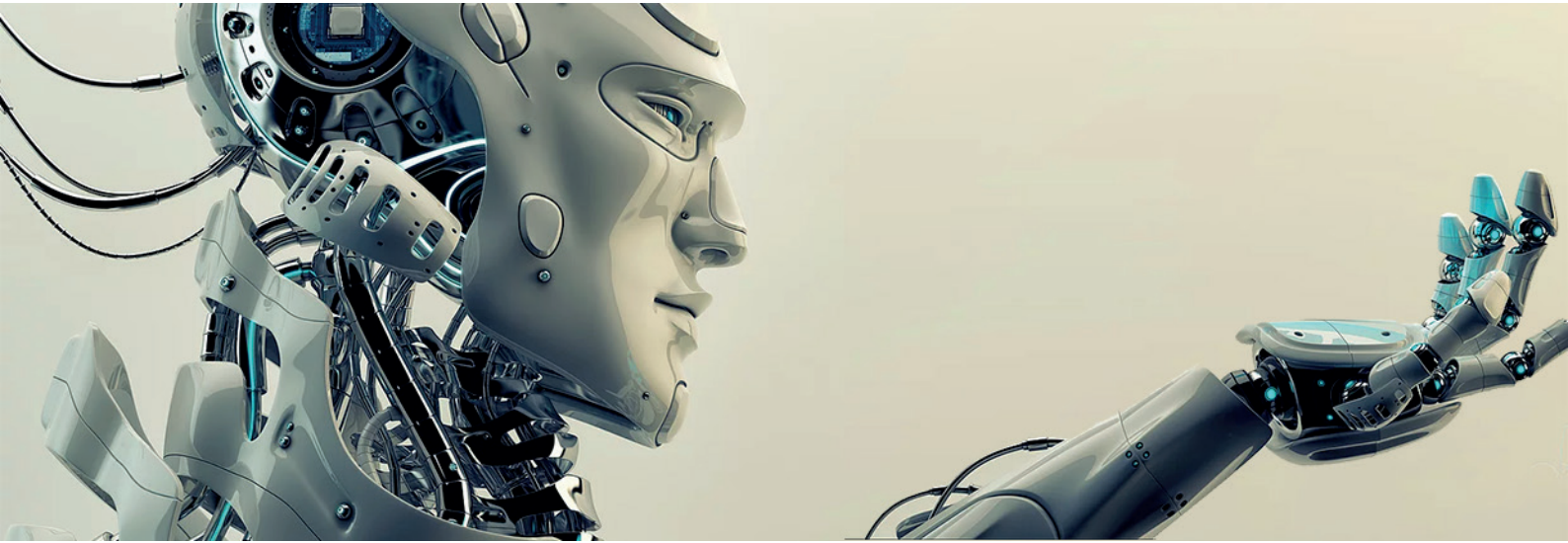
Acconeer's technology creates new opportunities in healthcare through the combination of detection properties and easy integration.

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

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



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.

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.

THE MARKET FOR ACCONEER'S 60GHZ RADAR TECHNOLOGY

The global market for 60GHz radar can be divided into four main segments:

- Consumer electronics
- IoT & Smart cities
- Industry & Agriculture
- Automotive

Since the market for 60GHz radar is relatively new and at the same time addresses a broad market with different market conditions, it is today difficult to find consistent forecasts for the total market over the

coming years.

However, the available market forecasts point to a market with exponential growth in the coming years. QY Research makes the estimate that the total market for 60GHz radar will grow to 210mUSD by 2029¹. At the same time, Yole research makes the estimate that In-Cabin Automotive Radar alone (that is for the passenger compartment which is then expected to be made up of 60GHz radar) will amount to 600mUSD as early as 2028. They further estimate that the entire Automotive Radar market will reach \$13.5 billion by 2028².

Acconeer estimates that the total addressable market could reach just over USD 1 billion by 2029.

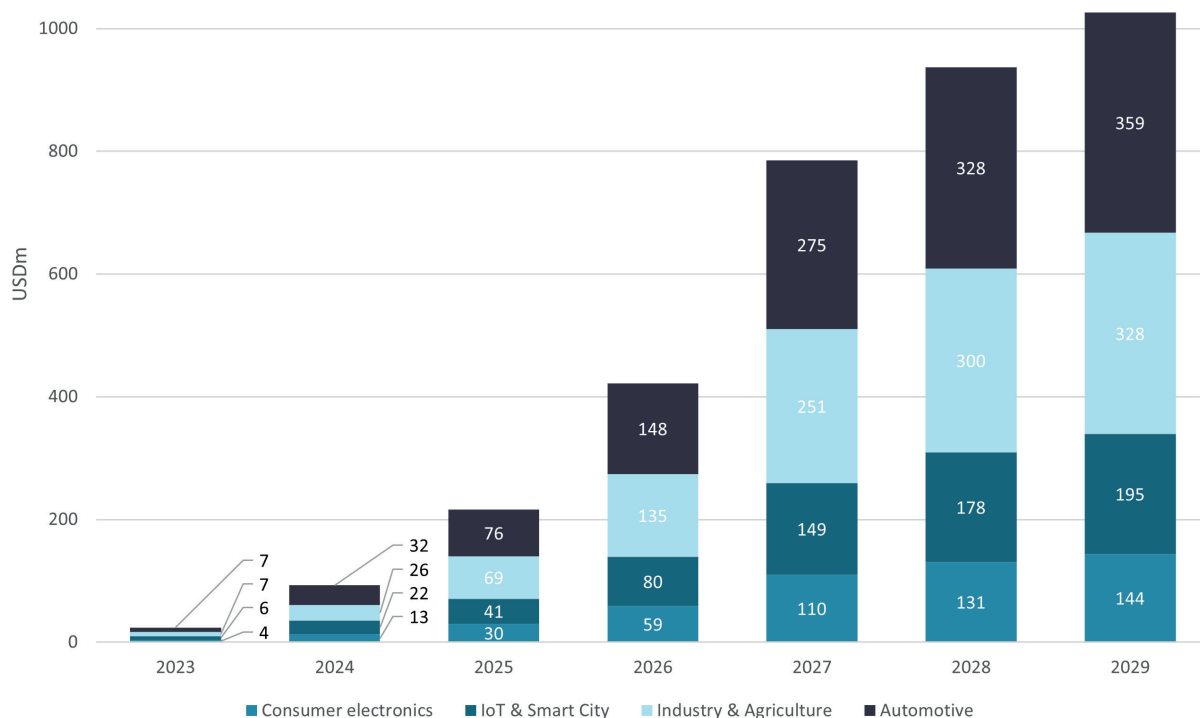
LARGE DEMAND IN MANY APPLICATION AREAS

Digitalization is a mega trend and strong driver of societal change making the world more connected and interconnected. More and more people are demanding faster, reliable and user-friendly technologies that function together. Products with low power consumption (to be able to run on battery), low cost and small size are central to the future smart and sustainable cities.

- Internet of Things - Emerging networks contribute to the development of a new generation of smart sensors that have the ability to collect, process and act on varied data, including in environmental monitoring, urban infrastructure and automation.

¹ Global 60GHz mmwave radar market research report 2023 – by QYResearch - published 2023.

² Radar for Automotive 2023 - by Yole Intelligence – published April 2023.



- Self-driving vehicles – Vehicles such as cars, trucks, drones, robots and agricultural machinery need smart sensors to become autonomous.
- Security – Advanced sensors' ability to detect presence increases security in homes, workplaces, vehicles and public places, driven by an increased focus on regulatory requirements.
- Reduced energy consumption - With growing environmental awareness, more and more measures are being taken in urban spaces, homes and businesses to improve energy efficiency, which in turn is driving the demand for intelligent sensors.
- Artificial Intelligence - Advances in artificial intelligence enable devices to autonomously analyze and interpret data, driving a demand for accurate and frequent measurements of our surroundings while maintaining low power consumption.

A SEGMENTED MARKET

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

When segmenting on technology, a common differentiation is between structured light projection, ultrasound, stereoscopic imaging and time-of-flight technology. As for form of use, the market is divided

by the applications in different market segments. This includes consumer electronics, medical, automotive, industrial, entertainment and defense applications. At the time of writing, the largest market segment is the entertainment industry.

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

COMPETITION

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

RADAR COMPETITORS

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

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

ALTERNATIVE TECHNOLOGIES

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

Infrared radiation, IR for short, is electromagnetic radiation with longer wavelengths than those of visible light. In general, IR sensors may suffer from interference from light sources, such as daylight or LED lamps. Furthermore, light reflects differently depending on the color of the reflecting object. Black objects, for example, reflect poorly, which could cause lower accuracy or even failure. A light-based sensor also requires an unobstructed line of sight in order to work, which makes it sensitive to dirt and dust and thus more difficult to integrate in a final product.

Ultrasound is sound waves with frequencies higher than the upper audible limit of human hearing. The speed of sound is temperature dependent, which impacts performance and accuracy. Ultrasonic

sensors may also suffer from interference in noisy environments. An ultrasonic sensor also requires an open aperture (without obstruction) to work.

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

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

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



SUSTAINABILITY IN ACCONEER

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

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

SUSTAINABILITY MANAGEMENT

Sustainability is currently reported internally within Acconeer, but forms part of Acconeer's business strategy. Therefore, the management is integrated into the company's ongoing business operations.

ORGANIZATIONAL

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

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

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

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

POLICIES AND CERTIFICATION

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

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



United Nations
Global Compact

THE SUSTAINABILITY WORK IS CENTRED AROUND THE STAKEHOLDERS

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

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

ACCONEERS FRAMEWORK FOR SUSTAINABILITY WORK

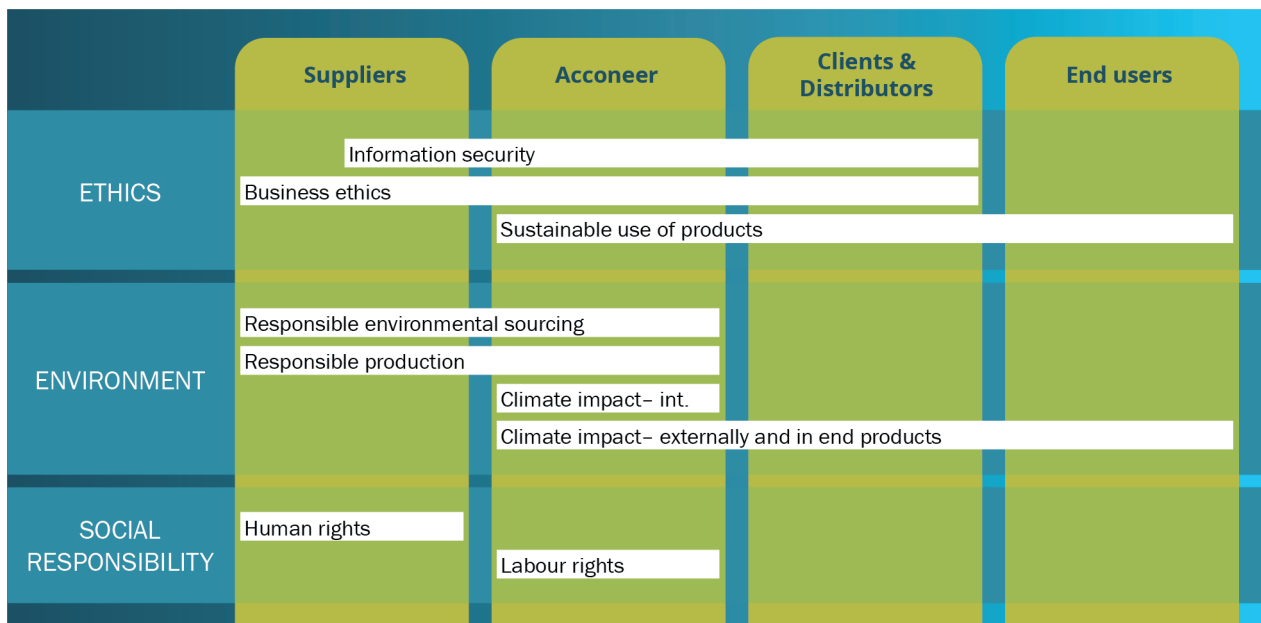
The framework ensures that sustainability becomes part of the business by measuring and following up our sustainability work, that the essential areas have clear control via policies and organizational responsibility. It also helps us prioritize activities such as evaluating suppliers based on Acconeer's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

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



RESPONSIBILITY THROUGHOUT THE VALUE CHAIN

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



A SOUND BUSINESS

Over arching Acconeer's sustainability work and a prerequisite for us to be able to conduct business, is that we deliver high product quality on our sensors and modules and have stable and healthy finances. The description of risks and considerations takes place in the management report on pages 25-28.

ETHICS = RESPONSIBLE BUSINESS

Having an ethical and responsible behaviour in all business is an important matter for Acconeer. In 2021, a Code of Conduct was adopted based on the Responsible Business Alliance (RBA) framework which regulates how employees and consultants are expected to behave when they represent Acconeer. Since 2022, the Code of Conduct is available on Acconeer's website under "Sustainability".

ENVIRONMENT = CARE FOR THE ENVIRONMENT

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

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

SOCIAL RESPONSIBILITY

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

Acconeer conducts an annual employee survey that provides an indication of how employees view their employer. The result of this is followed up with measures if necessary. As part of the work to ensure a healthy and attractive workplace culture, the company has a set of Core Values. These are "Innovative", "Open" and "Brave". During a couple of years, work has been ongoing to create, consolidate and let the values permeate the daily work.

UN GLOBAL DEVELOPMENT GOALS

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

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



THE GLOBAL GOALS



4 car models launched with the A1 radar sensor. Design wins with 3 of the world's 5 largest automakers

● 1,905,864 sensors delivered

● At the end of 2023, the company had sold 7341 development kits and counted in total 145 launched customer products

HISTORY

● 2022 Launch of the A121 radar sensor

● 2023 First A2 prototypes. New US regulations opening for large new opportunities.

● 2021 Agreement with Alps Alpine for the next generation radar sensor A2 and starting point of its development



● 2019 Commercial break through

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

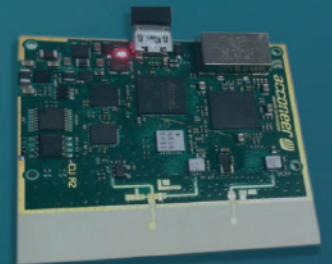
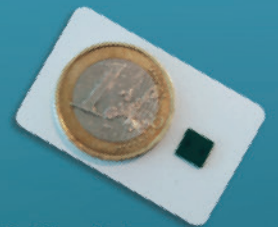
● 2017 IPO, with approximately 4,000 new owners

● 2015 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 the University of Lund

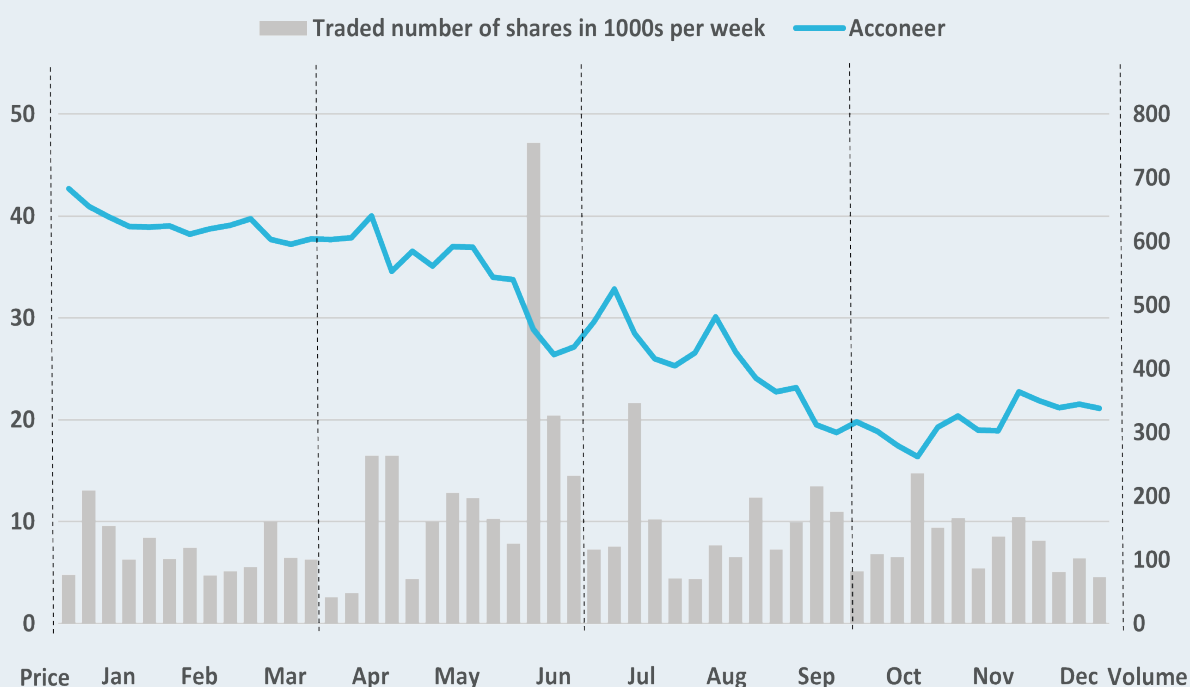


THE TEN LARGEST OWNERS

2023-12-31

NAME	NUMBER OF SHARES	SHARE %
BGA Invest AB	2,989,250	11.22
Avanza Pension	2,059,551	7.73
Alps Alpine CO LTD	1,854,300	6.96
Lars Ingvarsson	1,350,910	5.07
Swedbank Försäkring	1,028,482	3.86
Nordnet Pensionsförsäkring	1,001,348	3.76
Lars-Erik Wernersson	556,500	2.09
Ardventor AB/Mikael Egard	554,850	2.08
Mats Ärlelid	549,576	2.06
DTX i Sverige AB	255,000	0.96
	12,199,767	45.80
Other shareholders	14,438,016	54.20
Total number of shares	26,637,783	100%

THE SHARE



FINANCIAL CALENDAR

Annual General Meeting 2024.....	2024-04-23
Q1 Interim report 2024	2024-05-14
Q2 Interim report 2024	2024-07-19
Q3 Interim report 2024	2024-10-25
Year-end report 2024.....	2025-02-14
Annual Report 2024.....	2025-03-20

The Annual General Meeting will be held on Thursday, 23 April 2024. More information about time and place will be included in the notice convening the AGM.

BOARD OF DIRECTORS



THOMAS REX

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

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

Other current assignments: Senior Vice President, member of the board and Head of Business Line Smartcards of Fingerprint Cards Sweden AB. Member of the board and CEO of Thomas Rex Sales AB. Member of the board of Fingerprint Cards IP AB and Fingerprint Cards Anacatum IP AB.

Previous assignments: Global Sales Manager at Fingerprint Cards. Vice President of Ericsson Mobile Platforms Asia.

Shareholding: Private holding of 180.786 shares.



LARS-ERIK WERNERSSON

Born in 1968. Member of the board since 2011.

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

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

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

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



GIT STURESJÖ ADOLFFSSON

Born in 1961. Member of the board since 2015.

Education and experience: Economics, University of Lund.

Other current assignments: CEO and member of the board of BGA Invest. Chairman of the board of SmartRefill i Helsingborg AB. Board member Minesto AB.

Previous assignments: Member of the boards of BGA Capital AB and Bacapps Support. Member of the boards and CEO of Facino AB, Facino Produktion AB, Facino Produktion AB, Facino AS. Deputy board member of Watersprint AB.

Shareholding: 2,989,250 shares (through the company BGA INVEST AB).



BENGT ADOLFFSSON

Born in 1949. Member of the board since 2015.

Education and experience: Economics, Växjö University.

Other current assignments: Member of the boards of Minesto AB, Minesto Warrants One AB, Smart Refill i Hbg.

Previous assignments: Chairman of the board and CEO of Hilding Anders. Member of the boards of BGA Capital AB and Bacapps Support. Member of the boards and CEO of Facino AB, Facino Produktion AB, Facino Produktion AB, Facino AS.

Shareholding: 2,989,250 shares (through the company BGA INVEST AB).



JOHAN PAULSSON

Born in 1963. Member of the board since 2019.

Education and experience: MSc Engineering University of Lund

Other current assignments: CTO at Axis Communications AB. Member of the boards of GARO AB and SaFP AB.

Previous assignments: Board member poLight A/S.

Shareholding: Privat holding of 198,603 shares.

MANAGEMENT



LARS LINDELL

Born in 1963. CEO. Employed since 2015.

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

Other current assignments: Member of the board of Acconeer Incentive AB and Smartrefill i Helsingborg AB.

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

Shareholding: Private holding of 118,806 shares and 36,000 warrants.



MATS ÄRLELID

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

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

Other current assignments: -

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

Shareholding: Private holding of 549,576 shares and 27,706 warrants.



MIKAEL EGARD

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

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

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

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

Shareholding: Holding of 554,850 shares and 10,500 warrants in total, privately and via Ardventor AB.



LENNART MOBERG

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

Education and experience: Master of Science in Physics & Electrical Engineering, University of Linköping.

Other current assignments: -

Previous assignments: -

Shareholding: Private holding of 1,100 shares.



MIKAEL ROSENHED

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

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

Other current assignments: -

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

Shareholding: -

MANAGEMENT



DAVID HÅKANSSON HAGMAN

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

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

Other current assignments: -

Previous assignments: -

Shareholding: Private holding of 56,442 shares and 16,043 warrants.



BJÖRN BENGTSSON

Born in 1966. CFO. Consultant since 2020.

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

Other current assignments: Business leader and consultant at accounting firm FinansBalans. CEO and member of the board of BonBalance AB.

Previous assignments: -

Shareholding: -



MAGNUS GERWARD

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

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

Other current assignments: -

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

Shareholding: Private holding of 41,394 shares and 46,841 warrants.



ANNA ALERYD

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

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

Other ongoing assignments: -

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

Shareholding: 8,632 shares and 17,500 warrants.

MANAGEMENT REPORT

The Board of Directors and the Chief Executive Officer of Acconeer AB hereby present the annual report for the financial year 2023-01-01 - 2023-12-31. The annual report is prepared in thousand Swedish kronor, TSEK.

INFORMATION ABOUT OPERATIONS

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

SIGNIFICANT EVENTS DURING AND AFTER THE FINANCIAL YEAR

In 2023 the new Pulsed Coherent Radar sensor A121 became ready for mass production and distribution.

A manufacturing agreement was signed with one of the world's leading semiconductor contract manufacturing companies.

Three new distribution agreements was signed and six new design wins in the automotive industry was announced.

Events in 2023

On February 9 Acconeer received an order from Digi-Key worth USD 100k. The order related to the new A121 Pulsed Coherent Radar sensor for mass production, as well as the first A121-based module, the integration-ready XM125 and its related evaluation kit (EVK) XE125.

On 22 March it was announced that A121 was ready for mass production since it had been tested and qualified according to JEDEC and AEC-Q100 grade 2.

On 27 March the first A121-based radar module - XM125 Entry+ Module was launched. The previously announced XM125 Entry+ Module with ultra-low power consumption, outstanding system cost and solderable design had been shipped to distributors and was available for customers to buy in the next few days.

At the end of March it was announced that Acconeer signs manufacturing agreement with leading semiconductor supplier. In February last year Acconeer agreed with their semiconductor manufacturer to become a direct customer. On 30 March 2023 all details was agreed upon and a contract signed by the two companies. The supplier is one of the world's leading semiconductor contract manufacturing companies, where Acconeer produces their semiconductor wafers.

18 April it was announced that Acconeer and South Korean TecAhead had signed a distribution agreement

for pulsed coherent radar sensors and modules serving the Korean market. The two companies already had a sales agreement in place, and with the new distribution agreement in place TecAhead will help strengthen Acconeer's position on the Korean market.

The same day it was announced that Acconeer has received a design win for access control, which allows touchless opening of the trunk of a car using the A121 pulsed coherent radar sensor, with one of the world's leading multinational automotive manufacturing corporations. The forecasted value of the design win is estimated to USD 800k in the period 2024-2030. By "design win" Acconeer refers to that the company's radar sensor has been selected for use in a customer product, but it is not equivalent to that an order has been placed.

On May 8, Acconeer received an order from Micro Summit K.K. (MSK) worth USD 138k. The order related to Acconeer's A121 radar sensor for mass production of customer products in the industry and agriculture segment. MSK is a leading distributor of Microelectronics components, electronics modules and electro-mechanical components in Japan.

On May 11, Acconeer received an order from SweloT worth USD 104k. The order related to Acconeer's XM122 IoT Module, for use in inventory tracking modules. SweloT is a Swedish expert company within IoT and sensors providing both products and services to customers.

On May 11, it was also announced that Acconeer had entered into an agreement with Buntel AB and Exelity AB through which Buntel AB and Exelity AB provide Acconeer with a loan facility of up to SEK 60 million. The loan facility was intended to be used to enable Acconeer to achieve operational milestones. From and including October 1 2023, until the time of expiration of the loan facility, Acconeer has the possibility to use the loan facility through a total of two payments of a maximum of SEK 30 million each. Loans under the facility fall due on December 31, 2024 and bear a monthly interest rate of Stockholm Interbank Offered Rate (STIBOR) + 1.0 percent, which corresponds to approx. 16% in annual effective interest.

In the middle of June an order was received from BEYD worth USD 160k. The order related to A1 for customers' mass production, as well as evaluation kits (EVK) for the new A121 PCR sensor.

At the end of June it was announced that Acconeer

had signed a distribution agreement with Data JCE Electronic. The agreement concerns Acconeer's radar sensors along with related modules and evaluation kits (EVK) for the Israeli market. Data JCE Electronic Inc. was founded in 1995 and provides original, quality, and dependable semiconductors to a wide range of customers

On July 10 it was announced that Acconeer has signed a contract with Convergence Promotions LLC to promote and sell Acconeer's Pulsed Coherent Radar products on the North American market including the US, Canada and Mexico. The contract means that Convergence Promotions will promote Acconeer products and build a large network of sales representatives. This way Acconeer will complement the current sales setup with much increased coverage all over North America.

On August 29 it was announced that Acconeer has signed a distribution agreement with Turkish Ansal Component. The agreement concerns Acconeer's radar sensors along with related modules and evaluation kits (EVK) for the Turkish market. Ansal Component provides component supply services to organizations that provide R&D services and produce Electronic Systems in Turkey.

On October 26 it was announced that Acconeer had received an order from Nexty worth USD 150,000. The order relates to Acconeer's pulsed coherent radar sensor A1 for mass production. NEXTY Electronics is a leading Japanese distributor with a particularly strong position in the automotive industry.

On November 7 the company announced that a large Japanese electronics company had launched a module based on Acconeer's A1 radar sensor. The new module is a connected, battery-powered device targeting smart presence, distance and level measurements, as well as other radar-based IoT use cases.

28 November Acconeer announced five new automotive design wins to an estimated value of USD four million. Acconeer's A121 Pulsed Coherent Radar sensor had been designed in to an additional five new car models from one of the world's leading multinational automotive manufacturing corporations. The design wins are for the use case access control, which allows touchless opening of the trunk of a car. The total forecasted value of the design wins is USD four million over a seven year period starting in 2025.

On December 7 it was announced that Acconeer had received an order from NEXTY worth USD 190k. The order related to Acconeer's pulsed coherent radar sensor A1 for mass production. NEXTY Electronics is a leading Japanese distributor with a particularly strong position in the automotive industry.

Events after the end of the year

On 24 January it was announced that A121 had been designed into a first car model from a leading

Japanese automotive manufacturer. The design win is for the use case access control, which allows touchless opening of the trunk of a car. The total forecasted value of the design win is more than USD 5 million over a seven-year period starting in 2025.

On January 29 The Board of Directors of Acconeer announced its intention to carry out a fully guaranteed rights issue of shares equivalent to approximately SEK 150 million before deductions for transaction costs (the "Rights Issue"). An Extraordinary General Meeting (the "EGM") was held on 1 March 2024 where the limits of the number of shares and share capital in the Articles of Association was changed and gave the Board of Directors an authorization to resolve on the Rights Issue. The Rights Issue, including full terms, was resolved by the Board of Directors on 5 March 2024. The Company has secured subscription undertakings, corresponding to their respective pro rata shares, from existing shareholders Alps Alpine Co., Ltd., the Ingvarsson Family (through Sifonen AB and privately), Chairman of the Board Thomas Rex, and CEO Lars Lindell, of, in aggregate, approximately SEK 20 million, corresponding to approximately 13 per cent of the Rights Issue. In addition, external guarantors have provided guarantee commitments, subject to customary conditions, which, in aggregate, amount to approximately SEK 130 million, corresponding to approximately 87 per cent of the Rights Issue. Hence, the Rights Issue is fully covered by subscription undertakings and guarantee commitments. In connection with the Rights Issue, the Company announced financial targets, preliminary financial information for FY 2023, and an updated financial calendar.

On February 16 Acconeer received an order from NEXTY Electronics worth 1,8 million USD. The order relates to Acconeer's pulsed coherent radar sensor A1 for mass production and is the largest order Acconeer has received so far. A pre-payment of the full value will be made no later than April 2024.

SIGNIFICANT CIRCUMSTANCES

The company had one major owner (more than 10%) on 2023-12-31: BGA Invest (11,22%).

EXPECTED FUTURE DEVELOPMENT, KEY RISKS AND UNCERTAINTY FACTORS

There is a very strong interest in Acconeer's solution, from customers in a wide range of segments and applications. Some of these hold prominent positions in their respective markets. As with every early-stage company, Acconeer faces significant risks. The company is working continuously to make sure that the Board of Directors and the executive management consider every alternative carefully and make informed choices.

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

general risks with the economy.

The company cannot provide any guarantees regarding the accuracy of the forward-looking statements made herein or to the extent of the actual occurrence of any anticipated developments.

Financing risks and need of financing

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.

It is the assessment of the Board of Acconeer that the existing working capital is not sufficient for the current needs during the next twelve months. Due to this, the board, with the support of the authorization from the extraordinary general meeting on March 1, 2024, has decided on the implementation of the rights issue, for a total of SEK 149 million before issue costs. The company has, via written agreements, received subscription and guarantee commitments corresponding to 100 percent of the Rights Issue. The net cash from the Rights Issue is expected to be sufficient to finance the Company's business plan until the Company reaches a positive cash flow, which is expected to occur in 2026. Without the Rights Issue, the Company is expected to be able to finance its business plan with existing cash until mid-August 2024.

The rights issue is carried out to add working capital to Acconeer and create better conditions to realize the Company's strategy and business plan to create value for Acconeer's shareholders and other stakeholders.

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 future revenue. 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 results. 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. As Acconeer does not have control over the production resources, shortages may arise in the industry where Acconeer is not allocated enough production resources. This may have a negative impact on the Company's results.

Risks regarding purchase of materials for production

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

Risks with "tape-out" and production return

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

For cooperation projects with milestones, these

are recognized as revenue in pace with completion and payment is only received when the requirement specification in the respective milestone is achieved. If assumptions made to determine the degree of completion were to be affected by changed circumstances, it could have an impact on the project's degree of completion, which could affect the project accounting and consequently also affect previously reported income.

Intellectual property rights, confidentiality, business secrets and similar aspects

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, such as Infineon, Texas Instruments and Bosch, may have developed, or may develop, directly or indirectly competing products or other alternative solutions, such as infrared sensors, ultrasound sensors or cameras, 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 negative impact on the Company's ability to retain and attract new customers.

Intangible assets, capitalized development work expenditure

The recognized balanced expenses for development work are subject to and dependent on the management's ongoing analysis and impairment test. The management continuously assesses whether the development costs meet the criteria required for capitalization according to the regulations and which are described in the accounting principles. In this, management assesses, for example, the probability and possibility of completing the intangible fixed asset so that it can be used or sold. The most critical assumption, which is evaluated by management, concerns whether the intangible asset is expected to generate future economic benefits that at least correspond to the intangible asset's carrying value. The management's assessment is that the expected future cash flows are sufficient to justify capitalization of the development costs as well as the recognized value of the intangible asset, which is why no impairment has been made. However, the valuation is based on and dependent on the conditions for

continued operation. The Board of directors approve impairment tests carried out.

Sale of the Company's products risks entailing product liability

If the Company's products turn out to be technically faulty or do not meet the performance and/or the functions that were promised, the Company may be obliged to participate in or carry out action programs and be liable for warranty liability. Warranties, to the extent that such will be provided, are normally expected to relate to the product's overall function and performance. Shortcomings in Acconeer's products or guarantees can lead to the Company incurring significant costs, for example damages.

Product liability may amount to significant amounts. It is not certain that the provisions that have been made in the ongoing management for warranty commitments or other commitments are sufficient to cover any consequences for the delivery of faulty products or that the Company's insurance covers such damage. Even if the Company's insurances would cover a possible product liability claim or claim related to the delivery of faulty products, there is a risk that the compensable amount does not correspond to the actual damage.

International operations and changes in exchange rate

The company is a Swedish limited company whose results and financial position are reported in SEK. A significant part of the Company's future manufacturing and market is located abroad, and purchases and sales take place primarily in US dollars. Such sales and purchases mean that Acconeer is exposed to exchange rate fluctuations. A drop of 20 percent in the US dollar exchange rate against the Swedish krona would mean a reduction of approximately 20 percent in the Company's revenue. Acconeer can thus be negatively affected by currency fluctuations.

Risks of breakdowns in IT systems and operational disruptions

Acconeer depends on the efficient and uninterrupted operation of various IT systems to run its day-to-day operations. An extensive breakdown or other disruption in the IT systems may affect the Company's ability to provide its services and carry out effective sales. In the event that Acconeer fails to provide its customers with agreed services and products, the Company may also incur liability or obtain dissatisfied customers who terminate or do not renew their agreements with Acconeer.

There is also a risk that the Company's security measures regarding its systems and other security routines do not prevent unauthorized intrusion by outside parties trying to gain access to confidential

information. There is also a risk that any authorized person at Acconeer or the third party suppliers that Acconeer uses willfully or negligently disseminate the confidential information to unauthorized persons.

The company makes investments to protect itself from the risk of its IT systems being affected by operational disruptions and even if this is done, the risk remains of being affected by activities such as system intrusion, virus spread and other forms of IT crime. Such activities may cause system failures and business interruptions and may damage Acconeer computers or other equipment. Even unpredictable events such as fire and natural disasters can have consequences for Acconeer's ability to fulfill its obligations towards the customer. If any of the above risks were to materialize, it could damage Acconeer's reputation and result in the Company becoming liable for damages, and thus result in increased costs and/or lost revenue.

Credit risks

The company has guidelines for granting credit to customers and as a general rule the company applies a credit period of 30 days. There is a risk that the Company's assessment and evaluation of its counterparties' credit risk is not correct. If the Company's customers are unable to meet their commitments to the Company, this may have a negative impact on the Company's results and financial position.

NET SALES AND RESULT 2023

Net sales for the full year amounted to kSEK 35,522 (46,825) i.e. a decrease of 24% compared to previous year. Net sales relate to sales to customers through distributors, mainly Digi-Key, Nexty, BEYD and Codico, and income from development services.

Gross profit, which only includes direct cost of goods, amounted to kSEK 25,572 (30,871) which corresponds to a gross margin of 72 (66)%. Reduced with revenues from development related services,

gross profit amounted to kSEK 15,928 (23,051) which corresponds to a gross margin of 62 (59)%. Product mix between our sensors, modules and evaluation kits affect the gross margin.

Compared with last year, operating expenses decreased by 11% to kSEK 75,178 (84,928). Operating profit/loss for the full year amounted to kSEK - 46,807 (-47,248) and the profit/loss after tax was kSEK -46,504 (-47,154).

MULTIPLE YEAR OVERVIEW

AMOUNTS IN KSEK	2023	2022	2021	2020	2019
Net sales	35 522	46,825	31,157	9,505	5,508
Operating result	-46 807	-47,248	-51,101	-62,309	-68,562
Balance sheet total	199 220	190,675	223,223	128,442	130,202
Solidity %	66	90	89	94	92

See Accounting and valuation policies for definitions of key indicators.

CHANGES IN EQUITY

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	SHARE HOLDERS CONTRIB.	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2022-12-31	1,317	28,495	482,848	25	-341,174	171,511
New share issue	13		5,227			5,240
Exercise of warrants /new shares	2		2,147			2,149
Issue expenses			-233			-233
Capitalisation development costs		34,134			-34,134	0
Dissolution of depreciation of development costs		-4,893			4,893	0
Convertible loan			155			155
Deferred tax			-32			-32
Net profit/loss for the period					-46,504	-46,504
Total equity 2023-12-31	1,332	57,736	490,112	25	-416,919	132,286

KSEK	SHARE CAPITAL	FUND FOR DEVELOPMENT COSTS	SHARE PREMIUM RESERVE	SHARE HOLDERS CONTRIB.	RETAINED EARNINGS	TOTAL EQUITY
Total equity 2021-12-31	1,286	13,632	463,912	25	-279,157	199,698
Issuance of warrants	31		19,327			19,358
Issue expenses			-211			-211
Warrant expenses			-180			-180
Capitalisation development costs		21,387			-21,387	0
Dissolution of depreciation of development costs		-6,524			6,524	0
Net profit/loss for the period					-47,154	-47,154
Total equity 2022-12-31	1,317	28,495	482,848	25	-341,174	171,511

PROPOSED APPROPRIATIONS OF PROFIT OR LOSS

The Board of Directors proposes that unrestricted equity (SEK):

	Amount
Premium reserve	490,111,663
Retained loss	-370,389,342
Loss for the year	<u>-46,503,991</u>
Total	73,218,329

are distributed so that

Premium reserve	490,111,663
to be carried forward	<u>-416,893,334</u>
	73,218,329

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 KSEK	NOTE 1	2023-01-01 2023-12-31	2022-01-01 -2022-12-31
Net sales	2	35,522	46,825
Cost of goods sold		-9,950	-15,954
Gross profit		25,572	30,871
Operating expenses	3-9,11-14		
Sales expenses		-28,588	-25,862
Administrative expenses		-10,365	-13,989
Research and Development expenses	11	-36,225	-45,077
Other operating income/ expenses	10	2,799	6,809
Operating result		-46,807	-47,248
Result from financial items			
Result from participation in group companies		-	-4
Financial income		1,240	160
Financial expense		-940	-62
Net financial income/expense		300	94
Profit or loss before tax		-46,507	-47,154
Tax		3	-
Net profit or loss for the year		-46,504	-47,154

BALANCE SHEET

AMOUNTS IN KSEK	NOTE 1	2023-12-31	2022-12-31
ASSETS			
Fixed assets			
<i>Intangible fixed assets</i>			
Capitalised development costs	11	57,736	30,487
Patents	12	2,252	2,251
		59,988	32,738
<i>Tangible fixed assets</i>			
Machinery and other technical equipment	13	7,749	1,087
Equipment, tools, fixtures and fittings	14	2,780	3,641
Assets under construction and advance payments referring to tangible fixed assets	15	1,301	7,063
		11,830	11 791
<i>Financial fixed assets</i>			
Participations in Group companies	16,17	828	828
		828	828
Total fixed assets		72,646	45,357
Current assets			
<i>Inventories, etc.</i>			
Work in progress		54,487	23,075
Finished goods and merchandise		9,363	7,162
		63,850	30,237
<i>Short-term receivables</i>			
Accounts receivable		4,437	4,797
Receivables from Group companies		-	990
Current tax assets		617	493
Other receivables	18	1,100	1,398
Prepayments and accrued income	19	17,917	17,520
		24,071	25,198
<i>Cash and bank balances</i>			
Cash and bank balances		38,653	89,883
Total current assets		126,574	145,318
TOTAL ASSETS		199,220	190,675

BALANCE SHEET (CONT'D)

AMOUNTS IN KSEK	NOTE 1	2023-12-31	2022-12-31
EQUITY AND LIABILITIES			
Equity	20		
<i>Restricted equity</i>			
Share capital		1,332	1,317
Fund for development costs		57,736	28,495
		59,068	29,812
<i>Non-restricted equity</i>			
Share premium reserve		490,112	482,848
Retained profit or loss		-370,390	-293,995
Net profit or loss for the year		-46,504	-47,154
		73,218	141,699
Total equity		132,286	171,511
Provisions	21		
Deferred tax liability		29	-
Total provisions		29	-
Short-term liabilities			
Liabilities to credit institutions	22	27,450	-
Advances from customers		-	143
Accounts payable	23	12,575	6,166
Liabilities to Group companies		32	-
Other liabilities	24	15,682	933
Accruals and deferred income	25	11,166	11,922
		66,905	19,164
TOTAL EQUITY AND LIABILITIES		199,220	190,675

CASH FLOW STATEMENT

AMOUNTS IN SEK	NOTE 1	2023-01-01 -2023-12-31	2022-01-01 2022-12-31
Operating activities			
Result after financial items		-46,507	-47,154
Adjustments for items not included in cash flow	26	9,356	10,958
Income tax paid		-125	-24
Cash flow from operating activities before change in working capital		-37,276	-36,220
Cash flow from change in working capital			
Change in inventories		-33,613	-16,845
Change in receivables		359	-1,239
Change in short-term receivables		891	-3,864
Change in trade payables		6,409	-146
Change in current liabilities		13,882	-4,215
Cash flow from operating activities		-49,348	-62,529
Investing activities			
Investments in intangible fixed assets		-34,498	-21,972
Investments in tangible fixed assets		-2,145	-1,441
Cash flow from investing activities		-36,643	-23,413
Financing activities			
New rights issue		7,389	19,358
Issue expenses		-233	-391
Issue of convertible loan		27,605	-
Cash flow from financing activities		34,761	18,967
CASH FLOW FOR THE YEAR		-51,230	-66,975
Cash and cash equivalents at the beginning of the year			
Cash and cash equivalents at the beginning of the year		89,883	156,858
Cash and cash equivalents at the end of the year		38,653	89,883

NOTES

NOTE 1 ACCOUNTING AND VALUATION POLICIES

General information

The annual report is prepared in accordance with the Swedish Annual Accounts Act as well as the Swedish Accounting Standards Board BFNAR 2012:1 annual report and consolidated (K3).

Receivables are recognized at the amount expected to be received.

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

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

The accounting policies are unchanged compared with the previous year.

Group structure

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

ACCOUNTING PRINCIPLES FOR PARTICULAR BALANCE AND INCOME SHEET ITEMS

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.

Sale of goods

Sale of goods is recognized as income in its entirety when the risk passes to the buyer in accordance with delivery terms. In cases where sales are made to a distributor, the revenue recognition takes into account any returns and discounts.

Development-related services

The company is developing the new sensor A2 together with external party, ALPS Alpine. The project is divided into various Milestones and the revenues are reported linearly over each Milestone's term,

degree of completion taken in to account.

Government grants

Government grants are recognized as a liability until the conditions for receiving the grants are met. Grant which is not recognized as a liability is recognized as income in the income statement. The grants are recognized at actual value.

Operational lease agreements

All lease agreements where the Company is the lessee are recognised as operational lease agreements, regardless of whether the agreements are financial or operational. The leasing fees according to operational leasing agreements, including any increased initial rent but excluding expenses for services such as insurance and maintenance, are recognized as an expense linear over the lease period. In the Company's accounts, the operational lease agreements mainly correspond to rented premises. The leasing contract for the Swedish offices is for a period of five years with a possibility to extend it.

Employee benefits

Short-term benefits

Short-term benefits to employees are calculated without discounting and recognized as an expense when the related services are obtained. Short-term benefits consists of, among other things, salaries, paid holidays, paid absence, bonus and compensation after completion employment.

Bonuses

CEO and employees receive bonuses in accordance with a bonus ladder. The objectives of this performance-based compensation is determined in connection with the Company's goals for the coming year.

Defined contribution pension plans

Defined contribution pension are plans where the Company's obligation is limited to the fees the Company is committed to paying. The size of the employee's pension depends on the fees that the Company pays to an insurance company and the return on capital that the fees provide. Consequently, it is the employee who bears the actuarial burden, the risk (that the compensation will

be lower than expected) and the investment risk (that the invested assets will be insufficient to provide them the expected compensations). The Company's obligations regarding fees for defined contribution plans is recognized as an expense in the income statement at the rate they are earned through the employees performing services for the company during a period.

Financial income and expenses

Financial income consists of interest income and others financial income. Financial expenses consist of results from participations in subsidiaries, interest expenses as well as other financial expenses.

Income taxes

Current tax

Current tax refers to income tax for the current financial year and the part of the previous financial year income tax that has not yet been recognized. Current tax is calculated based on the tax rate that applies per balance sheet date.

Financial instruments

Financial instruments are valued based on the acquisition value. The instrument is recognized in the balance sheet when the company becomes a party to the contractual terms of the instrument. Financial assets are removed from the balance sheet when the right to receive cash flows from the instrument has expired or transferred and the Company has transferred all the risks and benefits associated with ownership. Financial liabilities are removed from the balance sheet when the obligations have been settled or otherwise terminated.

Derivative instruments

The Company holds derivatives in the form of employee options/warrants (share appreciation rights programmes).

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 49,098 and the number of

shares by 981,959 corresponding to a dilutive effect of approximately 3.7 percent.

The warrant programs are distributed as follows:
2021/2024 paid subscription price per warrant SEK 5.06, subscription price per share 54.35 SEK during 2024, 217,503 warrants.
2021/2024 paid subscription price per warrant SEK 11.44, subscription price per share SEK 110,62 during 2024, 107,138 warrants.
2022/2026 paid subscription price per warrant SEK 7.90, subscription price per share SEK 59.12 during 2026, 223,515 warrants.
2023/2026 paid subscription price per warrant SEK 7.71, subscription price per share SEK 58.28 during 2026, 133,803 warrants.

Convertible debentures

Convertible debentures can be converted to shares by the counterparty exercising its option to convert the claim to shares, reported as a compound financial instrument divided into a debt part and an equity part. The fair value of the debt at the time of issue is calculated by discounting the future payment flows with the current market interest rate for a similar debt, without the right to conversion. The value of the equity instrument is calculated as the difference between the issue proceeds when the convertible bond was issued and the fair value of the financial debt at the time of issue. Any deferred tax attributable to the debt at the time of issue is deducted from the reported value of the equity instrument. Transaction costs in connection with the issue of a compound financial instrument are allocated to the debt part and the equity part proportionally to how the issue proceeds are distributed. The interest expense is reported in the year's profit and calculated using the effective interest method.

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.

Accounts payable

Accounts payables are initially recognized at acquisition value after deducting transaction costs.

Impairment tests of financial fixed assets

At each balance sheet date, an assessment is made to see if there are indications on impairment needs of any of the financial fixed assets. Impairment occurs if the decrease in value is considered to be permanent and is tested individually.

Fixed assets

Intangible fixed assets

Intangible assets held by the Company consists of capitalized development costs and patents.

These intangible assets are recognized at acquisition value less accumulated depreciation and any impairment.

Research and development costs

Costs for research, that is, planned and systematic search for new scientific or technological knowledge and insight, is recognized 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.

Externally generated capitalized costs for development are recognized at acquisition value and internally generated intangible assets are recognized at cost less accumulated amortisation.

The cost of an internally generated intangible asset consists of all directly attributable development expenditure (for example raw materials and salaries) less any public grants corresponding to the size of the grant and income from co-development.

Other intangible fixed assets

Other intangible fixed assets acquired by the Company consists of expenses for the Company's patent portfolio as well as construction of prototypes and are recognized at cost less accumulated amortisation and impairment. In case the acquisition has been financed with public funds the value of the asset has been adjusted corresponding to the size of the funds.

Expenditure for new patent applications is capitalized as incurred, while expenditure for protection of existing patents is expensed.

Intangible fixed assets

Depreciation/amortisation is linear over the asset's estimated useful life, taking significant residual values into account. The following depreciation rates are applied:

Balanced costs for development work	5 years
Patents	8-15 years

Impairment tests of intangible fixed assets

For intangible assets with an indefinite useful life and intangible assets that are not yet subject to depreciation according to plan an impairment of the recovery value is carried out annually. Recovery value is the highest of the net sales value and the value in use. At calculation of value in use future assessed cash flows is discounted with an interest rate that takes into account the market's assessment of risk-free interest and risk associated with the specific asset.

Tangible fixed assets

Tangible fixed assets are recognized to acquisition value after deduction for accumulated depreciation. The acquisition value includes the purchase price as well as expenses directly attributable to the asset in order to bring it into place and in condition to be utilized accordingly with the purpose of the acquisition.

The recognized value of a tangible fixed asset is removed from the balance sheet upon disposal or when no future economic benefits are expected from use or decommissioning/disposal of the asset. Profit or loss arising in case of disposal or scrapping of an asset consists of the difference between the selling price and that of the asset recognized value with deductions for direct sales costs. Profit and loss are recognized as other operating income/cost. Depreciation/amortisation is linear over the asset's estimated useful life, taking significant residual values into account. The following depreciation rates are applied:

Machinery and other technical equipment	4-10 years
Equipment, tools, fixtures and fittings	3-5 years
Fixtures and fittings on leased property	4-5 years

Public grants

Public grants related to assets are recognized in the balance sheet by the grant reducing the asset's recognized value.

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.

Cash flow statement

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

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

Definitions of indicators

Net sales

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

Gross margin

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

Operating margin

Operating profit after depreciation as a percentage of net sales.

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 NET SALES

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Sales of goods	25,878	39,005
Development-related services	9,644	7,820
	35,522	46,825

NOTE 3 OPERATING EXPENSES BY COST CATEGORY

	2023 FULL YEAR	2022 FULL YEAR
Other operating income	-3,777	-7,907
Raw materials and consumables	9,950	15,955
Other external costs	46,664	45,427
Personnel costs	53,292	49,934
Depreciation of fixed tangible and intangible assets	9,356	10,954
Other operating costs	978	1,098
Capitalised development costs	-34,134	-21,387
	82,329	94,074

The Board's costs are included in Other external costs with SEK 892,500 (583,200) and are also included in the basis for the note Salaries and other remuneration.

NOTE 4 INFORMATION ABOUT THE COMPANY'S OPERATING EXPENSES

For the period, the operation and product management function amounts to kSEK 12 610 (19,314) and depreciation of tangible and intangible fixed assets to kSEK 9 356 (10,954). Given that Acconeer is in a start-up phase and has not yet reached full-scale production, these costs are included in Sales Costs and Research and Development Costs, not in Cost of goods sold.

NOTE 5 LEASING AGREEMENTS

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Future minimum lease payments referring to non-cancellable operating leases		
Within one year	2,978	2,706
Between one and five years	4,469	7,447
Later than five years	-	-
	7,447	10,153
Leasing costs of the financial year		
Leasing costs of the financial year	2,706	1,931
	2,706	1,931

NOTE 6 SALARIES AND REMUNERATIONS

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Salaries and remunerations		
Directors and Chief Executive Officer*)	2,408	1,947
Other employees	37,297	33,984
	39,705	35,931
Social security contributions		
Pension costs for directors and CEO	517	462
Pension costs for other employees	4,553	3,546
Other statutory and contractual social security contributions	8,385	7,815
	13,455	11,823
Total salaries, remunerations, social security contributions and pension costs	53,160	47,754

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

NOTE 7 EMPLOYEES AND PERSONNEL COSTS

AVERAGE NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Sweden	52	49
Of whom men	46	44
Total	52	49
Gender distribution of the Board and management		
Percentage of women, %		
Board of Directors	20	20
Other executive directors	11	11

NOTE 8 REMUNERATION AND OTHER BENEFITS

2023-01-01 - 2023-12-31	BASE PAY	VARIABLE PAY	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Remuneration and benefits					
Chief Executive Officer	1,401	45	3	517	1,889
Other executive directors*)	5,911	187	22	1,157	7,075
	7,312	232	25	1,674	8,964

2022-01-01 - 2022-12-31	BASE PAY	VARIABLE PAY	OTHER BENEFITS	PENSION EXPENSES	TOTAL
Remuneration and benefits					
Chief Executive Officer	1,282	79	3	462	1,826
Other executive directors*)	6,066	356	18	889	7,329
	7,348	435	21	1,351	9,155

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

NOTE 9 TRANSACTIONS BETWEEN GROUP COMPANIES

No intra-group transactions have taken place during the year.

NOTE 10 OTHER OPERATING INCOME

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
License and royalties	16	39
BYDA grant	0	758
WASP grant	480	480
Vinnova grant	2,198	3,155
Insurance compensation	0	50
Exchange rate gains	1,023	3,305
Other operating income	60	120
Exchange rate loss	-978	-1,098
	2,799	6,809

NOTE 11 CAPITALISED DEVELOPMENT COSTS

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Cost, opening balance	69,505	48,118
Capitalisation own work for the year	34,134	21,387
Accumulated cost, closing balance	103,639	69,505
Amortisation, opening balance	-39,017	-29,837
Amortisation for the year	-6,886	-9,181
Accumulated amortisation, closing balance	-45,903	-39,018
Carrying amount	57,736	30,487

NOTE 12 PATENTS

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Cost, opening balance	3,580	2,995
Acquisitions	364	585
Accumulated cost, closing balance	3,944	3,580
Amortisation, opening balance	-1,329	-1,012
Amortisation for the year	-363	-317
Accumulated amortisation, closing balance	-1,692	-1,329
Carrying amount	2 252	2,251

NOTE 13 MACHINERY AND OTHER TECHNICAL EQUIPMENT

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Cost, opening balance	12,420	12,385
Purchases	734	35
Reclassification	7,063	-
Accumulated cost, closing balance	20,217	12,420
Depreciation, opening balance	-11,333	-10,709
Depreciation for the year	-1,135	-624
Accumulated depreciation, closing balance	-12,468	-11,333
Carrying amount	7,749	1,087

NOTE 14 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Cost, opening balance	4,881	2,984
Purchases	111	1,407
Reclassification from fixed assets under construction	-	490
Accumulated cost, closing balance	4,992	4,881
Depreciation, opening balance	-1,240	-407
Depreciation for the year	-972	-833
Accumulated depreciation, closing balance	-2,212	-1,240
Carrying amount	2,780	3,641

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

	2023-01-01 -2023-12-31	2022-01-01 -2022-12-31
Cost, opening balance	7,063	7,553
Purchases Machinery and other technical equipment	1,063	-
Purchases Equipment and tools	238	-
Reclassification from Machinery and technical equipment	-7,063	-
Reclassification from Fixtures and fittings leased property	-	-490
Carrying amount	1,301	7,063

NOTE 16 PARTICIPATIONS IN GROUP COMPANIES

	2023-01-01 -2023-12-31	2022-01-01 2022-12-31
Acquisition value, opening balance	828	832
Impairment	-	-4
Accumulated cost, closing balance	828	828
Carrying amount	828	828

NOTE 17 SPECIFICATION OF PARTICIPATIONS IN GROUP COMPANIES

NAME	REG.NO.	REGISTERED OFFICE	EQUITY CAPITAL	RESULT
Acconeer Incentive AB	559156-2474	Lund, Sweden	826	-3

NAME	CAPITAL SHARE	VOTING RIGHTS	NUMBER OF SHARES	BOOK VALUE	EQUITY CAPITAL
Acconeer Incentive AB	100%	100%	50,000	828	826
				828	826

NOTE 18 OTHER RECEIVABLES

	2023-12-31	2022-12-31
Recoverable VAT	1,097	1,392
Other receivables	3	6
	1,100	1,398

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

	2023-01-01 -2023-12-31	2022-01-01- 2022-12-31
Prepaid rent	772	663
Rent deposition	1,302	1,302
Accrued income not yet invoiced,	10,273	11,439
Other prepaid expenses	5,570	4,116
	17,917	17,520

NOTE 20 NUMBER OF SHARES AND QUOTA VALUE

2023-12-31 NAME	NUMBER OF SHARES	QUOTA VALUE
Number of A shares	26,637,783	0,05
	26,637,783	

2022-12-31 NAME	NUMBER OF SHARES	QUOTA VALUE
Number of A shares	26,331,798	0,05
	26,331,798	

NOTE 21 PROVISIONS

	2023-01-01 -2023-12-31	2022-01-01- 2022-12-31
Deferred tax liability		
Amount at the beginning of the year	-	-
Provisions of the year	32	-
Amounts returned during the year	-3	-
	29	-

NOT 22 LIABILITIES TO CREDIT INSTITUTIONS

The loan from Buntel AB & Exelity AB is a convertible loan. As the loan as of the balance sheet date has a conversion right, the debt has been distributed between equity and short-term debt to credit institutions.

Interest shall be paid at STIBOR (average three-month STIBOR) plus 1% per month commenced. The lenders have the right to capitalize the interest.

The loan must be repaid 12 months after the borrower receives the settlement.

The present value of the loan has been calculated according to the effective interest method.

Before all repayments from the Borrower to the Lenders are carried out, the Borrower must first ask whether the Lenders wish repayment in cash or repayment in shares in the Borrower through set-off/conversion. Lenders have the right to freely choose full or partial repayment between these options for each repayment.

Provided that the rights issue is carried out as planned, the right to conversion has been negotiated away after the balance sheet date.

LENDER	INTEREST RATE	DATE OF INTEREST CHANGE	LOAN AMOUNT 2023-12-31	LOAN AMOUNT 2022-12-31
Buntel AB & Exelity AB	16,08	2024-01-01	30,000	-
Less equity participation			-155	-
Less accrued brokerage fee			-3,000	-
Capitalised interest 2023			605	-
			27,450	-

NOT 23 AGE-DISTRIBUTED DUE DATE LIST FOR ACCOUNTS PAYABLE

	2023-12-31	2022-12-31
Not past due date	11,991	6,58
Overdue 1-30 days	584	1
Overdue 31-60 days	-	-
Overdue 61-90 days	-	-
Overdue more than 90 days	-	7
	12,575	6,166

NOT 24 OTHER LIABILITIES

	2023-12-31	2022-12-31
Deferment of VAT, employer's contributions and withholding tax	14,729	-
Other current liabilities	953	933
	15,682	933

NOTE 25 ACCRUALS AND DEFERRED INCOME

	2023-12-31	2022-12-31
Accrued holiday pay	2,538	2,304
Accrued social security cost	798	724
Special payroll tax	1,219	1,040
Deferred grant Vinnova	477	806
Deferred income	102	105
Accrued Directors' fees	892	583
Accrued bonus incl. social security cost	1,778	3,014
Employers contributions referring to RnD	400	0
Discount rent	165	560
Other accrued expenses	2,797	2,786
	11 166	11,922

NOTE 26 NON-CASH ITEMS

	2023-12-31	2022-12-31
Depreciation	9,356	10,954
Impairment, participations in Group Companies	-	4
	9,356	10,958

NOTE 27 RELATED PARTY TRANSACTIONS

No related party transactions except for directors' fees and transfer of bank funds from Acconeer Incentive AB..

NOTE 28 SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 24 January it was announced that A121 had been designed into a first car model from a leading Japanese automotive manufacturer. The design win is for the use case access control, which allows touchless opening of the trunk of a car. The total forecasted value of the design win is more than USD 5 million over a seven-year period starting in 2025.

On January 29 The Board of Directors of Acconeer AB announced its intention to carry out a fully guaranteed rights issue of shares equivalent to approximately SEK 150 million before deductions for transaction costs (the "Rights Issue"). An Extraordinary General Meeting (the "EGM") was held on 1 March 2024 where the limits of the number of shares and share capital in the Articles of Association was changed and gave the Board of Directors an authorization to resolve on the Rights Issue. The Rights Issue, including full terms, was resolved by the Board of Directors on 5 March 2024. The Company has secured subscription undertakings, corresponding to their respective pro rata shares, from existing shareholders Alps Alpine Co., Ltd., the

Ingvarsson Family (through Sifonen AB and privately), Chairman of the Board Thomas Rex, and CEO Lars Lindell, of, in aggregate, approximately SEK 20 million, corresponding to approximately 13 per cent of the Rights Issue. In addition, external guarantors have provided guarantee commitments, subject to customary conditions, which, in aggregate, amount to approximately SEK 130 million, corresponding to approximately 87 per cent of the Rights Issue. Hence, the Rights Issue is fully covered by subscription undertakings and guarantee commitments. In connection with the Rights Issue, the Company announced financial targets, preliminary financial information for FY 2023, and an updated financial calendar.

On February 16 Acconeer received an order from NEXTY Electronics worth 1,8 million USD. The order relates to Acconeer's pulsed coherent radar sensor A1 for mass production and is the largest order Acconeer has received so far. A pre-payment of the full value will be made no later than April 2024.

SIGNATURES

The income statement and balance sheet will be submitted for adoption
by the Annual General Meeting on 2024-04-23

Malmö, 2024-03-05

Thomas Rex
Chairman of the Board

Lars-Erik Wernersson

Git Sturesjö Adolfsson

Bengt Adolfsson

Johan Paulsson

Lars Lindell
Chief Executive Officer

Our auditor's report was submitted on 2024-03-05
KPMG AB

Jonas Nihlberg
Authorized Public Accountant
Auditor in charge

Tobias Lindberg
Authorized Public Accountant

AUDITOR'S REPORT

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

REPORT ON THE ANNUAL ACCOUNTS

Opinions

We have audited the annual accounts of Acconeer AB for the year 2023. The annual accounts of the company are included on pages 24-46 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 2023 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.

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.

Material uncertainty regarding going concern

Without affecting our opinions, we would like to highlight the management's report, section *Financing risks and need of financing*, which states that it is the assessment of Acconeer's Board of Directors that the existing working capital is not sufficient for the current needs over the next twelve months. Furthermore, under section *Immaterial assets, capitalized development costs*, the valuation of these assets is based on and dependent on the the company's ability to continue its operations.

All in all this indicates a material uncertainty which could lead to a significant doubt over the company's ability to continue its operations

Other Information than the annual accounts

This document also contains other information than the annual accounts and is found on pages 1-23. 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 Directors and the Managing Director

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

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

Auditor's responsibility

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

they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts, we

have also audited the administration of the Board of Directors and the Managing Director of Acconeer AB for the year 2023 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's type of operations, size and risks place on the size of the company's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

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

Malmö 5 March 2024

KPMG AB

KPMG AB

Jonas Nihlberg
Authorized Public Accountant
Auditor in charge

Tobias Lindberg
Authorized Public Accountant



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