

INTERIM REPORT Q3

January-September 2020

Sivers Semiconductors.

At the heart of innovation



Interim Report January-September 2020

Third quarter 2020

- Revenue amounted to SEK 22.208 M (24.023), a decrease of 8%
- Profit before depreciation and amortization (EBITDA) amounted to SEK -38.699 M (-16.443)
- Profit/loss for the period amounted to SEK -151.610 M (-24.349)
- Earnings per share amounted to SEK -1.07 (-0.18)
- Equity per share amounted to SEK 2.51 (2.32)
- EBITDA was charged with SEK -32.147 M (-0.461) in provisions for social security expenses relating to the employee stock option programs. After adjusting for this item, EBITDA amounted to SEK -6.552 M (-15.982).
- Profit/loss was charged with SEK -107.234 M (0.581) in revaluation effects from embedded derivatives in the convertible debentures. Adjusted for this effect, and the provision for social security expenses relating to options, profit/loss was SEK -12.229 M (-24.469).

January-September 2020

- Revenue amounted to SEK 66.463 M (70.993), a decrease of 6%
- Profit before depreciation and amortization (EBITDA) amounted to SEK -58.769 M (-28.445)
- Profit/loss for the period amounted to SEK -195.219 M (-52.877)
- Earnings per share amounted to SEK -1.40 (-0.42)
- Equity per share amounted to SEK 2,51 (2,32)
- EBITDA was charged with SEK -35.024 M (-0.744) in provisions for social security expenses relating to employee stock option programs. Adjusted for this item, EBITDA amounted to SEK -23.745 M (-27.701).
- Profit/loss was charged with SEK -111.018 M (1.236) in revaluation effects from embedded derivatives in the convertible debentures.

Adjusted for this effect, and the provisions for social security expenses for employee stock option programs, profit/loss was SEK -49.177 M (-53.369).

Significant events in the third quarter:

- On July 28 and August 13, Siverts Semiconductors completed offset share issues totaling SEK 21.1 M. The debt redeemed against shares in the company related to operating credits of SEK 20 M raised in 2019 and unpaid interest. A total of 1,334,958 new shares were issued.
- On August 5, Wireless signed a 5G millimeter wave agreement with an estimated future value of SEK 480 M.
- On September 23, Siverts Semiconductors AB completed a directed new issue of 6,517,805 shares, raising some SEK 200 M for the Company.

Significant events after the end of the period:

- On October 1, Ampleon called for conversion of the convertible debentures issued in December 2017. The loan, including accrued interest, was converted to 4,651,727 new shares on October 22.
- On October 9, the Extraordinary General Meeting in Siverts IMA Holding AB decided to change the name of the company to Siverts Semiconductors AB. In connection with the name change, the subsidiaries' names are also being changed to Siverts Wireless (formerly Siverts IMA AB) and Siverts Photonics (formerly CST Global). The name changes are part of an ongoing brand review.
- On October 12, Siverts Semiconductors announced that the subsidiary Siverts Photonics received an order worth some SEK 4 M for a new project from one of the company's established Fortune 100 customers.
- On October 29 Siverts Semiconductors announced it has been awarded SEK 3.1 M UK grant for its part in the MAG-V project aimed at developing the world's first, commercial Quantum Atomic Magnetometer.
- On November 3 Siverts Semiconductors announced that it has received a Chinese 5G order from Siemens Healthineers.

Key figures

SEK 000	2020 Jul- Sep	2019 Jul- Sep	2020 Jan- Sep	2019 Jan- Sep	2019 Jan- Dec
Revenue	22,208	24,023	66,463	70,993	96,355
EBITDA	-38,699	-16,443	-58,769	-28,445	-48,322
Profit/loss for the period	-151,610	-24,349	-195,219	-52,877	-75,661
Earnings per share before and after dilution, SEK	-1.07	-0.18	-1.40	-0.42	-0.59
Equity per share, SEK	2.51	2.32	2.51	2.32	2.16

An online presentation of the Interim Report will be held at 10:00 AM (CET) Friday, November 13, 2020.

Register for the webinar via: <https://attendeegotowebinar.com/register/7654655227455013647>

CEO's Statement

Major 5G order and stronger cash position

After many years of building the company and carrying out world-leading research and development, Siverts Semiconductors is now heading for very exciting times. Many of our customers have recently produced finished products and, in turn, their customers are now starting to roll these out.

Net sales totaled SEK 22 M in the third quarter, in line with previous quarters, although down some 8% year-on-year. As we have not yet achieved volume production, the sales figures are in line with plan. We continue to benefit from excellent cost control, and adjusted for social security expenses relating to employee stock options, EBITDA improved by some SEK 9 M to approximately SEK -7 M in year-on-year terms.

Profit for the period was charged with financial expenses not affecting cash flow of SEK 107 M due to the revaluation of convertible debentures as a result of share price increases.

The pandemic is still inhibiting our end customers' field tests of new products. In the short term, this could delay the roll-out of some of our end customers' products, but in the slightly longer term we do not expect the underlying market to be affected by the pandemic. It might even be the case that the pandemic accelerates interest in our technology, particularly 5G.

During the quarter, we continued to prepare for the future. In August, Wireless won a key order relating to a 5G millimeter wave agreement. The order has an estimated value of SEK 480 M over three years, from 2023. This was our 19th design win and the first customer to order our next-generation 5G products. The order provides strong confirmation that our next-generation 5G products are right for the market, and we are delighted that we have now secured our first customer for our next-generation products. In addition, the order clearly signals the huge scope of the 5G market.

Our previous 18 design wins are based on existing-generation 5G products that are now heading for volume production. We have a very promising mix of customers active in many different verticals such as Fixed Wireless Access (FWA), Backhaul, transport (Track to Train), defense, multi-gigabit wireless indoor backbone, medical etc.



One example is AirVine, a customer that just launched a groundbreaking product for multi-gigabit wireless indoor backbones. AirVine estimates the value of the system market for commercial buildings at some USD 6 bn over the next five years.

We also signed a further two design wins in the quarter, and one with Siemens after the end of the quarter. However, because a minor design win in ultrasound does not look set to go into production, we reported 21 design wins at the end of the quarter.

Photonics had a quieter quarter in terms of new orders. After winning two important orders in the second quarter from two Fortune 100 customers this was natural. Both these projects are proceeding well, and we won another order worth SEK 4 M from our largest Fortune 100 customer after the end of the quarter. This means that this customer has now placed orders totaling SEK 74 M since October 2018.

In the third quarter, we actively worked to strengthen the Balance Sheet. We completed a directed new issue as well as offset issues that raised a total of some SEK 200 M and repaid a debt of SEK 21 M. At the end of the quarter, cash totaled SEK 278 M our strongest cash position ever. After the end of the quarter, Ampleon called for the redemption of its 2017 convertible, which further decreased our debt.

I want to take the opportunity to express my gratitude for the confidence shown in us in connection with the directed new issue. The strengthened cash position will be used to accelerate our organic and international expansion, mainly through investments in production capacity, customer support, sales and marketing. Our plans include opening an office in the US, and we are proceeding with the plans for a change of listing to

Nasdaq's main list in the first half of 2021.

All of Sivers has worked hard to get where we are today, and following authorization by the Extraordinary General Meeting on October 9 to change our name to Sivers Semiconductors, we are now ready for the incredible journey that lies ahead. I am very optimistic about the future. We are in an excellent position in terms of our customers, Balance Sheet and new products, which means that we are now entering the most exciting period in the company's history.

Anders Storm, President and CEO

The Group in summary

The Sivers Semiconductors Group in summary

Sivers Semiconductors AB (publ) is the Parent Company of a Group comprising the wholly-owned subsidiaries Sivers Wireless AB, Sivers Photonics Ltd and Trebax AB. Operations are mainly conducted through the two business areas Wireless and Photonics. Sivers Semiconductors and Sivers Wireless are headquartered in Kista, Sweden, with a local office in Gothenburg, Sweden. Sivers Photonics' headquarter and factory are located in Glasgow, Scotland. This report relates to the Group's operations during the period January 1, 2020 to September 30, 2020. The Sivers Semiconductors Group is an international supplier of advanced 5G systems to data- and telecommunications networks and optical products to optical fiber networks, sensors and optical wireless communication (Li-Fi). Sivers Semiconductors Group enables a better connected and safer world by delivering the best solutions in terms of sensors, data and wireless networks.

Wireless

The Wireless business area develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G millimeter wave technology. Millimeter wave is a key technology in the 5G networks that are now being built, and the core of the wireless solutions Wireless offers.

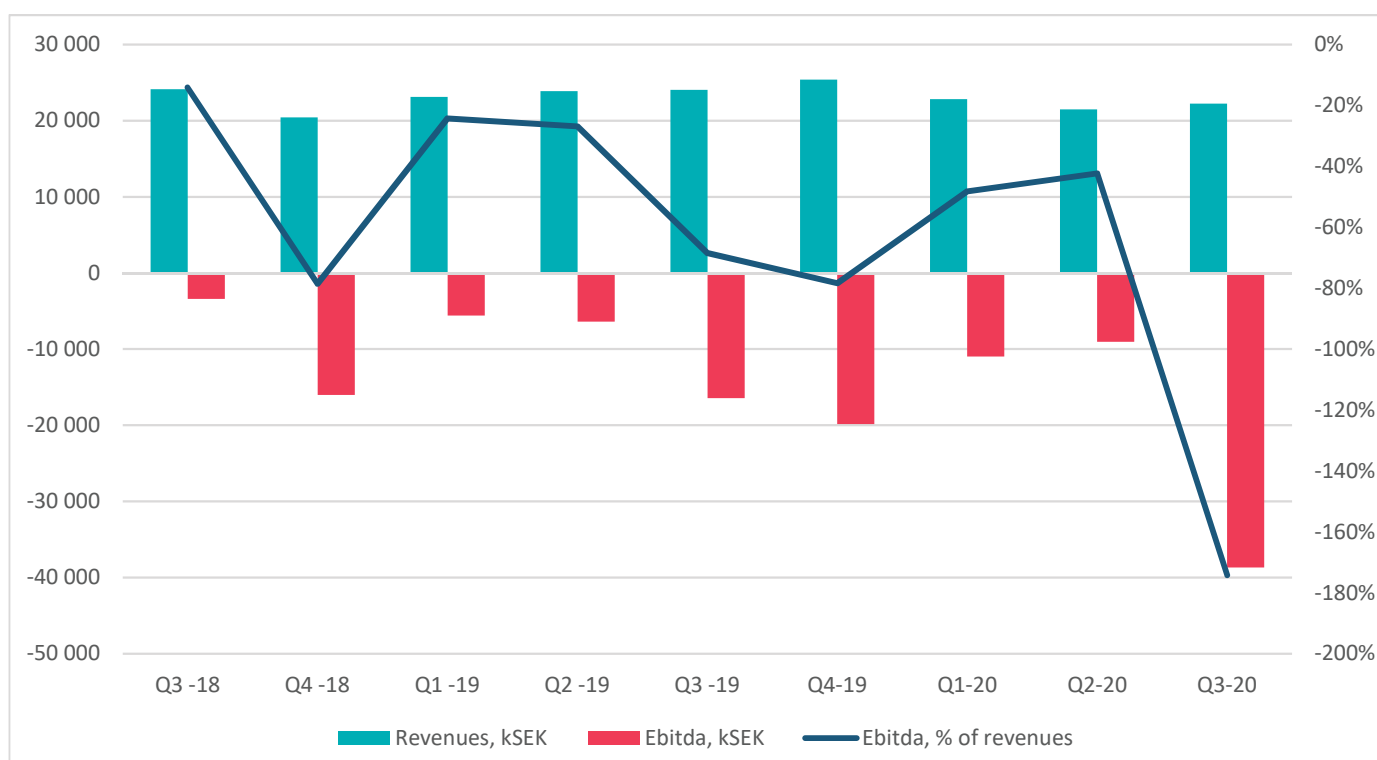
The business area mainly supplies systems manufacturers, who in turn deliver solutions to telecom operators. Deliveries are made directly or through partners.

Photonics

The Photonics business area develops, designs, manufactures and sells III-V compound semiconductor laser devices for the Optical Communications, Optical Sensing/Sensors and Optical Wireless markets. Optical communications devices are a key component of cloud storage and cloud communications in areas such as Passive Optical Networks (PON) and Quantum technologies. Optical Sensing devices enable autonomous and assisted driving vehicles in areas such as Consumer Biometrics and Augmented Reality applications and Optical Wireless devices are critical to free-space optical communications using light (LiFi).

The business area delivers directly or via partners to several Fortune 100 and Silicon Valley customers.

Revenue and EBITDA



Net sales and EBITDA

Third quarter

During the third quarter, revenue was SEK 22.208 M (24.023), down 8 percent year-on-year. Wireless' revenue was in line with the previous year (+ SEK 0.408 M), while Photonics' revenue decreased by SEK 2.223 M.

EBITDA amounted to SEK -38.699 M (-16.443), down SEK -22.256 M. In the third quarter 2020, EBITDA was strongly affected by increased provisions for social security expenses for the employee stock option programs. In total, provisions increased by SEK 31.685 M, of which SEK 6.482 M related to social security expenses for utilized options due to be settled shortly. Under the personnel option programs, Silvers Semiconductors has the mandate to issue warrants to cover the cash flow risk related to social security expenses for the options. Disregarding this effect, EBITDA improved by some SEK 9 M year-on-year, partly due to a more restrictive budget including savings measures implemented by the Group due to Covid-19. Cost savings have been made in areas such as consultants and travel. In addition, Photonics' raw materials costs decreased as the product mix was different in 2020 compared to 2019. Profit/loss for the third quarter 2019 was burdened by non-recurring effects from expensed non-recoverable VAT and impairment losses on inventories of some SEK 7 M which contributed to the improvement in 2020.

January-September

In the period January-September, operating revenue was SEK 66.463 M (70.993), a decrease of 6% year-on-year. Wireless' revenue decreased by SEK 4.352 M, while Photonics revenue decreased by SEK 0.178 M. The lower revenue in the nine-month period was due to decreased sales in April and May due to Covid-19, combined with the fact that sales in the first quarter 2019 included a number of End-of-Life products where corresponding items were not sold during 2020. EBITDA amounted to SEK -58.769 M (-28.445), a decrease of SEK 30.324 M. The lower EBITDA for the period January-September was largely due to increased provisions for social security expenses relating to employee stock option programs, which were booked in the third quarter as a result of rising share prices. Total provisions increased by SEK 34.280 M, of which SEK 6.482 M related to social security expenses for utilized options due to be settled shortly. Disregarding this effect, EBITDA improved by some SEK 4 M year-on-year. In addition, capitalized expenditure decreased in the first and second quarters 2020 compared to the corresponding periods in the previous year. This was due to Wireless' increased focus on projects not in the development stage. However, EBITDA was positively affected by general cost savings throughout the year, and lower raw materials costs.

Depreciation and amortization

Third quarter

Profit for the third quarter 2020 was charged with depreciation, amortization and impairment of SEK -7.330 M (-8.551), a decrease of SEK -1.221 M.

January-September

Profit for the period January-September was charged with SEK -22.309 M (-20.929) in depreciation, amortization and impairment, of which SEK -4.278 M (-5.303) related to depreciation of equipment, tools and installations, SEK -14.364 M (-8.168) to depreciation, amortization and impairment on capitalized development expenses in previous years, and SEK -3.667 M (-3.752) to amortization of right-of-use assets in leasing contracts. In the third quarter 2019, the company recognized impairment of capitalized development expenses of SEK 3.706 M.

Financial items

Financial expenses for the third quarter increased significantly, from SEK -3.404 M to SEK -108.776 M, an increase of SEK 105.372 M. The increase was due to the higher market value of embedded derivatives in convertible debentures with Ampleon, as the value of the conversion right increased at a pace with the share price. In Q3, the valuation effect was SEK 107.234 M. The profit effect of the embedded derivative does not affect current or future cash flows. The substantial negative item on financial expenses is an accounting effect resulting from IFRS 9, as the variable conversion price of the derivative (due to the contractual fixed USD/SEK rate), is recognized at fair value. For more information about the convertible and derivative, please refer to the Group's Annual Report 2019, and under Risks and uncertainties in the Q2 Interim Report 2020. The convertible debentures mature in Q4 2020. After the Balance Sheet date on October 22, 2020, the debentures were converted to shares on Ampleon's request.

Taxes

The Group receives tax credits for research and development costs in Scotland. The outcome for the year exceeded expectation, and positive tax revenue of SEK 2.011 M was recognized in the third quarter.

Liquidity, Cash Flow and Financing

On September 30, 2020, the Group's cash and cash equivalents amounted to SEK 278.354 M (52.228). In February 2020, the company completed a directed new share issue, which raised SEK 54 M before issue expenses of SEK 2.4 M.

The Group completed another new share issue on September 23, raising SEK 200 M. The issue expenses for the new issue amounted to SEK 3.5 M.

In March 2020, employee stock options were redeemed under incentives programs established in 2015 and 2017. A total of 1,676,853 shares were issued. This raised SEK 7.8 M for the Group in proceeds from newly issued shares. In September 2020, further options were redeemed (under programs authorized in 2014, 2015 and 2017) against 895,700 shares, raising SEK 4.2 M for the Group.

On July 28 and August 13, Siverts Semiconductors completed offset share issues totaling SEK 21.1 M. The debt redeemed against shares in the company related to operating credits of SEK 20 M raised in 2019 and unpaid interest. A total of 1,334,958 new shares were issued.

In September 2020, Siverts Wireless AB raised a loan of SEK 20 M from Nordea. The loan has a term of 5 years and interest, paid quarterly, is set at Stibor+2.8%. The loan is amortized quarterly at SEK 1 M. In connection with the loan with Nordea being raised, the Group terminated an existing overdraft facility of SEK 2.5 M with SEB.

In the third quarter 2020, the Group received tax credits relating to research and development, generating a positive cash flow of some SEK 9 M.

After the reporting date on October 22 2020, the debentures issued in December 2017 were converted to shares on Ampleon's request. In total, 4,651,727 new shares were issued.

Associated company

In the third quarter, Photonics and other partners formed a company, III-V EPI Limited, with the aim of offering services to smaller niche markets in photonics. The Group views the company as an associated company without accumulated earnings. The initial investment represented a symbolic sum of GBP 4, corresponding to 30% of the capital.

Investments

The Siverts Semiconductor Group's total investments in the period January–September amounted to SEK 27.251 M (38.229) and relate to capitalized intangible assets for development expenses of SEK 25.223 M (34.593) and acquisitions of property, plant and equipment of SEK 2.028 M (3.636). The investment in capitalized development expenses is attributable to the development of new product generations. Investments in capitalized development expenses decreased year-on-year, because the Group has fewer projects in the development phase.

Leases

In the third quarter, the Group signed a new rental agreement for Photonics' office and production premises as the existing agreement had expired. A new rental agreement with new terms and conditions was signed. The new agreement covers a period of 10 years, with the option to terminate the agreement in 2025 at the earliest.

Equity

As of September 30, 2020, Group equity amounted to SEK 371.462 M (288.533). Share capital totaled SEK 74,014,595.

Parent Company

In the third quarter 2020, the Parent Company's other external expenses decreased by SEK 5.542 M, and personnel costs increased by SEK 6.180 M. The higher personnel costs were due to increased provisions for social security expenses relating to employee stock options, while the decrease in other external expenses was due to expensed VAT of some SEK 4.2 M in the corresponding quarter of the previous year. The sharp increase in the Parent Company's financial expenses in the third quarter 2020 was due to the increased market value of the embedded derivative in the convertible debentures totaling SEK 107.234 M.

In the period January–September 2020, and in addition to the information outlined above, Parent Company profit was also charged with impairment of a shareholder contribution of SEK 10 M paid to the subsidiary Siverts Wireless AB in the second quarter 2020.

Shares

Siverts Semiconductor's share capital was divided over 148,029,190 shares with a quotient value of SEK 0.50 as of September 30, 2020. All shares are the same series and have equal rights to votes and profit in the company. Since November 30, 2017, the share trades on Nasdaq First North Growth Market under the ticker SIVE, ISIN code SE0003917798 and LEI code 254900UBKKNY2EJ588J53.

Employees

As of September 30, 2020, the Siverts Semiconductor Group had 99 (99) employees, excluding consultants.

Ownership structure

As of September 30, 2020, Siverts Semiconductors AB (public) had four owners, each of which directly and indirectly held shares corresponding to five percent or more of the votes and capital in the company. In total, Siverts Semiconductors had approximately 12,000 shareholders.

Outlook for 2020

Sivers Semiconductors' Board of Directors considers that the Group has taken the right measures to ensure a strong product family. The Group has made progress in sales and product development, and investments are continuing. The Board has decided to continue to not publish forecasts.

Risks and uncertainties

The Sivers Semiconductor Group's operations, financial position and results of operations can be affected by a number of risks and uncertainties. These risks are described in the Group's Annual Report 2019. The Q2 Interim Report also describes the risks/uncertainties associated with share price fluctuations. No new significant risks have been identified since the publication of the Annual Report.

Financial calendar

Sivers Semiconductors AB provides recurring financial information according to the following schedule:

February 12, 2021 Year-end Report 2020
April 23, 2021 Annual Report 2020
May 20, 2021 Annual General Meeting
May 20, 2021 Interim Report Q1 2021

For more information, please contact:
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This Interim Report has not been submitted for review by the company's Auditor.

Sivers Semiconductors AB (publ)

Kista, Sweden, November 13, 2020

The Board

This is Sivers Semiconductors

Sivers Semiconductors AB is a leading and internationally recognized technology company that, through its two business areas Wireless and Photonics, supplies chip and integrated modules. Wireless develops RF chips and antennas for advanced 5G systems for data and telecommunications networks. Photonics develops and manufactures semiconductor optical products for optical fiber networks, sensors and optical wireless communication (Li-Fi).

The Parent Company Sivers Semiconductors AB (publ) is listed On Nasdaq First North Growth Market under The SIVE ticker.

For more information: <https://sivers-semiconductors.com>

Erik Penser Bank is appointed as Sivers Semiconductors AB's Certified Advisor on Nasdaq First North Growth Market.
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Sivers Semiconductors AB

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Consolidated Income Statement in summary

Group (SEK 000)	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan- Dec
Revenue	22,208	24,023	66,463	70,993	96,355
Other operating income	2,162	2,311	7,985	9,196	10,259
Capitalized work on own account	7,688	7,758	25,223	34,593	43,287
Raw materials and consumables	-7,039	-12,303	-18,211	-30,700	-39,997
Other external expenses	-12,408	-21,921	-42,956	-56,260	-79,559
Personnel costs	-51,310	-16,312	-97,273	-56,268	-78,667
Depreciation, amortization and impairment of fixed assets and intangible assets	-7,330	-8,551	-22,309	-20,929	-29,702
OPERATING PROFIT/LOSS	-46,030	-24,993	-81,078	-49,374	-78,024
Profit from financial items					
Financial income	1,174	-	1,206	72	-
Financial expenses	-108,776	-3,404	-117,389	-7,644	-8,990
Profit before tax	-153,631	-28,396	-197,262	-56,945	-87,014
Income tax	2,021	4,047	2,042	4,068	11,353
PROFIT/LOSS FOR THE YEAR	-151,610	-24,349	-195,219	-52,877	-75,661
Attributable to Parent Company shareholders	-151,610	-24,349	-195,219	-52,877	-75,661
Earnings per share (SEK)					
Before and after dilution	-1.07	-0.18	-1.40	-0.42	-0.59

Consolidated Statement of Comprehensive Income in summary

Other comprehensive income					
Items to be reclassified to profit and loss					
Exchange rate differences from translation of foreign operations	238	1,535	-3,246	3,841	4,559
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-151,372	-22,814	-198,465	-49,036	-71,102
Attributable to Parent Company shareholders	-151,372	-22,814	-198,465	-49,036	-71,102

Consolidated Statement of Financial Position in summary

Group (SEK 000)	9/30/2020	9/30/2019	12/31/2019
ASSETS			
Fixed assets			
Goodwill	134,812	134,812	134,812
Other intangible assets	141,325	128,720	131,548
Property, plant and equipment	65,354	54,639	57,739
Total non-current assets	341,491	318,171	324,099
Current assets			
Inventories	14,410	11,009	9,836
Accounts receivable	18,073	27,246	19,084
Other receivables	5,755	3,903	12,172
Prepaid expenses and accrued income	9,709	12,159	6,850
Cash and cash equivalents	278,354	73,296	52,228
Total current assets	326,301	127,614	100,170
TOTAL ASSETS	667,792	445,785	424,268

Group (SEK 000)	9/30/2020	9/30/2019	12/31/2019
EQUITY AND LIABILITIES			
Equity	371,462	309,818	288,533
Non-current liabilities			
Bank borrowing	16,000	-	-
Convertible debentures	-	40,746	-
Deferred tax	137	179	168
Provisions	32,711	3,505	4,797
Leasing liabilities	23,349	13,103	11,301
Other non-current liabilities	8,914	11,704	11,825
Total non-current liabilities	81,111	69,236	28,091
Current liabilities			
Bank borrowing	4,000	-	-
Convertible debentures	40,749	-	39,538
Accounts payable	8,622	12,670	13,902
Leasing liabilities	4,149	3,042	3,811
Other liabilities	126,079	29,441	31,153
Accrued expenses and deferred income	31,620	21,577	19,241
Total current liabilities	215,219	66,731	107,645
TOTAL EQUITY AND LIABILITIES	667,792	445,785	424,268

Consolidated Statement of Changes in Equity in summary

	9/30/2020	9/30/2019	12/31/2019
Opening balance Jan 1, 2019	288,533	273,502	273,502
Profit for the period	-195,219	-52,877	-75,661
Other comprehensive income	-3,246	3,841	4,559
New issue	247,814	77,846	77,846
New issue, redemption of warrants	-	6,458	6,458
New issue, redemption of employee stock options	12,050	-	175
Offset issue, loans	21,057	-	-
Share-based compensation	474	1,048	1,654
Closing balance at the end of the period	371,462	309,818	288,533

Consolidated Statement of Cash Flow in summary

Group (SEK 000)	1/1/2020 09/30/2020	1/1/2019 09/30/2020	1/1/2019 12/31/2019
Operating activities			
Operating profit/loss	-81,078	-49,374	-78,024
Adjustments for non-cash items	56,147	21,897	36,289
Interest paid	-3,411	-3,304	-3,713
Income tax received	9,173	10,616	10,708
Cash flow from operating activities before change in working capital	-19,169	-20,165	-34,739
Cash flow from change in working capital			
Increase(-)/decrease(+) in inventories	-4,858	3,885	2,163
Increase(-)/decrease(+) in operating receivables	-3,122	-9,224	3,201
Increase(+)/decrease(-) in operating liabilities	6,559	-12,068	-13,070
Cash flow from operating activities	-20,589	-37,572	-42,446
Investing activities			
Acquisition of property, plant and equipment	-2,028	-3,636	-8,789
Acquisition of intangible assets	-25,223	-34,593	-43,287
Sales of property, plant and equipment	30	97	97
Cash flow from investing activities	27,221	-38,132	-51,979
Financing activities			
Borrowings	20,000	20 000	20,000
Issue expenses	-5,881	-3,882	-3,882
New issue	265,745	88,186	88,360
New hire purchase loans	-	5,703	5,703
Amortization of lease debt and hire purchase loans	-4,873	-4,096	-6,423
Cash flow from financing activities	274,991	105,911	103,758
Cash flow for the period	227,181	30,207	9,333
Cash and cash equivalents at the beginning of the period	52,228	42,410	42,410
Exchange rate difference in cash and cash equivalents	-1,055	679	486
Cash and cash equivalents at the end of the period	278,354	73 296	52,228

Parent Company Income Statement in summary

Parent Company (SEK 000)	2020 Jul-Sep	2019 Jul-Sep	2020 Jan-Sep	2019 Jan-Sep	2019 Jan- Dec
Revenue	1,845	4,387	5,292	4,387	8,993
Other external expenses	-1,303	-6,845	-4,559	-9,656	-11,232
Personnel costs	-8,552	-2,372	-13,994	-7,766	-10,024
OPERATING PROFIT/LOSS	-8,010	-4,831	-13,262	-13,036	-12,263
Profit from financial items					
Financial income	2,287	2,605	4,339	5,253	6,857
Financial expenses	-108,168	-2,961	-130,900	-7,455	-43,269
Profit/loss before tax	-113,891	-5,187	-139,823	-15,238	-48,674
Income tax	-	-	-	-	-
Profit/loss for the period	113,891	-5,187	-139,823	-15,238	-48,674

Parent Company Statement of Comprehensive Income in summary

Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-113,891	-5,187	-139,823	-15,238	-48,674

Parent Company Statement of Financial Position in summary

Parent Company (SEK 000)	9/30/2020	9/30/2019	12/31/2019
ASSETS			
Financial non-current assets			
Shares in Group companies	226,839	226,839	226,839
Receivables from Group companies	214,296	174,762	171,440
Total financial non-current assets	441,135	401,601	398,279
Current assets			
Receivables from Group companies	5,829	11,285	10,020
Other receivables	465	628	14
Prepaid expenses and accrued income	2,230	283	285
Cash and cash equivalents	238,301	70,417	44,389
Total current assets	246,825	82,613	54,708
TOTAL ASSETS	687,960	484,214	452,987
Parent company (SEK 000)			
	9/30/2020	9/30/2019	12/31/2019
EQUITY AND LIABILITIES			
Equity	522,686	413,865	381,209
Non-current liabilities			
Convertible debentures	-	40,746	-
Provisions	7,249	3,505	4,797
Other non-current liabilities	-	2,808	-
Total non-current liabilities	7,249	47,058	47,979
Current liabilities			
Convertible debentures	40,749	-	39,538
Accounts payable	437	1,082	681
Other liabilities	115,290	20,979	25,397
Accrued expenses and deferred income	1,549	1,230	1,366
Total current liabilities	158,025	23,291	66,982
TOTAL EQUITY AND LIABILITIES	687,960	484,214	452,987

Notes

Note 1 – Accounting principles

The Interim Report has been prepared in accordance with IAS 34 and the applicable regulations of the Annual Accounts Act. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR2.

Note 2 – Revenue from contracts with customers and segment reporting

The products (chips, modules, evaluation packages, semiconductor products, etc.) that the Siverts Semiconductors Group manufactures and sells to customers are hardware. Hardware sales are recognized either at a point in time or over time. In the Wireless business area, performance obligations are normally fulfilled at a specific point in time, while Photonics has a larger proportion of contracts where performance obligations are met over time.

Both Wireless and Photonics enter into Non Recurrent Engineering (NRE) contracts.

These contracts relate to development projects where the Siverts Semiconductors companies adapt technology in hardware to match customer needs or develop a new product. Customized products developed through NRE contracts can later be sold under the category "hardware". Revenue for NRE contracts is recognized over time.

The Wireless business area also sells support for the Company's hardware, which facilitates customization of the technology. For example, the support agreements allow Siverts Semiconductors' products to be embedded into the customer's products, which are then sold on to end customers. Revenue from support contracts is recognized over time.

Revenue type	Jul-Sep 2020			Jul-Sep 2019		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	3,369	2,645	6,014	4,143	7,059	11,202
NRE/Development project	1,076	14,840	15,915	-	12,648	12,648
Support & Other	279	-	279	173	-	173
Total	4,724	17,484	22,208	4,316	19,707	24,023
Recognition						
At a point in time	3,369	627	3,996	4,143	1,793	5,936
Over time	1,355	16,857	18,211	173	17,914	18,087
Total	4,724	17,484	22,208	4,316	19,707	24,023
Geographical market						
North America	479	13,765	14,244	929	15,118	16,047
Europe	3,998	2,537	6,535	1,608	2,101	3,708
Asia	247	1,182	1,429	1,779	2,489	4,268
Total	4,724	17,484	22,208	4,316	19,707	24,023

Revenue type	Jan-Sep 2020			Jan-Sep 2019		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	12,596	9,698	22,294	17,750	20,085	37,835
NRE/Development project	1,832	41,246	43,078	1,733	31,037	32,769
Support & Other	1,091	-	1,091	389	-	389
Total	15,519	50,944	66,463	19,871	51,122	70,993
Recognition						
At a point in time	12,596	1,147	13,743	17,750	3,807	21,557
Over time	2,923	49,797	52,720	2,122	47,315	49,436
Total	15,519	50,944	66,463	19,871	51,122	70,993
Geographical market						
North America	1,133	42,069	43,202	6,216	39,726	45,942
Europe	11,842	6,108	17,949	11,159	7,920	19,079
Asia	2,544	2,767	5,311	2,496	3,477	5,973
Total	15,519	50,944	66,463	19,871	51,122	70,993

EBITDA - earnings per segment	2020	2019	2020	2019	2019
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan- Dec
Wireless	-25,709	-3,494	-38,433	709	-13,483
Photonics	-4,912	-8,226	-7,077	-16,261	-22,610
Shared Group costs*	-8,078	-4,723	13,259	-12,893	-12,229
Total	-38,699	-16,443	-58,769	-28,445	-48,322

* Group-wide costs mainly relate to Parent Company costs not allocated to segments for internal follow-up purposes.

Wireless

Revenue for the third quarter 2020 amounted to SEK 4.724 M (4.316), an increase of SEK 0.408 M. EBITDA amounted to SEK -25.709 M (-3.494), a decrease of SEK 22.215 M.

The decrease in EBITDA was mainly due to increased provisions for social security expenses for the options programs (due to share price increases), corresponding to some SEK 22 M.

For the period January-September, revenue was SEK 15.519 M (19.871) a decrease of SEK 4.352 M year-on-year. The lower revenue in the nine-month period was due to decreased sales in April and May due to Covid-19, combined with the fact that sales in the first quarter 2019 included a number of End-of-Life products where corresponding items were not sold during 2020.

EBITDA amounted to SEK -38.433 M (0.709), a decrease of SEK 39.142 M. The decrease was attributable to increased provisions for social security expenses in the second and third quarter, a decrease in capitalized development expenses of some SEK 8 M and a reduction in revenue.

Photonics

Revenue for the third quarter 2020 amounted to SEK 17.484 M (19.707), an increase of SEK 2.223 M year-on-year. EBITDA amounted to SEK -4.912 M (-8.226), an improvement of SEK 3.314 M. The improvement was mainly related to decreased other external expenses and lower raw materials costs as a result of a different product mix in 2020. Photonics' profit for the third quarter was charged with provisions for social security expenses of some SEK 4 M.

For January-September, revenue was SEK 50.944 M (51.122) a decrease of SEK 0.178 M. Photonics was affected by slightly lower demand from some customers in the period due to Covid-19, although new orders from Fortune 100 customers in key projects compensated for this. EBITDA amounted to SEK -7.077 M (-16.261), an improvement of SEK 9.184 M. The improvement was mainly due to improved raw materials costs.

Note 3 – Financial instruments

The Balance Sheet includes operating receivables and liabilities held to maturity. These consist of accounts receivables, contract assets, cash and cash equivalents, accounts payable, other current liabilities, accrued expenses and hire purchase liabilities. These are reported at amortized cost, which is an approximation of fair value. The credit risk of the receivables is assessed to be low. The Sivers Semiconductors Group uses short-term derivatives and embedded derivatives. These are recognized at fair value through profit and loss. The Balance Sheet also includes a convertible debt recognized at amortized cost. For this item, the fair value is not expected to differ materially from the carrying amount.

Key performance indicators

Group (SEK 000)	1/1/2020 -09/30/2020	1/1/2019 -09/30/2019	1/1/2019 -12/31/2019
PROFITABILITY			
Revenue growth (%)	-6%	39%	35%
EBITDA (SEK 000)	-58,769	-28,445	-48,322
CAPITAL STRUCTURE			
Equity (SEK 000)	371,462	309,818	288,533
Total assets (SEK 000)	667,792	445,785	424,268
Capital employed (SEK 000)	468,200	398,729	375,322
Interest-bearing net debt (SEK 000)	-181,616	15,615	34,561
Capital turnover ratio (times)	0.1	0.2	0.2
Equity/assets ratio (%)	56%	69%	68%
Debt/equity ratio (%)	26%	29%	30%
CASH FLOW AND LIQUIDITY			
Cash flow before investments (SEK 000)	-20,589	-37,572	-42,446
Cash flow after investing activities (SEK 000)	-47,810	-75,704	-94,426
Cash and cash equivalents (SEK 000)	278,354	73 296	52,228
INVESTMENTS			
Acquisition of property, plant and equipment (SEK 000)	-2,028	-3,636	-8,789
Acquisition of intangible assets	-25,223	-34,593	-43,287
Sales of property, plant and equipment	30	97	97
PERSONNEL			
Average number of employees	100	97	97
Turnover per employee (SEK 000)	665	732	993
Total number of employees	99	95	99
DATA PER SHARE			
Number of shares*	148,029,190	133,310,095	133,350,613
Average number of shares before dilution*	139,106,118	125,508,662	127,478,159
Earnings per share before and after dilution	-1.40	-0.42	-0.59
Equity per share (SEK)	2.51	2.32	2.16

* In order to calculate equity per share and earnings per share, the number of shares and the average number of shares have been adjusted retrospectively to reflect the bonus issue elements of new share issues completed in 2019 and 2020.

Definitions of key performance indicators

PROFITABILITY

Revenue growth (%)	Percentage change in revenue compared with previous period
EBITDA (SEK 000)	Profit before financial items, tax and depreciation and amortization

CAPITAL STRUCTURE

Equity (SEK 000)	Equity at the end of the period
Total assets (SEK 000)	Total assets or the sum of liabilities and equity
Capital employed (SEK 000)	Total assets less non-interest bearing liabilities, including deferred tax
Interest-bearing net debt (SEK 000)	Net interest-bearing provisions and liabilities less financial assets including cash and cash equivalents
Capital turnover ratio (times)	Sales for the year divided by average total assets
Equity/assets ratio (%)	Equity as a percentage of total assets
Debt/Equity ratio (%)	Interest-bearing liabilities divided by equity

CASH FLOW AND LIQUIDITY

Cash flow before investments (SEK 000)	Profit after financial items including items not affecting cash flow less changes in working capital
Cash flow after investing activities (SEK 000)	Profit after financial items incl. items not affecting cash flow less changes in working capital and investments
Cash and cash equivalents (SEK 000)	Bank balances and cash

PERSONNEL

Average number of employees	Average number of employees in the period
Turnover per employee	Turnover divided by average number of employees
Total number of employees	Total number of employees at the end of the period

DATA PER SHARE

Earnings per share (SEK)	Profit for the period divided by average number of shares
Equity per share (SEK)	Equity divided by total number of shares at the end of the period

Sivers Semiconductors