

YEAR-END REPORT

January-December 2020

Sivers Semiconductors.

At the heart of innovation



Year-End Report January-December

Fourth quarter 2020

- Revenue amounted to SEK 29.707 M (25.362), an increase of 17%
- Profit before depreciation and amortization (EBITDA) amounted to SEK 3.108 M (-19.877)
- Profit/loss for the period amounted to SEK -0.563 M (-22.784)
- Earnings per share amounted to SEK -0.00 (-0.17)
- Equity per share amounted to SEK 3.44 (2.16)
- EBITDA was affected by SEK 6.320 M (-1.342) relating to provision reversals for social security expenses relating to employee stock option programs. Adjusted for this item, EBITDA amounted to SEK -3.212 M (-18.535).

January-December 2020

- Revenue amounted to SEK 96.170 M (96.355), a change of 0%
- Profit before depreciation and amortization (EBITDA) amounted to SEK -55.661 M (-48.322)
- Profit/loss for the period amounted to SEK -195.782 M (-75.661)
- Earnings per share amounted to SEK -1.37 (-0.59)
- Equity per share amounted to SEK 3,44 (2,16)
- EBITDA was affected by SEK -28.704 M (-1.436) in provisions for social security expenses relating to the employee stock option programs. Adjusted for this item, EBITDA amounted to SEK -26.957 M (-46.886).
- Profit/loss was charged with SEK -111.018 M (-1.419) 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 -56.060 M (-72.806).

Significant events in the fourth quarter:

- 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, Sivers IMA Holding AB changed its name to Sivers Semiconductors AB. In connection with the name change, the subsidiaries' names were also changed to Sivers Wireless (formerly Sivers IMA AB) and Sivers Photonics (formerly CST Global).

- On October 12, Sivers Semiconductors announced that the subsidiary Sivers Photonics received an order worth approx. SEK 4 M for a new project from one of the company's established Fortune 100 customers.
- On October 29 Sivers Semiconductors announced that the subsidiary Sivers Photonics had been awarded a 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 Sivers Semiconductors announced that the subsidiary Sivers Wireless had received a Chinese 5G order from Siemens Healthineers.
- On December 7 Sivers Semiconductors announced that Sivers Wireless had signed a long-term supply contract for the new 2D RF module. The forecast of the supply contract for the first four years is estimated at SEK 70-100 M and is based on estimated volumes from 8 devices.
- On December 9 Sivers Semiconductors announced that Sivers Photonics had been awarded a government grant of approx. SEK 3.6 M from Innovate UK relating to the company's participation in the SPIDAR project which develops quantum-based LiDAR systems for driver assisted and autonomous vehicle applications.
- On December 29 Sivers Semiconductors announced that Sivers Wireless had won its first order from India, from Astra Microwave Products Ltd, based in i Hyderabad, India, through its local distributor Doppler Electronics Pvt Ltd for the Dual Quad Beamformer IC-chip (BFIC).

Significant events after the end of the period:

- On January 11 Pelle Wijk was appointed MD of the subsidiary Sivers Wireless.
- On January 11, Sivers Semiconductors announced that the subsidiary Sivers Photonics had won an order in Optical Sensing worth approx. SEK 11 M from one of the company's established Fortune 100 customers. The order will be delivered and invoiced in the first half of 2021.
- On January 21, Lottie Saks was appointed new Board member in Sivers Semiconductors AB at an Extraordinary General Meeting.
- On February 4 Sivers Semiconductors announced that Sivers Wireless has received an order for 5GmmWave IC from TMYTEK in Taiwan.

Key performance indicator

SEK 000	2020 Oct-Dec	2019 Oct-Dec	2020 Jan-Dec	2019 Jan-Dec
Revenue	29,707	25,362	96,170	96,355
EBITDA	3,108	-19,877	-55,661	-48,322
Profit/loss for the period	-563	-22,784	-195,782	-75,661
Earnings per share before and after dilution, SEK	0.00	-0.17	-1.37	-0.59
Equity per share, SEK	3.44	2.16	3.44	2.16

An online presentation of the Interim Report will be held at 10:00 AM (CET) Friday, February 12, 2021.

Register for the webinar via: <https://attendee.gotowebinar.com/register/807461960792823565>

CEO's Statement

Sivers Semiconductors posted a strong quarter, and although 2020 was an unusual year the company has gone from strength to strength. During the year, we have focused on continuing building for the future and I am now looking forward to 2021.

Net sales totaled SEK 30 M in the fourth quarter, an increase of 17% year-on-year. It is pleasing that both business areas returned sales growth despite a second wave of the pandemic: Wireless grew by 42% and Photonics by 11%. We also succeeded in delivering positive EBITDA, although adjusted for provision reversals relating to social security expenses for employee stock option programs, EBITDA was SEK -3.2 M, an improvement of approx. SEK 15 M year-on-year. This positive performance is driven by a combination of sales growth and cost savings.

Photonics – at the leading edge of technology

Sivers Photonics delivered a very strong quarter and year. For the full year, Photonics' achieved break even at EBITDA level, against a loss of SEK 23 M in 2019. Photonics successfully reduced costs, mainly by increasing internal production and eliminating external production stages, which generated full-year savings of approx. SEK 12 M. In addition, Photonics has successfully proven and delivered a higher value of their product portfolio and thereby increased the prices to existing customers.

In the fourth quarter, Photonics received an order worth approx. SEK 4 M from our largest Fortune 100 customer, and after the end of the quarter we won another order in optical sensing from the same customer worth approx. SEK 11 M. This means that this customer has placed orders worth a total of SEK 85 M since October 2018. The SEK 11 M order will be delivered and invoiced in the first half of 2021.

Sivers Photonics' development projects are leading edge. In the quarter, Photonics received two government grants worth a total of SEK 6.7 M. This related to participation in two British initiatives: the MAG-V project aimed at developing the world's first commercial Quantum Atomic Magnetometer, and the SPIDAR project which develops quantum-based LiDAR systems for driver-assisted and autonomous vehicle applications.



Wireless wins several important orders

Sivers Wireless grew sharply in the quarter. At the end of the year, we had achieved 21 design-wins, against 12 at the end of 2019. We also sold a record number of evaluation kits, with some 150 kits sold in the year. Although many of these were sold to universities and other research institutions and will not generate design-wins, the sales demonstrate the significant interest in our technology and products. We have a very promising customer mix active in many different verticals such as Fixed Wireless Access (FWA), Backhaul, transport (Track to Train), defense, multi-gigabit wireless indoor backbone, medtech etc. This has been a quite exciting year, as some of our customers now have started entering the volume production phase.

We won several orders in the quarter, including a Chinese 5G-order from Siemens Healthineers, our first order from India, and a long-term supply contract for our new 57-71 GHz 2D antenna module for FWA from Lithuanian company 8devices. 8devices estimates the volumes for the first four years to approx. SEK 70-100 M related to a specific US customer.

We signed the design-win that underpins the contract with 8devices in fourth quarter 2020, and under our current plan it will be less than a year from start until the finished product has been installed with the end customer on the US market. The contract is important because 8devices already had a leading US customer at the time of the design-win, which means that we anticipate volume growth as early as 2021. We are also hopeful that 8devices will sell the product to other customers, which would generate even higher revenue than estimated for the period.

Strong future optimism

Our name change in October to Sivers Semiconductors, with the subsidiaries Sivers Wireless (previously Sivers IMA AB) and Sivers Photonics (previously CST Global), was also followed by organizational changes where we announced that Pelle Wijk had been appointed Managing Director of Sivers Wireless after the end of the fourth quarter. As planned, we are continuing to work hard to secure the up-listing to Nasdaq Stockholm's main list in the first half of 2021, and more time has now been released for me to focus on this and to lead the Group.

At the end of the fourth quarter, total cash and cash equivalents amounted to SEK 249 M, a strong position. The cash will be used to accelerate our organic and international expansion, mainly through investments in production capacity, customer support, sales and marketing. The plans also include opening a joint sales office in the US for Wireless and Photonics.

Everyone at Sivers has worked hard to get where we are today. Overall, both Photonics and Wireless had a strong year in 2020 and I want to thank both teams for their excellent efforts. While the pandemic slowed general activity in 2020, delaying the strong growth we foresee, results still remained in line with the previous year. Although the pandemic may continue to slow progress in the early part of 2021, for example by complicating some end customers' field tests of new products, as the pandemic and associated restrictions loosen their grip on the world, I foresee our growth accelerating. We are in an excellent position in terms of our customers, balance sheet and new products, and I remain very optimistic about the future.

Anders Storm, President and CEO

The Group in summary

The Siverts Semiconductors Group in summary

Siverts Semiconductors AB (publ) is the Parent Company of a Group comprising the wholly-owned subsidiaries Siverts Wireless AB, Siverts Photonics Ltd and Trebax AB. Operations are mainly conducted through the two business areas Wireless and Photonics. Siverts Semiconductors and Siverts Wireless are headquartered in Kista, Sweden, with a local office in Gothenburg, Sweden. Siverts Photonics' headquarter and factory are located in Glasgow, Scotland.

This report relates to the Group's operations during the period January 1, 2020 to December 31, 2020.

The Siverts Semiconductors Group is an international supplier of advanced 5G systems for data- and telecommunications networks and optical products to optical fiber networks, sensors and optical wireless communication (Li-Fi). Siverts 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.

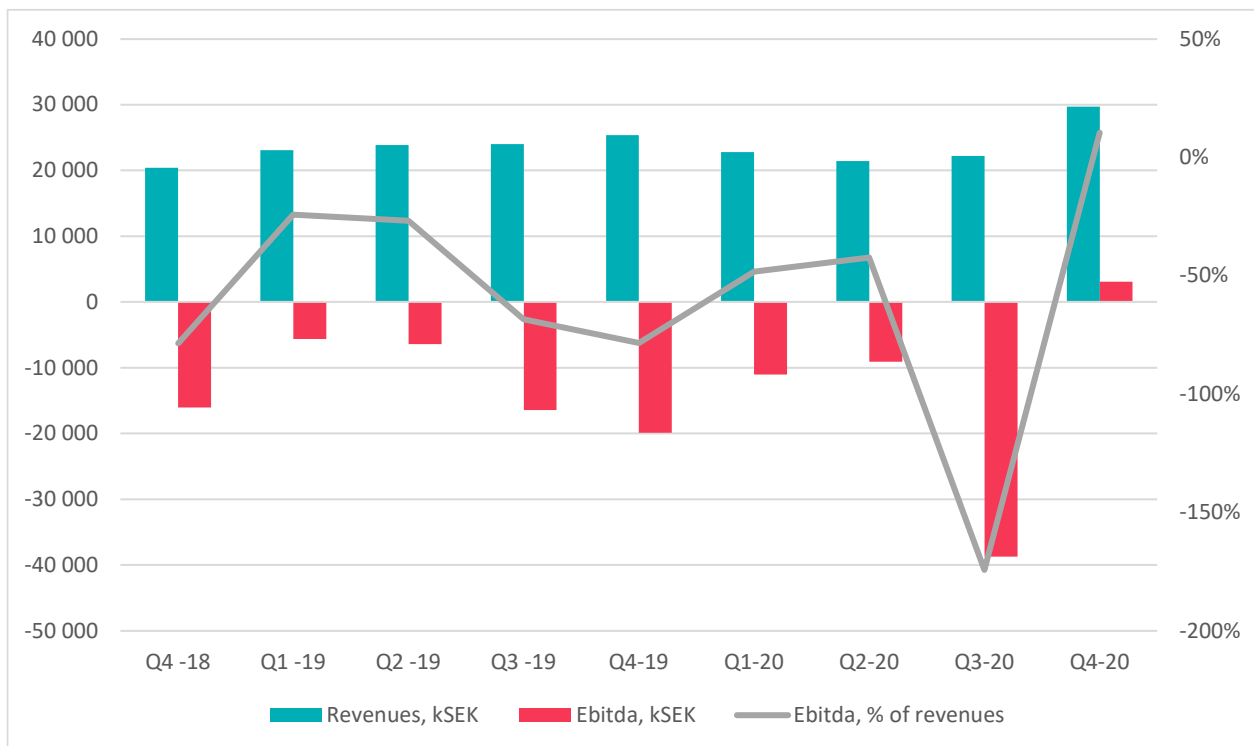
The business area mainly supplies systems manufacturers, who in turn deliver solutions to telecom operators. Deliveries are made directly or through partners.

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 customers located in Silicon Valley.

Revenue and EBITDA



Net sales and EBITDA

Fourth quarter

During the fourth quarter 2020, revenue was SEK 29.707 M (25.362), an increase of 17 percent year-on-year. Wireless' revenue increased by SEK 2.113 M, an increase of 42%, Photonics' revenue increased by SEK 2.234 M which is an increase of 11%.

EBITDA amounted to SEK 3.108 M (-19.877), an improvement of SEK 22.985 M. The positive progress is the result of increased revenue and lower personnel costs. External costs decreased by SEK 3.436 M as a result of general cost savings, including consultants, while the lower personnel costs were largely due to provision reversals for social security expenses relating to stock option programs (due to a lower share price in Q4), corresponding to SEK 7.662 M. In addition, capitalized development expenses increased by SEK 3.298 M, mainly due to accrued major projects in Wireless, which had a positive effect on EBITDA in the quarter.

January-December

In the period January-December, operating revenue was SEK 96.170 M (96.355), a change of 0% year-on-year. Photonics' revenue increased by SEK 2.055 M, while Wireless revenue decreased by SEK 2.240 M.

EBITDA amounted to SEK -55.661 M (-48.322), a decrease of SEK 7.339 M. The decrease in EBITDA for the period January-December was due to increased provisions and social security expenses for stock option programs year-on-year. For the full year 2020, costs totaled SEK -28.704 M (-1.436), of which SEK 15.739 M has been paid out and SEK 0.584 M will be paid shortly. Silvers Semiconductors has the mandate to issue warrants to cover the cash flow risk of social security expenses for the options, which the Group intends to do in 2021.

Excluding the effect of the stock options, EBITDA improved by SEK 19.929 M. This improvement was mainly due to decreased costs in Photonics. Internal investments eliminated external product steps in Photonics' operations (generating savings of some SEK 12 M), while price increases and lower raw materials costs created a more favorable product mix in 2020 compared to 2019.

External costs also decreased for the Group as a whole, due to a more restrictive budget including savings implemented as a result of Covid-19.

Depreciation and amortization

Fourth quarter

Profit for the fourth quarter 2020 was affected by depreciation, amortization and impairment of SEK -7.740 M (-8.774), a decrease of SEK -1.034 M.

January-December

Profit for the period January-December was affected by SEK -30.049 M (-29.702) in planned depreciation, amortization and impairment, of which SEK -5.684 (-6.841) related to depreciation of equipment, tools and installations, SEK -19.456 M (-18,101) to depreciation, amortization and impairment of capitalized development expenses in previous years and SEK -4.909 M (-4.760) relates to depreciation of right-of-use assets in leasing contracts.

Financial items

Financial items for the full year 2020 increased significantly, from SEK -8.990 M to SEK -119.744 M, an increase of SEK 110.754 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. For the full year 2020, the valuation effect was SEK 111.018 M. On October 1, Ampleon called for conversion of the debentures, and the options were converted to shares on October 22, 2020. Upon conversion, the convertible debenture and the derivative debt were both included in equity.

The profit effect of the embedded derivative does not affect current or future cash flows. The substantial negative impact on financial items 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.

Taxes

The Group receives tax credits for research and development costs in Scotland. During the fourth quarter 2020, SEK 3.515 M was recorded as tax income in expected tax credits for the financial year 2020.

Liquidity, Cash Flow and Financing

On December 31, 2020, the Group's cash and cash equivalents amounted to SEK 249.448 M (52.228).

In February 2020, the group completed a directed new issue, which raised SEK 53.599 M, before issue expenses of SEK 2.380 M. The Group completed another new share issue on September 28, raising SEK 200.097 M. The issue expenses for this new share issue amounted to SEK 3.502 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 7.838 M for the Group in proceeds from newly issued shares.

In September 2020, options were redeemed (under programs authorized in 2014, 2015 and 2017) against 895,700 shares, raising SEK 4.212 M for the Group. In October and December 2020, further options were redeemed equivalent to a total of 1,764,730 shares (based on programs decided in 2010, 2015 and 2017). This raised SEK 7.952 M for the Group.

On July 28 and August 13, Siverson Semiconductors completed offset share issues totaling SEK 21.057 M.

The debt redeemed against shares in the company related to operating credits of SEK 20 M, including unpaid interest raised in 2019. A total of 1,334,958 new shares were issued.

In September 2020, Siverson 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 1.000 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 9.173 M.

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.

Investments

The Siverson Semiconductor Group's total investments in the period January–December amounted to SEK 39.528 M (52.076) and relate to capitalized intangible assets for development expenses of SEK 37.215 M (43.287) and acquisitions of property, plant and equipment of SEK 2.313 M (8.789). 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 had fewer projects in the development phase during the year.

Equity

As of December 31, 2020, Group equity amounted to SEK 531,925,000 (288,533,000). Share capital totaled SEK 77,222,823.5.

Parent Company

In the fourth quarter 2020, the Parent Company's other external expenses increased by SEK 3.624 M. This was largely due to costs for activities relating to preparations for the planned change of listing to Nasdaq main market.

The sharp increase in the Parent Company's financial expenses for the full year 2020 was due to the increased market value of the embedded derivative in the convertible debentures totaling SEK 111.018 M.

In the period January–December 2020, and in addition to the information outlined above, Parent Company profit was also charged with impairment of a shareholder contribution paid to the subsidiary Siverson Wireless AB. Shareholder contributions for the full year 2020 totaled SEK 65 M, of which SEK 55 M were made in the fourth quarter 2020.

Shares

Siverson Semiconductor's share capital was divided over 154,445,647 shares with a quotient value of SEK 0.50 as of December 31, 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 254900UBKNY2EJ588J53.

Employees

As of December 31, 2020, the Siverson Semiconductor Group had 103 (99) employees, excluding consultants.

Ownership structure

As of December 31, 2020, Siverson Semiconductors AB (public) had three 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, Siverson Semiconductors had approximately 15,000 shareholders.

Outlook for 2021

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

Risks and uncertainties

The Siverson 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:

April 23, 2021	Annual Report 2020	For more information, please contact: Anders Storm, CEO Telephone: +46 (0) 702 62 63 90 Epost: anders.storm@sivers-semiconductors.com
May 20, 2021	Annual General Meeting 2020	
May 20, 2021	Interim Report Q1 2021	
August 19, 2021	Interim Report Q2 2021	
November 12, 2020	Interim report Q3 2021	

This Interim Report has not been submitted for review by the company's Auditor.

Sivers Semiconductors AB (publ)

Kista, Sweden February 12, 2021

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 chips 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

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

Erik Penser Bank is appointed as Sivers Semiconductors AB's Certified Advisor on Nasdaq First North Growth Market.
Telephone: +46 (0)8 463 80 00
Email: certifiedadviser@penser.se

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

Sivers Semiconductors AB (publ)

Corp. ID no. 556383- 9348

Investor Relations: ir@sivers-semiconductors.com

Telephone: +46 (0)8 703 68 00

Sivers Semiconductors AB

Box 1274

SE-164 29 Kista Sweden

Consolidated Income Statement in summary

Group (SEK 000)	2020 Oct-Dec	2019 Oct-Dec	2020 Jan- Dec	2019 Jan- Dec
Revenue	29,707	25,362	96,170	96,355
Other operating income	1,114	1,063	9,099	10,259
Capitalized work on own account	11,992	8,694	37,215	43,287
Raw materials and consumables	-8,122	-9,297	-26,333	-39,997
Other external expenses	-19,863	-23,299	-62,819	-79,559
Personnel costs	-11,721	-22,399	-108,994	-78,667
Depreciation, amortization and impairment of fixed assets and intangible assets	-7,740	-8,774	-30,049	-29,702
OPERATING PROFIT/LOSS	-4,632	-28,650	-85,710	-78,024
Profit/Loss from financial items				
Financial income	2,898		4,103	-
Financial expenses	-2,354	-1,418	-119,744	-8,990
Profit/Loss before tax	-4,089	-30,069	-201,351	-87,014
Income tax	3,526	7,285	5,569	11,353
PROFIT/LOSS FOR THE YEAR	-563	-22,784	-195,782	-75,661
Attributable to Parent Company shareholders	-563	-22,784	-195,782	-75,661
Earnings per share (SEK)				
Before and after dilution	0.00	-0.17	-1.37	-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	-2,728	718	-5,974	4,559
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-3,291	-22,066	-201,756	-71,102
Attributable to Parent Company shareholders	-3,291	-22,066	-201,756	-71,102

Consolidated Statement of Financial Position in summary

Group (SEK 000)	12/31/2020	12/31/2019
ASSETS		
Fixed assets		
Goodwill	134,812	134,812
Other intangible assets	147,553	131,548
Property, plant and equipment	61,372	57,739
Total non-current assets	343,737	324,099
Current assets		
Inventories	14,776	9,836
Accounts receivable	19,460	19,084
Other receivables	7,405	12,172
Prepaid expenses and accrued income	12,360	6,850
Cash and cash equivalents	249,448	52,228
Total current assets	303,450	100,170
TOTAL ASSETS	647,186	424,268

Group (SEK 000)	12/31/2020	12/31/2019
EQUITY AND LIABILITIES		
Equity	531,925	288,533
Non-current liabilities		
Bank borrowing	15,000	-
Deferred tax	126	168
Provisions	17,177	4,797
Leasing liabilities	22,166	11,301
Other non-current liabilities	7,702	11,825
Total non-current liabilities	62,172	28,091
Current liabilities		
Bank borrowing	4,000	-
Convertible debentures	-	39,538
Accounts payable	14,246	13,902
Leasing liabilities	3,975	3,811
Other liabilities	8,721	31,153
Accrued expenses and deferred income	22,148	19,241
Total current liabilities	53,090	107,645
TOTAL EQUITY AND LIABILITIES	647,186	424,268

Consolidated Statement of Changes in Equity in summary

	12/31/2020	12/31/2019
Opening balance Jan 1	288,533	273,502
Profit/loss for the period	-195,782	-75,661
Other comprehensive income	-5,974	4,559
New issue	247,814	77,846
New issue, redemption of warrants	-	6,458
New issue, redemption of employee stock options	20,002	175
Offset issue, loans	21,057	-
New issue, redemption of convertible debenture	153,492	-
Share-based compensation	2,783	1,654
Closing balance at the end of the period	531,925	288,533

Consolidated Statement of Cash Flow in summary

Group (SEK 000)	1/1/2020 -12/31/2020	1/1/2019 -12/31/2019
Operating activities		
Operating profit/loss	-85,710	-78,024
Adjustments for non-cash items	63,280	36,289
Interest paid	-4,265	-3,713
Income tax received	9,173	10,708
Cash flow from operating activities before change in working capital	-17,522	-34,739
Cash flow from change in working capital		
Increase(-)/decrease(+) in inventories	-5,414	2,163
Increase(-)/decrease(+) in operating receivables	-8,714	3,201
Increase(+)/decrease(-) in operating liabilities	-8,417	-13,070
Cash flow from operating activities	-40,067	-42,446
Investing activities		
Acquisition of property, plant and equipment	-2,313	-8,789
Acquisition of intangible assets	-37,215	-43,287
Sales of property, plant and equipment	30	97
Cash flow from investing activities	-39,498	-51,979
Financing activities		
Borrowings	20,000	20,000
Amortization of loan	-1,000	-
Issue expenses	-5,881	-3,882
New issue	273,698	88,360
New hire purchase loans	-	5,703
Amortization of lease debt and hire purchase loans	-7,263	-6,423
Cash flow from financing activities	279,553	103,758
Cash flow for the period	199,988	9,333
Cash and cash equivalents at the beginning of the period	52,228	42,410
Exchange rate difference in cash and cash equivalents	-2,767	486
Cash and cash equivalents at the end of the period	249,448	52,228

Parent Company Income Statement in summary

Parent Company (SEK 000)	2020 Oct-Dec	2019 Oct-Dec	2020 Jan- Dec	2019 Jan- Dec
Revenue	2,322	4,606	7,614	8,993
Other external expenses	-5,200	-1,576	-9,760	-11,232
Personnel costs	-2,160	-2,257	-16,154	-10,024
OPERATING PROFIT/LOSS	-5,038	773	-18,300	-12,263
Profit from financial items				
Financial income	4,092	1,605	8,432	6,857
Financial expenses	-59,258	-35,814	-190,158	-43,269
Profit/loss before tax	-60,203	-33,436	-200,027	-48,674
Income tax		-		-
Profit/loss for the period	-60,203	-33,436	-200,027	-48,674

Parent Company Statement of Comprehensive Income in summary

Other comprehensive income	-	-	-	-
Total comprehensive income	-60,203	-33,436	-200,027	-48,674

Parent Company Statement of Financial Position in summary

Parent Company (SEK 000)	12/31/2020	12/31/2019
ASSETS		
Financial non-current assets		
Shares in Group companies	226,839	226,839
Receivables from Group companies	185,653	171,440
Total financial non-current assets	412,492	398,279
Current assets		
Receivables from Group companies	7,926	10,020
Other receivables	25	14
Prepaid expenses and accrued income	288	285
Cash and cash equivalents	215,858	44,389
Total current assets	224,097	54,708
TOTAL ASSETS	636,589	452,987
Parent Company (SEK 000)	12/31/2020	12/31/2019
EQUITY AND LIABILITIES		
Equity	626,331	381,209
Non-current liabilities		
Provisions	6,542	4,797
Total non-current liabilities	6,542	4,797
Current liabilities		
Convertible debentures	-	39,538
Accounts payable	472	681
Other liabilities	162	25,397
Accrued expenses and deferred income	3,083	1,366
Total current liabilities	3,717	66,982
TOTAL EQUITY AND LIABILITIES	636,589	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	Oct-Dec 2020			Oct-Dec 2019		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	1,983	3,469	5,452	4,099	7,251	11,350
NRE/Development project	4,668	19,070	23,738	-	13,054	13,054
Support & Other	517	-	517	958	-	958
Total	7,169	22,539	29,707	5,056	20,305	25,362
Recognition						
At a point in time	1,983	297	2,280	4,099	1,240	5,338
Over time	5,185	22,242	27,427	958	19,066	20,023
Total	7,169	22,539	29,707	5,056	20,305	25,362
Geographical market						
North America	729	19,517	20,247	-	17,215	17,215
Europe	5,283	1,559	6,842	4,665	1,755	6,420
Asia	1,157	1,462	2,619	392	1,335	1,727
Total	7,169	22,539	29,707	5,056	20,305	25,362

Revenue type	Jan-Dec 2020			Jan-Dec 2019		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	14,580	13,166	27,746	21,848	27,337	49,185
NRE/Development project	6,501	60,316	66,816	1,733	44,090	45,823
Support & Other	1,608	-	1,608	1,347	-	1,347
Total	22,688	73,482	96,170	24,928	71,427	96,355
Recognition						
At a point in time	14,580	1,444	16,023	21,848	5,047	26,895
Over time	8,108	72,039	80,147	3,079	66,380	69,460
Total	22,688	73,482	96,170	24,928	71,427	96,355
Geographical market						
North America	1,863	61,586	63,449	6,216	56,941	63,156
Europe	17,124	7,667	24,791	15,824	9,674	25,499
Asia	3,701	4,229	7,930	2,888	4,812	7,700
Total	22,688	73,482	96,170	24,928	71,427	96,355

EBITDA - earnings per segment	2020	2019	2020	2019
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Wireless	558	-14,192	-37,875	-13,483
Photonics	7,476	-6,348	399	-22,610
Shared Group costs*	-4,926	664	-18,185	-12,229
Total	3,108	-19,877	-55,661	-48,322

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

Wireless

Revenue for the fourth quarter 2020 amounted to SEK 7.169 M (5.056), an increase of SEK 2.113 M, which represents an increase of +42% year-on-year. EBITDA amounted to SEK 0.558 M (-14.192), an improvement of SEK 14.750 M. The positive progress for EBITDA is a combination of increased revenue, provision reversals for social security expenses relating to the stock option programs (due to a lower share price in Q4) corresponding to some SEK 5.4 M and for external costs of some SEK 1.9 M. In addition, capitalized development expenses increased by SEK 3.688 M as a result of accrued major projects in Wireless.

For the period January-December, revenue was SEK 22.688 M (24.928) a decrease of SEK 2.240 M year-on-year. The lower revenue in the 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. However, the effect of this was slightly offset in the fourth quarter 2020 by an accrued major NRE project.

EBITDA amounted to SEK -37.875 M (13.483), a decrease of SEK 24.392 M. The decrease in EBITDA for the period

January-December was mainly due to increased provisions and social security expenses for stock option programs compared to the corresponding period in the previous year. For the full year, these were approx. SEK 17 M.

Photonics

Revenue for the fourth quarter 2020 amounted to SEK 22.539 M (20.305), an increase of SEK 2.234 M year-on-year, representing an increase of +11%. EBITDA amounted to SEK 7.476 M (-6.348), an improvement of SEK 13.824 M. The improvement was mainly due to increased revenue and decreased other external expenses as a result of stricter cost control. In addition, provisions for social security expenses for stock options programs were reversed (due to a lower share price in Q4) corresponding to some SEK 2 M.

For January-December, revenue was SEK 73.482 M (71.427) an increase of SEK 2.055 M. The increase related to new orders from Fortune-100 customers in critical key projects. EBITDA amounted to SEK 399 M (-22.610), an improvement of SEK 23.009 M. The improvement was due to improved raw material costs as a result of a different product mix in 2020, lower external costs and increased revenue.

Note 3 - Financial instruments

The balance sheet includes financial assets and liabilities related to operations, mainly comprised of accounts receivable, cash and cash equivalents, accounts payable, other current liabilities, accrued expenses and hire purchase loans. These are recognized at accrued cost, which also represents an approximation of fair value. The credit risk for the receivables is judged to be low.

Key performance indicators

Group (SEK 000)	1/1/2020 -12/31/2020	1/1/2019 -12/31/2019
PROFITABILITY		
Revenue growth (%)	0%	35%
EBITDA (SEK 000)	-55,661	-48,322
CAPITAL STRUCTURE		
Equity (SEK 000)	531,925	288,533
Total assets (SEK 000)	647,186	424,268
Capital employed (SEK 000)	584,499	375,322
Interest-bearing net debt (SEK 000)	-196,874	34,561
Capital turnover ratio (times)	0.2	0.2
Equity/assets ratio (%)	82%	68%
Debt/equity ratio (%)	10%	30%
CASH FLOW AND LIQUIDITY		
Cash flow before investments (SEK 000)	-40,067	-42,446
Cash flow after investing activities (SEK 000)	-79,566	-94,426
Cash and cash equivalents (SEK 000)	249,448	52,228
INVESTMENTS		
Acquisition of property, plant and equipment (SEK 000)	-2,313	-8,789
Acquisition of intangible assets	-37,215	-43,287
Sales of property, plant and equipment	30	97
PERSONNEL		
Average number of employees	101	97
Turnover per employee (SEK 000)	952	993
Total number of employees	103	99
DATA PER SHARE		
Number of shares*	154,445,647	133,350,613
Average number of shares before dilution*	142,821,263	127,478,159
Earnings per share before and after dilution	-1.37	-0.59
Equity per share (SEK)	3.44	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