

YEAR-END REPORT

January-December 2021

Sivers Semiconductors.

At the heart of innovation



Year-end Report January-December 2021

Fourth quarter 2021

- Revenue amounted to SEK 23.390 M (29.707), a decrease of 21%
- Profit before depreciation and amortization (EBITDA) amounted to SEK -23.422 M (3.108)
- Operating profit/loss (EBIT) for the quarter was SEK -33.223 M (-4.632)
- Profit/loss after tax was SEK -25.108 M (-0.563)
- Earnings per share before and after dilution was SEK -0.15 (0.00)
- Equity per share amounted to SEK 4.57 (3.41)
- Profit for the quarter was negatively affected by acquisition costs of SEK 4.186 M.

January- December 2021:

- Revenue amounted to SEK 90.652 M (96.170), a decrease of 6%
- Profit before depreciation and amortization (EBITDA) amounted to SEK -107.185 M (-55.661)
- Operating profit/loss (EBIT) for the period was SEK -140.941 M (-85.710)
- Profit/loss after tax was SEK -133.704 M (-195.782)
- Earnings per share before and after dilution was SEK -0.83 (-1.37)
- Equity per share amounted to SEK 4.57 (3.41)
- Profit for the period was negatively affected by acquisition costs of SEK 41.558 M.

Significant events in the fourth quarter:

- On October 14, Siverts Semiconductors announced that the Company had signed an agreement relating to the acquisition of all the shares in MixComm, Inc, a US challenger in the development of chips 5G millimeter wave technology.
- On October 14, Siverts Semiconductors completed a directed new issue of 17,021,277 ordinary shares, corresponding to SEK 400 M. The subscription price in the directed new issue was SEK 23.5 per share.
- Siverts Semiconductors AB held an Extraordinary General Meeting on November 11. The EGM resolved to authorize the Board to complete a non-cash issue of a maximum of 39,405,594 ordinary shares against settlement in the form of shares in MixComm and offset issue of a maximum 6,993,007 ordinary shares for payment of performance-based compensation in connection with the acquisition of MixComm. In addition, Todd Thomson was appointed to the Board of Siverts Semiconductors AB.

- On December 7, Siverts Semiconductors announced that MixComm, which the company is planning to acquire, signed an agreement with South Korean venture capitalist firm Kreemo relating to the development of the world's first 5G module optimized for metaverse.

- On December 9, Siverts Semiconductors announced that Siverts Wireless in partnership with Rohde & Schwarz, a market-leading supplier of test and measurement solutions for Radio Frequency (RF) components and the wireless industry, tested the performance of Siverts Semiconductors state-of-art Radio Frequency Integrated Circuit (RFIC) TRXBF01 with positive outcome.

- On December 10, Siverts Semiconductors announced that its subsidiary, Siverts Photonics, had received two new orders from a US based customer, for custom photonics devices. The total order value was SEK 5.3 M.

Significant events after the end of the period:

- On January 3, Siverts Semiconductors announced that Siverts Wireless had received an order for unlicensed 5G RF modules from the Lithuanian hi-tech company 8devices. The total order value amounts to USD 2.1 M. The order, which will be delivered in 2022, is designated for one of 8Device's customers, starting in the first quarter of 2022. The customer has the right, within some limitations and early warnings, to cancel or move parts of the order at no charge. The company estimates that the recognized revenue for 2022 will amount to approximately USD 1.5 M.
- On January 18, Siverts Semiconductors announced that MixComm entered a partnership with Advanced Microsystems Technologies, a division of Sanmina, to productize its 5G wireless infrastructure solutions.
- On February 10, Siverts Semiconductors announced the joint development between MaxLinear, Inc. and Siverts Wireless, of a V-Band RF/Modem solution that enables disruptive unlicensed point-to-point microwave radios in the 57-71 GHz band.

Key performance indicators

	2021	2020	2021	2020
SEK 000	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Revenue	23,390	29,707	90,652	96,170
EBITDA	-23,422	3,108	-107,185	-55,661
EBIT	-33,223	-4,632	-140,941	-85,710
Profit/loss for the period	-25,108	-563	-133,704	-195,782
Earnings per share before and after dilution, SEK	-0.15	0.00	-0.83	-1.37
Equity per share, SEK	4.57	3.41	4.57	3.41

An online presentation of the Interim Report will be held at 10:00 AM (CET) Tuesday, February 15, 2022.
Register for the webinar via: <https://attendee.gotowebinar.com/register/6169523991361767949>

CEO's Statement

During the quarter, we signed an agreement relating to a transformative acquisition of the US 5G/mmWave company MixComm. The acquisition, which is expected to be completed shortly, involves the merger of two of the main challengers in mmWave technology, making us one of the leading suppliers in 5G/mmWave technology.

MixComm has made positive progress since the announcement of the acquisition, including signing a Memorandum of Understanding with South Korean venture capital firm Kreemo to develop the world's first 5G-modul optimized for metaverse. In the period, MixComm also received a small order from a leading Tier 1 5G infrastructure customer.

Progress has been positive internally within MixComm and we also take a positive view of the new opportunities that the acquisition opens up for the entire company. Wireless is now seeing new types of US customers thanks to increased presence in the US. Alongside MixComm, we have now secured 44 design wins, including 16 that are expected to enter volume production within the coming 12 months.

Our new US network also means that Global Foundries, premiere semiconductor contract manufacturer in underlying advanced radio technology for 5G and SATCOM, becomes one of our new owners. We previously frequently sourced silicon wafers from Global Foundries through third parties; the acquisition now allows us to procure silicon wafers directly to ensure delivery and improve margins.

The pandemic continued to inhibit progress in the fourth quarter, although we are optimistic that it will start to loosen its grip from the second half year 2022 onwards. Net sales in the fourth quarter totaled SEK 23 million, down 21 percent year-on-year. In the short term, our biggest challenge is the effect of the pandemic in the form of general component shortages that restrict our customers' access to the components needed to build planned volumes. In order to mitigate the component shortages, our customers have sought out alternative components which has led to redesigns throughout the ecosystem. This in turn has led to delays of an estimated 6–9 months including projects planned for 2023 and onwards. Furthermore, components shortages force our customers to shift their resources to older products. Virtually all our customers are experiencing similar challenges at the moment, which has a short-term impact on new design-wins as our customers have insufficient resources to start new projects. One example is provided by the volume order for unlicensed 5G RF modules we received from Lithuanian hi tech company 8devices.



Their order was delayed because of a shortage of standard clock buffers, which led to a delay of around six months for the entire product. However, it is pleasing that this situation has now been resolved and we won an order of USD 2.1 M in January 2022.

Photonics received two new orders totaling SEK 5.3 M in the quarter, relating to customized sensors in a new application area from a US-based customer. We hope for strong order growth at a later stage as customers shift to volume production.

In connection with the acquisition of MixComm, in October we completed a directed new issue of some SEK 400 M to finance part of the acquisition and strengthen our cash position. I would like to take the opportunity to thank our existing and new shareholders for the confidence they have shown us.

I want to reiterate that we are looking to the future with great confidence as it is clear that many of our customers are heading for volume production, for example Fujikura which signed the previously communicated framework agreement. The pandemic and associated components shortages have had an extraordinary impact on our sector, which has led to delays to plans across the entire ecosystem. However, the underlying demand is there and we have not lost any customers. As soon as societies start to open up again, we anticipate considerable potential to capitalize on the hard work we have put into the company. Our competitive products and strong global network and the acquisition of MixComm enables us to be equipped for the future. We are in an excellent position and I remain 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, Trebax AB and Siverts Semiconductors Inc. 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. Siverts Photonics' headquarter and factory are located in Glasgow, Scotland.

This report relates to the Group's operations during the period January 1, 2021 to December 31, 2021.

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).

The 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 mmWave technology. MmWave is a key technology in the 5G networks that are now being built, and the core of the wireless solutions.

The business area delivers mainly to system manufacturers, who then in turn deliver to telecom operators. Deliveries are made directly or via partners.

Photonics

The Photonics business area develops, designs, manufactures and sells III-V compound semiconductor laser devices for optical communication, optical sensing/sensors and optical wireless networks. 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 to several Fortune 100 and Silicon Valley customers, directly or via partners.

Revenue and EBITDA



Net sales, EBITDA and EBIT

Fourth quarter

During the fourth quarter 2021, the Group's revenue was SEK 23.390 M (29.707), a decrease of 21% year-on-year. Wireless' revenue decreased by SEK 3.684 M, equivalent to 51%, Photonics' revenue decreased by SEK 2.633 M which is a decrease of 12%.

EBITDA was SEK -23.422 M (3.108), a decrease of SEK 26.530 M. The change in EBITDA is mainly explained by personnel costs increasing by SEK 23.441 M year-on-year. The increase was largely due to the number of staff increasing by 23. Personnel costs for the fourth quarter were also affected by non-recurring items corresponding to approximately SEK 10 M, of which the most prominent included a restructuring reserve and an adjustment of pension expenses. In addition, the social security expenses relating to warrants was approximately SEK 4 M higher in 2021 compared to 2020. In Q4 2020, the cost represented a reversal of SEK 6 M. Acquisition costs relating to the acquisition of MixComm amounted to SEK 4.186 M in the quarter. Total acquisition costs and other non-recurring costs totaled approximately SEK 14 M.

EBIT amounted to SEK -33.223 M (-4.632), a decrease of SEK 28.591 M. The change in EBIT is in line with EBITDA. Profit after tax was SEK -25.108 M (-0.563) a decrease of SEK 24.545 M. The Group reported a positive net financial position in the fourth quarter, mainly due to unrealized exchange rate gains of SEK 4.869 M in the Group's USD bank account.

January-December

In the period January-December, the Group's revenue was SEK 90.652 M (96.170), a decrease of 6% year-on-year. Wireless' revenue decreased by SEK 0.547 M, a decrease of 2%, Photonics' revenue decreased by SEK 4.971 M, or 7%. EBITDA was SEK -107.185 M (-55.661), a decrease of SEK 51.524 M. The decrease was mainly due to acquisition costs of SEK 41.558 M relating to the acquisition of MixComm. In addition, the Group has also generated expenses related to the change of listing to Nasdaq main market of some SEK 8 M. Personnel costs for the period January-December 2020 was affected by larger provisions for social security expenses for employee stock options compared to the corresponding period in 2021. For the full year 2021, the cost was approximately SEK 35.483 M lower compared to 2020. Adjusted for this, personnel expenses increased by SEK 38.254 M, mainly due to increased headcount. In addition, non-recurring items relating to restructuring and pensions (which are outlined above for the quarter), corresponding to some SEK 10 M, contributed to this increase.

EBIT amounted to SEK -140.941 M (-85.710), a decrease of SEK 55.231 M. The change in EBIT is in line with EBITDA. EBIT was also affected by increased depreciation and amortization (corresponding to SEK 3.707 M), as additional intangible and tangible assets have arisen that will start to be amortized and depreciated in the period.

Profit after tax was SEK -133.704 M (-195.782) an improvement of SEK 62.078 M. The improvement was due to the revaluation of embedded derivatives in convertible debt that negatively affected profit in 2020, corresponding to SEK 111.018 M for the period.

Depreciation and amortization

Fourth quarter

Profit for the fourth quarter 2021 was affected by SEK -9.801 M (-7.740) in depreciation and amortization, an increase of SEK 2.061 M, of which SEK -2.254 M (-1.406) related to depreciation and amortization of equipment, tools and installations, SEK -5.895 M (-5.092) related to depreciation and amortization of the previous year's capitalized development expenses and SEK -1.652 M (-1.243) relates to depreciation and amortization of right-of-use assets in leasing agreements.

January-December

Profit for the period January-December was affected by SEK -33.756 M (-30.049) in depreciation and amortization, an increase of SEK 3.707 M. SEK -6.676 M (-5.684) related to depreciation and amortization of equipment, tools and installations, of which SEK -21.470 M (-19.456) related to depreciation and amortization of the previous year's capitalized development expenses, and SEK -5.610 (-4.909) related to depreciation and amortization of right-of-use assets in leasing agreements.

Liquidity, cash flow and financing

On December 31, 2021 the Group's cash and cash equivalents amounted to SEK 304.117 M (249.448).

In addition to Group cash and cash equivalents, short-term investments in interest-bearing bonds amounted to SEK 133.127 M (0). In total, cash and cash equivalents and other current financial assets amounted to SEK 437.244 M.

In 2021, Silvers Semiconductors completed two new issues. The first, which was completed in the third quarter, issued 3,300,000 Class C shares, which were subsequently repurchased and held in Treasury with the aim of ensuring delivery of shares under the stock option programs. 2,200,000 of these Class C shares were later converted to ordinary shares. The second, which was completed in the fourth quarter, was a directed new issue of 17,021,277 ordinary shares at a subscription price of SEK 23.5 per share. The issue proceeds amounted to SEK 400 M and the issue expenses corresponded to SEK 12.269 M.

Group cash flow from investing activities increased year-on-year due to an increased share of investments in capitalized expenses for development and property, plant and equipment. The investment in capitalized development expenses is attributable to the development of new product generations. The increase in property, plant and equipment is attributable to the expansion of Photonics' production equipment. The investments are intended to strengthen and expand important partnerships with new and existing customers when they move from R&D through pilot production to volume manufacture.

The investment will facilitate further business development of advanced semiconductor laser devices that are critical to Photonic Integrated Circuits (PIC) which are used in the next-generation artificial intelligence, data-center and quantum technology applications.

Investments

The Group's total investments in the period January – December amounted to SEK 248.136 M (39.528) and related to intellectual property rights for underlying capitalized development expenses of SEK 56.447 M (37.215), acquisitions of property, plant and equipment of SEK 38.948 M (2.313) and loan to associated company of SEK 0.122 M (0) and acquisition of corporate bonds of SEK 133.772 M (0), as well as interim financing for MixComm, with which the company has signed an agreement on acquisition, totaling SEK 18.847 M. This transaction was reported as a financial asset as of Q4 2021, but will be converted into shares in MixComm when the acquisition is completed.

All acquired corporate bonds have a term shorter than one year.

The investment in capitalized development expenses is attributable to the development of new product generations. Investments in capitalized development expenses increased year-on-year, because the Group had a higher amount of projects in the development phase during the period. The increase in property, plant and equipment is attributable to the expansion of Photonics' production equipment.

Equity

As of December 31, 2021 Group equity amounted to SEK 798.903 M (531.925). Share capital totaled SEK 87.383 M.

Parent Company

During the financial year 2021, the Parent Company made shareholder contributions of SEK 50.000 M to the subsidiary Wireless. Corresponding write-downs on shares in subsidiaries have been recognized. The Parent Company also forgave a loan to subsidiary Photonics of SEK 73.180 M which was converted to shares in subsidiaries.

Other external expenses increased by SEK 6.251 M for the full year 2021 compared to 2020, mainly due to the costs associated with the change of listing to Nasdaq main market. The decrease in financial expenses for the full year 2021 relates to the effect of the revaluation of embedded derivatives in convertible debt (corresponding to SEK 107.234 M) which was recognized in the third quarter 2020.

Employees

As of December 31, 2021, the Group had 126 (103) employees, excluding consultants. This increase of 23 people since Year-end is linked to the growth plan the Board and company have set for 2021 in order to meet future demand.

Ownership structure

As of December 31, 2021, 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 21,000 shareholders.

Outlook for 2022

The board of Siverts Semiconductors deems that correct measures have been taken in the group 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 Siverts 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 2020 and in the prospectus dated June 3, 2021. The company announced its intention to acquire MixComm Inc on October 19. In the case of acquisitions, there are risks related to the integration of the acquired operations and that these do not develop as expected. Finally, a possible additional wave of the corona virus may affect the Group's performance as long as countries still have restrictions in place.

Shares

Sivers Semiconductor's share capital was divided over 174,766,924 (154,445,647) shares with a quotient value of SEK 0.50 as of December 31, 2021. These shares comprise 173,666,924 ordinary shares with voting rights of 1.0 and 1,100,000 Class C shares with voting rights of 0.1.

The Class C shares are held by the Company for uses including exercise of stock option programs. Since June 10, 2021, the share trades on Nasdaq Stockholm under the ticker SIVE, ISIN code SE0003917798 and LEI code 254900UBKKNY2EJ588J53.

The Company's total number of shares have changed as follows:	12/31/2021	12/31/2020
Issued and fully paid-up shares January 1:	154,445,647	131,648,456
Directed new issues of ordinary shares	17,021,277	12,473,223
Issue of Class C shares	3,300,000	-
New issues, loan conversion	-	1,334,958
New issues, conversion of convertible debentures	-	4,651,727
Issue for redemption of employee stock options	-	4,337,283
As of December 31, number of shares of SEK 0.50 each	174,766,924	154,445,647

Financial calendar

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

April 22, 2022	Annual Report 2021	For more information, please contact: Anders Storm, CEO Telephone: +46 (0) 702 62 63 90 Email: anders.storm@sivers-semiconductors.com
May 11, 2022	Interim Report Q1 2022	
May 19, 2022	Annual General Meeting 2022	
July 21, 2022	Interim Report Q2 2022	
October 27, 2022	Interim Report Q3 2022	
February 16, 2023	Year-end Report 2022	

Sivers Semiconductors AB (publ)

Kista, Sweden, February 15, 2022

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 networks, sensors and optical wireless communication (Li-Fi).

The parent company Sivers Semiconductors AB (publ) is listed on Nasdaq Stockholm under the SIVE ticker.

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)	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Revenue	23,390	29,707	90,652	96,170
Other operating income	1,541	1,114	7,196	9,099
Capitalized work on own account	16,101	11,992	56,447	37,215
Raw materials and consumables	-5,800	-8,122	-30,638	-26,333
Other external expenses	-23,493	-19,863	-119,077	-62,819
Personnel costs	-35,162	-11,721	-111,765	-108,994
Depreciation, amortization and impairment of fixed assets and intangible assets	-9,801	-7,740	-33,756	-30,049
OPERATING PROFIT/LOSS	-33,223	-4,632	-140,941	-85,710
Profit from financial items				
Financial income	5,053	2,898	5,284	4,103
Financial expenses	-1,238	-2,354	-3,355	-119,744
Profit/Loss before tax	-29,408	-4,089	-139,012	-201,351
Income tax	4,300	3,526	5,308	5,569
PROFIT/LOSS FOR THE YEAR	-25,108	-563	-133,704	-195,782
Attributable to Parent Company shareholders	-25,108	-563	-133,704	-195,782
Earnings per share (SEK)				
Before and after dilution	-0.15	0.00	-0.83	-1.37

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	2,664	-2,728	7,274	-5,974
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-22,444	-3,291	-126,430	-201,756
Attributable to Parent Company shareholders	-22,444	-3,291	-126,430	-201,756

Consolidated Statement of Financial Position in summary

Group (SEK 000)	12/31/2021	12/31/2020
ASSETS		
Non-current assets		
Goodwill	134,812	134,812
Other intangible assets	184,212	147,553
Property, plant and equipment	101,542	61,372
Other assets	169	-
Total non-current assets	420,735	343,737
Current assets		
Inventories	23,496	14,776
Accounts receivable	23,152	19,460
Other receivables	13,487	7,405
Prepaid expenses and accrued income	14,272	12,360
Other current financial assets	152,119	-
Cash and cash equivalents	304,117	249,448
Total current assets	530,643	303,450
TOTAL ASSETS	951,379	647,186

Group (SEK 000)	12/31/2021	12/31/2020
EQUITY AND LIABILITIES		
Equity	798,903	531,925
Non-current liabilities		
Bank borrowing	11,000	15,000
Deferred tax	84	126
Provisions	7,161	17,177
Leasing liabilities	25,098	22,166
Other non-current liabilities	5,632	7,702
Total non-current liabilities	48,975	62,172
Current liabilities		
Bank borrowing	4,000	4,000
Accounts payable	21,830	14,246
Leasing liabilities	5,364	3,975
Other liabilities	6,360	8,721
Accrued expenses and deferred income	65,947	22,148
Total current liabilities	103,501	53,090
TOTAL EQUITY AND LIABILITIES	951,379	647,186

Consolidated Statement of Changes in Equity in summary

	12/31/2021	12/31/2020
Opening balance	531,925	288,533
Profit/loss for the period	-133,704	-195,782
Other comprehensive income	7,274	-5,974
New share issue	389,381	247,814
New issue, redemption of employee stock options	-	20,002
Offset issue, loans	-	21,057
New issue, redemption of convertible debenture	-	153,492
Repurchase/sale of Treasury shares	-605	-
Share-based compensation	4,631	2,783
Closing balance at the end of the period	798,903	531,925

Summary Consolidated Cash Flow Statement

Group (SEK 000)	1/1/2021 -12/31/2021	1/1/2020 -12/31/2020
Operating activities		
Operating profit/loss	-140,941	-85,710
Adjustments for non-cash items	30,248	63,280
Interest received	370	-
Interest paid	-2,485	-4,265
Income tax received	4,911	9,173
Cash flow from operating activities before change in working capital	-107,896	-17,522
Cash flow from change in working capital		
Increase(-)/decrease(+) in inventories	-8,115	-5,414
Increase(-)/decrease(+) in operating receivables	-7,253	-8,714
Increase(+)/decrease(-) in operating liabilities	40,297	-8,417
Cash flow from operating activities	-82,967	-40,067
Investing activities		
Acquisition of property, plant and equipment	-35,820	-2,313
Acquisition of intangible assets	-56,447	-37,215
Loan to associated company	-122	-
Financing of MixComm	-18,847	-
Sales of property, plant and equipment	-	30
Investments in financial instruments	-133,772	-
Cash flow from investing activities	-245,008	-39,498
Financing activities		
Borrowings	-	20,000
Loan amortizations	-4,000	-1,000
Issue expenses	-12,269	-5,881
New share issue	401,650	273,698
Amortization of lease debt and hire purchase loans	-8,366	-7,263
Repurchase of Treasury shares	-1,716	-
Sale/exercise of warrants using Treasury shares	1,111	-
Cash flow from financing activities	376,410	279,553
Cash flow for the period	48,435	199,988
Opening cash and cash equivalents	249,448	52,228
Exchange rate difference in cash and cash equivalents	6,234	-2,767
Closing cash and cash equivalents	304,117	249,448

Parent Company Income Statement in summary

Parent Company (SEK 000)	2021 Oct-Dec	2020 Oct-Dec	2021 Jan-Dec	2020 Jan-Dec
Revenue	2,926	2,322	9,101	7,614
Other external expenses	-2,875	-5,200	-16,011	-9,760
Personnel costs	-6,383	-2,160	-17,383	-16,154
OPERATING PROFIT/LOSS	-6,332	-5,038	-24,292	-18,300
Profit from financial items				
Other interest income and similar items	7,622	4,092	19,831	8,432
Financial expenses and similar items	-6,080	-59,258	-50,809	-190,158
Profit/loss before tax	-4,790	-60,203	-55,270	-200,027
Income tax		-		-
Profit/loss for the period	-4,790	-60,203	-55,270	-200,027

Parent Company Statement of Comprehensive Income in summary

Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-4,790	-60,203	-55,270	-200,027

Parent Company Statement of Financial Position in summary

Parent Company (SEK 000)	12/31/2021	12/31/2020
ASSETS		
Non-current assets		
Financial non-current assets		
Shares in Group companies	300,106	226,839
Receivables from Group companies	213,008	185,653
Long-term prepaid expenses	41,558	-
Total financial non-current assets	554,672	412,492
Total non-current assets	554,672	412,492
Current assets		
Current receivables		
Receivables from Group companies	11,789	7,926
Other receivables	384	25
Prepaid expenses and accrued income	820	288
Other current financial assets	152,119	-
Total current receivables	165,111	8,239
Cash and cash equivalents	290,056	215,858
Total current assets	455,167	224,097
TOTAL ASSETS	1,009,839	636,589
Parent Company (SEK 000)	12/31/2021	12/31/2020
EQUITY AND LIABILITIES		
Share capital	87,383	77,223
Share premium reserve	1,283,785	904,565
Retained earnings including profit/loss for the year	-406,701	-355,457
Total equity	964,467	626,331
Provisions		
Provisions	2,627	6,542
Total provisions	2,627	6,542
Current liabilities		
Convertible debentures	-	-
Accounts payable	2,506	472
Other liabilities	773	162
Accrued expenses and deferred income	39,466	3,083
Total current liabilities	42,745	3,717
TOTAL EQUITY AND LIABILITIES	1,009,839	636,589

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 Sivers 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 Sivers 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 Sivers 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 2021			Oct-Dec 2020		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	3,153	6,865	10,018	1,983	3,469	5,452
NRE/Development project	-	13,040	13,041	4,668	19,070	23,738
Support & Other	332	-	332	517	-	517
Total	3,485	19,906	23,390	7,169	22,539	29,707
Recognition						
At a point in time	3,153	271	3,424	1,983	297	2,280
Over time	332	19,635	19,966	5,185	22,242	27,427
Total	3,485	19,906	23,390	7,169	22,539	29,707
Geographical market						
North America	1,288	13,999	15,287	729	19,517	20,247
Europe	771	3,803	4,574	5,283	1,559	6,842
Asia	1,426	2,103	3,529	1,157	1,462	2,619
Total	3,485	19,906	23,390	7,169	22,539	29,707

Revenue type	Jan-Dec 2021			Jan-Dec 2020		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	17,849	17,479	35,328	14,580	13,166	27,746
NRE/Development project	2,527	51,032	53,559	6,501	60,316	66,816
Support & Other	1,765	-	1,765	1,608	-	1,608
Total	22,141	68,511	90,652	22,688	73,482	96,170
Recognition						
At a point in time	17,849	540	18,389	14,580	1,444	16,023
Over time	4,292	67,971	72,263	8,108	72,039	80,147
Total	22,141	68,511	90,652	22,688	73,482	96,170
Geographical market						
North America	7,413	53,990	61,404	1,863	61,586	63,449
Europe	6,921	8,551	15,471	17,124	7,667	24,791
Asia	7,807	5,970	13,777	3,701	4,229	7,930
Total	22,141	68,511	90,652	22,688	73,482	96,170

Segment revenue and profit

Oct-Dec 2021, SEK 000	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	3,485	19,906	-	23,390
Revenue from other segments	-	-	-	-
Total income	3,485	19,906	-	23,390
Profit				
EBITDA	-16,608	3,630	-10,445	-23,422
Depreciation/amortization and impairment	-	-	-9,801	-9,801
EBIT	-16,608	3,630	-20,246	-33,223
Financial income	-	-	5,053	5,053
Financial expenses	-	-	-1,238	-1,238
Profit/loss before tax	-16,608	3,630	-16,431	-29,408
Income tax	-	-	4,300	4,300
Profit after tax	-16,608	3,630	-12,131	-25,108

Segment revenue and profit

Oct-Dec 2020, SEK 000	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	7,169	22,539	-	29,707
Revenue from other segments	-	-	-	-
Total income	7,169	22,539	-	29,707
Profit				
EBITDA	558	7,476	-4,926	3,108
Depreciation/amortization and impairment	-	-	-7,740	-7,740
EBIT	558	7,476	-12,666	-4,632
Financial income	-	-	2,898	2,898
Financial expenses	-	-	-2,354	-2,354
Profit/loss before tax	558	7,476	-12,123	-4,089
Income tax	-	-	3,526	3,526
Profit after tax	558	7,476	-8,597	-563

Segment revenue and profit
Jan-Dec 2021, SEK 000

	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	22,141	68,511	-	90,652
Revenue from other segments				
Total income	22,141	68,511	-	90,652
Profit				
EBITDA	-33,974	-7,352	-65,859	-107,185
Depreciation/amortization and impairment	-	-	-33,756	-33,756
EBIT	-33,974	-7,352	-99,615	-140,941
Financial income	-	-	5,284	5,284
Financial expenses	-	-	-3,355	-3,355
Profit/loss before tax	-33,974	-7,352	-97,686	-139,012
Income tax	-	-	5,308	5,308
Profit after tax	-33,974	-7,352	-92,378	-133,704

Segment revenue and profit
Jan-Dec 2020, SEK 000

	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	22,688	73,482	-	96,170
Revenue from other segments	-	-	-	-
Total income	22,688	73,482	-	96,170
Profit				
EBITDA	-37,875	399	-18,185	-55,661
Depreciation/amortization and impairment	-	-	-30,049	-30,049
EBIT	-37,875	399	-48,235	-85,710
Financial income	-	-	4,103	4,103
Financial expenses	-	-	-119,744	-119,744
Profit/loss before tax	-37,875	399	-163,875	-201,351
Income tax	-	-	5,569	5,569
Profit after tax	-37,875	399	-158,306	-195,782

Wireless

Revenue for the fourth quarter 2021 amounted to SEK 3.485 M (7.169), a decrease of SEK 3.684 M, which represents a decrease of 51% year-on-year. EBITDA was SEK -16.608 M (0.558), a decrease of SEK 17.166 M. The lower sales figure was mainly due to delays with some customers as a result of the pandemic and components shortages.

The year-on-year decrease in EBITDA in the quarter was mainly due to increased personnel costs.

Revenue for the period January-December amounted to SEK 22.141 M (22.688), a decrease of SEK 0.547 M, which represents a decrease of 2% year-on-year. EBITDA was SEK -33.974 M (-37.875), an increase of SEK 3.901 M.

The positive progress in EBITDA was largely due to decreased costs for social security expenses for stock option programs (corresponding to approximately SEK 23 M for the period compared to the previous year). The remaining decrease was mainly due to increased salary expenses due to an increase in the number of employees and the aforementioned cost items which were charged to the fourth quarter 2021.

Photonics

Revenue for the fourth quarter 2021 amounted to SEK 19.906 M (22.539), a decrease of SEK 2.633 M year-on-year, representing a decrease of 12%. EBITDA was SEK 3.630 M (7.476), a decrease of SEK 3.846 M.

Revenue for the period January-December amounted to SEK 68.511 M (73.482), a decrease of SEK 4.971 M year-on-year, representing a decrease of 7%. EBITDA was SEK -7.352 M (0.399), a decrease of SEK 7.751 M.

The decrease in sales as well as EBITDA is primarily linked to reduced income driven by delays caused by Covid-19 during the year, and increased costs of raw materials, consumables and personnel. The increased costs of input goods and consumables was due to increased purchasing of goods and services connected with research and development.

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 to fair value. The credit risk for the receivables is judged to be low.

The Balance Sheet also includes current financial assets comprising bonds with a term of less than one year. These are recognized at fair value in profit and loss.

Alternative Performance Measures (APM)

Alternative performance measures are used to describe progress of operations and increase comparability between periods. These are not defined by the IFRS regulatory framework, but correspond to the Group's and management's measures of the company financial performance and can be viewed as a complement to the financial information presented under IFRS.

Group (SEK 000)	1/1/2021 -12/31/2021	1/1/2020 -12/31/2020
PROFITABILITY		
Revenue growth (%)	-6%	0%
EBITDA (SEK 000)	-107,185	-55,661
EBIT (SEK 000)	-140,941	-85,710
CAPITAL STRUCTURE		
Equity (SEK 000)	798,903	531,925
Total assets (SEK 000)	951,379	647,186
Capital employed (SEK 000)	849,139	584,499
Interest-bearing net debt (SEK 000)	-253,881	-196,874
Capital turnover ratio (times)	0.1	0.2
Equity/assets ratio (%)	84%	82%
Debt/equity ratio (%)	6%	10%
CASH FLOW AND LIQUIDITY		
Cash flow before investments (SEK 000)	-82,967	-40,067
Cash flow after investing activities (SEK 000)	-327,975	-79,566
Cash and cash equivalents (TSEK 000)	304,117	249,448
INVESTMENTS		
Acquisition of property, plant and equipment (SEK 000)	-38,948	-2,313
Acquisition of intangible assets (SEK 000)	-56,447	-37,215
Sales of property, plant and equipment (SEK 000)	-	30
Investments in financial instruments	-152,619	-
Loans to associated companies	-122	-
PERSONNEL		
Average number of employees	117	101
Turnover per employee (SEK 000)	775	952
Total number of employees	126	103
DATA PER SHARE		
Number of shares*	174,766,924	156,022,005
Average number of shares before dilution*	160,676,238	143,216,070
Earnings per share before and after dilution	-0.83	-1.37
Equity per share (SEK)	4.57	3.41

* 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 2020 & 2021.

Definitions of key performance indicators

	Definition	Reason for using the measure
PROFITABILITY		
Revenue growth (%)	Percentage change in revenue compared with previous period	The measure is used to monitor progress of the Group's operations between different periods
EBITDA	Profit before financial items, tax and depreciation and amortization	The measure is a means of evaluating profit without taking into account financial decisions or tax
EBIT (Operating profit)	Profit before financial items and tax	Operating profit provides an overall view of total profit generation in operations
CAPITAL STRUCTURE		
Equity	Equity at the end of the period	Used to calculate equity/assets ratio
Total assets	Total assets or the sum of liabilities and equity	Used to calculate capital employed and equity/assets ratio
Capital employed	Total assets less non-interest bearing liabilities, including deferred tax	Shows the proportion of assets linked to operations
Interest-bearing net debt	Net interest-bearing provisions and liabilities less financial assets including cash and cash equivalents	The measure shows the Group's total debt/equity ratio
Capital turnover ratio (times)	Sales for the year divided by average total assets	Measure of the assets' ability to generate revenue
Equity/assets ratio (%)	Equity as a percentage of total assets	The measure shows the proportion of total assets that comprises equity and contributes to increasing understanding of the Group's capital structure
Debt/equity ratio (%)	Interest-bearing liabilities divided by equity	The measure describes financial risk, that is the proportion of the Group's assets that is financed by borrowing
CASH FLOW AND LIQUIDITY		
Cash flow before investments	Profit after financial items including items not affecting cash flow less changes in working capital	Used to monitor whether the company is able to generate a sufficiently positive cash flow to maintain operations and generate a surplus for future investments
Cash flow after investments	Profit after financial items incl. items not affecting cash flow less changes in working capital and investments	Used to monitor whether the company is able to generate a sufficiently positive cash flow to maintain and expand operations and generate a surplus for future dividends
Cash and cash equivalents	Bank balances and cash	Used to calculate interest-bearing net debt
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		
Number of shares**	Number of shares at the end of the period*	
Average number of shares**	Average number of shares at the end of the period*	
Earnings per share (SEK)	Profit for the period divided by average number of shares	The performance indicator sheds light on the owners' share of profit
Equity per share (SEK)	Equity divided by total number of shares at the end of the period	The measure shows the extent of owners' invested capital per share from a owner perspective

*The performance indicator is operational and is not considered an alternative performance indicator according to ESMA's guidelines

** Non-financial measure

Calculation of financial measures not included in IFRS

	12/31/2021	12/31/2020
Revenue growth (%)		
Revenue	90,652	96,170
Revenue corresponding period previous year	96,170	96,355
Revenue growth (%)	-6%	0%
EBITDA (SEK 000)		
Operating profit/loss	-140,941	-85,710
Depreciation, amortization and impairment of fixed assets	33,756	30,049
EBITDA	-107,185	-55,661
Capital employed (SEK 000)		
Total assets	951,379	647,186
Deferred tax	-84	-126
Provisions	-7,161	-17,177
Non-interest bearing portion of other non-current liabilities	-3,679	-3,355
Accounts payable	-21,830	-14,246
Non-interest bearing portion of other liabilities	-3,538	-5,634
Accrued expenses and deferred income	-65,947	-22,148
Capital employed	849,139	584,499
Interest-bearing net debt		
Interest-bearing non-current liabilities (leasing and other)	38,050	41,513
Interest-bearing current liabilities (convertible, leasing and other)	12,186	11,061
Cash and cash equivalents	-304,117	-249,448
Interest-bearing net debt	-253,881	-196,874
Capital turnover ratio, times		
Revenue	90,652	96,170
Average total assets	799,282	535,727
Total assets at the beginning of the period	647,186	424,268
Total assets at the end of the period	951,379	647,186
Capital turnover ratio, times	0.1	0.2
Equity/assets ratio %		
Equity (SEK 000)	798,903	531,925
Total assets (SEK 000)	951,379	647,186
Equity/assets ratio, %	84%	82%
Debt/equity ratio (%)		
Interest-bearing liabilities	50,236	52,574
Equity	798,903	531,925
Debt/equity ratio (%)	6%	10%
Equity per share, SEK		
Equity, SEK 000	798,903	531,925
Number of shares at the end of the period*	174,766,924	156,022,005
Equity per share	4.57	3.41

*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 2020 & 2021.

Sivers Semiconductors