

Annual Report 2022

At the heart
of innovation



This is Sivers Semiconductors

Sivers Semiconductors AB is a leading supplier of semiconductor components to the wireless and optical data and telecommunications market through its two business areas, Wireless and Photonics.

Total number of employees

130

of whom

29

have a PhD

At the end of 2022, Sivers Semiconductors had 130 employees in the USA, Scotland and Sweden. 29 of the employees have a doctorate.

Sivers Semiconductors is listed on Nasdaq OMX Nordic Stockholm under the SIVE ticker. The Group's head office is in Kista, Stockholm.



Sivers Semiconductors enables a better connected and safer world by delivering the best solutions for fiber and wireless networks.

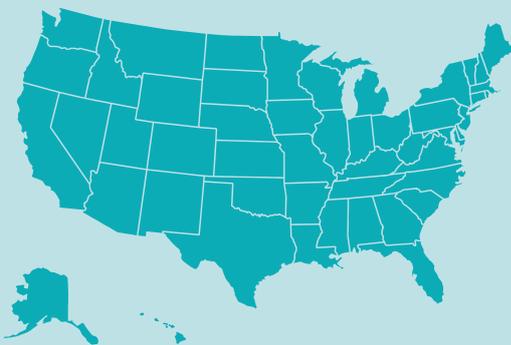


Sivers Wireless develops RF chips and antennas for advanced 5G systems for data and telecommunications networks and satellite communications.



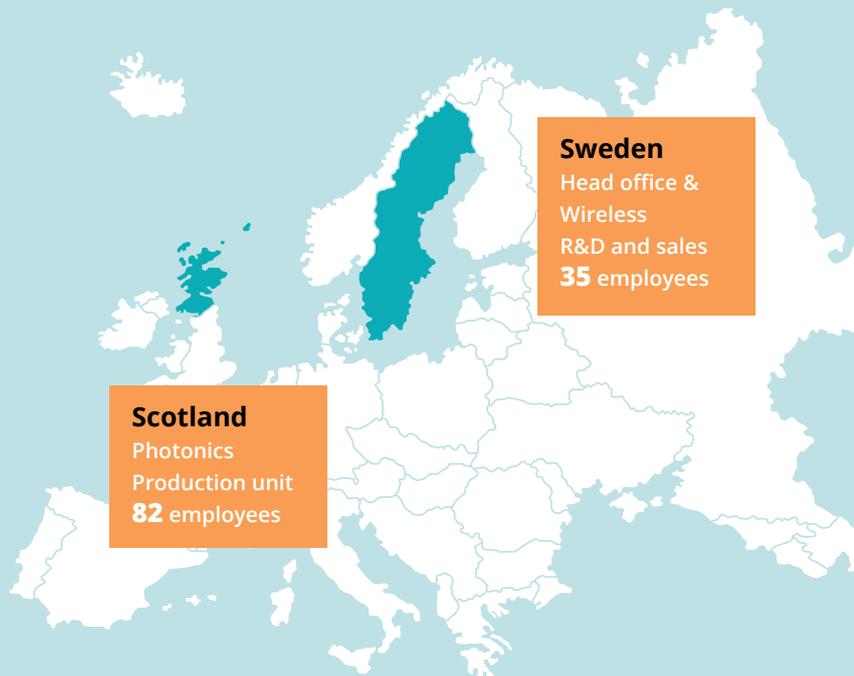
Sivers Photonics develops and manufactures semiconductor products for optical communications and optical sensing.

Sivers in the world



USA

Wireless
SATCOM & radar
R&D and sales
13 employees



Scotland

Photonics
Production unit
82 employees

Sweden

Head office &
Wireless
R&D and sales
35 employees

2022 in brief

Q1

- Lithuanian hi-tech company **8devices** placed an order for unlicensed 5G RF modules worth SEK 19 million (USD 2.1 m).
- The previously announced acquisition of **MixComm** was finalized.
- **The 5G agreement** worth approximately SEK 480 million communicated in August 2020 was paused.

Q2

- Photonics signed a contract worth more than SEK 6 million (>USD 0.6 million) for **next-generation laser sources** for a new Fortune 100 customer.

Q3

- Photonics received an order worth SEK 10 million (USD 0.955 m) from one of its **US Fortune 100 customers**.
- Wireless received an initial **SATCOM order** worth SEK 10.2 million (USD 0.9 m).
- Siviers raised a loan facility of SEK 100 million.

Q4

- Wireless received a **follow-up order for the SATCOM customer** worth SEK 15.8 million (USD 1.4 m).
- **Harish Krishnaswamy**, co-founder and former CTO at MixComm, was appointed Managing Director of Siviers Wireless.
- Wireless signed a **strategic development agreement** worth SEK 170 million (USD 16.4 m) with the same SATCOM customer.
- Wireless signed its **first 5G development agreement** on the Indian market.

133

SEK m in sales in 2022

+46

percent sales growth in 2022

170

SEK m in strategic development agreements



2022 was a strong year that laid the foundation for the future

2022 turned out to be a very strong year during which we laid a solid foundation for continued growth. During the last four months of the year, we signed agreements and won orders worth approximately SEK 210 million. Thanks to the strong order situation and improved visibility, the Board forecast net sales growth of at least 100 percent for 2023 as a whole and a positive adjusted EBITDA in the latter half of the year.

It is deeply satisfying that Siverts finished 2022 in a very positive way, despite a difficult macroeconomic situation during much of the year. For the full-year, sales increased by 46 percent to a total of SEK 133 million. Growth varied from quarter to quarter and is expected to continue to do so as a result of individual transactions, but we believe that we are over the worst macroeconomic challenges that the pandemic and the war in Ukraine contributed to.

Previously announced customer contracts together with new business transactions are expected to contribute to significant sales growth during the year to come. We took several measures in late 2022 to reduce our annual cost base and are working methodically to continuously trim costs. Together with a continued optimization of costs and investments, we expect growth to accelerate our path to profitability.

At the end of the year we received clear confirmation that the acquisition of MixComm was timely and that the integration of MixComm into Wireless is now giving us unique opportunities in the field of satellite communications. The strategic development agreement worth approximately SEK 170 million that was signed at the end of the year will be a very important project for much of 2023 and onwards. We also have an interesting pipeline of new customers in this field that we are working to convert to new orders in 2023.

Another market that we expect to develop positively in 2023 is the 5G market in India. We recently gained our first customer there and several potential customers and partners are showing an interest in what we offer.

The delivery delays that impeded Photonics' sales in early fall 2022 eased towards the end of the year, and we are looking ahead with confidence. Our indium phosphide (InP) product platform,

InP100, is well positioned and timely. The Fortune 100 customer – one of three – who has been with us the longest placed orders in 2022 totaling approximately SEK 41 million, which is a new record for a single year. We enjoy a close relationship with the customer and look forward to supporting them in their future volume production. The InP100 Product Platform will have tremendous potential when our customers ramp up volumes once their respective prototype phases are completed.

Siverts is benefiting from several megatrends that will continue to grow regardless of developments in the wider world. Nevertheless, we are alert to the challenging macroeconomic situation, but believe that our competitive products and strong global network ensure that we are well equipped for the future. Siverts is a unique technology company in an excellent position and with world-class products.

2022 has been a transformative year that is the result of deliberate steps taken in line with the strategy set by the company. The acquisition of MixComm is an important strategic piece of the puzzle that will have an even greater impact in 2023. We have also trimmed and streamlined the organization, which means we are ready to meet larger customers and take the next step together with them. We have several customers whose development projects are on the verge of volume production, which makes us optimistic about the future. We are well-placed to meet the needs that arise as demand for increased and faster infrastructure grows, and to benefit from the megatrends driving the market. All in all, we are looking to the future with great confidence.

Anders Storm
Group CEO



The acquisition of MixComm is timely and gives us unique opportunities in the field of satellite communications.



2022 was a transformative year that was the result of deliberate steps taken in line with the strategy set by the company, according to **Anders Storm**, *Group CEO*.



Satisfying demand for upgraded technology and infrastructure for megatrends

Market

Sivers Semiconductors is active on the market for products needed to upgrade data and telecommunications networks, including sensors. The sharp increase in traffic in these networks requires extensive investment, which in turn drives market growth for Sivers.



Sivers' products within both Wireless and Photonics satisfy the need for faster infrastructure.

Sivers Semiconductors is a leading and internationally recognized technology company that, through its two business areas Wireless and Photonics, supplies integrated chips and modules. Wireless develops mmWave products for advanced 5G systems for data and telecommunications networks and satellite communications. Photonics develops and manufactures semiconductor optical products for optical fiber networks, sensors and optical fiber communication. mmWave technology and optical semiconductors are central to high-speed networks and Sivers' products satisfy the strong need to upgrade infrastructure driven by the exponential increase in data traffic.

The **Wireless** business area focuses on 5G and satellite communications, while the **Photonics** business area develops and manufactures semi-



By delivering solutions for sensors and networks, Sivers contributes to a better connected and safer world.

conductor products for optical communications and optical sensing. Wireless and Photonics are facing a shift, as our customers' customers are starting to demand increased volumes. Both business areas focus on infrastructure applications, but they also have products that can be used in consumer electronics and they generally tailor their offerings to customers' specific needs.

Strong position on a fast-growing market

The market for data centers, wireless and fixed broadband, and sensors is growing rapidly, and the chips and components offered by the Group meet demand in all these areas. Thanks to the integration of MixComm, Sivers strengthened its position in this fast-growing market in 2022.

Sivers – at the heart of several megatrends

High-speed broadband



Silicon photonics



Augmented reality



Autonomous vehicles



Satellite communications



Sensors



Wireless is focused on mmWave technology for 5G networks and, through MixComm, it addresses a new, large market segment: satellite communications.

Photonics is focused on passive optical fiber networks (PON), data centers and sensor applications for mobile devices, autonomous vehicles, medical sensors and industry.

Sivers' mmWave technology and sensors are a vital cog in growth in several megatrends. Sivers' total addressable market (TAM) is USD10bn.¹⁾

Outlook for 2023

Previously announced customer contracts together with new business transactions are expected to contribute to considerable sales growth during the year. The continued optimization of costs and

Forecast

>100%

Sivers' net sales are forecast to increase by 100 percent in 2023



investments, along with growth in net sales, is expected to accelerate Sivers' progress to profitability.

Net sales growth in 2023 is expected to be at least 100 percent, but vary from quarter to quarter as a result of individual transactions. Furthermore, Sivers is expected to achieve a positive adjusted EBITDA in the latter half of 2023.



The chips and components offered by the Group meet demand in several areas where growth is driven by overlapping megatrends.



Wireless



Sivers Wireless develops mmWave products for advanced 5G systems for data and telecommunications networks and satellite communications. Millimeter wave is a key technology in 5G networks and the core of the solutions Wireless offers.



Wireless application areas

Wireless' key application areas are driven by megatrends, such as high-speed broadband and satellite communications.

Operators in the telecommunications market are facing several major challenges: increased global demand for broadband for end customers, network optimization, a higher number of connected devices and sensors, greater network security and more high-quality connections. The trend has been further strengthened in the wake of the Covid-19 pandemic, as more users demand quality broadband for innovative new services. On the one hand, the services are essential for everyday life and, on the other hand, more and more companies view functioning broadband services as business-critical at a time when more people are working from home and environmental demands are reducing travel.

Fast, wireless connections, known as fixed wireless access (FWA), are a cost-effective alternative to the copper network (DSL), cable and fiber. The market, which exists for both licensed and unlicensed frequency bands, is driven by an increased need for broadband connections to homes, offices and mobile base stations.

Increased traffic, new frequency allocations, state infrastructure investments and general technological development are driving the trend of large-scale FWA roll-outs globally. In the United States alone, USD 20.4 billion will be invested in broadband solutions over the next ten years through the Rural Digital Opportunity Fund (RDOF).²⁾

FWA – a costeffective alternative

5G operators that complement their mobile networks with FWA mmWave solutions (> 24 GHz) for data transport reduce the life cycle cost by up to 30 percent.³⁾ In 2021, FWA accounted for more than 15 percent of global mobile data traffic, and the number of connections is expected to increase from 100 million in 2022 to 300 million in 2028. By then, FWA is expected to deliver broadband to more than 900 million people.⁴⁾



Market operators

Wireless' market consists of system manufacturers, independent Wireless Internet Service Providers (WISPs) and Original Equipment Manufacturers (OEMs).

- Examples of **system manufacturers** are Ericsson, Nokia and Huawei, which in turn supply telecom operators such as AT&T, Softbank, Vodafone and Verizon. The system manufacturers and operators mentioned are examples of potential customers.
- **WISPs** are small independent provider that complement the nationwide operators' networks with wireless broadband access.
- **OEMs** manufacture products that include Siivers Semiconductors' chips. These products are then delivered to system manufacturers, operators or WISPs. Examples of OEM customers are Cambium, Adtran/CCS and 8devices.

Siivers Wireless mainly delivers to OEMs. Deliveries are made directly or through partners.



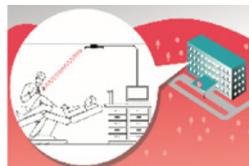
Radio access

The Open Radio Access initiative reduces costs and complexity by enabling operators to mix and match hardware as they wish.



FWA

A genuine, gigabit-speed alternative or complement to fiber in licensed and unlicensed spectra.



Track to train

Increasing demand for mobile data has exceeded 3G and 4G capacity. With 5G, data can be transported to moving vehicles at gigabit speed.



Mobile/WiFi backbone networks

Microwave is one of the leading ways to connect base stations thanks to its fast implementation, flexibility and low total cost.



Uncompressed real-time data

mmWave technology opens up new opportunities for transporting uncompressed real-time data.



Satellite communications

Antennas and chips for providers of satellite communications.

The gigantic Indian 5G market

Spectrum auctions for the 5G mmWave FR2 26 GHz bands in India were completed on August 1, 2022, which spurred significant activity to develop infrastructure. 5G is expected to increase sales for India's telecom industry by approximately SEK 125 billion every three years⁵⁾, and the industry is expected to achieve sales of approximately SEK 1.250 billion by the end of 2023. The Indian 5G market is forecast to become the second largest 5G market worldwide by the end of this decade.⁶⁾

Wireless in the value chain

Customers

Wireless' first Indian agreement

In 2022, Wireless signed its first agreement for the Indian market. The agreement is worth approximately SEK 3.3 million and relates to the development of a 5G mmWave prototype, based on Sivers' latest highly integrated RFIC with antenna, which will be used in a field trial with one of India's mobile operators. If the field trial is a success, the prototype is due to be prepared for volume production for the Indian market. The agreement opens the door for Sivers to one of the world's three largest telecom markets. Furthermore, the agreement ensures baseband integration with one of the leading 5G baseband suppliers in the semiconductor industry.

Integration of MixComm

The integration of **MixComm**, a US challenger in the development of mmWave chips that was acquired in February 2022, was completed in 2022. The new Group's IP portfolio now covers the entire spectrum of potential areas of use for millimeter wave, such as unlicensed 5G, licensed 5G infrastructure, fixed wireless access (FWA), customer premises equipment (CPE) and satellite communications (SATCOM).



ANONYMOUS SATCOM CUSTOMER

Sivers' customer has groundbreaking technology that signifies a radical change for data communication globally

How would you describe your plans for the future?

We are growing from low-volume applications to hyper-scale markets and prices that enable genuine Internet of Things, IoT. The great thing about this is that our module, which has Sivers' technology at its core, is shared by every product we intend to launch in the future.

Why have you chosen to work with Sivers?

Sivers' beamformer offers superior performance per link compared to all the conventional systems because it has the lowest interference and energy consumption. Sivers has cutting-edge technology and we are genuinely impressed by its capabilities, both as a company and considering what its technology can achieve.

How important is Sivers' technology to your product?

We have worked very closely with Sivers to date and I think this is a relationship that will grow exponentially, taking into account the influence the relationship has on both our companies. Sivers' products are the core of all of our future products.



Sivers offers chips and components to several high-tech customers whose growth is supported by megatrends such as autonomous vehicles, digital health and streamed media.



Distribution agreement with Richardson RFPD

In 2022, Siverts Semiconductors signed a distribution agreement with *Richardson RFPD*, which is a specialist distributor of electronic components. The agreement is a cornerstone in the go-to-market strategy of Siverts Wireless and creates a far greater global presence of personnel who can create, manage and drive demand for Siverts' technology. Richardson RFPD's strength is the combination of its local presence in all major markets and deep technical engineering expertise. The agreement is a continuation of the relationship that already existed between Richardson RFPD and MixComm, and is a key factor in continued growth for Siverts Wireless.



This is a natural progression of our prior successful relationship with MixComm.

Siverts' product capacity and reputation in 5G and SATCOM markets, combined with our worldwide customer-facing sales engineers, will benefit our joint customers."

Rafael R. Salmi, Ph.D.
President of Richardson RFPD

Launch of the world's first 5G module for the 360° metaverse

At the Mobile World Congress in Barcelona in February 2022, Sivers and **KREEMO** announced that they had succeeded in developing the world's first high-performance 5G module with 360° coverage for the metaverse. This was accomplished using a combination of Sivers' world-class chip and KREEMO's 360° antenna technology. The 5G module developed boasts low energy consumption and can smoothly transmit and receive signals in any direction, which eliminates shadow areas and maximizes the transmission speed. The 5G module means that Sivers Wireless is targeting the consumer-facing market for the first time.



Through the development of this module, we plan to take the lead in the market by offering 5G devices and infrastructure solutions for metaverse services. We will work together to create more innovative products using Sivers Semiconductors' BFICs and KREEMO's antenna technology."

John Park, CEO of KREEMO

Sivers' chips offer superior performance in the 60 GHz band

At the IMS2022 symposium held in Denver, Colorado, the USA in June, Sivers gave live demonstrations of **Airvine's** WaveTunnel system, a groundbreaking innovation based on Sivers' chips, which offer superior performance in the 60 GHz band. Airvine's Wave Tunnel technology enables a distributed architecture that delivers intelligent indoor broadband transport and Sivers' chips allow the system to provide multi-gigabit/second data transfer rates. The technology has the potential to revolutionize enterprise indoor networking by delivering the broadband transport required by technologies like Wi-Fi 6/6E, but without any of the limitations of legacy solutions.



We are very excited to begin shipments of our groundbreaking WaveTunnel technology. There has been great enthusiasm on the part of our pilot customers who are eager to get this technology into their production networks. The pilot phase was heavily oversubscribed."

Vivek Ragavan, CEO of Airvine

Photonics



Sivers Photonics designs and manufactures advanced III-V semiconductors and integrated circuits for photonic devices, primarily for optical communications and optical sensing applications.



A rising number of communication devices is driving demand within optical communications.

Photonics application areas

Sivers Photonics is active on the market for optical communications and optical sensing, mainly within various applications for consumer and industrial electronics.

Optical communications

The need for optical communications is driven by demand for cloud services for telecommunications networks and personal use, with applications such as Netflix and YouTube. The need to reduce power consumption, increase speeds and manage heat in HPC computers requires data to be transmitted by light in future instead of electric current. Various new units with increased capacity and intelligence are introduced on the market each year. Optical communications will continue to rely on silicon photonics technology, with strong growth in hyper-scale data centers and data center interconnections (DCI).

The market for optical communications is expected to grow from USD 9.6 billion in 2020 to USD 20.9 billion in 2026.⁷⁾

Optical sensing

Demand for advanced optical sensing using semiconductors is driven by rapid technological progress in applications including LiDAR for autonomous vehicles and consumer biometrics, as well as industrial applications such as smart cities and factories.

The market for optical sensing is expected to grow from USD 183 million in 2020, to USD 15 billion in 2025.⁸⁾

Photonics' offering

Sivers Photonics designs and manufactures advanced III-V semiconductor photonic devices, primarily for optical communications and optical sensing applications. These photonic chips are key components for several future technologies, such as autonomous vehicles and smart factories.

One important customer group for Photonics comprises companies that offer cloud storage solutions, where optical communications devices are a key component.

Optical communications applications include critical components in data centers, telecoms and 5G, including fiber to the home, passive optical networks and quantum technology applications. Optical sensing applications include LiDAR for autonomous vehicles, consumer healthcare,

wearable technology and sensors for smart cities and smart factories.

The optical communications sector is facing something of a revolution through the emergence of silicon photonics, a fast-growing technology where copper connections are replaced by small optical circuits that are integrated with silicon-based circuits in order to transmit light instead of electric signals. One effect will be significantly faster computer processing speeds compared to traditional chips.

The light source is a laser chip, made of indium phosphide (InP) that is integrated into the silicon circuit. Sivers Photonics is a leading supplier of these indium phosphide lasers. Sivers' InP-platform, InP100, supports advanced optical communications and computer applications with very high data speeds.

20.9

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15

The market for optical sensing is expected to grow from USD 183 million in 2020 to **USD 15 billion in 2025.**⁸⁾



Sivers Photonics is a leading supplier of indium phosphide (InP) lasers that enable brand new applications and increase end customers' productivity.

¹⁾ Yolé Développement, 2021, Yole Développement, 2022, NSR Report "Flat Panel Satellite Antenna Analysis, 6th Edition

²⁾ Federal Communications Commission (FCC) www.fcc.gov 2021

³⁾ The Economics of mmWave 5G – GSMA Intelligence 2021

⁴⁾ Ericsson Mobility Report, November 2022

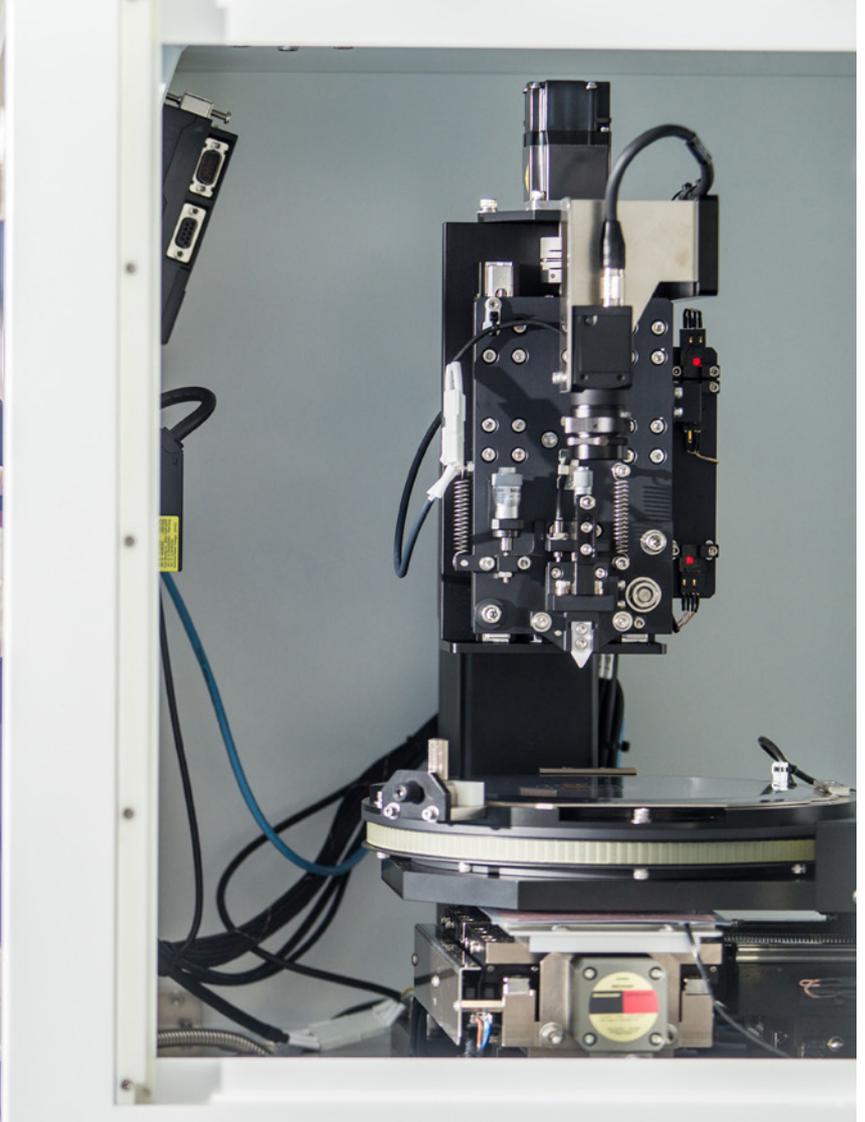
⁵⁾ Techarc market report: <https://indbiz.gov.in/5g-to-increase-telecom-industrys-revenue-by-inr-1-trn-every-3-years/>

⁶⁾ Market report from Astute Analytica: <https://www.astuteanalytica.com/industry-report/india-5g-market>

⁷⁾ Yole Développement 2021, optical transceivers for Datacom & Telecom

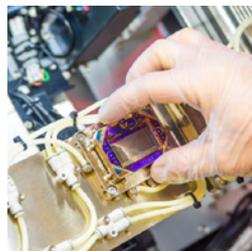
⁸⁾ Yole Développement, 2021

The wholly-owned 100mm wafer foundry



Sivers Photonics' production facility in Glasgow, the UK, is one of only a few independent factories in the world that develops and manufactures specially adapted lasers and semiconductor optical amplifiers in chip and wafer form. Photonics has expertise in many material combinations and manufacturing processes used in the commercial production of semiconductor chips for optoelectronic purposes.

With over 20 years' experience of designing and manufacturing photonic III-V devices across various material systems, the production facility provides a complete internal capacity ranging from prototype design to advanced high-volume manufacturing.



Market operators

Sivers Photonics supplies its semiconductors and circuits, directly or via partners, to **transceiver manufacturers** and **system manufacturers**, which in turn supply equipment to data and **telecom operators**. Examples of companies that manufacture transceivers include Fujitsu and HGGenuine. System manufacturers include Cisco, Huawei and Ericsson. The end customers could be **data operators** such as Microsoft and Facebook, or **telecom operators** such as Verizon and AT&T.

All of these operators are examples of potential customers.



Application areas

One important application area for Silicon Photonics is optical sensing for **autonomous cars**. Cars will continually become more autonomous, from today's cruise control and automatic braking to levels where the "driver" does not need to hold the steering wheel, look at the road, or even think about where the car is heading. The need for LiDAR will increase with each level, but the specifications and technology used will vary between different cars.

70

It is estimated that by 2045 more than 70 percent of all vehicles sold will include autonomous capabilities.



Sivers and Ayar Labs

In 2022, Sivers and Ayar Labs demonstrated Ayar Labs' **SuperNova™ light source**, which is powered by Sivers Photonics' DFB laser arrays. The combination facilitates applications such as high-performance computing, artificial intelligence and high-density optics.

Built on the InP100 product platform at Sivers' 100mm wafer foundry in the UK, the DFB laser array is compliant with the Continuous-Wave Wavelength Division Multiplexing Multi-Source Agreement (CW-WDM MSA) standard and has a very high output power.

The SuperNova™ remote optical source from Ayar Labs provides up to 16 wavelengths of light, powering up to 16 ports. Combined with Ayar Labs' TeraPHY™ optical I/O chiplet, the solution delivers terabit data rates at low power and latency over distances up to hundreds of meters compared to existing electrical I/O alternatives.

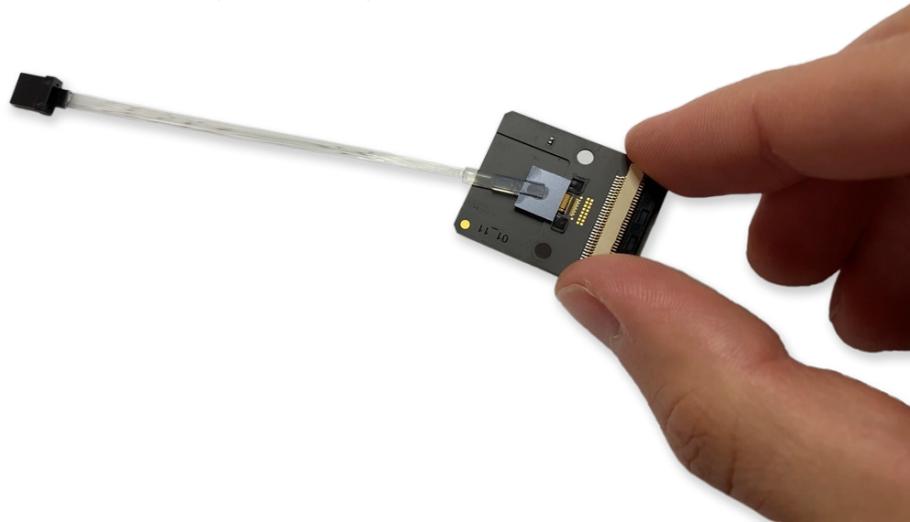
The integration of Sivers' laser arrays into the SuperNova™ module enables the growth of a strong ecosystem for development in several high-volume markets such as AI that requires faster solutions with lower energy consumption.



The successful demonstration of our SuperNova™ light source with Sivers' DFB laser array is key to bringing our optical I/O solution to market at scale. This is also further proof that we are seeing tremendous advancements in ecosystem maturity, with strong support building for the CW-WDM MSA standard that ensures open development and interoperability of applications for optical I/O."



Charles Wuischpard, CEO of Ayar Labs



Three of the world’s largest tech companies among our customers

One indication that Sivers Photonics’ products are innovative market-leaders is that it counts three of the world’s largest tech companies among its customers. Photonics continued to develop its relationships with these Fortune 100 customers in 2022.

In May 2022, Photonics entered into a partnership agreement with its third Fortune 100 customer via a collaboration focusing on the development and delivery of customized lasers over a range of wavelengths, which enables the customer to develop its future product planning. At the same time, an initial contract worth over SEK 6 million (>USD 617,000) was signed.

In September 2022, Photonics received a follow-up order from its first Fortune 100 customer

10

In September 2022, Photonics received a follow-up order from its first Fortune 100 customer worth just over SEK 10 million in the field of optical sensing.

worth just over SEK 10 million (USD 0.955 m) in the field of optical sensing. Each order increases Sivers’ chances of playing a part in the future volume production of new sensors.

By the end of 2022, this customer had placed orders worth approximately SEK 137 million for development activities linked to sensors for consumer electronics. In 2022 alone, this customer placed orders worth approximately SEK 41 million, which is a new record for a single year.

Sivers’ first Fortune 100 customer

Product design at Photonics - it takes approximately 2-4 years for a product to achieve commercialization
(excluding the pandemic)







Sivers Semiconductors makes the connected world more sustainable, safer and better

Sivers Semiconductors drives some of the world's most significant technological advances that generate improved data speeds, which reduces the CO2 footprint of each new generation of products the company offers. By Sivers providing the best solutions in sensors, data and wireless networks the company makes the connected world more sustainable, safer and better. This includes targeted initiatives aimed at reducing the Company's own and our customers' environmental impact, and offering sustainable products and solutions that can reduce energy consumption by up to 50–90 percent.

Increased capacity in both data networks and computers is critical to the continuously accelerating digitalization process. This places increasingly stringent demands on operators such as Sivers Semiconductors, who supply key products for these systems.

Sustainability at Sivers Semiconductors

Sivers Semiconductors' sustainability work is founded on three cornerstones:

1. Deliveries with sustainability benefits

Sivers Semiconductors' customers' operations and services often have a significant impact on people and the environment. We want to challenge ourselves and our customers to maximize the sustainability benefits of the solutions we create together. Alongside our partners, we foresee significant potential to set aggressive sustainability targets in the near future. Through technological advances we will be able to take significant steps towards creating a sustainable society.

2. Employees with sustainability competencies

In order to create sustainability benefits, we have a responsibility to train our employees. The right expertise and conditions need to be in place to provide our customers with advice. Many employees appreciate our focus on sustainability and the opportunity to influence our customers' attitude to sustainability.

3. Responsible utilization of resources

Utilizing all kinds of resources responsibly and

efficiently is a cornerstone of our work for more sustainable operations and delivery.

Controls and organization for sustainability

Sivers Semiconductors' sustainability work proceeds from the following control documents:

- ➔ Sustainability policy
- ➔ Code of Conduct
- ➔ Code of Conduct for suppliers
- ➔ HR policy

Sivers Semiconductors is primarily a value-driven company where all employees shall practice our values of honesty, respect, trust and drive in their day-to-day work. In addition, Sivers Semiconductors' Code of Conduct states our positions and demands relating to legislation, labor law and human rights, the environment and anti-corruption. Sivers Semiconductors places equivalent demands on our suppliers. These are expressed in the Code of Conduct for suppliers. The HR policy is specifically focused on the Company's HR work and staff development. Sustainability work is part of Sivers Semiconductors' business planning, management system and processes. Our quality management is certified according to ISO 9001:2015, and ISO 14001 forms the basis for our environmental work.

The sustainability work is carried out through ordinary groups and management teams. Sivers Semiconductors' risk analysis includes sustainability issues. The risk analysis is updated and used on an ongoing basis, and risks are followed up at Board and Group management meetings.

Offering for a sustainable and connected world

Sivers Semiconductors develops and produces chips and modules for communications systems and sensors. In order to be competitive our products need to be fast and energy efficient. We streamline technical systems by utilizing the very best basic technology and design. Technology that is accessible, consumes less and achieves more, makes the world more accessible, safer and greener – and contributes to our customers’ and our own success.

Environmental adaptations of our offering and operations

Efficient energy use is one of the biggest challenges the world currently faces. Here, semiconductors play a critical role. There is enormous potential for energy savings by rationalizing 5G networks – a concrete example is energy-efficient signal amplifiers. Sivers Semiconductors’ 5G chip is approximately five times more efficient than the previous generation chips and uses only around one-third of the power compared to competing products. This makes Sivers’ chip one of the world’s most efficient 5G chips.

Sivers Semiconductors evaluates all operations based on the environmental impact. We develop

130
employees,
of whom 29 with PhDs

our products’ environmental performance and continuously strive to reduce our negative environmental impact, for example by applying the precautionary principle.

Sivers Semiconductors designs, develops and manufactures products and chooses its suppliers with the aim of reducing our environmental impact by:

- Using technology with optimal energy efficiency
- Reducing energy consumption when our products are used
- Reducing resources and harmful substances in products and production
- Minimizing waste, emissions and radiation
- Reusing materials
- Developing or procuring components in accordance with Sivers Semiconductors’ sustainability policy. The policy ensures compliance with RoHS and REACH, and that components are free from conflict minerals. The Group applies the OECD guidelines (Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas) in order to avoid conflict minerals.

Employees

The recruitment and development of competent employees is critical to Sivers Semiconductors’ continued progress, and the Group places great emphasis on recruitment and skills development. The Group’s employees are characterized by high technical expertise. This is absolutely necessary to develop products with world-leading performance.

At the end of the year, the Group had a total of 130 (126) staff, of whom 24 percent women and 76 percent men. Competence is based partly on education and partly on experience. An indication of the level of education is that as many as 22 percent of the Group’s employees have a doctorate. The working environment is international, and a large number of different nationalities are represented among the Group’s employees.

The Group strives to be an attractive employer, both as a learning organization and as a talent developer with the strategy of allowing employees to take part in the Group’s journey as shareholders through various option programs. The nature of the business provides excellent opportunities for stimulating roles at the cutting edge of technology on growing markets.



Sivers Semiconductors' HR work proceeds from the Group's policy in the area. The policy covers the entire cycle, from selection and recruitment, through development, to termination of employment. The policy contributes to the Group's business goals and ensures that Sivers Semiconductors is, and is perceived as, an attractive employer by potential and existing employees.

Sivers Semiconductors is a multicultural company that strives to promote equal rights and opportunities in working life – regardless of gender, ethnicity, religion or beliefs. The reason for this is that companies characterized by diversity enjoy improved prospects of conducting good business and developing.

Health and safety. Sivers Semiconductors ensures a healthy working environment, in all respects. We carry out and continuously implement risk assessments where we review potential causes of injuries and ill health, and how these risks can be eliminated or managed through preventative and protective measures. Employee health and safety is addressed with openness and care, and includes physical and mental health.

Employees and leadership. Sivers Semiconductors has defined the behaviors we expect from our employees and managers. Good employeeship is about contributing to the Company's goals and progress. Our starting point is that employees can and want to assume significant personal responsibility for carrying out their work effectively. Employees are expected to complete assignments based on their own goals and development plans, take independent initiative and assume responsibility for tasks and results, as well as treat others with respect and remain open to people's differences.

Being a leader at Sivers Semiconductors means setting a good example and encouraging personal responsibility and commitment. This includes creating conditions for employees to achieve their goals. Our leaders are expected to strive for an inclusive working environment and to create opportunities for taking responsibility, creativity and learning.

Development and remuneration. Sivers Semiconductors works on the basis of each individual's performance and results to pursue operations towards set goals. We proceed from the Company's strategy, clarify priorities and build our employees' motivation to work. Sivers Semiconductors attracts, motivates and retains employees by means including salary and benefits that are appropriate and fair.



Sivers Semiconductors' success is based on long-term and trusted relationships. It is critical that all operations and business takes place with integrity and responsibility, and that we counteract all forms of corruption and illegal and improper business practices.



Remuneration is based on respective national legislation and collective agreements. Individuals who contribute to the Group's success are offered the opportunity to participate in value growth through employee stock option programs provided by Sivers Semiconductors. There are currently four programs with terms of between four and eight years. Read more about the programs on page 25.

Human rights and social responsibility

Sivers Semiconductors' Code of Conduct determines that all operations shall be carried out with respect for human rights, employee health and safety, and the societies where we operate. The company complies with international norms, laws and rules with regard to human rights and labor law. This includes prohibitions against child and forced labor and discrimination, and respect for employees' freedom of association and the right to collective negotiations. We promote diversity and a more even distribution between the sexes and equal opportunities. Sivers Semiconductors is a multicultural workplace and we strive for equal rights, opportunities, and obligations regardless of sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. Another important aspect of our culture is to support women's and men's opportunities to create a positive work-life balance.

Human rights and procurement. Sivers Semiconductors also takes human rights into account in its procurement. The demands made are indicated in the Code of Conduct for suppliers. For example, our products may not contain conflict minerals.

Anti-corruption. Sivers Semiconductors' success is based on long-term and trusted relationships. It is critical that all operations and business takes place with integrity and responsibility, and that we counteract all forms of corruption and illegal and improper business practices. Sivers Semiconductors' stance is defined in the Company's Code of Conduct, sustainability policy and HR policy. Employees wanting to report suspected cases of misconduct are encouraged to do so to their line manager. Cases are escalated within the organization.

Alternatively, suspected cases of misconduct may be reported via whistleblower@sivers-semiconductors.com and they will then be handled by the Chairman of the Board.

Glossary

5G NR	The frequency bands for 5G New Radio. 5G NR, which is the air interface or radio access technology for 5G networks, are divided into two frequency ranges: Frequency Range 1, FR1, (frequency bands under 6 GHz and potential new spectrum offerings from 410 MHz to 7125 MHz) and Frequency Range 2, FR2, (frequency bands from 24,25 GHz to 71,0 GHz).
III-V semiconductors	III-V semiconductors are composed of one or more elements from group III (e.g. boron, gallium, aluminum and indium) and group V (e.g. arsenic, antimony and phosphorus) of the periodic table. Examples include indium arsenide and gallium nitride. They usually display high electron mobility and are used in optoelectronic and electronic applications alike. They are the second most used semiconductor material in industry after silicon.
Chip/microchip	A slice of material, usually silicon, containing an electric circuit. Such a silicon chip can contain everything from an individual transistor to a complete computer system comprising billions of transistors.
CPE, Customer Premises Equipment	Equipment that the customer/subscriber installs locally in their premises and is connected to an operator's equipment at a demarcation point.
DCI, Data Center Interconnect	DCI technology connects two or more data centers over short, medium or long distances using high-speed optical connectivity. DCIs are becoming increasingly common in order to increase capacity and the trend is towards hyper-scale data centers.
IC, integrated circuit	An electronic circuit where the components are manufactured together, unlike a conventional circuit where the components are manufactured individually and then joined. The integrated circuit usually consists of a thin wafer of silicon with integrated thin wires of conductor between individual active components.
InP, Indium phosphide	A III-V semiconductor.
InP100	Sivers Photonics' indium phosphide platform for advanced optical communications and applications with very high data speeds.
Li-Fi/LiFi	Wireless communication technology that uses light to transmit data and position between devices.
LiDAR, Light Detection And Ranging	Light radar, light-based radar technology. An optical measurement technology that measures the properties of reflected light to determine the distance to and/or other properties of a distant object. Examples of everyday applications include optical rangefinders in the construction industry and traffic speed monitoring.
Light source	Where a laser beam is generated. The most common laser sources include fiber laser, UV laser, CO2 laser, YAG laser and laser diodes.
OEM, Original Equipment Manufacturer	Produces original products. A term used by system manufacturers or operators, for example.
Optoelectronics	Technology based on a combination of optics and electronics. Optoelectronics encompasses broad areas of knowledge that include optical radiation, interaction between light and matter, and the properties of radiation sources.
Photonics	The combination of modern electronics and optics. Photonics, i.e. optical fibers and integrated photonic devices, are the backbone of global communication.
PON, Passive Optical Network	A system commonly used by telecommunications network providers that brings fiber-optic cabling and signals all or most of the way to the end user. Depending on where the PON terminates, the system can be described as fiber to the curb, fiber to the building or fiber to the home.
RF module	A small electronic device that is used to transmit and/or receive radio signals between two devices. RF stands for radio frequency. In an embedded system, it is often desirable to communicate wirelessly with another device. This wireless communication can be achieved through optical communications or radio frequency communications.
RFIC, Radio-Frequency Integrated Circuit	A chip/integrated circuit that receives or transmits radio waves and converts them into electric signals. RF chips are found in portable telephones, cellphones, Wi-Fi devices, wireless routers, wireless base stations, satellite transceivers and microwave equipment, for example.
SATCOM	Satellite communications.
Silicon photonics	Silicon-based photonics, a fast-growing technology where copper connections are replaced by small optical circuits that are integrated with electric silicon circuits on the same silicon wafer to enable the transmission of light instead of electric signals.
sub-6GHz-5G	There are two types of 5G network: millimeter wave (mmWave) and sub-6GHz-5G. mmWave networks are ultrafast, but have a short range. Millimeter wave uses high-frequency radio bands that have high capacity (24 GHz to 71 GHz) while sub-6GHz uses medium and low-frequency bands below 6 GHz. Sub-6GHz-5G is the type of 5G currently being rolled out nationally.
Transceiver	A single device that can both send and receive Internet, telephony and radio signals, for example, and where some parts of the device, such as the antenna, are used by both the transmitter and receiver.
Unlicensed 5G	5G in unlicensed frequency bands, usually with mmWave technology.
Wafer	A thin slice of a semiconductor, such as crystalline silicon (c-Si), used for the manufacture of integrated circuits. The wafer serves as the substrate for microelectronics built in and upon the wafer. It undergoes many microfabrication processes, such as etching, thin-film deposition of various materials and photolithographic patterning. Finally, the individual micro-circuits are separated by wafer dicing and packaged as an integrated circuit.
WISP, Wireless Internet Service Provider	A small independent operator that complements the nationwide operators' networks with wireless broadband access.

The Sivers Semiconductors Share

The Sivers Semiconductors share has been listed on Nasdaq Stockholm since June 10, 2021. Prior to this, the Sivers Semiconductors share was listed on Nasdaq First North from November 30, 2017. Prior to that, the share was listed on Spotlight, formerly Aktietorget. Market capitalization as of December 31, 2022, amounted to SEK 1,298 M.

Share capital

As of December 31, 2022, the share capital of Sivers Semiconductors was SEK 106,977 M. The number of shares was 213,954,244. According to the Articles of Association, the share capital shall be a minimum of SEK 65 M and a maximum of SEK 260 M, distributed over a minimum of 130,000,000 shares and a maximum of 520,000,000 shares. The proportion of shares available for trading (free float) at year-end was 100 percent.

Share price performance during the year

During the year, the Sivers Semiconductors share decreased by 69 percent, compared to the Nasdaq Stockholm, which decreased by 25 percent. The closing price on December 30, 2022 was SEK 6.1 per share, corresponding to market capitalization of SEK 1,298 M.

Share turnover in the year

The average daily turnover of the Sivers Semiconductors share was 620,025 shares. A total of 157 million shares were traded in 2022, with a total value of SEK 1,555 M. The highest closing price for the share in 2022 was SEK 20.3 on January 3, and the lowest closing price was SEK 5.915 on December 16 2022.

Owners and ownership structure

At the end of the year, the ten largest shareholders controlled 50.3 percent (45.8) of the capital and votes. The total number of shareholders in Sivers Semiconductors was approximately 21,000 (21,000).

Dividend

Sivers Semiconductors has not paid any dividends to date and follows the dividend policy adopted in 2020. The company will continue to focus on growth, which means that available

financial resources and reported profit are reinvested in operations to finance the Company's long-term strategy. The Board's intention is therefore not to propose any dividend over the coming years.

Incentive programs

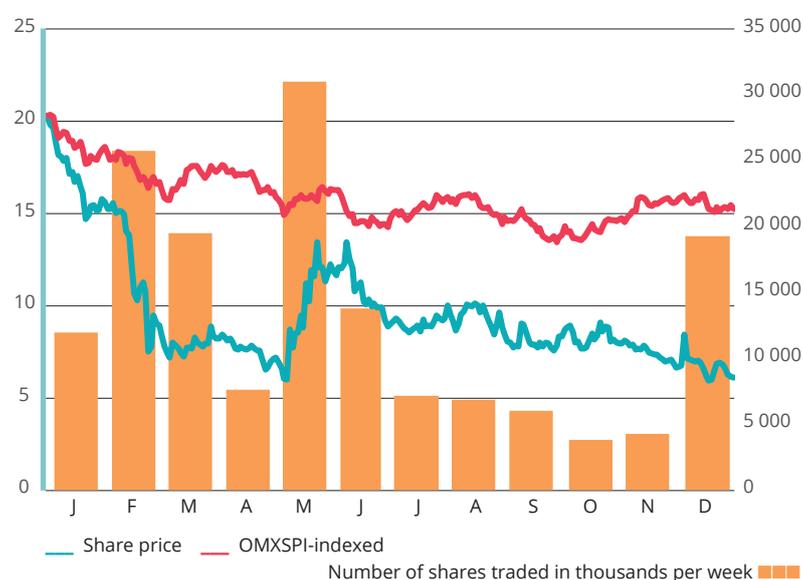
Sivers Semiconductors had four employee stock option programs at the end of the year. Stock option programs still active at the end of the period have the following terms: 1) 2015–2024, 2) 2020–2026, 3) 2022–2027 and 4) 2021–2026. Upon full conversion of outstanding employee stock options, the total number of shares will amount to 219,662,776. The total number of outstanding employee stock options granted as of December 31, 2022 amounted to 3,845,615, (3,848,821 after factor conversion) of which 1,750,615 have been vested. For more information, see Note 28 of the Group's Annual Report on page 63.

In 2022, the Group established a share savings program encompassing the Group management and key personnel within the Group. Participants who hold the savings shares for the savings period and are also employed by the Group for the entire savings period will be able to receive ordinary shares in the Company free of charge after the end of the savings period ("performance shares"), provided that the performance criteria are met. The savings period is 2022–2025. The share savings program encompasses a maximum of 412,500 savings shares, which could entitle the participants to a maximum of 2,062,500 performance shares, equating to approximately 0.98 percent of the number of outstanding ordinary shares and votes after dilution.

Board authorization

The AGM on May 19, 2022 authorized the Board, on one or more occasions in the period until the next AGM is held, with or without departing from shareholders' preferential rights, to decide to complete new issues of shares and/or convertibles implying the issue of or conversion to a total maximum of 32,000,000 shares, corresponding to a dilution effect of some 15.0 percent of the share capital and votes, based on the total number of shares in the company.

Shares



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Directors' Report

The Board of Directors and CEO of Siverson Semiconductors AB hereby submit the Annual Report and Consolidated Financial Statements for the financial year 1/1/2022-12/31/2022.

Operations

Siverson Semiconductors AB (publ), Corp. ID no. 556383-9348 is the Parent Company of a Group comprising the wholly-owned subsidiaries Siverson Wireless AB, Siverson Photonics Ltd, Trebax AB, Siverson Semiconductors Corp and Siverson Semiconductors Inc. The operations are mainly conducted in the three companies Siverson Wireless AB, Siverson Photonics Ltd and Siverson Semiconductors Inc. Siverson Wireless' head office is located in Kista, Stockholm. The Company also has a development site in Gothenburg. Siverson Photonics' head office and factory are located in Glasgow, Scotland. Siverson Semiconductors Inc's head office is located in Chatham.

The Siverson Group develops, manufactures and sells chips, components, modules and subsystems based on advanced semiconductor technology for 5G millimeter wave networks, and optical semiconductors for fiber networks, wireless optical networks and sensors. Millimeter wave technology and optical semiconductors are central to high-speed networks. The Wireless business area is fully focused on 5G, while the Photonics business area focuses on passive optical fiber networks (PONs), wireless optical networks and sensors.

Significant events

Technology

On February 28, Siverson Semiconductors announced that KREEMO and Siverson Semiconductors had succeeded in developing the world's first high performance 5G module with 360° coverage for metaverse.

On November 17, Siverson Semiconductors announced that the close cooperation between its Siverson Wireless business area and the Canadian startup aiRadar had resulted in a revolutionary line of sophisticated radar products. By leveraging Siverson's unique RFIC and antenna technology, aiRadar is now offering a brand new formula for developing highly advanced radar products suitable for various relevant applications and verticals.

New partnerships and agreements

On January 18, Siverson Semiconductors announced that its subsidiary MixComm had entered a partnership with Advanced Microsystems Technologies, a division of Sanmina (NASDAQ:SANM), to productize its 5G wireless infrastructure solutions.

On February 10, Siverson Semiconductors announced that its subsidiary Siverson Wireless and MaxLinear Inc. are collaborating in the development of a V-Band RF/solution that enables disruptive unlicensed point-to-point microwave radios in the 57-71 GHz band.

On February 23, Siverson Semiconductors announced a technology development partnership with LitePoint, a leading provider of wireless test solutions, for Siverson's 5G millimeter wave (mmWave) Antenna in Package (AiP) products. LitePoint's IQgig-5G non-signaling test solution provides Siverson Semiconductors with a turnkey solution to quickly get RF measurement results.

On February 24, Siverson Semiconductors announced that a combined development and supply agreement with a Global high-tech company listed on New York Stock Exchange (NYSE), which was communicated on August 5, 2020, will be put on hold.

On May 19, Siverson Semiconductors announced that its subsidiary, Siverson Photonics, had signed a contract worth over USD 617,000 to deliver next-generation laser sources by commencing a partnership agreement with a new customer.

On June 17, Siverson Semiconductors and Richardson RFPD announced that Siverson Wireless had signed a global distribution agreement with Richardson RFPD to strengthen the growth of the 5G and SATCOM millimeter wave business in the global arena.

On October 17, Siverson Semiconductors announced that its Siverson Wireless business area and the Department of Microtechnology and Nanoscience at Chalmers University of Technology will collaborate on research and development of a new generation of power amplifiers. The project targets a global market with tremendous growth potential among conventional broadband providers, in addition to new market segments made possible by artificial intelligence (AI) and machine learning (ML).

On December 2, Siverson Semiconductors announced that its Siverson Wireless business area had signed a strategic development agreement worth approximately USD 16.4 M with a European satellite communications company to develop several chips for the customer's next generation satellite communication ground terminals. Siverson has already received orders worth SEK 16.1 M for development work for this project between August and November 2022, SEK 7.5 M of which was announced on September 27, 2022.

On December 13, Siverson Semiconductors announced that its Siverson Wireless business area had signed an agreement worth USD 0.320 M to develop a novel 5G mmWave prototype to showcase a solution targeting the Indian 5G market.

New orders and sales

On January 3, Siverson Semiconductors announced that the Lithuanian hi-tech company 8devices had placed an order for unlicensed 5G RF modules. The total order value is USD 2.1 M. The order, which will be delivered in 2022, is designated for one of 8Devices' customers, and delivery started in the first quarter of 2022. The customer has the right, subject to some limitations and advance notice, to cancel or move parts of the order at no charge.

On September 12, Siverson Semiconductors announced that its subsidiary, Siverson Photonics, had received a new order worth USD 0.995 M from its first established US Fortune 100 customer.

On September 27, Siverson Semiconductors announced that its Siverson Wireless business area had received orders for development activities (USD 0.750 M) and an acceleration fee (USD 0.150 M) to speed up the production time for its beamformer ICs. The total value of these orders is USD 0.9 M.

On October 21, Siverts Semiconductors announced that its Siverts Wireless business area had received an additional order of approximately USD 1.4 M from a European satellite communications company. The order, for its second-generation production grade beamformer ICs, follows a previously announced acceleration fee and is aimed at the customer's pre-series production of ground-based satellite communication terminals.

Equity

On September 29, Siverts Semiconductors announced that it had entered into a loan facility agreement of up to SEK 100 M, of which SEK 50 M was paid out in October 2022. The loan facility shall be used to strengthen the Company's liquidity reserve and for general corporate purposes, which may include working capital and investments to promote continued organic growth in existing growth areas. Loans arranged under the loan facility will fall due for payment on September 29, 2023 and are subject to a monthly interest rate of one percent. The Company has the right to repay the loan early at any time without charge.

On December 21, Siverts Semiconductors announced that its main shareholder Rothesay Limited had acquired 2,700,000 shares from Harish Krishnaswamy, member of Siverts' management team and Managing Director of the subsidiary Siverts Wireless. Harish, co-founder and former CTO of MixComm, has sold shares to pay taxes incurred in connection with the sale of MixComm to Siverts.

Acquisitions

On February 22, Siverts Semiconductors announced that it had completed the previously announced acquisition of MixComm Inc. to strengthen its position in 5G, SATCOM and radar markets for current and future high frequency mmWave products. The acquisition provides a greatly increased customer base, expanded capacity, a broad IP portfolio and a strong presence across the US, Europe and Asia.

On June 22, Siverts Semiconductors announced that it had completed the integration of MixComm, creating a strong global challenger in 5G, SATCOM and radar. In addition to broadening Siverts' portfolio and increasing its presence in the US, the integration is expected to generate synergies of approximately SEK 10 M per year. Siverts is recognizing an impairment of intangible assets of approximately SEK 22 M due to overlapping product areas.

New recruitment

On May 19, 2022, Todd Thomson was elected a new Board member by the Annual General Meeting.

On October 24, Siverts Semiconductors announced that it had appointed Harish Krishnaswamy, co-founder of and former CTO at MixComm, Managing Director of Siverts Wireless. Harish Krishnaswamy will also join the management team of Siverts.

Comments on the operations, results of operations and financial position

The Group's net sales amounted to SEK 132.607 M (90.652), an increase of SEK 41.955 M, equivalent to 46% year-on-year. Net sales increased by 30% at constant currency. Wireless' net sales increased by SEK 37.392 M, equivalent to a 169% increase, and Photonics' net sales increased by SEK 4.563 M which is an increase of 7%.

EBITDA was SEK -73.693 M (-107.185), an improvement of SEK 33.492 M. EBITDA adjusted for non-comparable items ("adjusted EBITDA") totaled SEK -75.277 M (-64.935), a decline of SEK 10.342 M.

EBIT was SEK -185.096 M (-140.941), a decrease of SEK 44.115 M. The change in EBIT was largely due to increased depreciation and amortization resulting from the acquisition of MixComm. During the period, this depreciation and amortization amounted to SEK 43.377 M and the majority related to the amortization of Group intangible assets identified in the acquisition analysis. The change in EBIT is also attributable to the impairment of intangible assets in connection with the integration of MixComm due to overlapping product areas. The impairment amounted to SEK -22.029 M and was carried out in the second quarter. In addition, costs for raw materials and consumables increased by SEK 18.284 M, largely due to recently announced orders. Personnel costs increased by SEK 13.599 M, primarily due to the acquisition of MixComm. Profit in the third quarter of 2021 was charged with costs of SEK 37.371 M relating to the acquisition of MixComm.

Financial income amounted to SEK 94.716 M (5.284), of which SEK 78.671 M refers to the reversal of a former provision for a contingent consideration relating to the acquisition of MixComm. See Note 6 for further information. The rest of the increase can mainly be attributed to changes in exchange rates.

Profit after tax was SEK -86.384 M (-133.704), an improvement of SEK 47.320 M. Other comprehensive income was SEK 85.216 M (7.274), an increase of SEK 77.942 M. The decrease can mainly be attributed to the effects of translating US dollars into SEK as a result of currency fluctuations.

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SEK 000	Jan-Dec 2022	Jan-Dec 2021
Net sales	132,607	90,652
EBITDA ¹⁾	-73,693	-107,185
Adjusted EBITDA	-75,277	-64,935

¹⁾ EBITDA is calculated as profit before financial items, tax and amortization, depreciation and impairment.

Depreciation/amortization and impairment

Profit for the period January to December was affected by SEK -111.403 M (-33.756) in depreciation, amortization and impairment, an increase of SEK 77.647 M. SEK -12.439 M (-6.676) related to depreciation of equipment, tools, fixtures and fittings. SEK -27.604 M (-21.470)

related to amortization of the previous year's capitalized development expenses, SEK -64.269 M (0) related to amortization of other intangible assets, SEK -7.091 M (-5.610) related to depreciation of right-of-use assets in leasing agreements.

Income tax

Income tax totaled SEK 17.244 M (5.308) in the period. The change can mainly be attributed to the acquisition of MixComm and the reversal of deferred tax liabilities.

Liquidity, cash flow and financing

On December 31, 2022, the Group's cash and cash equivalents and other current financial assets amounted to SEK 55.693 M (456.236). Cash and cash equivalents totaled SEK 47.174 M (304.177). In addition to Group cash and cash equivalents, short-term investments in interest-bearing bonds amounted to SEK 8.519 M (152.119). SEK 50 M of the SEK 100 M loan facility entered into on September 29, 2022 was utilized during the fourth quarter, after which the remaining SEK 50 M may be utilized as necessary. This means that the Company's cash and cash equivalents and other current financial assets including the remaining unutilized loan facility totaled SEK 105.7 M at year end. Interest-bearing net debt amounted to SEK 38.723 M (-253.881) at year end.

In the period January to December, the Group's cash flow from operating activities amounted to SEK -137.461 M (-82.967). The Group's cash flow from investing activities decreased during 2022 compared to 2021, primarily due to the acquisition of MixComm representing a net outflow of SEK -206.475 M.

As the Group is in a development phase and still lacks sufficient earning capacity to cover the costs of the business through sales revenue, the liquidity risk is a significant risk and uncertainty factor. Management prepares and monitors detailed cash flow forecasts and may need to take measures such as new share issues, cost savings and borrowing to ensure sufficient liquidity. During the second quarter of 2023, Sivers has carried out a new issue of SEK 150 million and received a conditional credit decision of SEK 50 million. The credit decision is conditional on Sivers completing ongoing negotiations for additional junior capital of SEK 50 million for a total financing of SEK 250 million which is required to ensure sufficient liquidity for company's long term going concern.

In relation to the acquisition of MixComm, Sivers Semiconductors AB issued 39,187,320 new shares which constituted part of the purchase consideration. Please see Note 33 for further information.

Investments

The Group's total investments in the period January to December amounted to SEK 816.878 M (248.136) and related to intangible assets for capitalized development expenses of SEK 59.276 M (56.447), acquisitions of other intangible assets of SEK 12.002 M (0), acquisitions of property, plant and equipment of SEK 13.731 M (38.948), acquisitions of subsidiaries of SEK 731.896 M (0), of which SEK 215.367 M was paid in cash and cash equivalents – see Note 6 for a breakdown – and loans to associated companies of SEK 0 M (0.122). In the period, investments in short-term corporate bonds of SEK 125.492 M (0) were sold or expired, which had a positive effect on cash flow. The investment in capitalized development expenses was attributable to the development of new product generations.

Equity

As of December 31, 2022, Group equity amounted to SEK 1,240.079 M (798.903). Share capital totaled SEK 106.977 M (87.383).

Employees

As of December 31, 2022, the Group had 130 (126) employees, excluding consultants. The increase is primarily related to the acquisition of MixComm.

Significant risks and uncertainties

The Sivers Semiconductor Group's operations, financial position and results of operations can potentially be affected by a number of risks and uncertainties. These risks may adversely affect the Group's operations, profit and financial position.

The risk factors described below are not ranked by importance, nor do they constitute a comprehensive description of all the risks the Group faces.

Market risk

The Group is active globally with customers in many parts of the world. This exposes the Group to risks such as deteriorated trade policy conditions, changes to regulatory frameworks between countries, limited protection for intellectual property rights, varying accounting standards, tax systems and varying payment terms.

The Group is active in a market that is expected to experience continued growth and positive earning potential over the coming years. However, there is a risk that market developments could become

Five-year summary, Group

SEK 000	2022	2021	2020	2019	2018
Net sales	132,607	90,652	96,170	96,355	71,485
Operating profit/loss	-185,096	-140,941	-85,710	-78,024	-69,845
Profit before tax	-103,628	-139,012	-201,351	-87,014	-79,497
Total assets	1,571,000	951,379	647,186	424,268	379,749
Equity/assets ratio	79%	84%	82%	68%	72%
Average number of employees	131	117	101	97	100

unfavorable for the Group due to changes in the macroeconomic environment, new regulations, limited protection for intellectual property rights and other unforeseen factors.

A significant proportion of the Group's revenue is derived from customers in the US and the UK, although the Group focuses on advancing in the Chinese market within the framework of unlicensed 5G. Geopolitical disputes between the US, China and Europe may disrupt customers' procurement processes, which could, in turn, have an adverse impact on the Group.

A military conflict is currently underway between Russia and Ukraine. This has resulted in sanctions, trade restrictions and political tensions.

Sivers Semiconductors currently has no suppliers or customers in Russia or Ukraine. The uncertainty that arises in the market and in the global economy could, however, affect the Group's operations, for instance through decreased demand for the Group's products, increased costs of input goods, postponed investments in 5G networks or supply chain problems with customers and/or suppliers. In the long run, this could delay the Group's product development and inhibit the Group's expansion.

Technology development risk

The market in which the Group operates is continuously evolving according to customer needs and behavior. There is a risk of technological progress not corresponding to the Group's, its customers' or market expectations. This could, in turn, lead to market launches being delayed or canceled for part of or entire product categories, resulting in loss of revenue and/or increased development expenses. There is also a risk of the Group not succeeding in finding the technical solutions required for commercial launch, or of these goals not being achieved within a reasonable time frame, with negative consequences for the Group's operations, profit and financial position.

The Sivers Semiconductors Group has a strong research and development focus. There are established processes for project management and follow-up to ensure future profitability. The projects involve experienced collaboration partners with contact networks that help speed up market launch. The Sivers Semiconductors Group also focuses sharply on targeted recruitment to attract skilled staff. Collaborations with universities and other institutions provide a good recruitment pipeline.

Competition

Sivers Semiconductors is active in an intensely competitive segment of the global semiconductor industry, which is continuously developing based on customer needs and behaviors. The Group's competitors are major operators with significant research, financial and technical resources. Varying combinations of such resources provide competitors with advantages that can influence sector trends. Intense competition from one or several of the Group's competitors can lead to increased pressure to reduce the Group's prices, increased sales and marketing costs and loss of market share. There is also a risk that competing methods and products could prove more effective, secure or cost-effective than those developed by Sivers Semiconductors. The Group's competitors may also be able to access increased capacity for manufacturing, marketing and distribution. If the Group's competitors can sell competing products that are more attractive, this could lead to reduced sales or force the Group to adapt its prices in a way that

reduces Group margins.

The products the Group sells are technologically complex. The Group has extensive experience of the design and manufacture of these products, which confers a competitive advantage as the products cannot be easily replicated. The Group's focus on collaborations with major partners also allows it to launch new products quickly and win more market share.

Dependence on suppliers, producers and partners

The Group is dependent on its partners, producers and subcontractors to operate in the market. There is a risk that one or more of these partners, suppliers and producers could become unwilling to continue an agreed collaboration with Group companies, or that suppliers or producers could become unable to satisfy the Group's quality requirements. In the long run, this could have a negative impact on the Group's progress and sales.

The Sivers Semiconductors Group works intensively to retain its existing collaborations and to sign collaboration or supply agreements to counteract this risk.

The Group's dependence on external suppliers also implies a risk of the Group's continued profitability being indirectly affected by the business progress of these companies. The Wireless business area does not have independent manufacturing facilities and relies on external production, which means that the business area, which represents a significant part of the Group's future initiatives, is entirely dependent on collaboration partners and external producers.

The Group's dependence on external operators increases the vulnerability of operations. Events that result in disruption to any of the Group's critical collaboration partners', producers' or suppliers' operations could make these operators unable to fulfill their commitments to the Group, which in turn could significantly disrupt the Group's operations. Such disruption could lead to delays in product development and launches, and limit the Group's sales and turnover.

Dependence on customers

More than 50 percent of the Group's sales in the financial year 2022 were derived from two customers. These customers are in the Photonics and Wireless business areas. If these customers were to decrease or stop purchasing the Group's products, this could have a negative impact on Group sales for a short or long period which, in turn, would have a negative impact on the Group's operations, profit and financial position.

The Group focuses sharply on customer satisfaction and quality testing of the products it delivers. The Group is currently in a growth phase, with an existing and potential customer base that could generate increased sales in the future. The Group continuously seeks to broaden its customer base to reduce dependence on a small number of customers.

Price risk

The Group's operations are dependent on certain highly complex input goods, and the Group cannot control the factors that affect the pricing of the input goods on which the Group depends. Should the price picture suddenly deviate from what is expected, there is a risk that the Group would be unable to access the quantity of the input goods required for the Group's intended manufacture. Increased

costs for input goods could lead to a decrease in the Group's margins and difficulty acquiring sufficient volumes of input goods could cause limitation to production and reduced sales.

Dependence on key personnel

Board members, senior executives and other key personnel in the Group have business and specific technological expertise of major significance to the Group and its operations, which could be difficult to replace. Siverson Semiconductors' ability to recruit and retain such individuals is dependent on a number of factors, many of which are outside the Group's control, including labor market competition. Furthermore, the arrangements and agreement solutions the Group has implemented to retain senior executives and key personnel could prove to be insufficient or have limited effect. If a Board member, member of management or other key personnel were to leave the Group, this could result in a loss of important skills, prevent pre-determined goals from being met, or impact negatively on the Group's business strategy. If such individuals leave the Group and cannot be replaced in an effective manner, it could have a material negative impact on the Group's operations and progress.

Production-critical systems and plants

Siverson Semiconductors develops, manufactures and sells chips, components, modules and subsystems based on advanced semiconductor technology for 5G millimeter wave networks, and optical semiconductors for fiber networks, wireless optical networks and sensors. A large part of the Group's operations are dependent on a functional IT system, including for management of customer deliveries and carrying out research. The Group's IT system could be affected by technical disruptions or cyber infringements that could disrupt and damage IT systems, jeopardize the protection of confidential information, or lead to information losses that are costly or impossible to remedy or operational stoppages. The unintentional dissemination of confidential information, such as information shared in confidence by collaboration partners, also risks resulting in financial claims being made against the Group. The Group also has a production plant in Glasgow in Scotland that manufactures custom lasers and semiconductor optical amplifiers, which are critical to the Photonics business area's operations. Damage to production plants and associated logistics chains caused by events such as fire, stoppages, weather conditions, labor conflicts and natural disasters could have negative effects such as direct damage to property or stoppages that restrict the Group's production and could hinder the Group's ability to fulfill its customer commitments.

Intellectual property rights

The Siverson Semiconductors Group has intellectual property rights of significant value. This means that there is a risk of the Group being exposed to information theft, for example through data incursions. Furthermore, there is a risk of the Group not succeeding in retaining its existing patent protection, of ongoing patent applications not being approved, and of further patent protection for future technologies and application not being obtained.

The Group's competitiveness is largely derived from proprietary methods, tools and special technical expertise. For example, the Group's planned initiative in the market for 5G networks is dependent on the ability to effectively protect the advanced 5G millimeter wave technology that forms the core of the Group's wireless solutions. If

the Group is unable to protect its technologies, know-how and brand effectively, it could have a material negative impact on the Group's competitive situation and market position.

To protect the various forms of intellectual property rights, the Group obtains protection according to legislation governing business secrets, patents and copyright. In addition, the Group enters confidentiality agreements with counterparties and signs agreements to protect intellectual property rights before sharing sensitive information. The Group has also introduced controls aimed at preventing data incursions and IP theft.

Acquisitions

Siverson Semiconductors has historically carried out acquisitions. For example, Siverson Semiconductors acquired Compound Semiconductor Technologies Global Limited (now Siverson Photonics) in 2017, and Mix-Comm Inc. in 2022, after the record date. In addition to risks related to identifying and completing acquisitions, the actual acquisition process exposes the Group to risks related to integration of the acquired operations. There is a risk of acquired operations not progressing in the manner expected.

The implementation of an acquisition and the integration of an acquired operation can lead to unforeseen operational difficulties and costs, which could result in the Group's growth targets being delayed. The integration of each acquisition the Group completes involves a number of operational and company-specific risks. The estimates and company reviews completed ahead of each acquisition process may be unsatisfactory or erroneous. For example, the Group could discover that the acquisition price exceeds the acquisition value, that there are hidden commitments or obligations related to the acquired company or that the transaction costs for the acquisition exceed estimates. There is also a risk that following an acquisition, the Group is unable to retain key employees in the acquired organization who may be critical to future operations and in facilitating the integration process. Acquisitions on new geographical markets also entail risks related to local laws and regulations, the local business climate and accepted business practice and culture. If conditions change or deviate from the Group's expectations, geographical expansion can imply new and increased risks for the Group. Potential additional risks include acquisitions taking up too much of management's time and resources, which in turn means less time and resources for managing the Group's operating activities or losses of customers or staff in the acquired organization. The integration of acquisitions can be more costly or time-consuming than anticipated, fail or otherwise have a material effect on the Group's operations.

Share price risk

Siverson Semiconductors AB has employee stock options that entitle holders to acquire shares in the Company. The provision for social security expenses is valued at market value as of the reporting date, and the payment to the Swedish Tax Authority upon allocation of stock options is calculated on the basis of market value of the shares allocated, which is linked to the share price. An increase in the share price of SEK 10 compared to the closing price increases social security expenses by some SEK 5 M based on the number of stock options outstanding as of 31 December 2022.

Under the stock option programs, Siverson Semiconductors has the mandate to issue warrants, or alternatively sell treasury shares, to cover

cash flow risk related to social security fees related to the options.

Financial risks

The Siverts Group is exposed to financial risks such as exchange rate risk, interest rate risk, credit risk and liquidity risk. The Group's financial risk is managed by the Board and management, which continuously monitor and evaluate risks. The Group management focuses strongly on liquidity risk. As the Group is in a development phase and still lacks sufficient earning capacity to cover the costs of the business through sales revenue, liquidity risk represents a significant risk and uncertainty factor. Management prepares and monitors detailed cash flow forecasts and takes measures such as new share issues, cost savings and borrowing to ensure sufficient liquidity.

The Group is exposed to exchange rate risk, mainly linked to USD, GBP and EUR, since a large proportion of sales are made in USD while purchasing is mainly denominated in GBP, EUR and SEK. As the Group has a subsidiary based in the UK, Siverts Photonics Ltd, and a subsidiary based in the US, Siverts Semiconductors Inc, the Group is also subject to translation exposure from GBP to SEK and from USD to SEK. More information about financial risk and risk management can be found in Note 31 on Financial instruments.

Research and development

Research and development is a key part of Group operations and is carried out in Kista and Gothenburg in Sweden, Glasgow in the UK and Chatham in the US. The development process follows the Group's project model, which is ISO9000:2015 certified and has been refined over a number of years. During the year, SEK 59.276 M (56.447) in project development expenses were capitalized.

Outlook for 2023

Previously announced customer contracts together with new business transactions are expected to contribute to considerable sales growth during the year. The continued optimization of costs and investments, along with growth in net sales, is expected to accelerate Siverts' progress to profitability.

Net sales growth in 2023 is forecast to be at least 100%. Net sales growth may, however, vary from quarter to quarter as a result of individual transactions. Furthermore, Siverts is expected to achieve a positive adjusted EBITDA in the latter half of 2023.

Parent Company

In the first quarter of 2022, the Parent Company acquired all shares in MixComm Inc. (see further information in Note 33), which increased shares in Group companies. Furthermore, the Parent Company's financial income increased as a result of the reversal of the aforementioned contingent consideration.

The share and ownership structure

Siverts Semiconductors' share capital was divided over 213,954,244 (174,766,924) shares with a quotient value of SEK 0.50 as of December 31, 2022. These shares comprise 212,854,244 ordinary shares, each with a voting right of 1.0, and 1,100,000 Class C shares, each with a voting right of 0.1. The Class C shares are held by the Company for uses including the exercise of stock option programs.

In the financial year, 255,000 ordinary treasury shares were transferred under the Company's stock option program against payment of SEK 1.181 M, corresponding to the exercise price for the stock options. The Company had 2,542,860 treasury shares at the end of the financial year. Since June 10, 2021, the share has been trading on Nasdaq Stockholm under the ticker SIVE, ISIN code SE0003917798 and LEI code 254900UBKKNY2EJ588J53.

As of December 31, 2022, Siverts Semiconductors AB (publ) had two owners who each 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. The Company's largest shareholder, Erik Fällström, had a share holding representing 14.58 percent of the votes in the Company.

Proposed appropriation of earnings (SEK 000)

The following funds are at the disposal of the Annual General Meeting

Share premium reserve	1,704,261
Retained earnings	-404,740
Profit/loss for the year	-34,933
Total	1,264,588

The Board of Directors proposes that the following funds are carried forward: 1,264,588

With regard to the Parent Company's and Group's results of operations and financial position, please refer to the Financial Statements and Notes below. All amounts are in SEK thousand unless otherwise indicated.

Corporate Governance Report

Corporate governance refers to the decision-making systems through which the owners, directly or indirectly, control the Company. For Sivers Semiconductors AB (“Sivers” or “the Company”), whose business operations are largely based on future income and earnings, good corporate governance is not just a matter of having good control of its organization, but is a critical part of the core business.

Sivers is a Swedish public limited company with its registered office in Stockholm, Sweden. Corporate governance is based on the Swedish Companies Act, the Articles of Association, the obligations resulting from listing on Nasdaq Stockholm, the Swedish Corporate Governance Code (“the Code”) and other applicable laws and regulations. Corporate governance includes a regulatory framework and decision hierarchy intended to lead operations in the Company in a controlled manner, with the aim of satisfying the owners’ requirements for return on invested capital.

Sivers seeks to ensure a high standard by maintaining clarity and simplicity in the Company’s management systems and control documents. The governance, management and control of Sivers is divided between shareholders at the Annual General Meeting, the Board of Directors, the CEO and the auditors in accordance with the Swedish Companies Act and the Articles of Association. Increased openness and transparency provides good insight into the Company’s operations, which contributes to effective governance.

Sivers’ application of the Code

The Company has not deviated from the Code, stock market regulations or good stock market practice. Furthermore, the Company has not been the subject of decisions by Nasdaq Stockholm’s Disciplinary Board, or decisions relating to breaches of accepted stock market practice by the Swedish Securities Council.

Shareholders

The Sivers share has been listed on Nasdaq Stockholm since June 10, 2021. There are two share classes in Sivers, ordinary shares and Class C shares. Ordinary shares can be issued at a maximum corresponding to 100 percent of the share capital. Class C shares can be issued at a maximum corresponding to 10 percent of total share capital. As of December 31, 2022, Sivers’ share capital amounted to SEK 106,977,123 divided over 213,954,244 shares, of which 212,854,244 were ordinary shares and 1,100,000 class C shares, each with a quotient value of SEK 0.50. There were approximately 21,000 shareholders at year end. Swedish institutional investors held some 16 percent at year end. 88 percent of the shares were nominee registered and 12 percent were registered directly. As of December 31, 2022 the Company’s largest shareholder, Erik Fällström, had a share holding representing 14.6 of the votes in the Company. There were no other shareholders in the Company with a holding corresponding to more than 10 percent of the votes represented by all the shares in the Company.

Annual General Meeting

The Annual General Meeting is the Company’s highest decision-making body. The AGM elects the Company’s Board of Directors and auditors, adopts the accounts, decides how profits should be allocated and

decides on discharge from liability for the Board and the CEO. The AGM also addresses other matters that are mandatory under the Swedish Companies Act and the Articles of Association. All shares in Sivers have the same voting rights, and there are no limitations in the Articles of Association regarding the number of votes a shareholder can exercise at the AGM.

The 2022 AGM was held on May 19 in Stockholm. The date of the AGM was published in the notice of the AGM on April 13, 2022. Registered shareholders representing 35.1 percent of the shares and votes in the Company were present at the AGM. The ongoing Covid-19 pandemic implied limitations to the possibility of arranging public gatherings. Participation in the Annual General Meeting was by postal ballot only.

AGM decisions

The main resolutions of the Annual General Meeting 2022 are listed below:

Re-election of Board members Tomas Duffy, Ingrid Engström, Erik Fällström, Lottie Saks, Todd Thomson and Beth Topolovsky. Tomas Duffy was re-elected Chairman of the Board.

The AGM resolved to introduce a share savings program that will cover Group management and certain key employees. To take part in the share savings program, participants must purchase ordinary shares in the Company (“Savings Shares”) at market price on Nasdaq Stockholm during the period May 20, 2022 – June 20, 2022 (“the Investment Period”). The share savings program comprises a maximum of 412,500 Savings Shares, which carry entitlement to a maximum of 2,062,500 Performance Shares corresponding to approximately 0.98 percent of the number of ordinary shares and votes outstanding after dilution. The proposed term of the share savings program is three years starting from June 21, 2022 (“the Savings Period”). The share savings program also includes performance covenants in relation to annual growth in the Group’s net sales and total return on the Company’s share price.

Deloitte was re-elected as the Company’s auditor and Zlatko Mehinagic was elected Auditor in Charge.

Minutes and other documentation from the Annual General Meeting are available on the Company’s website www.sivers-semiconductors.com.

Board authorization:

The Annual General Meeting on May 19, 2022 unanimously resolved to authorize the Board, on one or more occasions in the period until the next Annual General Meeting, to decide to issue a maximum of 2,475,000 new Class C shares, each with a quotient value of SEK 0.50, corresponding to approximately 1.15 percent of the number of ordinary shares issued and votes after dilution. The calculated total number of Performance Shares referred to under Point 14 a above is 2,062,500. The Board aims to be able to transfer the surplus Class C shares, amounting to 412,500 shares or approximately 20 percent of the total number of Performance Shares, in order to ensure liquidity for the payment of social security expenses attributable to the share savings program. Departing from shareholders’ preferential rights,

a bank or securities company shall be able to subscribe for the new shares at a subscription price corresponding to the quotient value.

The Annual General Meeting also resolved to authorize the Board, on one or more occasions in the period until the next Annual General Meeting, to decide to repurchase Class C shares. Such repurchase may only take place through an offer directed at all holders of Class C shares, and shall cover all outstanding Class C shares, which must be purchased at a price corresponding to the shares' quotient value. The purchased shares must be paid for in cash.

The Annual General Meeting also resolved to authorize the Board, on one or more occasions in the period until the next Annual General Meeting, to transfer ordinary treasury shares as set out below. Transfer of ordinary shares may take place on Nasdaq Stockholm, provided the Company's ordinary shares are listed for trading on such a regulated market at a price within the share price range registered at that time, i.e. the range between the highest bid price and the lowest ask price. The number of shares transferred may not exceed the number of ordinary shares required in order for the Company to ensure the payment of social security expenses attributable to all the Company's incentive programs. Shares may also be transferred outside Nasdaq Stockholm to a bank or securities company, with deviation from shareholders' preferential rights. Such transfer may be carried out at a price corresponding to the market rate at the time of the transfer of the ordinary shares, subject to a market-based issue discount deemed suitable by the Board. The authorization may be utilized on one or more occasions up until the next Annual General Meeting.

On February 22, 2022, the Company completed the acquisition of all the shares in MixComm, Inc. ("MixComm"), a US challenger in the development of chips for 5G millimeter wave technology. The purchase consideration for the acquisition was paid partly in the form of a cash payment of USD 22.5 million, and partly through the issue of 39,187,320 new ordinary shares in the Company, corresponding to a dilution of approximately 18.3 percent (based on the number of issued shares after completion). In addition, the sellers are entitled to a performance-based earn-out of up to 6,993,007 new ordinary shares in the Company, subject to the achievement of certain commercial customer milestones within nine months from signing the acquisition agreement.

Based on the above, the Annual General Meeting unanimously resolved to authorize the Board, on one or more occasions in the period until the next Annual General Meeting, to decide to issue a maximum of 6,993,007 ordinary shares, with deviation from shareholders' preferential rights, for the payment of any performance-based remuneration attributable to the acquisition of MixComm.

The Annual General Meeting resolved, with the requisite majority, to authorize the Board, on one or more occasions in the period until the next Annual General Meeting, with or without deviation from shareholders' preferential rights, to decide to complete new issues of shares and/or convertibles implying the issue of or conversion to a total maximum of 32,000,000 shares, corresponding to a dilution effect of approximately 15.0 percent of the share capital and votes, based on the total number of shares in the Company. Payment for shares and/or convertibles subscribed for shall be made in cash, in the form of a non-cash issue or through offset.

Nomination Committee

Regulations governing the establishment of a Nomination Committee can be found in the Code. The Nomination Committee is the Annual

General Meeting's body with the sole task of preparing the Meeting's decisions on matters relating to election and fees and, where applicable, procedural matters for the forthcoming Nomination Committee. The Annual General Meeting on May 19, 2020 decided to adopt the principles for the appointment of the Nomination Committee, and the instructions for the Nomination Committee shall apply until further notice. According to these, the Nomination Committee shall comprise four members, one of whom is appointed by each of the three largest shareholders in terms of votes and the Chairman of the Board. The Nomination Committee shall be constituted based on shareholder statistics from Euroclear Sweden AB as of the final banking day in August in the year prior to the Annual General Meeting and other reliable shareholder information provided to the Company at that time. When assessing which parties shall be deemed the three largest shareholders in terms of votes, a group of shareholders shall be considered to comprise a single owner if the parties (i) are grouped as a single owner in the Euroclear Sweden system or (ii) have published information, and provided written confirmation to the Company of such information, relating to a written agreement regarding the coordinated exercise of voting rights with the aim of assuming a joint, long-term stance regarding the Company's management.

The Chairman of the Board shall, as soon as the information regarding the largest shareholders in terms of votes has been determined, contact the largest owners to inquire whether they wish to appoint members of the Nomination Committee. If one or more of the three largest owners in terms of votes refrain from appointing a representative to the Nomination Committee, the Chairman of the Board shall offer other major shareholders the opportunity to appoint a member of the Nomination Committee. If such an offer is made, it shall be passed on, in order of size, to the largest owners in terms of votes. The names of members of the Nomination Committee and the names of the shareholders that have appointed members of the Nomination Committee shall be published no later than six months before the Annual General Meeting. The Nomination Committee shall appoint the Chairman of the Committee at its inaugural meeting. The Chairman of the Board shall convene the inaugural meeting of the Nomination Committee. The Chairman of the Nomination Committee shall, unless members agree otherwise, be the member appointed by the largest shareholder in terms of votes. The mandate period of the Nomination Committee spans the period until a new Nomination Committee has been appointed.

If any of the shareholders who have nominated a member to the Nomination Committee divests a significant proportion of their shareholding in the Company before the work of the Nomination Committee has been completed, the Nomination Committee may decide that the member such shareholder has nominated shall be relieved from the Nomination Committee and replaced with a new member to be nominated by such shareholder who is, at the time, the largest shareholder in terms of votes and who is not already represented on the Nomination Committee. The Nomination Committee shall also have the right to decide to increase the number of members of the Nomination Committee, and thereby offer new major shareholders the opportunity to appoint members to the Nomination Committee in order to better reflect the current ownership of the Company, or to maintain continuity in the work of the Nomination Committee. A shareholder who has appointed a member of the Nomination Committee is entitled to relieve the member and appoint a new member. A shareholder

shall also be able to appoint a new member if the member appointed by the shareholder is removed from the Nomination Committee. Changes to the composition of the Nomination Committee shall be announced without delay.

The Nomination Committee shall, in connection with its work, otherwise complete the tasks due to the Nomination Committee under the Code. No remuneration is payable to the members of the Nomination Committee. On request by the Nomination Committee, the Company shall provide personnel resources, such as a secretarial function, to the Nomination Committee in order to facilitate the Committee's work. When required, the Company shall also assume responsibility for reasonable expenses for external consultants deemed necessary by the Nomination Committee to complete its assignments.

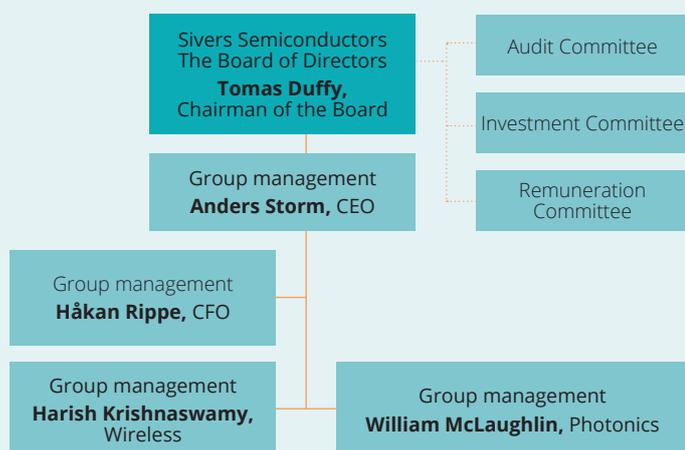
During the year, the Nomination Committee comprised Joachim Cato, Chairman of the Committee and appointed by Erik Fällström, Monica Åsmyr, appointed by Swedbank Robur Fonder AB, Todd Thomson, appointed by Kairo Ventures and Tomas Duffy, Chairman of Siverson.

The Board of Directors

The Board's responsibilities and tasks

After the AGM, the Board is the Company's highest decision-making body. The Board is also the Company's highest executive body and the Company's representative. Furthermore, according to the Companies Act, the Board is responsible for the Company's organization and the management of the Company's business, and shall continuously evaluate the Company's and the Siverson Group's ("the Group's") financial situation and ensure that the Company's organization has been designed to ensure satisfactory control of bookkeeping, fund management and the Company's financial position generally. The Chairman of the Board

The Board and management of Siverson Semiconductors



has a special responsibility to lead the work of the Board and ensure that the Board completes its statutory duties.

The Board's tasks include determining the Company's overarching goals and strategies, monitoring major investments, ensuring satisfactory control of the Company's compliance with laws and other regulations relevant to the Company's business, and ensuring the Company's compliance with internal guidelines.

The Board's tasks also include ensuring that the Company's disclosure of information to the market and investors is transparent, accurate, relevant and reliable, as well as to appoint, evaluate and, where required, discharge the Company's CEO.

Composition of the Board

The Board's registered office is in Stockholm, Sweden. According to the Company's Articles of Association, the Company's Board shall consist of a minimum of three and a maximum of nine members with a maximum of seven deputies. The Board comprises members Tomas Duffy (Chairman), Ingrid Engström, Erik Fällström, Lottie Saks, Todd Thomson and Beth Topolovsky.

Board members are elected annually at the Annual General Meeting for the period until the next Annual General Meeting. There is no limit to how long a member can be on the Board. The Board currently consists of six regular members elected for the period until the end of the Annual General Meetings scheduled for 2023. The composition of the Board, which includes members with varying backgrounds and a broad range of experience, means that Board members have the expertise required for their Board duties, which include matters relating to strategy, management and structural transactions. This also means that management receives effective support from individual Board members in its contacts with important customers and on matters relating to politics, economics, accounting, finance, law, organization and marketing.

The Board's work in the year

The Board meets regularly according to a schedule set out in the Rules of Procedure, which contains certain fixed decision-making points and certain decision-making points to be raised as and when required. During 2022, the Board held eight regular Board meetings, three extra Board meetings and one statutory Board meetings. Questions requiring in-depth analysis and discussion were prepared by the relevant committees.

On given occasions, the agenda included an item giving the Board the opportunity for discussion without representatives of management being present. The minutes taken at these meetings are records of decisions and are kept by the Company's CFO, who is also Secretary of the Board. Ahead of each Board meeting, the Board receives written supporting documentation for the discussions and decisions to be addressed.

	Independent of:		Directors' fees 2022	Fees for work beyond		Attendance at Board meetings 2022
	Siverson Semiconductors and its senior executives	Major shareholders		Board duties		
Tomas Duffy	Yes	Yes	X	–	12/12	
Erik Fällström	Yes	No	–	–	11/12	
Ingrid Engström	Yes	Yes	X	–	11/12	
Lottie Saks	Yes	Yes	X	–	12/12	
Beth Topolovsky	Yes	Yes	X	–	12/12	
Todd Thomson	Yes	Yes	–	–	9/12	

Each regular Board meeting includes an update on business conditions, market, competitive situation and financial performance. During the year, matters such as organization, skills requirements, economic trends and acquisitions were also addressed. The CEO regularly submits reports to the Board during the year. These reports address the market, operations and financial performance. These reports are compiled by the CEO.

The Board's Rules of Procedure

The Board works according to written Rules of Procedure, in accordance with the Companies Act, which shall be evaluated, updated and determined annually. The Rules of Procedure determine the division of the Board's work between the Board and its committees, and between the Board and the CEO. According to the Rules of Procedure, the Board shall make decisions regarding operational targets, strategy and overarching organization, appoint the CEO and evaluate the CEO's work, set guidelines for the Company's actions in society in order to ensure long-term value creation, adopt the Annual Report and other external financial reports, important policies and authorization instructions, determine rules for internal control, monitor the effectiveness of internal control, and evaluate the Board's work. The Board has established an Audit Committee in accordance with the Companies Act and a Remuneration Committee in accordance with the Code. In addition, the Board has established an Investment Committee.

Evaluation of the Board's work

The Board shall perform an annual evaluation of its work, in order to ensure the continued effective functioning of the Company's Board of Directors. The annual Board evaluation takes place by Board members responding to a questionnaire, which includes space for individual comments. They are compiled by the Chairman, and a discussion and evaluation of the Board's work subsequently take place in connection with a Board meeting. The most recent evaluation was carried out on May 11, 2022. The conclusions drawn from the evaluation are reported to the Nomination Committee and lead to improvements in the Board's working methods.

Audit Committee

In 2022, the Audit Committee was comprised of Lottie Saks (Chairman), Tomas Duffy and Ingrid Engström. The Audit Committee met on four occasions in 2022. The Audit Committee also met with the Company's auditors. Matters addressed in 2022 include control documents, internal financial reporting, audit review, budget, cash flow and financing issues, integration of acquisitions and financial systems, review of the outcome of the auditor's review of the operations, questions related to the Company's Interim Reports and questions related to internal control. All the Audit Committee members were present at all meetings in 2022.

Remuneration Committee

In 2022, the Remuneration Committee was comprised of Tomas Duffy (Chairman), Erik Fällström and Ingrid Engström. During the year, the Remuneration Committee produced a proposal for an incentive program that was presented to the Annual General Meeting 2022. In addition, the Committee produced a proposal regarding salary, other remuneration and terms of employment for the CEO, and prepared the Board's decision regarding proposed guidelines for remuneration to senior executives. The Remuneration Committee had four meet-

ings during the year. All the Remuneration Committee members were present at all meetings in 2022.

Investment Committee

In 2022, the Investment Committee comprised Tomas Duffy (Chairman), Lottie Saks and Beth Topolovsky. The task of the Investment Committee is to evaluate Sivers' potential, ongoing and completed investments. During the year, the Committee worked on analysis and in-depth review of forthcoming investments.

The Investment Committee held one meeting in the year where all members of the Committee were present.

Auditors

The Company's auditor, Deloitte AB, was appointed by the Annual General Meeting on May 19, 2022 with Zlatko Mehinagic as Auditor in Charge. During the year, the Company's auditor, in addition to auditing the Company's accounts, also reviewed the Interim Reports for the period January–September 2022.

Internal control of financial reporting To ensure that financial reporting on each reporting occasion provides a true and fair view, the Company conducts control activities that involve all levels of the organization, including the Board, management and other employees. Financial control of the Company's business processes includes authorization of business transactions, daily account reconciliation and analytical review of the Income Statement and Balance Sheet, including follow-up on decisions made. The Board and the Audit Committee review all Interim Reports before publication.

The Board of Directors and management continuously monitor the effectiveness of internal control to ensure the quality of financial reporting processes. The Company's financial situation and strategy regarding the financial position are addressed at each Board meeting, where the Board receives detailed reports on business developments.

Sivers Semiconductors is the Parent Company of the Group, which as of December 31, 2022 consists of five wholly-owned subsidiaries, Sivers Wireless AB and Trebax AB in Sweden, Sivers Photonics Ltd. in Scotland, and Sivers Semiconductors Corp. and Sivers Semiconductors Inc in the US. The Swedish Parent Company is responsible for Group-wide functions such as accounts, investor relations and IT. The Group's operations are mainly conducted in the two subsidiaries Sivers Wireless AB ("Wireless") and Sivers Photonics Ltd ("Photonics").

Sivers' operations are conducted in Sweden, Scotland and the US. To ensure efficient operations, Sivers has a flat organization which benefits the local operations in each market and the development phases of individual companies. The subsidiaries regularly report on their results and operations to Group management.

Group management consists of the CEO, CFO and AO, responsible for Wireless and Photonics respectively, who have continuous contact in operational matters regarding monthly follow-up of results, financial position and key figures.

In 2022, the following focus areas were discussed:

- Strategy and R&D
- Sales
- Development of new products and services
- Operational efficiency & profitability improvements

Investment decisions and external financing matters are handled by the Board and Investment Committee.

The Board of Directors



Tomas Duffy *Chairman of the Board*

Born: 1955

Elected to the Board: 2016

Nationality: Swedish

Education: M.Sc. (Eng.) and Technical licentiate, Royal Institute of Technology.

Other Board assignments: Board member Stella Tech AB.

Previous Board assignments: Chairman of the Board, Qall Telcom AB, Telia Norge. Board member, Trio AB, Telenor AB, Svenska IT-Institutet. Commitment shareholder, Sevensco KB.

Other experience: Business Unit Manager for large companies, Exportkreditnämnden. VP, Telia responsible for mobile and fixed line. CEO, Mannesmann International Telecom, Net Insight, Halogen AB, AU System Communication AB.

Independent in relation to Sivers Semiconductors and its management: Yes

Independent in relation to major shareholders: Yes

Own and closely related persons' shareholdings on December 31, 2022: 1,150,000 shares, 0 options.



Ingrid Engström *Board member*

Born: 1958

Elected to the Board: 2015

Nationality: Swedish

Education: Master of Applied Psychology, Uppsala University.

Other Board assignments: Board member SJR in Scandinavia AB. Chair Engström Business Development, Unibap AB and Mind.

Previous Board assignments: Chair Netlight Consulting AB. External CEO, Stockholm School of Economics Executive Education AB. Chair of the Board, Bisnode AB, Bisnode Business Information Group AB, Springtime AB. Board member, KVB Kvarndammen Gruppen AB, Metria AB, Teracom Group AB, FIPRA Sweden AB, Hedberg & Co in Stockholm AB. External signatory, SEB AB.

Other experience: CEO, Vice President and other senior positions, Telia, KnowIT, Com Hem, Digital Equipment, Springtime, SEB.

Independent in relation to Sivers Semiconductors and its management: Yes

Independent in relation to major shareholders: Yes

Own and closely related persons' shareholdings on December 31, 2022: 44,000 shares, 0 options.



Erik Fällström *Board member*

Born: 1961

Elected to the Board: 2017

Nationality: Swedish

Education: Stockholm School of Economics.

Other Board assignments: Chairman AEDC Capital Ltd, DDM Holding AG, EDC Advisors Ltd and Omnio London Ltd

Previous Board assignments: Board member, Olympus S.A., Hoist Kredit AB. CST Global Ltd

Other experience: Management consulting, corporate finance, venture capital and private equity.

Independent in relation to Sivers Semiconductors and its management: Yes

Independent in relation to major shareholders: No

Own and closely related persons' shareholdings on December 31, 2022: 31,203,352 shares held privately and through associated companies. 0 options.

The Board of Directors



Lottie Saks *Board member*

Born: 1967

Elected to the Board: 2021

Nationality: Swedish

Education: M.Sc. (Econ.) Uppsala University

Previous Board assignments: Chair Haldex i Halmstad Aktiebolag, Haldex Holding AB, Haldex Financial Services AB, Haldex Financial Services Holding AB, Haldex Traction Holding II AB and JSB Hesselman Aktiebolag. Board member Cint AB, OneMed Products AB, OneMed Treasury AB, OneMed Sverige AB, Cidron Ross AB, Cint Intressenter I AB, Cint Intressenter II AB, Cint Intressenter III AB, RTh Holdco AB and TomB Holdco AB.

Other experience: CFO and Director of Finance in a number of major companies. CFO of Haldex, listed on Nasdaq Stockholm. Previous experience includes CFO at Cint, CFO OneMed, CFO Telenor Connexion, Johnson & Johnson and OMX Technology Financial Market.

Independent in relation to Sivers Semiconductors and its management: Yes

Independent in relation to major shareholders: Yes

Own and closely related persons' shareholdings on December 31, 2022: 0 shares, 0 options.



Todd Thomson *Board member*

Born: 1961

Elected to the Board: 2021

Nationality: American

Education: Master of Business Administration from University of Pennsylvania – The Wharton School, Bachelor of Economics from Davidson College.

Other Board assignments: Board member Dynasty Financial Partners LLC, Century Bank (NM), CNAQ, Linnaeus Therapeutics Inc, MixComm Inc., Amorphology Inc, NeuroBio Ltd, Delpor Inc, PteroDynamics Inc and FastDetect Inc.

Previous Board assignments: Chairman of Dynasty Financial Partners LLC, Board member of Cyren Ltd.

Other experience: CFO of Citigroup and CEO of Citigroup's Global Wealth Management division. Experience from GE Capital, Bain & Co., Booz Allen Hamilton and Barents Group, as well as several investment committees.

Independent in relation to Sivers Semiconductors and its management: Yes

Independent in relation to major shareholders: Yes.

Own and closely related persons' shareholdings on December 31, 2022: 0 shares, 0 options.



Beth Topolovsky *Board member*

Born: 1961

Elected to the Board: 2020

Nationality: American

Education: BSEE, Electrical/Electronic Engineering, San Francisco State University.

Other Board assignments: American Chamber of Commerce in Sweden, The Turnaround Management Association in Sweden.

Other experience: Founder and CEO of Spark Group AB, a consulting firm specialized in corporate transformation in the tech industry. Over 25 years' experience of senior positions and technical experience from Cisco Systems, Hewlett-Packard and KLA-Tencor. Co-founder and CEO of Q2 Labs AB, Chief Operating Officer positions in Transmode and Tilgin.

Independent in relation to Sivers Semiconductors and its management: Yes

Independent in relation to major shareholders: Yes

Own and closely related persons' shareholdings on December 31, 2022: 5,000 shares, 0 options.

Group Management



Anders Storm *Group CEO*

Born: 1967

Employed since: 2015

Nationality: Swedish

Education: M.Sc. in Computer Science, Lund University of Technology

Experience: CEO of SiVERS Semiconductors since August 2016. Anders Storm has held various leading positions in major corporations such as Sony Ericsson, HIQ and ABB and as VP Engineering & Operations at Birdstep Technologies before joining SiVERS Semiconductors as COO in February 2015.

Holdings in SiVERS Semiconductors AB (publ) on December 31, 2022: 409,046 shares, 725,000 options.



Håkan Rippe *Group CFO*

Born: 1968

Employed since: 2021

Nationality: Swedish

Education: M.Sc. (Eng.), Industrial Economics, Chalmers Institute of Technology

Experience: CFO of SiVERS Semiconductors since September 2021. Håkan Rippe's career spans 27 years in private equity and listed tech companies. He has taken part in several growth journeys and managed a significant number of acquisitions and capital markets transactions. He previously held the position of CFO at Enea and Clavister, as well as senior positions with companies such as IBM and Telelogic.

Holdings in SiVERS Semiconductors AB (publ) on December 31, 2022: 375,000 shares, 0 options.



William McLaughlin *MD SiVERS Photonics*

Born: 1969

Employed since: 2019

Nationality: British, UK

Education: B.Eng. (Hons) Electronics and Engineering, University of Glasgow. M.Sc. Product design and Manufacturing, University of West Scotland.

Experience: CEO SiVERS Photonics Ltd. William ("Billy") McLaughlin joined SiVERS from an advanced start-up in display platforms, SmartKem, where he was COO. He has previously held leading positions and Board roles with semiconductor giants Motorola, Global Foundries and Teledyne e2v, as well as key roles in industry start-up Silecs. Billy's extensive experience includes operations, engineering, quality, research and technology, and global applications expertise. Billy studied electronics and electrical engineering at Glasgow University.

Holdings in SiVERS Semiconductors AB (publ) on December 31, 2022: 175,000 shares, 600,000 options.



Harish Krishnaswamy *MD SiVERS Wireless*

Born: 1980

Employed since: 2022

Nationality: Indian

Education: M.Sc. Engineering Physics, University of Southern California

Experience: Harish Krishnaswamy received his B.Tech. degree in electrical engineering from IIT Madras, Chennai, India in 2001, and M.S. and Ph.D. degrees in electrical engineering from the University of Southern California (USC), Los Angeles, CA, USA, in 2003 and 2009, respectively. In 2009, he joined the Electrical Engineering Department, Columbia University, New York, NY, USA, as a professor and Director of the Columbia High-Speed and Millimeter-Wave IC Laboratory (CoSMIC). In 2017, he co-founded MixComm Inc., which was acquired by SiVERS Semiconductors in February 2022. He has received numerous awards in both academic and industrial settings.

Holdings in SiVERS Semiconductors AB (publ) on December 31, 2022: 7,663,371 shares, 0 options.

Guidelines for remuneration to senior executives

The Annual General Meeting in May 2022 decided on the following guidelines for remuneration to senior executives:

Scope and applicability

“Senior executives” are defined as the Group Chief Executive Officer, Group Chief Financial Officer, Managing Director Photonics and Managing Director Wireless.

The remuneration guidelines also apply to Board members to the extent they receive remuneration in addition to Board assignments. The guidelines apply to remuneration that has been decided, and changes to already decided remuneration, after the guidelines were adopted by the Annual General Meeting 2022. The guidelines do not apply to remuneration decided or adopted by the Annual General Meeting.

Promoting Siverts Semiconductors’ business strategy, long-term interests and sustainability

The Siverts Semiconductors Group is an international supplier of advanced 5G systems for data and telecommunications networks and optical products for 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, and data and wireless networks.

The successful implementation of Siverts Semiconductors’ business strategy and long-term interests, including its sustainability, is dependent on Siverts Semiconductors being able to continue to recruit and retain qualified employees. To ensure this, the remuneration system to senior executives and other employees must be on market terms and competitive.

These guidelines allow senior executives to be offered competitive total remuneration.

Siverts Semiconductors has outstanding long-term incentive programs that have been decided by the Annual General Meeting and are therefore not encompassed by these guidelines. The performance requirements used to evaluate the outcome of Siverts Semiconductors’ long-term incentive program are clearly linked to long-term value creation, including sustainability. These performance requirements are currently linked to average growth in Group net sales over a 3-year period. The programs also have a vesting period of 3 years. For more information about these programs, see Note 28 in the Group’s Annual Report.

Forms of remuneration, etc.

Remuneration to senior executives can include fixed salary, variable remuneration, pension and other customary benefits. In addition, the Annual General Meeting can, independently of these guidelines, decide on share-based and share price-based payments.

Fixed salary shall be on market terms and is determined individually based on the individual’s role, performance, results and responsibilities. As a main rule, fixed salary shall be re-evaluated annually. Variable remuneration shall take into account the individual’s degree of responsibility and authority. Variable remuneration shall be based on targets met in terms of net sales and operating profit (EBIT) and “soft” individual goals linked to strategic and/or functional goals that are individually adapted based on responsibility and function. These goals shall be designed to contribute to promoting Siverts Semiconductors’ business strategy and long-term interests, including sustainability. The scale of variable remuneration shall be based on the degree to which individual employees meet these targets. Variable remuneration shall be subject to a maximum of 100 percent of annual fixed salary.

The evaluation relating to meeting targets shall be carried out at the end of the measurement period and based on supporting financial documentation for the relevant period. Variable cash remuneration can be paid after the end of the measurement period or be subject to deferred payment.

Pension and other benefits

Senior executives shall benefit from a pension plan corresponding to the cost of the ITP plan.

Other benefits may include health insurance, cell phone, meals and company car, and shall be payable to the extent they are deemed to be on market terms.

Termination of employment

In connection with termination of a senior executive’s employment on the part of the Company, severance pay with unchanged terms shall apply for a maximum period of six months, plus a non-pensionable redundancy payment of a maximum of nine months’ salary. The notice period for senior executives shall be six months.

Consultancy fees to Board members

In cases where Board members carry out work in addition to customary Board work, in special circumstances the Board shall be able to decide to pay additional remuneration in the form of consultancy fees.

Salary and employment terms for employees

When preparing the Board’s proposal for these remuneration guidelines, salary and employment terms for the Company’s employees have been considered by taking into account information regarding employees’ total remuneration, the components of the remuneration and the increase and rate of increase over time of the remuneration in the Remuneration Committee’s and Board’s decision-making data for the evaluation of the fairness of the guidelines and ensuing limitations.

Remuneration Committee

The Board's Remuneration Committee, which consists of three Board members including the Chairman of the Board, who is also Chairman of the Remuneration Committee, addresses and prepares remuneration matters relating to senior executives.

The remuneration Committee prepares and produces decision proposals relating to remuneration and employment terms for the Group Chief Executive Officer, which are presented to the Board for decision. The Board evaluates the work carried out by the Group Chief Executive Officer annually.

The Remuneration Committee's tasks include to prepare the Board's decisions on proposed guidelines for remuneration to senior executives. The Board shall prepare proposals for new guidelines at least every four years and present the proposal for decision by the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also follow and evaluate the program for variable remuneration and applicable remuneration structures and remuneration levels in Sivers Semiconductors. During the Board's decision-making process related to remuneration, the Group Chief Executive Officer or other members of management are not present if they are affected by the matters addressed.

Deviation from the guidelines

The Board shall have the right to temporarily deviate from these guidelines if, in individual cases, there are specific reasons and deviation is necessary to safeguard Sivers Semiconductors' long-term interests, including its sustainability, or to ensure Sivers Semiconductors' financial viability, such as additional variable remuneration in connection with specific performance.

Consolidated Income Statement

SEK 000	Note	2022	2021
Net sales	4	132,607	90,652
Other operating income		8,295	7,196
Capitalized work on own account		59,276	56,447
Raw materials and consumables		-48,922	-30,638
Other external expenses	7	-99,585	-119,077
Personnel costs	6	-125,364	-111,765
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets		-111,403	-33,756
Operating profit/loss		-185,096	-140,941
Profit from financial items			
Financial income	8	94,716	5,284
Financial expenses	8	-13,248	-3,355
Profit before tax		-103,628	-139,012
Income tax	9	17,244	5,308
Profit/loss for the year		-86,384	-133,704
Attributable to:			
Parent Company shareholders		-86,384	-133,704
Earnings per share (SEK)			
Before dilution	10	-0.41	-0.83
After dilution	10	-0.41	-0.83

Consolidated Statement of Comprehensive Income

SEK 000	Note	2022	2021
Profit/loss for the year		-86,384	-133,704
Other comprehensive income			
Items to be reclassified to profit and loss			
Exchange rate differences from translation of foreign operations		85,216	7,274
Total comprehensive income for the year		-1,168	-126,430
Attributable to:			
Parent Company shareholders		-1,168	-126,430

Consolidated Statement of Financial Position

SEK 000	Note	12/31/2022	12/31/2021
ASSETS			
Non-current assets			
Goodwill	11	401,673	134,812
Other intangible assets	11	193,122	-
Capitalized development expenses	11	705,247	184,212
Property, plant and equipment	12,13	102,595	101,542
Other assets		352	169
Total non-current assets		1,402,989	420,735
Current assets			
Inventories	15	28,985	23,496
Accounts receivable	16	42,325	23,152
Current tax receivables		6,290	5,724
Other receivables	17	9,524	7,763
Prepaid expenses and accrued income	18	25,294	14,272
Other current financial assets	31	8,519	152,119
Cash and cash equivalents	26	47,174	304,117
Total current assets		168,111	530,643
TOTAL ASSETS		1,571,100	951,379

SEK 000	Note	12/31/2022	12/31/2021
EQUITY AND LIABILITIES			
Share capital	19	106,977	87,383
Other contributed capital	19	1,704,259	1,283,785
Translation reserve	19	92,632	7,416
Retained earnings including profit/loss for the year		-663,789	-579,682
Equity attributable to Parent Company shareholders		1,240,079	798,903
Total equity		1,240,079	798,903
Non-current liabilities			
Bank borrowing	20	7,000	11,000
Deferred tax liability	21	156,885	84
Provisions	22	1,172	7,161
Leasing liabilities	23	21,474	25,098
Other non-current liabilities		3,524	5,632
Total non-current liabilities		190,055	48,975
Current liabilities			
Convertible debt	31	44,493	-
Bank borrowing	20	4,000	4,000
Accounts payable		39,262	21,830
Leasing liabilities	23	6,913	5,364
Other liabilities	24	14,265	6,360
Accrued expenses and deferred income	25	32,033	65,947
Total current liabilities		140,966	103,501
Total liabilities		331,021	152,476
TOTAL EQUITY AND LIABILITIES		1,571,100	951,379

Consolidated Statement of Changes in Equity

SEK 000	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/loss for the year	Total equity attributable to Parent Company shareholders	Total equity
Opening balance Jan 1, 2021	77,223	904,565	142	-450,004	531,925	531,925
Profit/loss for the year				-133,704	-133,704	-133,704
Total other comprehensive income			7,274		7,274	7,274
Total comprehensive income			7,274	-133,704	-126,430	-126,430
Transactions with shareholders:						
New issue	10,161	391,489			401,650	401,650
Issue expenses		-12,269			-12,269	-12,269
Change in treasury shares				-605	-605	-605
Share-based payments				4,631	4,631	4,631
Total transactions with shareholders	10,161	379,220		4,026	393,407	393,407
Closing balance Dec 31, 2021	87,383	1,283,785	7,416	-579,682	798,903	798,903

SEK 000	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/loss for the year	Total equity attributable to Parent Company shareholders	Total equity
Opening balance Jan 1, 2022	87,383	1,283,785	7,416	-579,682	798,903	798,903
Profit/loss for the year				-86,384	-86,384	-86,384
Total other comprehensive income			85,216		85,216	85,216
Total comprehensive income			85,216	-86,384	-1,168	-1,168
Transactions with shareholders:						
Non-cash issue	19,595	421,262			440,857	440,857
Issue expenses		-788			-788	-788
Change in treasury shares				1,181	1,181	1,181
Share-based payments				1,096	1,096	1,096
Total transactions with shareholders	19,595	420,471		2,277	442,346	442,346
Closing balance Dec 31, 2022	106,977	1,704,259	92,632	-663,789	1,240,079	1,240,079

Consolidated Statement of Cash Flow

SEK 000	Note	2022	2021
Operating profit/loss	26	-185,096	-140,941
Adjustments for non-cash items			
Depreciation/amortization and impairment		111,403	33,756
Changes in provisions		-5,794	-6,779
Other		603	3,271
Interest received		5,717	370
Interest paid		-11,932	-2,485
Paid tax		4,177	4,911
Cash flow from operating activities before change in working capital		-80,922	-107,896
Cash flow from change in working capital			
Increase (-) / decrease (+) in inventories		-663	-8,115
Increase (-) / decrease (+) in operating receivables		-29,631	-7,253
Increase (+) / decrease (-) in operating liabilities		-26,245	40,297
Cash flow from operating activities		-137,461	-82,967
Investing activities			
Acquisition of property, plant and equipment		-13,731	-35,820
Acquisition of intangible assets		-71,278	-56,447
Loans to associated companies		-	-122
Financing of MixComm		-206,475	-18,847
Sales of property, plant and equipment		-	-
Investments in financial instruments		-	-133,772
Sold/matured financial instruments		125,492	-
Cash flow from investing activities		-165,992	-245,008
Financing activities			
Borrowings		50,000	-
Loan amortizations		-4,000	-4,000
Amortization of leasing liabilities and hire purchase loans		-11,190	-8,366
New issue		-	401,650
Issue expenses		-788	-12,269
Repurchase of treasury shares		-	-1,716
Sale/exercise of stock options using treasury shares		1,181	1,111
Cash flow from financing activities		35,203	376,410
Cash flow for the year		-268,250	48,435
Cash and cash equivalents at the beginning of the year		304,117	249,448
Exchange rate difference in cash and cash equivalents		11,307	6,234
Cash and cash equivalents at the end of the year		47,174	304,117

Notes

Note 1

General information

Sivers Semiconductors AB, corporate identity number 556383-9348, is a limited company with its registered office in Kista, Sweden. The Company's head office is located on Torshamnsgatan 48 in Kista, Sweden.

Sivers Semiconductors AB and its subsidiaries ("the Group") develops, manufactures and sells chips, components, modules and subsystems based on advanced, proprietary semiconductor technology in microwave, millimeter-wave and optical semiconductors.

Operations are mainly conducted in the three companies Sivers Wireless AB, Sivers Photonics Ltd and Sivers Semiconductors Inc. Sivers Wireless's head office is located in Kista, Stockholm. The Company also has a development site in Gothenburg. Sivers Photonics' head office and factory are located in Glasgow, Scotland. The Group structure is presented in greater detail in Note 14. Sivers Semiconductors Inc's head office is located in Chatham, USA.

The Financial Statements are presented in SEK thousands (SEK 000).

Note 2

Accounting principles

Basis of accounting

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards), as adopted by the European Union (EU), and interpretations by IFRS Interpretations Committee (IFRIC). The Group also applies the Annual Accounts Act and the Swedish Financial Reporting Board's recommendations RFR 1, Supplementary Accounting Rules for Groups.

The Financial Statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments measured at fair value at the end of each reporting period, as explained in the accounting policies below.

Consolidated Financial Statements

The Consolidated Financial Statements incorporate the Company and entities controlled by it (subsidiaries) as of 31 December each year. Control is achieved when the Group has the power over the investee, is exposed to, or has rights to, variable returns from its involvement with the investee and has the power to affect its returns.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the Financial Statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

The acquirer in a business combination is the party who achieves control over the other party. When the legal acquirer is identified as the acquired party, a reverse acquisition has occurred. The acquisitions of Sivers Photonics Ltd, carried out in 2017, and of MixComm Inc, carried out in 2022, were reverse acquisitions. This means that Sivers Semiconductors AB with subsidiaries was identified as the acquired party.

Acquisitions of businesses are accounted for using the acquisition method. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill

Goodwill is initially recognized and measured as set out above.

Goodwill is not amortized but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognized for goodwill is not reversed in a subsequent period.

Revenue recognition

The Group recognizes revenue from the following major sources:

- Hardware sales
- Development projects (Also referred to as Non Recurrent Engineering "NRE")
- Support contracts

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer in exchange for the transfer of goods or services excluding sales tax. The Group recognizes revenue when it transfers control of a product or service to a customer.

Hardware sales

Within the Wireless segment, the Group sell chips, components, modules and subsystems based on advanced technology for 5G millimeter-wave networks. Within the Photonics segment, the Group sells semiconductor lasers and other semiconductor-based optical products.

For some of the hardware products, mainly within the Wireless business, revenue is recognized at a point in time. This point in time normally occurs when the control over the goods are transferred to the customer, which is equivalent to the time of delivery (in accordance with the shipment terms for the specific contract). A receivable is recognized by the Group when goods are delivered to the customer, as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. Production tests are performed before products are sent to customers.

Revenue is recognized with deductions for estimated volume discounts, and revenue is only recognized to the extent it is very likely that a significant deduction will not occur. Discounts are normally agreed for a predetermined quantity and the deduction amount is calculated based on this quantity. If there is no pre-determined quantity, the discounts are estimated based on historical data.

Within the Photonics segment, the Group also sells hardware products that are manufactured based on specifications from the customer. Such hardware products include wafers and chips. Revenue from these hardware products is recognized over time, based on completion. Completion is normally measured with an output method based on work completed on the basis of a task specification. Completion normally corresponds to the billing date. When that is not the case, a receivable is recognized when completion exceeds billing and a liability is recognized when billing exceeds completion.

Development/NRE projects

Wireless and Photonics include contracts referred to as "NRE"-contracts. Such contracts are development projects where the Group customizes the technology in hardware products to match customer requirements or to develop new products. The aim is to sell the customized/new products in volume once the development project is completed. Should this occur, revenue from volume sales of the products will be allocated to the hardware category.

Considerations for NRE contracts are recognized over time, based on completion. Completion is normally measured with an input method based

on costs incurred. A contract asset is recognized when sales exceed billing and a contract liability is recognized when billing exceeds sales.

Support contracts

Wireless also sells support for the company's hardware products to facilitate for customers to adapt the technology to their products. Support agreements allow customers to embed the Sivers' functionality in their products, which can then be sold on to end customers.

The support contracts have a fixed term and fixed consideration, and revenue is recognized on a straight line basis over the service period. The consideration is recognized as a contract liability when the sale occurs and dissolved on a straight line basis over the service period.

Leasing The Group as lessee

The Group assesses whether a contract constitutes or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and the corresponding lease liability with respect to all lease contracts where it is the lessee.

The lease liability is initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the interest rate implicit in the lease, if this rate can be readily determined. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate applicable at the commencement date;
- amounts expected to be paid by the lessee under residual value guarantees,

any residual value guarantees provided to the lessor by the lessee, closely related parties of the lessee or third parties not associated with the lessor who are deemed financially capable of fulfilling the agreed contractual obligations,

- the exercise price of call options, if the lessee is reasonably certain that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Group's Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a call option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change due to a change in a variable interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. These are subsequently measured at accumulated cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the accumulated cost of the right-of-use asset reflects that the Group expects to exercise a call option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

Right-of-use assets are presented on the same line in the Group's Statement of Financial Position as they would have been classified into if they were owned by the Group.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property, Plant and Equipment" policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

Sale & leaseback

Property, plant and equipment that the Group sells and then leases back is recognized as a sale if the transaction satisfies the requirements for revenue in IFRS 15. If that is not the case, the asset continues to be accounted for as property, plant and equipment and the revenue from the finance company is recognized as a financial liability.

Foreign currency

In preparing the Financial Statements of individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the record date. Non-monetary items carried at fair value that are denominated in foreign currency are translated at the rates prevailing on the date when fair value was determined.

Non-monetary items measured at cost in foreign currency are not translated.

Exchange rate differences are recognized in profit or loss in the period in which they arise except for:

- Exchange rate differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting the Consolidated Financial Statement, the assets and liabilities of the Group's foreign operations are translated at the exchange rate prevailing on the record date. Income and expense items are translated at the exchange rates on the date of transactions, unless exchange rates fluctuate significantly during that period, in which case the average exchange rates for the period are used. Exchange rate differences, if any, are recognized in other comprehensive income and accumulated in foreign currency translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of foreign operations (i.e. a disposal of the Group's entire interest in a foreign operation), all exchange rate differences accumulated in foreign currency translation reserves in respect of that operation that are attributable to the Parent Company shareholders are reclassified to profit or loss.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss under the line item "other operating income" on a systematic basis over the periods in which the Group recognizes as expenses the related costs the grants are intended to cover.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Government grants relating to the acquisition of property, plant and equipment are treated as deferred income and released to profit or loss over the expected useful lives of the assets concerned.

Retirement and severance pay costs

Payments to defined-contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

Pension plans that encompass multiple employers are recognized as defined-contribution if there is insufficient information to recognize the plan as defined-benefit. Currently, the Group only has retirement benefit plans that are recognized as defined-contribution plans.

Short-term and long-term employee benefits

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the end of the reporting period.

Taxes

The income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realized, based on tax laws and rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognized in other comprehensive income or directly in equity. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight line method, on the following bases:

Equipment, tools and installations	5–10 years
Computers	3 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales revenue and book value of the asset and is recognized in profit or loss.

Internally generated intangible assets – research and development expenses

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following conditions have been demonstrated:

- It is technical feasible for the company to complete development of the intangible assets for use or sale;
- The company intends to complete the intangible assets for use or sale;
- The company has the ability to use or sell the intangible assets;
- The company demonstrates how the intangible assets will generate probable future economic benefits;
- Adequate technical, financial and other resources are available to complete the development of and to use or sell the intangible assets; and
- The company has the ability to reliably measure expenditure attributable to intangible assets during development.

The accumulated cost for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible assets first meet the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenses are recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

Amortizations are commenced when the asset is put in use, and the amortization expense is recognized on a straight-line basis over the asset's useful life.

At present, the useful life of intangible assets is 5 years.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated

to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Accumulated cost of inventories comprises all costs for purchasing, manufacture and other costs incurred in bringing the goods to their present location and condition. Net realizable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Financial assets and financial liabilities are recognized in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to a financial instrument measured at amortized cost are added or deducted from the value of the instrument on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments measured at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All recognized financial assets are measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are measured subsequently at fair value through other comprehensive income:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured at fair value through profit or loss.

The Group has accounts receivable, other short-term assets, contract assets and cash that are recognized at amortized cost after deductions for impairments.

The Group has bonds with a term of less than one year, which are not expected to be held to maturity, and which have therefore been recognized at fair value in the Income Statement.

Currently, the Group does not have any financial instruments that are measured at fair value through other comprehensive income.

Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables and contract assets, in line with the simplified model. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to debtors, general economic conditions and an assessment of current and forecast factors at the reporting date, including the time value of money where applicable.

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

The Group considers a breach of financial covenants by the debtor or information produced internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors to be indications that financial assets are generally not recoverable.

Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at fair value through profit or loss.

Financial liabilities measured at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as a liability measured at fair value through profit or loss on the initial reporting date.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative

Financial liabilities at fair value through profit or loss are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss.

Financial liabilities measured at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated at fair value through profit or loss, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability and of recognizing interest income or interest expense in profit or loss in the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including transaction costs and all other premiums or discounts through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

The Group has bank loans, accounts payable, accrued expenses and other short term liabilities that are measured at amortized cost.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, canceled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid is recognized in profit or loss.

Derivative instruments

Initial recognition of derivatives is at fair value on the date a derivative contract is entered into and derivatives are subsequently remeasured at fair value at the end of each reporting period. The resulting profit or loss is recognized in profit or loss immediately, since the Group does not apply hedge accounting.

Derivatives are not offset in the Financial Statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining term to maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months.

Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host, with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Derivatives embedded in hybrid contracts with a financial asset host within the scope of IFRS 9 are not separated. Derivatives embedded in hybrid contracts with hosts that are not financial assets within the scope of IFRS 9 are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contract is not measured at fair value through profit or loss. A separate embedded derivative is presented in the same way as a separate derivative.

Provisions

Provisions are recognized when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments on the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group remeasures its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the accumulated cost reflects the revised estimate, with a corresponding adjustment of equity.

Operating segments

Segment reporting is presented on the basis of management's perspective and relates to the parts of the Group that are defined as operating segments. Operating segments are identified on the basis of internal reports provided to the Company's highest decision-making body. The Group has defined the Group's CEO as its highest decision-making body, and the internal reports used by the CEO to monitor operations and make decisions regarding resource allocation forms the basis for the information presented.

The accounting principles for an operating segment comprise the accounting principles described above as well as the principles that specifically relate to the segment reporting. Market-based compensation is applied between operating segments, while all costs for IT, other shared services and Group staff are transferred via cost-based transfer pricing to the operating segments. Group Management costs are not distributed. Cross-border services are invoiced according to OECD guidelines on transfer pricing.

New and revised standards

None of the revised IFRS standards or new interpretations that became effective in 2022 have had any effect on the Group's profit, cash flow and financial position.

New and revised standards that have not yet become effective

The Group assesses that none of the revised IFRS standards or new interpretations that have not yet become effective will have any material effect on the Group's profit, cash flow and financial position.

Note 3 Key estimates and judgments

When preparing the Financial Statements in accordance with the Group's accounting policies, as described in Note 2, management is required to make judgments that have a material impact on reported amounts and makes estimates and assumptions about reported values of assets and liabilities that are not directly available from other sources. Estimates and assumptions are based on historical

experience and other factors judged to be relevant. Actual outcomes may differ from these estimates.

The estimates and the underlying assumptions are evaluated on a continuous basis. Changes to these estimates are reported in the period the estimate was changed if the change affects only that period, or in the period the change occurs and future periods if the change affects both the period when the change occurs and future periods.

Management assesses that the following areas that involve estimates and judgments are most critical to the Group:

Valuation of intangible assets

The Silvers Semiconductors Group has a significant proportion of assets relating to goodwill and capitalized development expenses included in the Statements of Financial Position. The Group tests assets for impairment annually for each cash-generating unit where the recoverable amount is determined on the basis of value-in-use. In order to estimate the value-in-use, certain estimates have been made regarding future cash flows, growth rate, investment plans and discount rate.

Management is required to make judgments regarding impairment, in particular when evaluating:

- whether an event has occurred that could affect the assets' values,
- whether an asset's carrying amount can be strengthened by the discounted present value of future cash flows estimated on the basis of the asset's continued use in operations,
- whether adequate assumptions are used for preparing cash flow forecasts
- the discounting of these cash flows.

Changes in the assumptions made by management in establishing a level of impairment can affect financial position and operating profit.

For capitalized development expenses, individual assessments are also made for each project with regard to products expected to generate future economic benefits.

The Group's procedure for impairment testing of intangible assets is described in Note 11.

Recognition of capitalized development expenses

In accordance with the Group's Accounting principles as described in Note 2, development expenses are reported as an asset from the time the intangible assets satisfy the criteria for capitalization. This includes judgments regarding whether it is likely that the asset will be able to generate future economic benefits and judgments relating to useful life. At present, the estimated useful life for a majority of the Group's intangible assets is a maximum of 5 years, although this may be reassessed. Management's judgments regarding useful life include assumptions based on internal business plans related to future sales. A shorter useful life can, for example, result in higher costs due to increased depreciation.

Revenue recognition

Some of Sivers Semiconductors Group revenue is derived from hardware sales and NRE contracts that are recognized over time. The rate of completion is measured either according to an output method based on work completed, or an input method based on actual expenditure. The methods require estimates of the allocation of revenue to specific production stages, or estimates of total project expenses.

Management's judgments are used, for example, when evaluating:

- the progress toward complete fulfillment of performance obligations and the estimated total costs for contracts where revenue is recognized over time, to determine what revenue and expenses should be recognized in the current period and whether any losses should be recognized,
- if control has been transferred to the customer (meaning that the Group has a current right to receive payment for the product, the customer has a legal right to the product, the product has been delivered to the customer and/or the customer has assumed the material risks and benefits associated with ownership of the product), to determine whether revenue and costs should be recognized in the current period,
- the transaction price for each performance obligation when a contract has more than one performance obligation, to determine what revenue and expenses should be recognized in the current period, and

Changes in assumptions can mainly affect the timing of revenue recognition.

Note 4

Revenue from customer contracts

The Group receives revenue from customer contracts against the transfer of goods and services at a point in time and over time respectively from the following major revenue streams. This corresponds to revenue information for each reportable operating segment in accordance with IFRS 8

(see Note 5). Transaction amounts for remaining performance commitments for agreements with a term of more than 12 month totaled SEK 145.784 M (0) as of the reporting date. The Group applies the relief rule, which means that agreements with remaining performance obligations for 12 months are not included in this amount.

Revenue type	Jan-Dec 2022			Jan-Dec 2021		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	21,732	11,463	33,194	17,849	17,479	35,328
NRE/Development projects	36,351	61,612	97,963	2,527	51,032	53,559
Support & other	1,450	-	1,450	1,765	-	1,765
Total	59,533	73,074	132,607	22,141	68,511	90,652
Recognition						
At a point in time	18,758	2,138	20,895	17,849	540	18,389
Over time	40,775	70,937	111,712	4,292	67,971	72,263
Total	59,533	73,074	132,607	22,141	68,511	90,652
Geographical market						
North America	24,634	56,702	81,336	7,413	53,990	61,404
Europe	27,910	11,055	38,966	6,921	8,551	15,471
Asia	6,988	5,317	12,305	7,807	5,970	13,777
Total	59,533	73,074	132,607	22,141	68,511	90,652

Note 5 Operating segments

The information reported to the Group CEO (the highest decision-making body) as supporting documentation for decisions regarding the allocation of resources and evaluation of the segments' results of operations has been broken down into two business areas – Wireless and Photonics. These areas comprise operations in the subsidiaries Sivers Wireless AB and Sivers Photonics Ltd. Accordingly, the Group's reportable operating segments in accordance with IFRS 8 are as follows:

Wireless

The Wireless business area develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G mmWave technology. The products are mainly delivered to systems manufacturers, who in turn deliver them to telecommunication 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 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. The business area delivers to several Fortune 100 customers located in Silicon Valley directly or via partners.

Segment revenue and profit

The following represents an analysis of Group revenue and profit by reportable operating segment:

2022, SEK 000	Wireless	Photonics	Group-wide	Total
Revenue				
External revenue	59,533	73,074	-	132,607
Revenue from other segments	-	-	-	-
Total income	59,533	73,074	-	132,607
Profit				
EBITDA	-47,020	-10,385	-16,288	-73,693
Depreciation/amortization and impairment				-111,403
Operating profit/loss				-185,096
Financial income				94,716
Financial expenses				-13,248
Profit before tax				-103,628
Income tax				17,244
Profit/loss for the year				-86,384

2021, SEK 000	Wireless	Photonics	Group-wide	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
Operating profit/loss				-140,941
Financial income				5,284
Financial expenses				-3,355
Profit before tax				-139,012
Income tax				5,308
Profit/loss for the year				-133,704

The accounting principles for the reportable operating segments correspond to the Group's accounting principles as described in Note 2. Segment profit comprises profit for each operating segment without allocation of depreciation and amortization, financial items, tax, group-wide administration expenses, including remuneration to management, profit / loss on financial instruments and financing costs (in addition to intra-group lending). This is the benchmark criterion reported to the Group CEO as supporting information for decisions on the allocation of resources to segments and for evaluating results of operations.

Revenue from goods and services

Group revenue from goods and services are described in Note 4.

Geographical information

Group revenue from external customers and information about the operating segments' assets (property, plant and equipment excluding financial instruments, deferred tax assets and other financial assets) by geographical location are described below:

SEK 000	Revenue from external customers		Fixed assets	
	2022	2021	12/31/2022	12/31/2021
USA	81,336	61,404	988,632	-
China	5,924	7,687	-	-
Israel	4,231	5,064	-	-
United Kingdom	27,253	3,636	103,432	102,324
Ireland	3,685	2,740	-	-
France	-	1,778	-	-
Lithuania	3,606	1,493	-	-
Japan	2,150	1,026	-	-
Hungary	-	726	-	-
Sweden	16	69	310,926	318,242
Norway	-	-	-	-
Rest of world	4,406	5,031	-	-
Total	132,607	90,652	1,402,989	420,566

Information about major customers

Of Photonics' revenue, approximately SEK 34.656 M (27.611) was derived from sales to the largest customer in the segment and SEK 35.728 M (-) was attributable to the largest customer in Wireless. No other individual customers contributed 10 percent or more to Group revenue in 2022 or 2021.

Note 6 Employee remuneration

Number of employees

	2022			2021		
	Women	Men	Total	Women	Men	Total
Parent Company						
Sweden	-	3	3	1	3	4
Total Parent Company	-	3	3	1	3	4
Subsidiaries						
Sweden	5	33	38	8	32	40
Scotland	20	55	75	20	53	73
USA	2	13	15			
Total, subsidiaries	27	101	128	28	85	113
Total, Group	27	104	131	29	88	117

Board members and other senior executives

	Parent Company		Group	
	2022	2021	2022	2021
Women				
The Board	3	4	3	4
Other senior executives	-	-	-	-
Men				
The Board	3	3	3	3
Other senior executives	2	2	4	4
Total	8	9	10	11

Salaries and other remuneration

Expenses for remuneration to employees

	2022	2021
Parent Company		
Salaries and other remuneration	10,033	11,972
Social security expenses	995	799
Pension costs	1,918	2,673
Subsidiaries		
Salaries and other remuneration	97,160	74,232
Social security expenses	12,858	6,895
Pension costs	2,400	13,256
Total salary and remuneration, Group	107,192	86,204
Total social security expenses, Group	13,853	7,694
Total pension costs, Group	4,318	15,929
Total, Group	125,364	109,827
Share-based payment (Note 28)	780	4,631
Remuneration after termination of employment	1,631	2840

Remuneration to senior executives

	2022	2021
Parent Company		
Salary and other remuneration to senior executives	10,862	10,533
of which bonuses etc. to senior executives	-	905
Salary and remuneration to other employees	2,084	1439
Total salary and remuneration, Parent Company	12,946	11,972
Group		
Salary and other remuneration to senior executives	19,535	15,592
of which bonuses etc. to senior executives	470	2,070
Salary and remuneration to other employees	105,829	70,613
Total salary and remuneration, Group	125,364	86,204

Remuneration to senior executives

Fees to the Chairman and members of the Board are payable in accordance with the decision of the shareholders' meeting. Remuneration to the Group's senior executives is presented below. Senior executives encompass the Board, the CEO, CFO and the CEOs of the various subsidiaries.

Remuneration to senior executives 2022

	Basic salary/ fees	Variable remuneration	Share-based payments	Other remuneration	Pension costs	Total
Tomas Duffy, Chairman of the board	1,057	-	-	-	-	1,057
Ingrid Engström	414	-	-	-	-	414
Erik Fällström	-	-	-	-	-	-
Beth Topolovsky	380	-	-	-	-	380
Lottie Saks	463	-	-	-	-	463
Carolina Tendorf ⁴⁾	175	-	-	-	-	175
Todd Thomson	-	-	-	-	-	-
Anders Storm, CEO	3,057	513	505	-	935	5,010
Other senior executives	8,853	611	644	628	1,300	12,035
Total remuneration to senior executives	14,398	1,124	1,149	628	2,236	19,535

Remuneration to senior executives 2021

	Basic salary/ fees	Variable remuneration	Share-based payments	Other remuneration	Pension costs	Total
Tomas Duffy, Chairman of the board	888	-	-	-	-	888
Ingrid Engström	409	-	-	-	-	409
Björn Norrbom ¹⁾	32	-	-	-	-	32
Dag Sigurd ²⁾	32	-	-	-	-	32
Robert Green ³⁾	169	-	-	-	-	169
Erik Fällström	-	-	-	-	-	-
Beth Topolovsky	391	-	-	-	-	391
Lottie Saks	393	-	-	-	-	-
Carolina Tendorf ⁴⁾	204	-	-	-	-	-
Anders Storm, CEO	2,300	532	453	-	1,445	4,729
Other senior executives	5,806	1,539	525	1,919	1,626	11,415
Total remuneration to senior executives	10,624	2,070	978	1,919	3,071	18,066

1) Björn Norrbom resigned from his Board assignment in Sivers Semiconductors AB in connection with the Extraordinary General Meeting on January 21, 2021.

2) Dag Sigurd resigned from his Board assignment in Sivers Semiconductors AB in connection with the Extraordinary General Meeting on January 21, 2021.

3) Robert Green resigned from his Board assignment in Sivers Semiconductors AB in connection with the Annual General Meeting on May 20, 2021.

4) resigned from his Board assignment in Sivers Semiconductors AB in connection with the Annual General Meeting on May 19, 2022.

The decrease in social security expenses in 2022 compared to 2021 relates to social security expenses for employee stock option programs that have decreased as a result of the decreased market value of stock options. Share-based payments relates to costs for employee stock option programs calculated in accordance with IFRS 2.

Pensions

The pensionable age of the CEO and other senior executives is 65 and pension premiums correspond to the ITP plan (occupational pension). There were no other pension obligations to senior executives.

Severance pay

In the event of notice of termination of employment by the CEO, a notice period of six months shall apply, where severance pay and contractual benefits are payable. In the event of notice of termination of employment by the Company, severance pay corresponding to 9 months' salary shall be payable.

Note 7 Remuneration to Auditors

SEK 000	2022	2021
Deloitte AB		
Audit fees	1,043	811
Audit work in addition to auditing assignments	-	99
Other services	13	-
RSM		
Audit fees	424	-
Audit work in addition to auditing assignments	44	-
Other services	72	-
BDO Ltd		
Audit fees	-	354
Total	1,596	1,264

Audit work in addition to auditing assignments in 2021 relates to costs for pre-audit carried out as part of the preparation ahead of the Company's inclusion on Nasdaq's main list.

BDO carried out the Audit of the subsidiary Siverts Photonics in 2021 and RSM 2022.

Note 8 Financial items

SEK 000	2022	2021
Financial income		
Exchange rate gains	14,357	4,869
Interest income, bonds	1512	370
Value adjustment, contingent consideration	78,671	-
Other	176	45
Total	94,176	5,284
Financial expenses		
Interest expenses, loans and credit	454	601
Interest on convertible debentures	4,048	-
Interest expenses on leasing liabilities and hire purchase loans	1,832	2,104
Value adjustment of embedded derivatives in convertible debentures	168	-
Value change, bonds	2,147	645
Exchange rate losses	4,598	5
Total	13,248	3,355

Note 9 Income tax

SEK 000	2022	2021
Current tax:		
Current year	4,052	3,895
Tax attributable to prior years	500	1,371
	4,552	5,266
Deferred tax (See Note 21)		
Origin and reversal of temporary differences	12,692	42
Total	17,244	5,308

Current tax rate was 20.6 percent (20.6). Tax in other jurisdictions is calculated at the applicable tax rate in the relevant jurisdiction.

Current tax comprises tax credits for research and development expenses in Scotland. Tax attributable to prior years relates to actual outcomes (after completed tax return) compared to estimated amounts for the previous year. Deferred tax comprises reversals of deferred tax liability.

Tax expense for the year can be offset against profit before tax for the year as follows:

SEK 000	2022	2021
Profit before tax	-103,628	-139,012
Swedish tax rate of 20.6%	21,347	28,636
Tax effect from non-deductible expenses/non-taxable revenue	-7,443	-9,608
Tax effect from embedded derivatives	-	-
Tax Credit R&D ¹⁾	4,522	5,266
Change in unrecognized deferred tax assets	-27,971	-18,351
Change in deferred tax liabilities	12,692	-
Deviating tax rate in foreign subsidiaries	-785	-635
Recognized tax for the year	17,244	5,308

¹⁾ The Group receives tax credits for research and development expenses in Scotland. These are calculated based on specific rules in accordance with tax legislation in Scotland and are reported as a separate item above, as the method for calculating tax credit does not have a direct relationship with the presentation in the Statements of Comprehensive Income. The amount indicated above refers to tax credits for the current year and tax credits attributable to previous years

Note 10 Earnings per share

Calculations of earnings per share before and after dilution are based on the following data:

SEK 000	2022	2021
Profit		
Earnings attributable to Parent Company shareholders when calculating earnings per share before and after dilution	-86,384	-133,704
Number of shares		
Weighted average of ordinary shares when calculating earnings per share before dilution	208,371,393	160,676,238
Earnings per share		
Earnings per share before and after dilution	-0.41	-0.83

The denominator used in calculating earnings per share before and after dilution has been adjusted to reflect the bonus issue element of the new issues in 2021.

During 2021, the Group had convertible debentures and employee stock options that can give rise to dilution effects. As the Group is currently loss-making, dilution improves earnings per share. Accordingly, the earnings figure is the same before and after dilution for both years.

Note 11

Goodwill and other intangible assets

Book value of goodwill was allocated to cash-generating units as follows:

SEK 000	12/31/2022	12/31/2021
Wireless	401,673	134,812
Photonics	-	-

Recognized goodwill was derived from the acquisition of Siverts Photonics Ltd in May 2017 and Mixcomm Inc in February 2022. The transactions constituted a reverse takeover, i.e. Siverts Semiconductors AB was deemed to be the acquired company. Accordingly, estimated goodwill has been allocated to the Wireless segment, which is deemed to constitute a cash-generating unit.

2022, SEK 000	12/31/2022		12/31/2021	
	Wireless	Photonics	Wireless	Photonics
Discount rate	10.9	14.8	9.4	10.2
Constant growth rate	3.0	3.0	3.0	3.0

SEK 000	Goodwill	Customer relations	Technology	Other intangible assets	Capitalized development expenses
Accumulated cost					
As of January 1, 2021	134,812	-	-	-	213,763
Exchange rate differences	-	-	-	-	3,323
Addition, internal development	-	-	-	-	56,447
As of December 31, 2021	134,812	-	-	-	273,532
Addition, internal development	-	-	-	-	59,276
Addition, business combination	240,083	28,338	616,618	12,813	-
Addition, investments	-	-	-	17,232	-
Exchange rate differences	26,778	3,161	68,775	1,854	24
As of December 31, 2022	401,673	31,499	685,393	13,373	332,838
Accumulated depreciation, amortization and impairment					
As of January 1, 2021	-	-	-	-	66,210
Depreciation for the year	-	-	-	-	20,072
Impairments losses for the year	-	-	-	-	1,398
Exchange rate differences	-	-	-	-	1,640
As of December 31, 2021	-	-	-	-	89,320
Depreciation for the year	-	5,093	36,955	192	27,604
Impairments losses for the year	-	-	-	-	22,029
Exchange rate differences	-	157	1,141	6	763
As of December 31, 2022	-	5,250	38,096	198	139,716
Carrying amount					
As of December 31, 2022	401,673	26,249	647,297	13,175	193,121
As of December 31, 2021	134,812	-	-	-	184,212

The investment in capitalized development expenses is attributable to the development of new product generations. The useful life is 5 years and amortization begins when the product has been completed to a degree where it is ready for mass production. Customer relations and technology are related to the acquisition of Mixcomm in the first quarter of 2022. The useful life is 5 years and 15 years respectively. The useful life of other intangible assets is determined individually, and is usually 5 years.

Impairment testing

The Group carries out impairment testing of goodwill annually, or whenever there is an indication that goodwill or other intangible assets may require impairment. Impairment testing is carried out to calculate the recoverable amount per cash-generating unit, which are the Group's two operating segments. The recoverable amount is determined on the basis of a calculation of value-in-use through cash flow forecasts for a five-year period that has been approved by management. Present value of future cash flows is calculated using the discount rate before tax. Impairment testing is as of the reporting date. For the coming three years, the Company will use budgets that have been produced by management and authorized by the Board. General growth forecasts are then applied, with consideration given to anticipated market growth.

The forecast of future cash flows includes assumptions about the Group's sales growth, operating margin, working capital and investment requirement. The Group is active in a market where substantial growth is expected over the coming years. Cash flows are expected to be generated at a pace with the Group starting volume production for a number of customers, which explains why forecast cash flow deviates from the historical outcome.

There is strong underlying growth in the markets for both Wireless and Photonics, and overall, these markets are expected to see continued strong growth in the coming years. Cash flows beyond the five-year horizon have therefore been extrapolated at a constant growth rate of 3 percent (3). The constant growth rates do not exceed the estimated long-term growth rates for 5G or Photonics' markets.

Sensitivity analysis

The Group has carried out a sensitivity analysis of impairment testing to changes in material assumptions used to determine recoverable amounts for the respective cash-generating units. Management assesses that a reasonable change in material assumptions forming the basis for recoverable amounts would not result in recognized amounts exceeding recoverable amounts for Wireless or Photonics.

Note 11 – cont. Goodwill and other intangible assets

Impairment of capitalized development expenses

Capitalized development expenses consist of several development projects in the Group. Individual impairment testing is also carried out for these, when there is indication that impairment may be required. Impairment losses in the year totaled SEK 22.029 M (1.398) for terminated projects. The impairment was carried out in connection with the integration of MixComm due to overlapping product areas, and regarded intangible assets attributable to Wireless. These assets were impaired in their entirety, as the recoverable amount was calculated as zero. The recoverable amount is determined on the basis of discounted expected future cash flows. These assets were impaired in their entirety, as the recoverable amount was calculated as zero. The recoverable amount is determined on the basis of discounted expected future cash flows.

Note 12 Property, plant and equipment

Equipment, tools and installations

SEK 000	2022	2021
Accumulated cost		
As of January 1	117,659	73,775
Investments	14,597	38,948
Sales	-	-1,316
Exchange rate differences	2,344	6,252
December 31	134,601	117,659
Accumulated depreciation, amortization and impairment		
As of January 1	-45,352	-37,854
Depreciation and amortization	-12,071	-6,676
Sales	-	1,028
Exchange rate differences	-904	-1,850
As of December 31	-45,352	-45,352
Recognized value as of December 31	76,274	72,308

Property, plant and equipment in the Balance Sheet includes the items presented in this Note, as well as the right-of-use assets for lease contracts presented in Note 13.

Investments for the year in property, plant and equipment is attributable to the expansion of Photonics' production equipment.

Note 13 Leasing (the Group as lessee)

Rights of use asset

Book value SEK 000	Buildings and land	Equipment	Vehicles	Total
As of January 1, 2021	22,558	2,516	375	25,449
Additional right-of-use assets	-	8,398	-	8,398
Changes to agreements ¹⁾	-	-262	-	-262
Depreciation and amortization	-3,284	-2,222	-103	-5,610
Exchange rate differences	1,220	15	24	1,259
As of December 31, 2021	20,494	8,445	295	29,234
Additional right-of-use assets	4,772	-	184	4,955
Changes to agreements ¹⁾	-881	-	-	-881
Depreciation and amortization	-4,391	-2,549	-151	-7,091
Exchange rate differences	466	1	8	475
As of December 31, 2022	20,460	5,897	335	26,692

¹⁾ Changes to agreements relates to agreements that have been extended or terminated early

The Group's leasing activities

The Group leases buildings for office premises and production, machinery/ equipment for production and development operations, and a number of vehicles. The leasing periods are normally 3–5 years for machinery, fixtures & equipment and vehicles. In 2021, Wireless entered into three new lease agreements relating to measurement instruments for the R&D operations. The useful life of these assets is three years.

The Group has three significant rental agreements for buildings and land relating to premises in Kista, Glasgow and Chatham. The agreement relating to premises in Kista includes extension options for three-year periods, of which one period has been included in the estimated value of right-of-use assets at an amount corresponding to liabilities. The agreement in Glasgow that was signed in 2020 has a remaining term of eight years, with an option to terminate in 2025 at the earliest. The useful life has been set at ten years, of which eight remain at the end of the financial year 2022.

A maturity analysis for leasing liabilities is presented in Note 23.

Sale and leaseback

The Group is also party to sale and leaseback agreements in Photonics, where the Group acquires assets that are sold to an external financier. The Group then leases back the asset from the financier and buys it back at residual value at the end of the leasing term. These agreements are recognized as if a sale had not taken place, because control over the assets is not transferred to the financier. Accordingly, the assets are recognized as property, plant and equipment (see Note 12) and the debt comprises a hire purchase loan under other non-current liabilities and other current liabilities respectively. The value of the assets in these sale and leaseback agreements amounted to SEK 13.638 M as of December 31, 2022 (12/31/2021: 14,754).

Amounts recognized in profit and loss SEK 000	2022	2021
Depreciation and amortization of right-of-use assets	-6,643	-5,610
Interest expense, leasing liabilities	-1,832	-1,378

Total cash outflow for lease contracts amounted to SEK 7.986 M (6.486).

Property, plant and equipment in the Balance Sheet includes the items presented in Note 12, as well as right-of-use assets for lease contracts presented in this Note.

SEK 000	2022	2021
Property, plant and equipment (Note 12)	75,903	72,308
Right-of-use assets	26,692	29,234
Total	102,595	101,542

Note 14 Subsidiaries

Information about the composition of the Group at the end of the reporting period is provided below:

Main activity	Country of registration	Number of wholly-owned subsidiaries	
		12/31/2022	12/31/2021
Develops, designs, manufactures and sells III-V compound semiconductor laser devices for optical communications, optical sensing/sensors and optical wireless networks.	Scotland	1	1
Develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G millimeter wave technology.	Sweden	1	2
Develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G millimeter wave technology.	USA	1	1
Dormant companies	USA, Sweden	2	1

More information about the Group's subsidiaries is presented in Note 6 of the Parent Company Annual Report.

Note 16 Accounts receivable

SEK 000	12/31/2022	12/31/2021
Accounts receivable	42,767	24,352
Loss provision	-442	-1,200
Total	42,325	23,152

Accounts receivable

The Group's credit terms are 30–45 days. No interest is applied to outstanding customer receivables.

The Group values provisions at an amount corresponding to expected credit losses for the remaining term to maturity. Expected credit losses

The following table presents an age analysis of the Group's accounts receivable.

SEK 000	Not overdue	Accounts receivable – number of days overdue					Total
		<30	31–60	61–90	91–120	>120	
12/31/2022	13,277	16,313	6,937	305	13	5,922	42,767
12/31/2021	9,614	7,925	1,192	901	2,391	2,329	24,352

The Group has historically experienced very few credit losses. However, some of the Group's customers have a pattern of paying invoices late, which has given rise to a significant proportion of overdue accounts receivable in previous years. The Group actively pursues timely payment of outstanding invoices and frequently follows up on unpaid customer invoices to determine the reason and collect overdue amounts.

Note 15 Inventories

SEK 000	12/31/2022	12/31/2021
Raw materials and consumables	26,748	14,995
Work in progress/ finished goods	2,237	8,501
Total	28,985	23,496

The Group's products undergo several development stages as part of the production process. Customers can buy products at different stages in the process depending on their intended use. It is not always possible to determine in advance which products will be sold as found and which will require further development. Therefore, the information above has been broken down into input goods relating to purchased materials and products/finished goods relating to products where development has started. No impairment losses were recognized in 2022 or 2021.

The cost of inventories recognized as an expense for the year totaled SEK 36.036 M (14.107).

for customer receivables are calculated on the basis of a provision matrix based on historical experience and analysis of customers' financial position, adjusted for customer-specific factors, general economic conditions in the customer's sector and an assessment of the current situation and the forecast as of the reporting date.

There were no changes in calculation methods or significant assumptions during the reporting period.

The Group derecognizes accounts receivable when there is information that indicates that a customer is in serious financial difficulty and there is no reasonable expectation of recovery, for example when a customer has entered into liquidation or initiated bankruptcy proceedings, or when accounts receivable are more than two years overdue, whichever is sooner.

The following table illustrates changes in the Group's credit loss reserve and other bad and doubtful debt.

SEK 000	2022	2021
Opening balance	-1,200	-277
Provision for the year	-442	-880
Reversals	1,218	-
Exchange rate differences	-18	-42
Closing balance	-442	-1,200

Note 17 Other receivables

SEK 000	12/31/2022	12/31/2021
Preliminary tax paid	0	2,460
VAT receivables	3,715	3,321
Balance on tax account	713	161
Deposits	3,601	-
Other	1,494	1,819
Total	9,524	7,763

Note 18 Prepaid expenses and accrued income

SEK 000	12/31/2022	12/31/2021
Prepaid license expenses	607	2,108
Prepaid insurance	917	345
Prepaid interest	-	246
Prepaid fixtures & equipment	1,014	4,049
Prepaid input goods	-	817
Accrued government grants	1,188	1,327
Other prepaid expenses	16,527	566
Total	20,252	9,459

SEK 000	12/31/2022	12/31/2021
NRE/Development projects Support	5,041	4,728
Support	-	396
Total	5,041	5,124
Of which short-term proportion	5,041	5,124

Contract assets largely comprise accumulated income on major NRE projects. Payment for NRE projects falls due according to milestones defined in the agreements. The support element of contract assets relates to support provided which, according to agreement, is invoiced retroactively.

Amounts that were previously recognized as contract assets have been reclassified to accounts receivable on the date when the amount is invoiced to the customer.

The credit loss reserve for contract assets is negligible. There was no significant increase in credit risk with the counterparties.

Note 19 Equity

Number of shares	12/31/2022	12/31/2021
Decided number of shares:		
Ordinary shares of SEK 0.50 each	212,837,161	173,666,924
Class C shares of SEK 0.50 each	1,100,000	1,100,000
	213,937,161	174,766,924
Issued and fully paid-up shares:		
As of January 1, number of shares of SEK 0.50 each	174,766,924	154,445,647
Directed new issues	-	17,021,277
Issue of Class C shares	-	3,300,000
Non-cash share issue	39,170,237	-
As of December 31, number of shares of SEK 0.50 each	213,937,161	174,766,924

As of December 31, 2022, the Company had 212,837,161 outstanding ordinary shares and 1,100,000 Class C shares.

The ordinary shares confer 1.0 voting right and Class C shares 0.1 voting right each.

In 2022 a non-cash share issue was carried out in connection with the acquisition of Mixcomm. Issue expenses totaled approximately SEK 0.788 M.

Specification of other contributed capital

SEK 000	12/31/2022	12/31/2021
Share premium reserve from new issue	1,745,172	1,323,910
Transaction expenses from new issue	-40,913	-40,125
Total	1,704,259	1,283,785

Specification of translation reserve

SEK 000	12/31/2022	12/31/2021
Value as of January 1	7,416	142
Exchange rate differences from translation of net assets in foreign operations	85,216	7,274
December 31	92,632	7,416

Treasury shares

SEK 000	Number of shares	
	2022	2021
Opening balance, repurchased treasury shares	2,797,860	-
Change in the year	-255,000	2,797,860
Closing balance, repurchased treasury shares	2,542,860	2,797,860

SEK 000	Total equity (SEK 000)	
	2022	2021
Opening balance, repurchased treasury shares	-605	-
Change in the year	-1,181	-605
Closing balance, repurchased treasury shares	-1,786	-605

There were 2,542,860 (2,797,860) repurchased Treasury shares as of December 31, 2022. In 2021, the Parent Company issued 3,300,000 Class C shares that were repurchased by the Company shortly after the issue. Of these, 757,140 have been used to redeem shares under the Company's stock option program. Repurchased shares are recognized as a deduction against equity, and payment upon redemption/divestment of shares under the stock option programs is recognized as an increase in equity. Repurchased shares are included in equity under Retained earnings including profit for the year.

Note 20 Borrowing

SEK 000	12/31/2022	12/31/2021
Borrowing at amortized cost		
Convertible loans	44,492	-
Bank borrowing	11,000	15,000
Total borrowing	55,492	15,000
Long-term	7,000	11,000
Short-term	48,493	4,000

Bank borrowing

In 2020, the subsidiary Siviers Wireless AB raised a loan of SEK 20 M from Nordea. The loan has a term of five years. Interest is paid quarterly and is set at STIBOR +2.8 percent. The loan is amortized quarterly at SEK 1 M.

Convertible loans

In 2022, Siviers Semiconductors AB entered into a loan facility agreement for a total amount of SEK 100 M, of which a total of SEK 50 M was utilized in October 2022. The loan is subject to a monthly interest rate of 1 percent and will be amortized in its entirety at the end of the loan period.

Note 21 Deferred tax

Deferred tax assets and deferred tax liabilities are reported net only where there is a legal right to offset current tax assets against current tax liabilities. The deferred tax receivables and deferred tax liabilities derive from tax levied by the same tax authority and are intended to offset current tax liabilities and tax receivables through a net payment. The following presentation illustrates deferred tax assets and deferred tax liabilities reported in the Statement of Financial Position:

Deferred tax liabilities

SEK 000	12/31/2022	12/31/2021
Value as of January 1	84	126
Business combinations	169,493	-
Recognized in profit/loss for the year	-12,692	-42
Translation (currency) difference	-	-
December 31	156,885	84

Changes in temporary differences during the year recognized in the Income Statement are attributable as follows:

SEK 000	2022	2021
Other intangible assets	12,650	-
Other items	42	84
Recognized in profit/loss for the year	12,692	84

As of the end of the reporting period, the Group had unutilized tax loss carry-forwards amounting to SEK 592.747 M (463.092) that can be utilized against future tax surpluses. No deferred tax receivable was recognized for these deficits as there is uncertainty about whether and when they will be realized against future surpluses.

Note 22 Provisions

SEK 000	12/31/2022	12/31/2021
Social security expenses for employee stock options	1,172	7,161
	1,172	7,161
Short-term	-	-
Long-term	1,172	7,161
Total	1,172	7,161

SEK 000	Social security expenses, employee stock options	Total
As of January 1, 2021	17,177	17,177
Dissolution in the year	-6,779	-6,779
Utilized in the year	-3,237	-3,237
As of December 31, 2021	7,161	7,161
As of January 1, 2022	7,161	7,161
Dissolution in the year	-5,791	-6,779
Utilized in the year	-198	-3,237
As of December 31, 2022	1,172	7,161

Additional provisions relates to provisions for social security expenses for vested employee stock options, as well as revaluation of provisions made in previous years. Provisions in 2021 and 2022 decreased due to a lower share price than in the previous year.

Note 23 Leasing liabilities

SEK 000	12/31/2022	12/31/2021
Maturity analysis		
Year 1	8,182	6,837
Year 2	7,156	6,778
Year 3	4,601	6,374
Year 4	4,480	3,876
Year 5	3,511	3,713
More than 5 years	6,960	7,688
Total	34,891	35,266

Classified as:

Non-current liabilities	21,474	25,098
Current liabilities	6,913	5,364
Total	28,387	30,461

Note 24 Other liabilities

SEK 000	12/31/2022	12/31/2021
PAYE tax & fees	5,676	3,499
Hire purchase loans ("sale & leaseback")	1,690	2,822
Other	1,181	39
Total	8,547	6,360

Note 25

Accrued expenses and deferred income

The following tables indicate the proportion of recognized revenue in the year that is attributable to outstanding debt at the beginning of the period for contract liabilities. No revenue was recognized in the year attributable to obligations met in previous years.

SEK 000	12/31/2022	12/31/2021
Prepaid government grants	1,042	1,880
Accrued holiday pay and social security expenses	7,809	8,085
Other personnel-related expenses	4,742	10,501
Accrued consultancy costs	2,958	2,004
Accrued accounting and audit fees	1,248	903
Accrued acquisition expenses	-	34,549
Other accrued expenses	6,978	2,497
Total	24,776	60,420

Contract liabilities

SEK 000	12/31/2022	12/31/2021
Hardware sales	-	-
Development projects/NRE ¹⁾	7,257	5,114
Support ²⁾	-	414
Total	7,257	5,527
Short-term	7,257	5,527
Long-term	-	-

1) The Group's NRE agreements are invoiced in accordance with milestones defined in the contracts. Revenue is recognized at a pace with completion. When invoicing exceeds percentage of completion, a contract liability is reported.

2) Revenue attributable to support services is recognized over time even if the customer pays for all services in a lump sum at the start of the contract. Contract liabilities are recognized as revenue relating to support services on the date of the initial sales transaction and are dissolved over the service period.

SEK 000	12/31/2022	12/31/2021
Hardware sales	-	-
Development projects/NRE	5,114	1,914
Support	414	565
Total	5,528	2,480

Note 26

Notes to Statements of Cash Flow

Cash and cash equivalents

SEK 000	12/31/2022	12/31/2021
Cash and cash equivalents	47,174	304,117
Total	47,174	304,117

Cash and bank balances consist of cash and short-term bank balances with a term of three months or less. The recognized value of these assets approximately corresponds to fair value. Cash and cash equivalents at the end of the reporting period as indicated in the Consolidated Statement of Cash Flow can be reconciled with the Statement of Financial Position above.

Transactions not involving payment

Acquisitions of buildings, fixtures & equipment and vehicles totaling SEK 4.955 M (8.136) were financed via new leasing contracts in the year.

Changes in liabilities attributable to financing activities

The following table shows changes in Group liabilities attributable to financing activities, which includes changes attributable to cash flow and changes not influencing cash flow. Liabilities attributable to financing activities are liabilities for which cash flows have been classified, or for which future cash flows will be classified, as cash flows from financing activities in the Cash Flow Statement.

SEK 000	01/01/2021	Transactions not involving payment				12/31/2021
		Cash flow from financing	Exchange rate fluctuations	Capitalized interest	New leasing contracts	
Leasing liabilities (Note 23)	26,141	-5,080	1,264	-	8,136	30,461
Hire purchase loans (Note 31)	7,433	-3,286	628	-	-	4,775
Bank borrowing (Note 20)	19,000	-4,000	-	-	-	15,000
Total liabilities from financing activities	86,790	11,737	-5,802	3,347	16,122	52,574

	1/01/2022	Cash flow from financing	Exchange rate fluctuations	Capitalized interest	New leasing contracts	12/31/2022
Leasing liabilities (Note 23)	30,461	-8,368	1,339	-	4,955	28,387
Hire purchase loans (Note 31)	4,775	-2,822	64	-	-	2,017
Bank borrowing (Note 20)	15,000	-4,000	-	-	-	11,000
Convertible debt (Note 20)	-	50,000	-	1,515	-	51,515
Total liabilities from financing activities	50,326	-34,810	1,403	1,515	4,955	92,919

Note 27

Pledged assets and contingent liabilities

SEK 000	12/31/2022	12/31/2021
Pledged assets		
Chattel mortgages	20,000	20,000
Pledged assets for sale		
& leaseback agreements	13,638	14,754
Total	33,638	34,754

Pledged assets for sale & leaseback agreements relates to equipment that the Group has repurchased from the finance company. The equipment is reported under property, plant and equipment and the value of pledged assets corresponds to book value on the record date.

Note 28

Share-based payments

Employee stock option programs

Sivers Semiconductors had five employee stock option programs at the end of the year.

Stock option programs still active at the end of the period have the following terms to maturity: 1) 2015–2024, 2) 2020–2026, 3) 2022–2028, 4) 2020–2025 and 5) 2021–2026.

Upon full conversion of the stock options granted, the total number of shares will amount to 219,662,776. The total number of stock options granted as of December 31, 2022 amounted to 3,845,615, (3,848,821 factor remeasured), of which 1,750,615 have been vested. All the stock options have been granted to employees free of charge.

The Extraordinary General Meeting on November 9, 2015 authorized a new stock option program, P03, comprising a total of 1,800,000 employee stock options. Of these, 323,821 outstanding and vested stock options (after factor conversion) remain.

The Extraordinary General Meeting on May 30, 2017 authorized a new stock option program, P04, comprising a total of 5,650,000 employee stock options. Of these, 880,000 stock options remain at the end of the year, of which 880,000 have been vested.

The AGM on May 22, 2019 authorized a new employee stock option program, P05, for a total of 1,700,000 employee stock options, of which 550,000 have been vested.

The AGM on May 19, 2020 authorized a new employee stock option program, P06, for a total of 3,600,000 employee stock options, of which 3,555,000 have been granted. Of these, 0 remained outstanding at year-end. The change is due to the performance covenant associated with the program not having been met.

The AGM on May 20, 2021 authorized a new employee stock option program, P07, for a total of 3,772,000 employee stock options, of which 2,965,000 have been granted. The final number of employee stock options that each participant is entitled to exercise is dependent on the degree of completion of performance covenants for the Group. The performance covenant is based on average annual growth in Group net sales for the financial years 2021, 2022 and 2023. No stock options under this program were vested at the end of the period.

To ensure the delivery of stock options to participants in the stock option programs and to cover cash outflows associated with social security expenses arising from the delivery of stock options to participants, the Annual General Meeting 2021 authorized the Board to issue Class C shares that can be repurchased and converted to ordinary shares following a Board decision. In 2021, 3,300,000 shares were issued, of which 2,200,000 were converted to ordinary shares. A summary of granted stock options under the programs is presented below.

12/31/2022	Outstanding at the beginning of the period	Allocated in the period	Forfeited in the period	Exercised in the period	Expired in the period	Outstanding at the end of the period	To be exercised at the end of the period	Outstanding at the end of the period (after factor conversion)
P03	350,615	–	–	-30,000	–	320,615	320,615	323,821
P04	1,205,000	–	-100,000	-225,000	–	880,000	880,000	880,000
P05	550,000	–	–	–	–	550,000	550,000	550,000
P06	3,205,000	–	-3,205,000	–	–	–	–	–
P07	2,805,000	110,000	-820,000	–	–	2,095,000	–	2,095,000
	8,115,615	110,000	-4,125,000	-255,000	–	3,845,615	1,750,615	3,848,821

12/31/2021	Outstanding at the beginning of the period	Allocated in the period	Forfeited in the period	Exercised in the period	Expired in the period	Outstanding at the end of the period	To be exercised at the end of the period	Outstanding at the end of the period (after factor conversion)
P03	439,525	–	-49,257	-39,653	–	350,615	350,615	354,121
P04	1,805,000	–	–	-600,000	–	1,205,000	1,105,000	1,205,000
P05	550,000	–	–	–	–	550,000	–	550,000
P06	2,710,000	845,000	-350,000	–	–	3,205,000	–	3,205,000
P07	–	2,855,000	-50,000	–	–	2,805,000	–	2,805,000
	5,504,525	3,700,000	-449,257	-639,653	–	8,115,615	1,455,615	8,119,121

As of December 31, 2022, outstanding options had a weighted average exercise price of SEK 14.41. Remaining term to maturity by employee stock option program is distributed as follows:

SEK 000	Interval, exercise price	Remaining term to maturity stock option program	Weighted average remaining term to maturity, months
P03	4.04–5.60	12/31/2024	13.3
P04	4.70–9.58	06/30/2026	33.8
P05	9.38–10.23	05/22/2027	57.1
P07	26.91–27.56	09/30/2026	45.6

Note 28 – cont.

Share-based payments

In 2022, a total of 639,653 employee stock options (639,653 after factor conversion) were redeemed for new shares. The average exercise price was SEK 4.64 per share. 110,000 options were granted during the year and 4,125,000 options were forfeited because the relevant employees left the Group or performance covenants for the program were not met.

In accordance with the Company's policy for granting and exercise of employee stock options, granting is conditional upon the participant remaining in employment with the Group upon exercise of stock options that confer the right to acquire shares in Sivers Semiconductors AB at a price corresponding to 110 percent of the average volume-weighted price paid for the Company's share on Nasdaq Stockholm or other market place on the day of trading on which the stock options were granted to the participant.

In 2022, the Group issued stock options with an estimated fair value totaling SEK 0.377 M on the granting date. In 2021, the Group issued stock options with an estimated fair value of SEK 24.227 M on the granting date.

Fair value on the granting date is calculated according to the Black-Scholes valuation model.

	12/31/2022		12/31/2021	
	No. of stock options	Weighted average exercise price	No. of stock options	Weighted average exercise price
Outstanding at beginning of year	8,115,615	24.09	5,504,525	20.5
Allocated in the year	110,000	12.9	3,700,000	27.59
Forfeited in the year	-4,125,000	30.83	-449,257	30.62
Exercised in the year	-255,000	4.64	-639,653	7.38
Expired in the year	-	-	-	-
Outstanding at year-end	3,845,615	14.41	8,115,615	24.09
To be exercised at year-end	1,750,615	6.60	1,455,615	5.14

SEK 000	2022	2021
Weighted average share price	SEK 11.89	SEK 24.73
Weighted average exercise price	SEK 12.9	SEK 27.59
Expected volatility	45%	45%
Option term to maturity	3 years	3 years
Risk-free interest	1.28%	-0.08%
Expected dividend	-	-

Expected volatility is calculated on the basis of the Group's historical share price volatility (over 3 years). In 2022 and 2021, the Group recognized costs of SEK -5.300 M and SEK -2.148 M respectively (including social security expenses), relating to employee stock option programs. All outstanding employee stock option programs are settled with equity instruments.

In 2022 the Group introduced a share savings program that covers Group management and key employees. Participants who retain their Savings Shares throughout the Savings Period and also remain in employment with the Group for the entire Savings Period will, after the end of the Savings Period, be entitled to obtain ordinary shares in the Company free of charge ("Performance Shares") provided the performance covenants have been met.

The share savings program is recognized in personnel costs over the vesting period without affecting the Company's cash flow, and is recognized as an equity-settled share-based payment. Fair value at grant date has been calculated with monte-carlo simulation.

	12/31/2022		12/31/2021	
	Number of performance shares	Weighted average fair value at grant date	Number of performance shares	Weighted average fair value at grant date
Outstanding at beginning of year	-	-	-	-
Allocated in the year	1,508,740	11.26	-	-
Forfeited in the year	-287,500	11.26	-	-
Exercised in the year	-	-	-	-
Expired in the year	-	-	-	-
Outstanding at year-end	1,221,240	11.26	-	-
To be exercised at year-end	-	-	-	-

Note 29

Pension obligations

Pension plans

The Group has defined-contribution pension plans and pension plans encompassing multiple employers (ITP 2 plan).

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension obligations for retirement and family pension (alternatively family pension) are secured through insurance with Alecta. In accordance with a statement by the Swedish Financial Reporting Board, UFR 10 Reporting of pension plan ITP 2 financed through insurance with Alecta, this constitutes a defined-benefit plan for multiple employers. For the financial year 2021, the Company has not had access to the information required to report its share of commitments under the plan, plan assets and expenses, which means that it was not possible to recognize the plan as a defined-benefit plan. The ITP 2 pension plan which is secured through insurance with Alecta has therefore been recognized as a defined-contribution plan. The premium for the defined-benefit retirement pension and family pension is calculated on an individual basis and is dependent on factors including salary, previously accrued pension and expected remaining period of employment. Payments for ITP 2 insurance with Alecta are expected to amount to SEK 3.6 M (3.6) in the coming reporting period.

The Group's share of aggregate payments to the plan, and the Group's share of the total number of active members in the plan, amount to 0.02889 percent and 0.00428 percent respectively (2021: 0.02889 percent and 0.00428 percent respectively). The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. The collective consolidation level is normally permitted to fluctuate between 125 percent and 175 percent. In order to increase the rate of consolidation if it is considered too low, measures may include increasing the agreed subscription price and extending existing benefits. If the consolidation level exceeds 150 percent, premiums may be reduced. At the end of 2022, Alecta's surplus in the form of the collective consolidation level amounted to 172 percent (172).

Premiums to Alecta are determined on the basis of assumptions regarding interest rates, life span, operating costs and yield tax, and are calculated to ensure that payment of a constant premium until the date of pensionable age is sufficient in order for the target benefit, which is based on the insured party's current pensionable salary, to be paid for in full by the date of pensionable age.

There is no established regulatory framework for how potential deficits should be managed, although in the first instance, losses shall be covered by Alecta's collective consolidation capital, which therefore does not increase costs through higher agreed premiums. There is also no regulatory framework governing the distribution of potential surpluses or deficits on termination of the plan, or in the event a company withdraws from the plan.

Payment to the defined-contribution pension plans and Alecta are reported as a cost when the employees have carried out the services conferring the right to payments. The pension cost for the year is indicated in Note 6.

Note 30

Prepaid earnings – government grants

SEK 000	12/31/2022	12/31/2021
Short-term	437	1,880
Long-term	-	3,679
Total	437	5,559

Prepaid income for government grants arises when the Group receives grants but has not yet generated the expenses the grants are intended to cover.

Note 31

Financial instruments

(a) Classes and categories of financial instruments at fair value. The following table provides information on:

- classes of financial instruments based on their characteristics;
- financial instruments at book value;
- financial instruments measured at fair value (except when fair value of financial instruments approximately corresponds to fair value); and
- fair value hierarchy for financial assets and financial liabilities

Fair value hierarchy levels 1 to 3 based on degree of observable fair value:

- **Level 1** valuation at fair value constitutes listed prices (unadjusted) on active markets for identical assets or liabilities the Company has access to on the valuation date;
- **Level 2** valuation at fair value is derived from input data other than listed prices included in Level 1 that are observable for the asset or liability, whether directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** valuation at fair value of the asset or liability is derived from valuation techniques that include input data that is not based on observable market data (non-observable input data).

All exchange rate gains/losses in the Income Statement are derived from financial instruments at amortized cost. All interest expenses are derived from financial Liabilities at amortized cost. Other financial expenses and income are attributable to financial instruments at accrued cost with the exception of the value change and interest income relating to the bonds, which are attributable to a financial asset measured at fair value in the Income Statement.

Fair value

For all financial assets and liabilities recognized at amortized cost above, recognized amounts represent an approximation of fair value. The loans are assigned interest rates that have been judged to materially correspond to prevailing market interest rates. Therefore, information on fair value and level of fair value has not been provided for these instruments.

In 2022, the Group invested surplus liquidity in bonds with a term of less than one year. These are traded on active markets and are expected to be sold quickly if a liquidity need should arise.

In the Fourth quarter 2021, in accordance with the acquisition agreement relating to MixComm (for more information on the acquisition, see Note 32), the Parent Company made interim payments to MixComm in two stages. These transactions were recognized as a financial asset at fair value in the Income Statement as of the record date December 31, 2021, but were converted to shares in MixComm on completion of the acquisition which took place in the first quarter of 2022.

During the fourth quarter of 2022, the parent company entered into a loan facility with the option of conversion. The loan is reported as amortized cost and the embedded derivative has been reported separately at fair value through profit and loss. Fair value has been calculated based on outstanding debt and a 10% discount in relation to the volume-weighted average price of the company's share 15 trading days before the balance sheet date.

12/31/2022

SEK 000	Fair value	Level	Amortized cost	Total
Financial assets				
Cash and cash equivalents (Note 26)	-		47,174	47,174
Accounts receivable (Note 16)	-		42,325	42,325
Contract asset (Note 18)	-		5,041	5,041
Bonds	8,519	1	-	8,519
Financial liabilities				
Convertible loans	-		44,493	44,493
Bank borrowing (Note 20)	-		11,000	11,000
Hire purchase loans	-		2,017	2,017
Accounts payable	-		39,262	39,262
Other liabilities ¹⁾	5,724	2	8,541	14,265

12/31/2021

SEK 000	Fair value	Level	Amortized cost	Total
Financial assets				
Cash and cash equivalents (Note 26)	-		304,117	304,117
Accounts receivable (Note 16)	-		23,152	23,152
Contract asset (Note 18)	-		5,124	5,124
Bonds	133,127	1	-	133,127
Receivable MixComm	18,992	-	-	18,992
Financial liabilities				
Bank borrowing (Note 20)	-		15,000	15,000
Hire purchase loans	-		4,775	4,775
Accounts payable	-		21,830	21,830
Other liabilities ¹⁾	-		39,954	39,954

1) Other liabilities above include other liabilities in the Balance Sheet that consist of financial instruments valued at amortized cost, see Notes 24 and 25.

Financial risks

Because the Group is in a development phase and does not yet have satisfactory earning ability to cover costs of operations through sales revenue, the liquidity risk, i.e. the risk of not being able to fulfill payment obligations due to insufficient liquidity, is significant. The Group is also exposed to exchange rate risks as a large proportion of revenue, costs, assets and liabilities are denominated in foreign currency.

Furthermore, the Group is exposed to credit risk, i.e. the risk of a counterparty being unable to meet its obligations, through the Group's financial assets. The Group is also exposed to interest rate risk as the bank loans raised in 2020 are at a variable rate.

Group management monitors and evaluates financial risk continuously and makes decisions regarding measures to manage these risks. Financial risk management takes place in accordance with the Group's finance policy and risk management policy.

Note 31 – cont.

Financial instruments

Liquidity risk management

The Group manages liquidity risk by continuously monitoring long- and short-term forecasts and actual cash flow by matching maturity profiles of financial assets and liabilities. Short-term outflows are managed using liquid funds.

Exposure to liquidity risk

The following tables describe the Group's remaining contractual term to maturity of financial liabilities with contractual payment terms (other than derivatives), and liabilities that are classified as leasing liabilities and valued in accordance with IFRS 16. The tables have been prepared on the basis of unutilized cash flow of financial liabilities based on the earliest due date when the Group may become liable to make a payment (including extension options). For leasing liabilities, extension options that the Group expects to be utilized have also been included.

SEK 000	Up to 1 month	1–3 months	Between 3 months and 1 year (i)	1– 2 years	2–5 years	5+ years	Total	Carrying amount
December 31, 2022								
Accounts payable and other liabilities	28,962	24,494	12,150	-	-	-	65,606	33,014
Leasing liabilities	357	1,905	8,654	7,156	12,592	6,960	37,624	28,387
Hire purchase loans	266	532	1,023	346	-	-	2,168	2,017
Variable-interest financial instruments (nominal)	-	1,000	3,000	4,000	3,000	-	11,000	-
Fixed-interest financial instruments (nominal)	-	-	50,000	-	-	-	50,000	44,493
Interest on fixed income instruments	-	113	6,620	227	62	-	7,022	-
Total	29,585	28,045	81,448	11,729	15,654	6,960	173,421	107,911

SEK 000	Up to 1 month	1–3 months	Between 3 months and 1 year (i)	1–2 years	2–5 years	5+ years	Total	Carrying amount
December 31, 2021								
Accounts payable and other liabilities	17,029	39,473	5,282	-	-	-	61,784	61,784
Leasing liabilities	584	1,330	4,922	6,778	13,963	7,688	35,266	30,461
Hire purchase loans	330	588	2,319	2,099	-	-	5,336	4,775
Variable-interest financial instruments (nominal)	-	1,000	3,000	4,000	7,000	-	15,000	15,000
Interest on fixed income instruments	-	104	276	268	197	-	845	-
Total	17,944	42,496	15,799	13,145	21,160	7,688	118,231	112,020

In the fourth quarter 2021, the Group signed an agreement relating to the acquisition of MixComm Inc. The transaction was completed in the first quarter of 2022 (for more information, see Note 32). In connection with the completion of the acquisition, SEK 212 M was paid, corresponding to the cash element of the purchase consideration.

Exchange rate risk

The Group is party to transactions denominated in foreign currency and is thereby exposed to exchange rate fluctuations.

The Group is mainly exposed to GBP and USD. For Photonics, a majority of expenses are denominated in GBP, while a large proportion of revenue is in USD. Wireless has a high proportion of revenue denominated in USD and goods purchases in EUR, while a high proportion of expenses (personnel expenses and other expenses) are in SEK.

Exchange rate exposure in net sales and operating expenses

Group sales and operating expenses divided over GBP, USD and EUR are as follows:

SEK 000	Revenue		Operating expenses ¹⁾	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
GBP	13,452	17,139	-112,050	-83,747
USD	115,215	71,617	-84,752	-20,838
EUR	3,760	1,817	-10,977	-9,702

¹⁾ Operating expenses include input goods, other external expenses, personnel expenses and amortization, depreciation and impairment losses for property, plant and equipment and intangible assets.

Exchange rate sensitivity

Based on the Company's revenue, cost and currency structure, a general strengthening of the GBP against the SEK of 10 percent would affect operating profit by approximately SEK -9.9 M (-7.3). A general strengthening of the USD against the SEK would affect operating profit by SEK +3.5 M (+5.1).

Exchange rate exposure in monetary assets and liabilities

Book value of the Group's monetary assets and liabilities denominated in foreign currency as of the record date are as follows:

SEK 000	Liabilities		Assets	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
GBP	9,400	16,638	7,078	8,035
USD	34,864	17,650	68,961	217,977
EUR	2,081	1,071	91	628
Other	-	-	-	-

The change in USD for assets is mainly due to a lower proportion of cash in USD in 2022 as a result of the acquisition of Mixcomm which took place in USD.

Exchange rate sensitivity analysis

The following table describes the Group's sensitivity to an increase in the relevant exchange rates against the SEK of 10 percent. The sensitivity analysis only includes outstanding items denominated in foreign currency and adjusts translation at year-end for 10 percent change in exchange rates.

The sensitivity analysis includes external borrowing and loans to the Group's foreign operations where loans have been issued in a currency other than the lender's or borrower's reporting currency.

A positive amount below indicates an increase in profit and shareholders' equity given a 10 percent increase in the exchange rate against the SEK.

The increased effect of the USD effect as of December 31, 2022 compared to December 31, 2021 was mainly due to the Group having large bank balances denominated in USD, representing hedging of the exchange rate risk arising from the cash portion of the purchase consideration for MixComm.

SEK M	GBP impact		USD impact	
	12/31/2022	12/31/2021	12/31/2022	12/31/2021
Income Statement	0	0	35,6	20
Equity (translation effect)	11,1	10	-0,1	0

Credit risk management

New customers must undergo credit checks before being allowed to make credit purchases from the Group. Customers are then assigned a credit limit based on the credit checks. When new customers have an insufficient credit rating, the Group may request advance payment to avoid the risk of default.

There are also monitoring processes in place to ensure follow-up measures are taken to recover bad debt. Furthermore, the Group reviews recoverable amounts for each customer receivable and debt investment on an individual basis at the end of the reporting period to ensure that sufficient provisions have been made for non-recoverable amounts.

The overall credit risk for accounts receivable and contract assets has therefore been judged to be low. The Group has historically experienced few customer losses due to default. The Group's provision matrix for expected credit losses in contract assets and accounts receivable produced negligible amounts, and therefore the general provision is immaterial.

Credit risk for liquid funds is limited because the counterparties are banks with high credit ratings awarded by international credit rating institutes. The Group's provision model for expected credit losses in cash and cash equivalents resulted in negligible amounts.

Interest rate risk

The Group has a bank loan totaling SEK 11 M (15) with a variable interest rate of STIBOR +2.8 percent. The loan was raised in 2020 and is amortized over five years. In relation to the size of the loan and expectations relating to future interest rates, this is not considered to constitute a material risk to the Group.

The convertible loan totaling SEK 50 M raised in 2022 has a fixed monthly interest rate of 1 percent and is valued at amortized cost, which means it is not affected by interest rate fluctuations.

The Group's asset management

The Group defines assets as shareholders' equity. The Group manages its assets to ensure continued growth of the Group's operations and capacity for strong expansion. This overall strategy remains unchanged since 2021.

Because the Group is in a growth phase and does not yet have the ability to cover costs exclusively through sales revenue, the Group has raised new capital through share issues. The Board continuously monitors liquid funds in relation to coming payments and the Group's investment requirement to ensure maximum growth and determines, following authorization by the shareholders' meeting, whether further capital should be raised.

The Board also continuously monitors other potential capital sources, such as borrowing, and enters into agreements when it is considered advantageous to do so from a risk and cost perspective.

The Group is not subject to any external capital requirements.

Note 32 Acquisition of MixComm

Acquisition of MixComm

On October 14, 2021, Siverson Semiconductors signed an agreement regarding the acquisition of all the shares in MixComm, Inc, a US challenger in the development of chips for millimeter wave technology. Completion of the acquisition was conditional upon regulatory approval from CFIUS (the Committee on Foreign Investment in the United States). CFIUS approved the acquisition on January 20, 2022. The acquisition was completed on February 22, 2022, and as of this date MixComm was consolidated in Siverson Semiconductors. The acquisition is expected to generate synergies in sales and product development as the acquired operations complement Siverson Semiconductors' existing business, both commercially and in terms of technology, and through increased geographical coverage. The purchase consideration was paid through the issue of 39,187,320 new shares and a cash payment of USD 22.617 M. The sellers were also entitled to a performance-based purchase consideration of a maximum of 6,993,007 new shares subject to certain commercial milestones being reached. During the fourth quarter of 2022, it was established that these milestones had not been reached and, as a result, no performance-based purchase consideration was paid. The provision for the performance-based purchase consideration amounting to SEK 78.671 M was therefore reversed in its entirety and recognized as financial income during the fourth quarter of 2022.

During the fourth quarter of 2021, in accordance with the acquisition agreement, Siverson Semiconductors also paid SEK 18.847 M to MixComm for interim financing of operations. This transaction was recognized as a financial receivable as of Q4 2021, but was converted to shares in MixComm in connection with completion of the acquisition in the first quarter of 2022.

The purchase consideration has been valued as follows:

Cash and cash equivalents:	SEK 212.367 M
Ordinary shares issued:	SEK 440.857 M
Contingent consideration:	SEK 78.671 M
Total purchase consideration:	SEK 731.896 M

The fair value of the 39,187,320 new shares issued as part of the purchase consideration (440,857) was based on the listed share price as of February 22, 2022 of SEK 11.25 per share. The value of the contingent consideration was determined by expected outcome of the commercial milestones at the time of acquisition.

Transaction costs for the acquisition amounted to SEK 43.643 M, of which SEK 41.558 M was recognized in 2021 and SEK 2.085 M in 2022. These expenses are recognized in other external expenses in the Consolidated Income Statement and in operating activities in the Statement of Cash Flow.

Assets and liabilities recognized as a result of the acquisition are as follows:

Assets and liabilities	Fair value
Tangible non-current assets	657,769
Property, plant and equipment	4,426
Inventories	4,173
Accounts receivable	22
Other receivables	2,473
Cash and cash equivalents	5,891
Interest-bearing liabilities	2,483
Other current liabilities	27,622
Deferred tax liabilities/assets net	152,837
Acquired identifiable net assets	491,813
Goodwill	240,083
Acquired net assets	731,896

Goodwill is attributable to employees, future customers and market position. No proportion of recognized goodwill is expected to be tax deductible. Intangible non-current assets are divided into SEK 629.117 M technology and SEK 28.652 M customer relations. In the period January to December 2022, the acquired business contributed SEK 40.187 M to revenue and a net loss of SEK -22.643 M to the Consolidated Income Statement. No proportion of recognized goodwill is expected to be tax deductible.

Note 33 Related-party transactions

Intra-group transactions between the Company and its subsidiaries classed as closely-related parties have been eliminated in the consolidated accounts and are not included in this Note.

In 2022, the Group's subsidiary Siverson Photonics Ltd. issued a loan corresponding to SEK 0 M (0.122) to the associated company III-V EPI Limited. III-V EPI Limited was founded in the third quarter of 2020. The value of this holding is not yet of material value to the Group.

Remuneration to key senior executives

Remuneration to management, which represents the Group's key senior executives, and remuneration to the Board is presented in Note 6, Remuneration to employees.

Note 34 Events after the reporting period

On April 5, 2023, Siverson Semiconductors AB carried out a directed share issue for a total of SEK 150 million. During the issue, approximately 20.7 million new shares were issued at a subscription price of SEK 7.25 per share. The subscription price was determined through an accelerated bookbuilding procedure and corresponds to a discount of 9.4 percent compared to the closing price on April 4, 2023. The dilution from the issue is approximately 8.8 percent of the capital and 8.9 percent of the votes.

Parent Company Income Statement

SEK 000	Note	2022	2021
Net sales	2	11,658	9,101
Other external expenses	3	-12,591	-16,011
Personnel costs	4	-12,946	-17,383
Operating profit/loss		-13,879	-24,292
Profit from financial items			
Other interest income and similar items		104,242	19,831
Interest expenses and similar items		-125,296	-50,809
		-34,933	-55,270
Profit before tax			
Income tax	5	-	-
Profit/loss for the year		-34,933	-55,270

Parent Company Statement of Comprehensive Income

SEK 000	Note	2022	2021
Profit/loss for the year		-34,933	-55,270
Other comprehensive income		-	-
Total comprehensive income for the year		-34,933	-55,270

Parent Company Statement of Financial Position

SEK 000	Note	12/31/2022	12/31/2021
ASSETS			
Non-current assets			
Financial non-current assets			
Shares in Group companies	6	1,095,363	300,106
Receivables from Group companies	7	301,546	213,008
Long-term prepaid expenses	6	-	41,558
Total financial non-current assets		1,396,909	554,672
Total non-current assets		1,396,909	554,672
Current assets			
Current receivables			
Receivables from Group companies	7	383	11,789
Other receivables	8	1,150	384
Prepaid expenses and accrued income	9	1,098	820
Other current financial assets	16	8,519	152,119
Total current receivables		11,150	165,111
Cash and cash equivalents	10	24,521	290,056
Total current assets		35,671	455,167
TOTAL ASSETS		1,432,580	1,009,839

SEK 000	Note	12/31/2022	12/31/2021
EQUITY AND LIABILITIES			
Share capital	11	106,977	87,383
Share premium reserve		1,704,261	1,283,785
Retained earnings including profit/loss for the year		-439,673	-406,701
Total equity		1,371,565	964,467
Provisions			
Provisions	12	406	2,627
Total provisions		79,315	2,627
Current liabilities			
Convertible debt		44,493	-
Accounts payable		1,948	2,506
Other liabilities	13	7,919	773
Accrued expenses and prepaid income	14	6,250	39,466
Total current liabilities		60,610	42,745
Total liabilities		139,925	45,372
TOTAL EQUITY AND LIABILITIES		1,432,580	1,009,839

Parent Company Statement of Changes in Equity

SEK 000	Share capital	Share premium reserve	Retained earnings including profit/loss for the year	Total equity
Opening balance Jan 1, 2021	77,223	904,565	-355,457	626,331
New share issue	10,160	391,489		401,650
Issue expenses		-12,269		-12,269
Change in treasury shares			-605	-605
Share-based payments			4,631	4,631
Profit/loss for the year			-55,270	-55,270
Closing balance Dec 31, 2021	87,383	1,283,785	-406,701	964,467

SEK 000	Share capital	Share premium reserve	Retained earnings including profit/loss for the year	Total equity
Opening balance Jan 1, 2022	87,383	1,283,785	-406,701	964,467
Non-cash issue	19,595	421,259		440,854
Issue expenses		-784		-788
Change in treasury shares			1,181	1,181
Share-based payments			780	780
Profit/loss for the year			-34,933	-34,933
Closing balance Dec 31, 2022	106,977	1,704,261	-439,673	964,467

Parent Company Statement of Cash Flow

SEK 000	Note	2022	2021
Operating profit/loss	15	-13,879	-24,292
Adjustments for non-cash items		780	717
Interest received		-	370
Interest paid		-4,000	-12
Income tax paid		-	-
Cash flow from operating activities before change in working capital		-17,099	-23,218
Cash flow from change in working capital			
Increase (-) / decrease (+) in operating receivables		-13,511	-9,167
Increase (+) / decrease (-) in operating liabilities		-667	4,479
Cash flow from operating activities		-31,277	-27,906
Investing activities			
Loans to subsidiaries – New		-170,169	-126,899
Loans to subsidiaries – Amortization		-206,475	-
Financing of MixComm		-33,503	-18,992
Paid acquisition costs		-	-7,009
Investments in financial instruments		125,492	-133,772
Cash flow from investing activities		-284,655	-286,672
Financing activities			
Borrowings		50,000	-
New share issue		-	401,650
Issue expenses		-784	-12,269
Repurchase of treasury shares		-	-1,716
Sale/exercise of stock options using treasury shares		1,181	1,111
Cash flow from financing activities		50,397	388,776
Cash flow for the year		-265,535	74,198
Cash and cash equivalents at the beginning of the year		290,056	215,858
Cash and cash equivalents at the end of the year		24,521	290,056

Parent Company Notes

Note 1 Accounting principles

The financial statements of Silvers Semiconductors AB have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board RFR 2 "Accounting for Legal entities". According to RFR 2, the Parent Company shall apply all International Financial Reporting Standards, as approved by the EU, to the extent possible within the limits set out in the Swedish Annual Accounts Act.

The Financial Statements have been prepared on the basis of historical cost, except for the revaluation of financial instruments that are measured at fair value at the end of each reporting period.

The Parent Company's accounting principles are the same as the Group's (which are described in Note 2 to the Group's Annual Report), except for the areas mentioned below.

Shares in Group companies

Shares in Group companies are recognized at historical cost with deductions for impairment.

Revenue

Parent Company revenue consists of management fees from subsidiaries. These are recognized over time, as the services are performed. Revenue is calculated and allocated to subsidiaries based on the extent to which they use the Parent Company's services.

Financial instruments

The Parent Company provides long-term intra-Group lending. The model for calculating provisions for expected credit losses proceeds from the probability of default based on the Group companies' credit rating, expected losses upon default and exposure at the time of default.

The model measures 12-month expected credit loss for receivables. If the credit risk has increased significantly since initial recognition, lifetime ECL is recognized. The Parent Company has elected to apply the exemption for low credit risk, where low credit risk is approximated on the basis of an internal credit rating determined to be equal to the investment grade.

Note 2 Revenue

Information about intra-Group purchases and sales

SEK 000	2022	2021
Sales	11,658	9,101
Purchases	-	-

Prepaid income for government grants arises when the Group receives grants, but has not yet generated the expenses the grants are intended to cover.

Note 3 Remuneration to Auditors

SEK 000	2022	2021
Deloitte AB		
Audit fees	660	439
Audit work in addition to auditing assignments	-	99
Tax advisory	-	-
Other services	13	-
Total	673	538

Note 4 Personnel costs

SEK 000	2022	2021
Salary and other remuneration	10,033	11,972
Social security expenses	995	799
Pension costs	1,918	2,673
Total	12,946	15,444

Note 5 Income tax

SEK 000	2022	2021
Current tax	-	-
Deferred tax	-	-
Total	-	-

SEK 000	2022	2021
Profit before tax	-34,933	-55,270
Tax calculated according to the Swedish tax rate of 20.6 % (20.6)	7,196	11,386
Tax effect from non-deductible expenses/non taxable revenue	-7,332	-9,308
Tax effect from embedded derivatives	-34	-
Change in unrecognized deferred tax assets	170	-2,078
Tax for the year - recognized	-	-

Note 6 Shares in Group companies

SEK 000	12/31/2022	12/31/2021
Accumulated cost		
Opening balance, accumulated cost as of January 1	548,349	425,082
Acquisition of subsidiaries	795,257	-
Shareholder contributions paid	100,196	50,000
Conversion of loan to shares in subsidiaries	-	73,181
Financing of subsidiaries	-	86
Closing balance, accumulated cost	1,443,802	548,349
Impairment losses		
Opening balance, accumulated impairment losses as of January 1	-248,243	-198,243
Impairments losses for the year	-100,196	-50,000
Closing balance, accumulated impairment losses	-348,439	-248,243
Carrying amount	1,095,363	300,106

Company name	Corporate identity number	Registered office	Share of equity	No. of shares
Sivers Photonics Ltd	SC211759	Glasgow	100%	51,919,160
Sivers Wireless AB	556063-7331	Kista	100%	7,120,659
Trebax AB	556661-8400	Gothenburg	100%	1,000
The Sivers Semiconductors Corporation		Delaware	100%	10,000
Sivers Semiconductors Inc		Chatham	100%	21,217,821

1) Share of equity corresponds to share of votes.

Carrying amount

Company name	12/31/2022	12/31/2021
Sivers Photonics Ltd	269,334	269,334
Sivers Wireless AB	30,686	30,686
Trebax AB	-	-
Sivers Semiconductors Corp	86	86
Sivers Semiconductors Inc	795,257	-
Carrying amount	1,095,363	300,106

Long-term prepaid expenses

	12/31/2022	12/31/2021
Acquisition expenses MixComm	-	41,558
Total	-	41,558

Long-term prepaid expenses related to acquisition costs for MixComm Inc., which was acquired in 2022. In connection with completion of the acquisition in 2022, the amount was reclassified to shares in the subsidiary.

Note 7 Receivables from Group companies

SEK 000	12/31/2022	12/31/2021
Accumulated cost		
Opening balance, accumulated cost as of January 1	224,797	193,579
Additional receivables	191,077	154,637
Loss provision	-13,749	-152
Settled receivables	-100,196	-123,267
Closing balance, accumulated cost	301,929	224,797
Impairment losses		
Opening balance, accumulated impairment losses as of January 1	-	-
Impairments losses for the year	-	-
Closing balance, accumulated impairment losses	-	-
Carrying amount	301,929	224,797
Book value of non-current receivables with Group companies	301,546	213,008
Book value of current receivables with Group companies	383	11,789
Total	301,929	224,797

Of additional receivables, SEK 170.169 M (126.899) relates to loans to subsidiaries. The remainder relates to capitalized interest, receivable relating to management fees and receivables relating to employee stock options that have not yet been settled. Group receivables in the year were settled at SEK 100.196 M (123.267), of which SEK 0 M (0) relates to repayments from subsidiaries and the remainder to shareholder contributions settled through offset of Group receivables of SEK 100.196 M (50) and a forgiven loan to Photonics of SEK 0 M (73.267).

The Parent Company issues credit to its subsidiaries on an ongoing basis as they are in a growth phase and are as yet unable to cover their liquidity requirement exclusively through revenue. The Group has carried out impairment testing including cash flow forecasts (see Note 11 to the Annual Report for the Group) and assesses that the repayment ability is satisfactory.

Loss provisions relating to receivables with Group companies

The model for calculating provisions for expected credit losses is based on the probability of default related to the Group companies' credit rating, expected losses upon default and exposure at the time of default. The model measures 12-month expected credit loss for receivables. Counterparty credit risk did not increase significantly during the year.

The following table illustrates changes in loss provisions for receivables with Group companies:

SEK 000	2022	2021
Opening balance loss provisions, as of January 1	3,769	3,617
Net increase in loss allowances relating to new receivables with Group companies recognized in the current year	13,749	152
Total recognized loss provision as of December 31	17,518	3,769

Note 8 Other receivables

SEK 000	12/31/2022	12/31/2021
VAT receivables	997	245
Balance on tax account	-	139
Other	153	-
Total	1,150	384

Note 9 Prepaid expenses and accrued income

SEK 000	12/31/2022	12/31/2021
Prepaid insurance	558	152
Other prepaid expenses	540	668
Total	1,098	820

Note 10 Cash and cash equivalents

SEK 000	12/31/2022	12/31/2021
Bank balances	24,521	290,056
Carrying amount	24,521	290,056

Note 11 Share capital

Share capital comprises the following number of shares and quotient value:

SEK 000	12/31/2022	12/31/2021
Number of shares	213,937,161	174,766,924
Quotient value, SEK	0.50	0.5
Carrying amount	106,968,581	87,383,462

As of December 31, 2022, the Company had 212,837,161 outstanding ordinary shares and 1,100,000 Class C shares. The ordinary shares confer 1.0 voting right and Class C shares 0.1 voting right each.

Note 12 Provisions

SEK 000	12/31/2022	12/31/2021
Social security expenses for employee stock options	406	2,627
	406	2,627
Short-term	-	-
Long-term	406	2,627
	406	2,627

SEK 000	Social security expenses, employee stock options	Total
As of January 1, 2021	6,542	6,542
Additional provision		
for the year	-2,213	-2,213
Utilized in the year	-1,702	-1,702
Reclassification	-	-
As of December 31, 2021	2,627	2,627

As of January 1, 2022	2,627	2,627
Dissolution in the year	2,429	2,429
Utilized in the year	-198	-198
Reclassification	-	-
As of December 31, 2022	406	406

Note 13 Other liabilities

SEK 000	12/31/2022	12/31/2021
PAYE tax & fees	1,432	773
Embedded derivatives in convertible debentures	5,724	-
Other	763	-
Total	7,919	773

Note 14 Accrued expenses and prepaid income

SEK 000	12/31/2022	12/31/2021
Accrued holiday pay and social security expenses	1,624	1,728
Other personnel-related expenses	802	2,914
Accrued consultancy costs	-	140
Accrued accounting and audit fees	693	135
Accrued acquisition expenses	3,131	34,549
Total	6,250	39,466

Note 15

Notes to Statements of Cash Flow

Cash and cash equivalents

SEK 000	12/31/2022	12/31/2021
Cash and cash equivalents	24,521	290,056
Total	24,521	290,056

Cash and bank balances comprise cash and short-term bank balances with a term of 3 months or less. The recognized value of these assets approximately corresponds to fair value. Cash and cash equivalents at the end of the reporting period as indicated in the Cash Flow Statement can be reconciled with the Statement of Financial Position above.

Changes in liabilities attributable to financing activities

The following table shows changes in the Parent Company liabilities attributable to financing activities, which includes changes attributable to cash flow and changes not influencing cash flow. Liabilities attributable to financing activities are liabilities for which cash flows have been classified, or for which future cash flows will be classified, as cash flows from financing activities in the Cash Flow Statement.

In the financial year 2021, there were no liabilities attributable to the financing operations in the Parent Company.

SEK 000	January 1, 2022	Cash flow from financing	Transactions not involving payment			December 31, 2022
			Exchange rate fluctuations	Capitalized interest	Conversion of debt to shares	
Convertible debentures	-	50,000	-	1,515	-	51,515
Total liabilities from financing activities	-	50,000	-	1,515	-	51,515

Note 16

Financial instruments

The Parent Company's financial instruments are presented below. For a description of financial risks, see Note 31 in the Annual Report of the Group.

12/31/2022

SEK 000	Fair value	Level	Amortized cost	Total
Financial assets				
Cash and cash equivalents (Note 10)	-		24,521	24,521
Group receivables (Note 7)	-		301,929	301,929
Bonds	8,519	1	-	8,519
Financial liabilities				
Convertible debt	-		44,493	44,493
Accounts payable	-		2,506	2,506
Other liabilities ¹⁾	5,724	2	2,195	7,919

12/31/2021

SEK 000	Fair value	Level	Amortized cost	Total
Financial assets				
Cash and cash equivalents (Note 10)	-		290,056	290,056
Group receivables (Note 7)				
Bonds	133,127	1	-	133,127
Receivable MixComm	18,992	-	-	18,992
Financial liabilities				
Accounts payable	-		2,506	2,506
Other liabilities ¹⁾	-		34,824	34,824

¹⁾ Other liabilities above include other liabilities in the Balance Sheet that comprise financial instruments valued at amortized cost in Notes 13 and 14.

Fair value

For all financial assets and liabilities recognized at amortized cost above, recognized amounts represent an approximation of fair value.

In 2021, the Group invested surplus liquidity in bonds with a term of less than one year. These are traded on active markets and are expected to be sold quickly if a liquidity need should arise.

In the Fourth quarter 2021, in accordance with the acquisition agreement relating to MixComm (for more information on the acquisition, see Note 32 Group), the Parent Company made interim payments to MixComm in two stages. These transactions were recognized as a financial asset at fair value in the Income Statement as of the record date December 31, 2021, but were converted to shares in MixComm upon completion of the acquisition which took place in 2022. The fair value of this asset has been approximated at cost, as no change in market value was deemed to have occurred that could reasonably be considered to have a material impact on fair value during the short term of approximately 0-1 months that the Group held the receivables.

In the fourth quarter of 2022, the Group raised a loan facility for a total of SEK 100 M, of which SEK 50 M was utilized in 2022. The loan includes a conversion option for the utilized part. This conversion option has been valued separately at fair value.

Note 17

Pledged assets and contingent liabilities

SEK 000	12/31/2022	12/31/2021
Contingent liabilities		
Guarantee commitments for subsidiaries	11,000	20,336
Total	11,000	20,336

Guarantee commitments for subsidiaries relate to guarantee commitments entered into by the Parent Company on behalf of its subsidiaries. The commitments relate to outstanding payments in the event that the subsidiaries become unable to make contractual payments.

Note 18

Related-party transactions

Transactions between the Parent Company and its subsidiaries, which are closely-related parties of the Parent Company, relate to management fees invoiced to subsidiaries, intra-Group borrowing and interest on intra-Group borrowing. Intra-Group sales are specified in Note 2 and intra-Group borrowing in Note 7. Intra-Group interest income amounted to SEK 7.647 M (4.975) in the financial year.

Remuneration to management, i.e. the Group's key senior executives, and remuneration to the Board, is presented in Note 6 of the Annual Report of the Group.

Note 19

Events after the reporting period

Events after the reporting period are presented in Note 32 for the Group's Annual Report.

Note 20

Proposed distribution of earnings

The following funds are at the disposal of the Annual General Meeting:

SEK	2022
Share premium reserve	1,704,261
Retained earnings	-404,740
Profit/loss for the year	-34,933
Total	1,264,588
The Board of Directors proposes that the following funds are carried forward:	1,264,588

SIGNATURES

The Annual Report and Consolidated Financial Statements have been approved for publication by the Board of Directors on April 25, 2023. The Consolidated Income Statement and Balance Sheet and the Parent Company Income Statement and Balance Sheet are subject to authorization by the AGM on May 25, 2023.

The Board and CEO hereby confirm that the Annual Report has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities, and that it presents a fair view of the Company's financial position and results of operations, and that the Administration Report provides a fair view of the progress of the

Company's operations, financial position and results of operations, and describes material risks and uncertainties that the Company faces. The Board and CEO hereby confirm that the Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), in the form adopted by the EU, and provide a fair view of the Group's financial position and results of operations, and that the Group's Administration Report provides a fair summary of progress for the Group's operations, financial position and results of operations and outlines the material risks and uncertainties the companies included in the Group face.

Kista, Sweden, April 25, 2023

Tomas Duffy
Chairman of the Board

Anders Storm
CEO

Ingrid Engström
Board member

Erik Fällström
Board member

Lottie Saks
Board member

Beth Topolovsky
Board member

Todd Thomson
Board member

Our audit report was submitted on April 25, 2023 Deloitte AB

Zlatko Mehinagic
Authorized Public Accountant

Auditor's Report

To the general meeting of the shareholders of **Sivers Semiconductors AB (publ)**
corporate identity number 556383-9348

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sivers Semiconductors AB (publ) for the financial year 2022-01-01 - 2022-12-31 except for the corporate governance statement on pages 33-36. The annual accounts and consolidated accounts of the company are included on pages 27-81 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's Board of Directors in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

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

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Revenue

Description of risk

Sivers Semiconductors reports revenue from sales of hardware products, development projects and support agreements. The company's revenue is an important item and is valued based on the agreement with the customer. The company reports revenue when the control of a product or service is transferred to a customer and requires assessments by the company.

The Groups' policy for revenue recognition together with significant estimates and assessments are described in note 2 and note 3. In note 4 and note 5, revenue is presented divided into the Wireless and Photonics operating segments.

Our audit procedures

Our audit included the following audit procedures:

- evaluation of controls and processes that support revenue recognition,
- review of the Group's principles for accounting for revenue to verify compliance with IFRS,
- for a selection of individual revenue transactions verified revenue has been reported in the period the company fulfils its obligations, and
- for a selection of service assignments verified these have been reported correctly as the services are performed in accordance with the completion.

Intangible assets

Description of risk

Sivers Semiconductors has significant expenses for other intangible assets, which includes expenses for research and development. When specific criteria are met, these expenses are capitalized as intangible assets in the balance sheet. There is a risk that expenses that are not directly attributable to the asset, or are not activatable according to current regulations, are reported as an asset and hence is a risk that these assets do not create financial benefit for the company over the period from the management's estimations.

The Group's policy for intangible assets together with significant estimates and assessments are described in note 2 and note 2. Note 11 presents intangible assets.

Our audit procedures

Our audit included the following audit procedures:

- created an understanding of the company's process for capitalization, depreciation rate and valuation of intangible assets and reviewed the significant controls the company has to minimize the risk of errors in the financial reporting.
- evaluated whether there have been changes in the company's application of accounting principles and/or assessments regarding intangible assets.
- by reviewing a selection of transactions ensured:
 - that development expenses have been correctly reported in the balance sheet and that depreciation has begun at the time when the asset is taken into account, and
 - that expenses for disbursement and expenses for time that are linked to development projects can be reported in the balance sheet in accordance with current regulations.
- review the company's routines for evaluating the need for impairment of capitalized development expenses have been established in accordance with current regulations and review company's reasonable assumptions and provided appropriate information in the annual report.

Goodwill

Description of risk

As a result of historic acquisitions of Sivers Photonics, Sivers Semiconductors has significant amounts of goodwill. On annual basis, management tests the carrying amount of the corresponding cash-generating units. These impairment assessments are complex and require management estimates and judgments to determine the Group's cash-generating units as well as their future growth, profit margins, investment levels and discount rates. The Group's policy for goodwill together with significant estimates and assessments are described in note 2 and note 3. Note 11 presents goodwill.

Our audit procedures

Our audit included the following audit procedures:

- evaluation of Sivers Semiconductors principles and routines for establishing impairment tests for compliance with IFRS,
- evaluation of important assumptions made by the company management in the impairment test of cash-generating units and evaluation of the sensitivity of these important assumptions, and
- review of the models used to calculate present value future cash flows for arithmetic accuracy.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-26 and 82-85. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisorsansvar This description forms part of the auditor's report".

Report on other legal and regulatory requirements Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sivers Semiconductors AB (publ) (publ) for the financial year 2022-01-01 - 2022-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors

website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

The auditor's examination of the Esef report Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) for *Sivers Semiconductors AB (publ) (publ)* for the financial year 2022-01-01 - 2022-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of *Sivers Semiconductors AB (publ) (publ)* in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally

accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 31-34 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of *Sivers Semiconductors AB (publ)* by the general meeting of the shareholders on the 2022-05-19 and has been the company's auditor since 2015-05-07.

Stockholm 25 April 2023

Deloitte AB

Zlatko Mehinagic
Auktoriserad revisor

Alternative Performance Measures (APM)

Alternative performance measures are used to describe progress of operations and increase comparability between periods. They are not defined using the IFRS regulatory framework, but rather correspond to the Group Management's and Board's measures of the Company's financial performance and can thus be viewed as a complement to the financial information presented under IFRS.

Group

SEK 000	1/1/2022 - 12/31/2022	1/1/2021 - 12/31/2021
Profitability		
Net sales growth, %	46%	-6%
Net sales growth, at constant currency (%)	30%	0%
EBITDA (SEK 000)	-73,693	-107,185
EBITDA adjusted (SEK 000)	-75,277	-64,935
EBIT (SEK 000)	-185,096	-140,941
Capital Structure		
Equity (SEK 000)	1,240,079	798,903
Total assets (SEK 000)	1,571,100	951,379
Capital employed (SEK 000)	1,331,700	849,139
Interest-bearing net debt (SEK 000)	38,723	-253,881
Capital turnover ratio (multiple)	0.1	0.1
Equity/assets ratio (%)	78%	84%
Debt/equity ratio (%)	7%	6%
Cash Flow and Liquidity		
Cash flow before investments (SEK 000)	-133,461	-82,967
Cash flow after investments (SEK 000)	-299,454	-327,975
Cash and cash equivalents (SEK 000)	47,174	304,117
Investments		
Acquisition of property, plant and equipment (SEK 000)	-13,731	-38,948
Acquisition of intangible assets (SEK 000)	-71,278	-56,447
Sales of property, plant and equipment (SEK 000)	-	-
Investments in financial instruments	-	-152,619
Sold financial instruments	-	-
Loan to associated company	-	-122
Employees		
Average number of employees	131	117
Sales per employee (SEK 000)	1,012	775
Total number of employees	130	126
Data per share		
Number of shares ¹⁾	213,954,244	174,766,924
Average number of shares before dilution ¹⁾	208,371,393	160,676,238
Earnings per share before and after dilution	-0.41	-
Equity per share	5.80	-0.83

¹⁾ 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 2021.

Definitions of alternative performance measures

Profitability	Definition	Reason for using the measure
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
Revenue growth, at constant currency (%)	Revenue adjusted for exchange rates compared to the equivalent period in the previous year. The Group uses average exchange rates for the period to adjust for exchange rates	Illustrates the Company's growth in revenue driven by volume and price changes independent of exchange rate effects
EBITDA	Profit before financial items, tax, depreciation and amortization	The measure is a means of evaluating profit without taking into account financial decisions or tax
Adjusted EBITDA	EBITDA adjusted for items affecting comparability. Items affecting comparability include: Expenses related to the employee stock option programs (IFRS 2 expenses and social security expenses), acquisition related expenses, restructuring costs, legal costs in relation to major disputes, and revaluation of contingent consideration	The purpose of using the measure is to illustrate the performance of the operating activities, independent of depreciation, amortization and items affecting comparability
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 cash and cash equivalents	The measure shows the Group's total debt/equity ratio
Capital turnover ratio (multiple)	Revenue for the period 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 helps to increase understanding of the Group's capital structure
Debt/equity ratio (%)	Interest-bearing liabilities divided by equity	The measure describes financial risk, i.e. the proportion of the Group's assets that is financed by borrowing
Cash Flow and Liquidity		
Cash flow before investments	Profit after financial items plus items not affecting cash flow and 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 plus items not affecting cash flow and 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
Employees		
Average number of employees ¹⁾	Average number of employees in the period	
Sales per employee ¹⁾	Sales divided by average number of employees	
Total number of employees ¹⁾	Total number of employees at the end of the period	
Data per share		
Number of shares ²⁾	Number of shares at the end of the period	
Average number of shares ²⁾	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

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

2) Non-financial measure

Calculation of alternative performance measures

Group

SEK 000	1/1/2022 - 12/31/2022	1/1/2021 - 12/31/2021
Net sales growth, %		
Net sales	132,607	90,652
Net sales, corresponding period previous year	90,652	96,170
Net sales growth, %	46%	-6%
Net sales growth, at constant currency, %		
Net sales	132,607	90,652
Exchange rate adjustment	-14,723	5,423
Net sales adjusted	117,884	96,075
Net sales corresponding period previous year	90,652	96,170
Net sales growth, at constant currency	30%	0%
EBITDA (SEK 000)		
Operating profit/loss	-185,096	-140,941
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets	111,403	33,756
EBITDA	-73,693	-107,185
EBITDA adjusted (SEK 000)		
EBITDA	-73,693	-107,185
Expenses in relation to stock option programs	-5,300	-2,148
Acquisition-related expenses	2,085	41,558
Restructuring costs	1,631	2,840
EBITDA adjusted	-75,277	-64,935
Capital employed (SEK 000)		
Total assets	1,571,100	951,379
Deferred tax liability	-156,885	-84
Provisions	-1,172	-7,161
Non-interest bearing portion of other non-current liabilities	-3,197	-3,679
Accounts payable	-39,262	-21,830
Non-interest bearing portion of other liabilities	-6,851	-3,538
Accrued expenses and prepaid income	-32,033	-65,947
Capital employed	1,331,700	849,139
Interest-bearing net debt		
Interest-bearing non-current liabilities (leasing and other)	28,801	38,050
Interest-bearing current liabilities (convertible, leasing and other)	57,096	12,186
Cash and cash equivalents	-47,174	-304,117
Interest-bearing net debt	38,723	-253,881
Capital turnover ratio, multiple		
Net sales	132,607	90,652
Average total assets	1,261,239	799,282
Total assets at the beginning of the period	951,379	647,186
Total assets at the end of the period	1,571,100	951,379
Capital turnover ratio, multiple	0.1	0.1
Equity/assets ratio (%)		
Equity (SEK 000)	1,240,079	798,903
Total assets (SEK 000)	1,571,100	951,379
Equity/assets ratio, %	79%	84%
Debt/equity ratio (%)		
Interest-bearing liabilities	85,897	50,236
Equity	1,240,079	798,903
Debt/equity ratio (%)	7%	6%
Equity per share (SEK)		
Equity, SEK 000	1,240,079	798,903
Number of shares at the end of the period ¹⁾	213,954,244	174,766,924
Equity per share	5.80	4.57

Annual General Meeting 2023

Sivers Semiconductors AB's Annual General Meeting will be held on Thursday May 25, 2023.

Participation

Shareholders wishing to attend the meeting shall:

- Be included in the share register kept by Euro-clear Sweden AB on Tuesday May 16, 2023
- Report their intention to participate no later than May 19, 2023.

Registration

Registration takes place by mail at the address Setterwalls Advokatbyrå AB, to: Anna Barnekow, Box 1050, 101 39 Stockholm or by e-mail anna.barnekow@setterwalls.se. When registering, name, social security number/organization number, telephone number, number of shares held and any proxy. If shareholders participate by proxy a written and dated power of attorney signed by the shareholder is attached to the notification. Power of attorney form is available on the Company's website www.sivers-semiconductors.com. If the shareholder is a legal entity person registration certificate or other authorization document must be attached to the notification.

Nominee-registered shares

Shareholders who have their shares registered as trustees must, in addition to notification of participation in the meeting, temporarily entered in the share register in your own name (so-called voting rights registration) in order to participate in the meeting.

Proposed dividend

The Board of Directors proposes that no dividend be paid.

