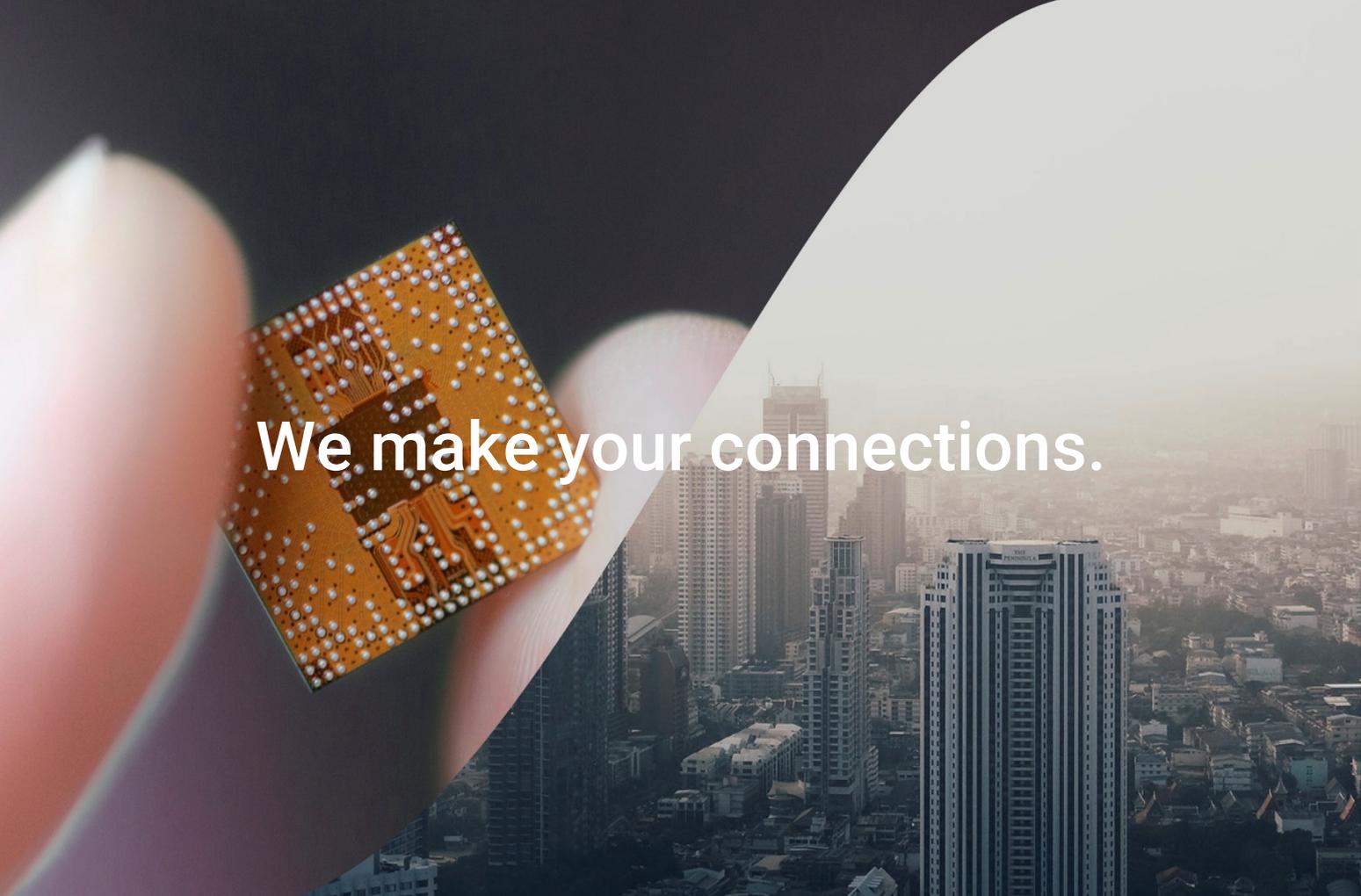


Sivers IMA Holding AB (publ) Year-end report 2018

A hand holding a gold microchip in front of a city skyline. The microchip is a square, gold-colored component with a grid of small, silver-colored solder balls around its perimeter. The city skyline in the background features several tall, modern skyscrapers under a hazy sky. The text "We make your connections." is overlaid in white on the microchip and the city.

We make your connections.

SIVERSIMA

Year-end report 2018



Fourth quarter October to December 2018

- Operating income for the quarter amounted to SEK 37,066 thousand (42,056), which is a decrease of 12 percent
- Net sales for the quarter amounted to SEK 16,834 thousand (32,971), which is a decrease of 49 percent
- Earnings before depreciation (EBITDA) for the quarter amounted to SEK -21,229 thousand (1,525)
- Result for the quarter amounted to SEK -30,147 thousand (-4,831)
- Earnings per share amounted to SEK -0.26 (-0.05)
- Equity per share amounted to SEK 2.07 (2.12)

January to December 2018

- Operating income for the period amounted to SEK 119,761 thousand (95,837), which is an increase of 25 percent
- Net sales for the period amounted to SEK 69,835 thousand (65,493), which is an increase of 7 percent
- Earnings before depreciation (EBITDA) for the period amounted to SEK -57,548 thousand (-19,568)
- Result for the period amounted to SEK -102,971 thousand (-45,617)
- Earnings per share amounted to SEK -0.87 (-0.49)
- Equity per share amounted to SEK 2.07 (2.12)

Significant events during the period October to December:

- CST Global receives a framework order of SEK 21.5 million from an American Fortune 100 company
- Sivers IMA carries out a directed new share issue of SEK 43.4 million
- Sivers IMA announces a joint 5G base station development project with Ampleon
- Sivers IMA announces that the WiGig chip TRX BF01 is ready for commercial production

Significant events following the period:

- Sivers IMA has announced that it has signed an agreement with an Eastern European wireless broadband system provider
- Sivers IMA has signed a letter of intent for the use of its unlicensed 5G products in ultrasound examination applications

Key figures

SEK thousand	2018 Oct–Dec	2017 Oct–Dec	2018 Jan–Dec	2017 Jan–Dec
Operating income	37,066	42,056	119,761	95,837
Net sales	16,834	32,971	69,835	65,493
Result before depreciation	-21,229	1,525	-57,548	-19,568
Result for the period	-30,147	-4,831	-102,971	-45,617
Earnings per share, SEK	-0.26	-0.05	-0.87	-0.49
Equity per share, SEK	2.07	2.12	-2.07	2.12

A web-based presentation of the third interim report will be held at 10:00, Friday, February 15, 2019. Please register for the webinar via this link:

<https://attendee.gotowebinar.com/register/4616721076859964675>

CEO statement



Fourth Quarter – Great opportunities, short-term challenges.



The fourth quarter was one of the most exciting quarters during my time as CEO of Sivers IMA. We signed two agreements in important areas that can be crucial for our future growth – a 5G agreement with Ampleon, the world leader in RF for base stations, and an agreement of SEK 21.5 million, for a 'small' pre-series order to a very interesting American Fortune 100 company. This means that we managed to secure new, very important business in both our business areas during the same quarter, which is somewhat of a breakthrough.

We still see a very positive development going forward, which is further strengthened by these new contracts, but in this quarter, we have encountered challenges, that however are largely limited to this quarter. In Wireless, our outgoing VCO products that were to be delivered during the fourth quarter. Had to be stopped before delivery due to errors found in a subcontractor's substrate, this delivery corresponded to approximately SEK 5 million and will instead be delivered during February to May 2019. In the fiber optics area, there is still a trade war in China that create challenges, CST Global has in connection to this market an older stock of GPON chips that now needs to be written-down by SEK 12.3 million. All in all, this means that during

the fourth quarter we achieved a lower result than we wanted.

Short-term losses

In the fourth quarter, net sales amounted to SEK 16.8 million (SEK 32.9 million), which is a decrease of 49% compared with the corresponding quarter of 2017. The company's EBITDA result ended at SEK -21.2 million (SEK 1.5 million), which is a decrease of SEK 22.7 million compared with the corresponding quarter in 2017. The result includes a write-down of SEK 12.3 million for the wafer inventories at our subsidiary CST, this one-time write-down accounts for more than half of the total loss during the quarter. Excluding this write-down, the EBITDA result for the quarter would end up at SEK -8.9 million. However, gross operating income for the full year 2018 increased to SEK 119.8 million (95.8), which corresponds to an increase of 25% compared to 2017, while net income increased by 7% in total, to SEK 69.8 million (65.4).

The future

We have a great deal to look forward to, not least that we have products ready in unlicensed 5G (formerly WiGig) as well as prototypes within licensed 5G with a total of nine 'design wins' from customers that develop products and prototypes based on our 5G technology. Our American Fortune 100 company customer is also becoming an important part of our growth journey. Regarding the Chinese market around FTTH (fiber for the home), we do not see any improvement in 2019, However, the positive developments for our overall portfolio makes us believe in a good growth.

All in all, we have had a temporary setback, but I am convinced that we will see a good growth already in the first half of 2019. Our new products ensure that we are well positioned for the largest and most important fairs – the optical Networking and Communication Conference (OFC) in San Diego in March and the Mobile World Congress (MWC) in Barcelona in February. At MWC, we will have the largest stand we have ever had, together with our partners Blu Wireless and Fujikura. I look forward to telling you all about this in March.

Anders Storm, CEO of Sivers IMA

Group summary



Sivers IMA in brief

Sivers IMA Holding AB (publ) is the parent company of a Group that comprises of the wholly-owned subsidiaries Sivers IMA AB, CST Global Ltd and Trebax AB. Operations are mainly conducted through the two companies Sivers IMA AB and CST Global Ltd. Sivers IMA has its headquarters in Kista, Sweden, with a local office in Gothenburg, Sweden. CST Global's headquarters and factory are located in Glasgow, Scotland. This report relates to the Group's operations during the period January 1, 2018 to December 31, 2018.

Sivers IMA Holding is a leading and internationally recognized supplier of microwave, millimeter-wave and optical semiconductors. The wholly-owned subsidiaries Sivers IMA and CST Global develop, manufacture and sell cutting-edge chips, components, modules and subsystems based on advanced, proprietary semiconductor technology in microwave, millimeter-wave and optical semiconductors. These chips, components, modules and subsystems make it possible to send information both wirelessly and via fiber to provide increased capacity in data and telecommunications networks. Millimeter-wave technology and optical semiconductors are crucial to all current and future high-speed communication networks. Sivers IMA also develops

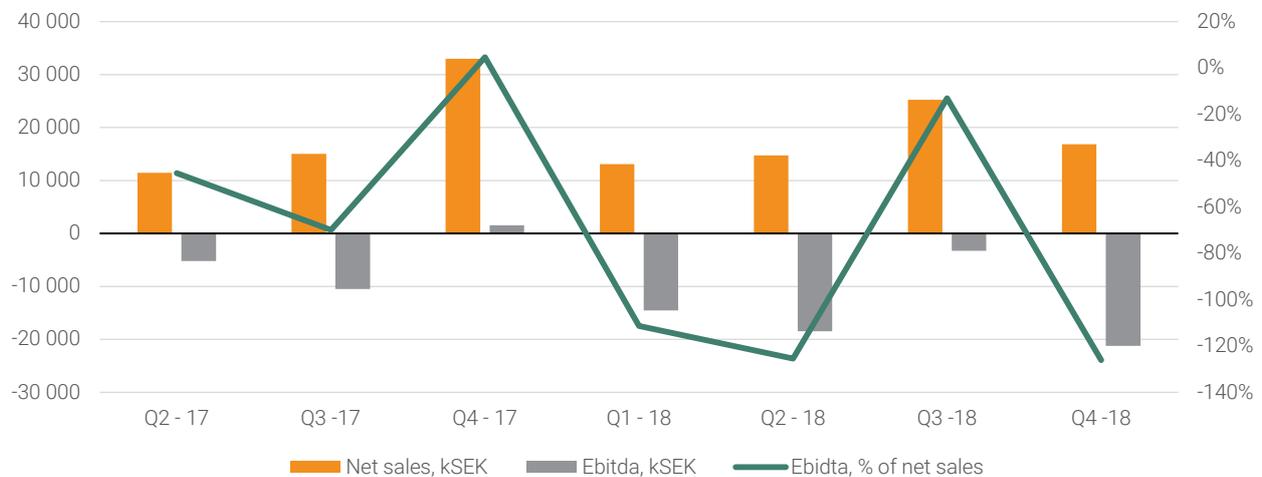
radar sensors that are used in various industrial applications, such as distance, speed and position measurement.

CST Global Ltd, was founded in 2000 in Glasgow and is a spin-off from the universities of Glasgow and Strathclyde. The company designs, manufactures and supplies semiconductor lasers and other semiconductor optical products. The largest field of application is optical communication, and for example CST Global has products that are important for Passive Optical Networks (PON), which are used for "Fiber-to-the-home" and "Fiber-to-the-Office". The company has a range of competence covering all the material combinations and manufacturing processes used for the commercial production of semiconductor chips for optoelectronic purposes. This combined knowledge is unique in the electronics industry, even among global companies.

The companies together create a global semiconductor group with world-class products that are designed for the communication and sensor communities of today and tomorrow. The market for data centers and broadband is growing rapidly and the chips and components that are now being developed aim to meet the demand for millimeter wave products for WiGig, 5G and optical semiconductors for fiber.

Net sales and EBITDA

%



Operations



Sales and results

October to December

During the period October to December, operating income amounted to SEK 37,066 thousand (42,056), which is a decrease of 12 percent. Net sales for the same period decreased by 49 percent to SEK 16,834 thousand (32,971). During the period, a write-down of inventories of CST Global was made, linked to FTTH products for the Chinese market due to older GPON products that no longer have the same value. The write-down amounted to SEK 12,281 thousand and has been booked directly against the period's goods costs. Result for the fourth quarter amounted to SEK -30,147 thousand (-4,831), which is a decrease of SEK 25,316 thousand. SEK -8,009 thousand (-9,876) of the result for the period is attributable to amortization of goodwill due to the acquisition of CST Global.

January to December

During the period January to December, operating income amounted to SEK 119,761 thousand (95,837), which is an increase of 25 percent. Net sales increased for the same period by 7 percent to SEK 69,835 thousand (65,493).

Liquidity and financing

On December 31, 2018, the Group's cash and cash equivalents amounted to SEK 42,410 thousand (61,920). As of December 31, the Group had a granted overdraft facility of SEK 2,500 thousand, of which SEK 60.4 thousand (0.0) was utilized at the end of the period. In October 2018, a new share issue was carried out, which provided the company with SEK 43,400 thousand before deduction for issue costs, which amounted to SEK 2,170 thousand.

The Board's assessment is that the company has the necessary funds to handle the next 12 months of operation. The company makes short derivatives against hedge currency risk in future sales and purchases. The derivatives are not hedged and are therefore reported directly in the income statement under financial items.

Investments

Sivers IMA's total investments during the period amounted to SEK 64,591 thousand (33,148). This refers to intangible fixed assets for capitalized development costs of SEK 49,154 thousand (18,067), and the acquisition of tangible fixed assets of SEK 15,437 thousand (6,559). The increased investment in balanced development costs is attributable to the new generation of products the company is developing.

Depreciation

Result for the period January to December was charged with SEK 44,682 thousand (31,778) in depreciation and write-downs, of which SEK 5,452 (2,371) thousand relates to the depreciation of equipment, tools and installations, SEK 7,606 thousand (8,423)

relates to the depreciation of balanced expenses for development work in previous years and SEK 31,624 thousand (20,984) relates to depreciation of goodwill. The increase in goodwill amortization is attributable to the acquisition of CST Global.

Equity

As of December 31, 2018, Sivers IMA's equity amounted to SEK 245,179 thousand (196,945). The share capital amounted to SEK 59,222,912.50.

Shares

On December 31, Sivers IMA's share capital was divided into 118,445,815 shares with a quota value of SEK 0.50. All shares consist of the same series and have the same right to vote and profit in the company. Since December 1, 2017, the share has been traded on Nasdaq First North under the stock symbol SIVE and with ISIN code SE0003917798 and LEI code 254900UBKNY2EJ588J53.

Ownership structure

As of December 31, 2018, Sivers IMA Holding AB (publ) had four owners, each of them holding, directly and indirectly, shares equal to five percent or more of the voting and equity interest in the company. In total, Sivers IMA had approximately 1,950 shareholders.

Employees

As of December 31, 2018, the Sivers IMA Group had 108 (99) employees.

Prospects for the accounting year 2019

The board of Sivers IMA deems that correct measures have been taken in the company to ensure a strong product family. Progress in sales and product development has been made during the period and investments are continuing. The board still elects not to publish a forecast.

Annual General Meeting

Sivers IMA's Annual General Meeting will be held on May 22 at 16:00 at Erik Penser Bank, Apellbergsgatan 27, Stockholm.

Annual Report

The Annual Report will be available no later than April 30, 2019 on Sivers IMA's website: www.siversima.com

Accounting principles

The Group prepares its accounts in accordance with the Annual Accounts Act and BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3). Information on accounting principles is otherwise as stated in the company's 2017 Annual Report.

Upcoming reports

Sivers IMA Holding provides recurring financial information according to the following schedule:

April 2019	Annual Report 2018
May 22, 2019	Interim report January–March 2019
August 29, 2019	Interim report April–June 2019
November 15, 2019	Interim Report July–September 2019

For more information, please contact:

Anders Storm, CEO

Telephone: 0702-62 63 90

e-mail: anders.storm@siversima.com

Sivers IMA Holding (publ)

Kista, 15 February 2019

The board

This quarterly report has not been submitted for review by the company's auditor.

This is SIVERS IMA



SIVERS IMA, is a wholly-owned subsidiary of Sivers IMA, a leading European supplier of products based on micro and millimeter-wave technology. The company is internationally recognized as a high-quality supplier. The head office is located in Kista, outside of Stockholm, and a sales and development office is located in Gothenburg.

For many years, SIVERS IMA has developed and delivered system components such as for radio communications in mobile communications, radar sensors in industry and test equipment. Sivers IMA Holding AB is listed on Nasdaq First North under the stock symbol SIVE.

Erik Penser Bank is appointed as Sivers IMA Holding AB's Certified Advisor on Nasdaq First North.
Telephone: +46 8 463 80 00

E-mail: certifiedadviser@penser.se

Sivers IMA Holding AB (publ)
Reg. nr. 556383-9348

Investor relations ir@siversima.com
Telephone +46 (0) 8 703 68 00

Sivers IMA Holding AB
Box 1274
164 29 Kista

Consolidated Income Statement



SEK thousand	2018 Oct-Dec	2017 Oct-Dec	2018 Jan-Dec	2017 Jan-Dec
Operating income				
Net Sales	16,834	32,971	69,835	65,493
Work performed by the company for its use and capitalized	15,525	5,238	33,171	17,313
Other operating income, EU-contribution	4,706	3,847	16,755	13,032
Total operating income	37,066	42,056	119,761	95,837
Operating costs				
Cost of goods sold	-20,331	-11,803	-43,785	-26,525
Other external expenses	-14,632	-16,486	-56,713	-40,511
Personnel costs	-23,332	-12,242	-76,810	-48,370
Depreciation/amortization of tangible/intangible non-current assets	-11,673	-13,687	-44,682	-31,778
Total operating costs	-69,968	-54,218	-221,990	-147,182
OPERATING PROFIT	-32,902	-12,162	-102,230	-51,345
Profit/loss from financial items				
Interest income and similar income items	0	-21	0	1
Interest expenses and similar income items	-792	-1,161	-2,785	-1,190
FX currency gains/losses	-2,790	-192	-5,574	474
Profit after financial items	-36,484	-13,536	-110,589	-52,061
Tax	6,337	8,705	7,617	6,444
PROFIT FOR THE PERIOD	-30,147	-4,831	-102,971	-45,617

Consolidated Balance Sheet



Group (SEK thousand)	2018-12-31	2017-12-31
ASSETS		
Intangible assets		
Goodwill	103,188	138,111
Intangible non-current assets	104,034	62,512
Total intangible assets	207,222	200,623
Tangible assets		
Equipment, tools and installations	38,188	28,554
Total tangible assets	38,188	28,554
Financial assets		
Deferred tax	0	0
Long-term receivables	0	0
Total financial assets	0	0
Total Fixed Assets	245,410	229,177
Current assets		
Inventories etc.		
Inventory	14,263	16,126
Work in progress	0	0
Total inventories etc.	14,263	16,126
Current receivables		
Account receivables	22,237	22,880
Tax	0	9,638
Other receivables	10,386	1,097
Prepaid expenses & accrued income	7,692	7,323
Total current receivables	40,315	40,938
Cash & cash equivalents	42,410	61,920
Total current assets	96,988	118,984
TOTAL ASSETS	342,397	348,161

Group (SEK thousand)	2018-12-31	2017-12-31
EQUITY, PROVISIONS AND LIABILITIES		
Equity		
Total equity	245,179	196,945
Provisions		
Deferred tax	210	253
Other provisions	3,411	85,203
Total provisions	3,621	85,455
Non-current liabilities		
Non-current interest-bearing liabilities	37,728	32,929
Total non-current liabilities	37,728	32,929
Current liabilities		
Current interest-bearing liabilities	0	0
Work in progress on behalf of others	0	0
Account payable-trade	20,948	11,897
Other liabilities	18,899	10,757
Accrued expenses and deferred income	16,022	10,178
Total current liabilities	55,869	32,832
TOTAL EQUITY, PROVISIONS AND LIABILITIES	342,397	348,161

Report on changes in equity	2018-12-31	2017-12-31
At the beginning of the year (SEK thousand)	196 945	56 032
Total income for the period	-102 971	-45 617
Rights issue	145 786	178 849
Other contributed capital	5 420	7 681
At the end of the period	245 179	196 945

Consolidated Statement of Cash Flow



Group (SEK thousand)	Note	2018	2017
OPERATING ACTIVITIES			
Operating profit		-102,230	-51,345
Adjustments for items not included in the cash flow		57,369	31,964
Obtained interest		0	0
Interest paid		-385	-714
CASH FLOW FROM OPERATING ACTIVITIES PRIOR TO CHANGES IN OPERATING CAPITAL		-45,246	-20,095
CASH FLOW FROM CHANGES IN OPERATING CAPITAL			
Decrease(+)/increase(-) of inventory / work in progress		1,863	-3,958
Decrease(+)/increase(-) of accounts receivable		643	-1,361
Decrease(+)/increase(-) of claims		-20	-14,626
Decrease(+)/increase(-) of accounts payable		9,051	2,232
Decrease(+)/increase(-) of short-term liabilities		13,986	7,370
CASH FLOW FROM OPERATING ACTIVITIES		-19,723	-30,438
INVESTMENT ACTIVITIES			
Acquisition of subsidiaries		0	-8,521
Acquisition of tangible fixed assets		-15,437	-6,559
Acquisition of other intangible fixed assets		-49,154	-18,067
CASH FLOW FROM INVESTMENT ACTIVITIES		-64,591	-33,147
FINANCING ACTIVITIES			
Borrowings		0	32,929
Payment from warrants		0	-140
Receipt issuer		0	0
Issued costs – Debt		-4,997	-7,597
Rights issue		69,800	81,448
CASH FLOW FROM FINANCING OPERATIONS		64,803	106,640
CHANGE OF LIQUID RESOURCES			
Cash and cash equivalents at the beginning of the year		61,920	18,865
LIQUID RESOURCES AT THE END OF THE YEAR		42,410	61,920

Performance Indicators



Consolidated group	2018-01-01 – 2018-12-31	2017-01-01 – 2017-12-31
PROFITABILITY		
Sales growth (%)	6.6%	259.4%
Operating profit margin (%)	neg	neg
EBITDA (SEK thousand)	-57,548	-19,568
Profit margin (%)	neg	neg
Return on equity (%)	neg	neg
CAPITAL STRUCTURE		
Equity (SEK thousand)	245,179	196,945
Total assets (SEK thousand)	342,397	348,161
Capital employed (SEK thousand)	286,528	229,874
Interest-bearing debt (SEK thousand)	-4,682	-28,991
Capital turnover	0.3	0.5
Solvency (%)	72%	57%
Leverage (%)	15.4%	16.7%
CASH FLOW AND LIQUIDITY		
Cash flow before investing activities (SEK thousand)	-19,723	-30,437
Cashflow after investing activities (SEK thousand)	-84,314	-63,585
Cash and cash equivalents (SEK thousand)	42,410	61,920
INVESTMENTS		
Acquisition of tangible assets (SEK thousand)	-15,437	-6,559
Acquisition of intangible assets (SEK thousand)	-49,154	-18,067
Sales of tangible assets (SEK thousand)	0	0
Acquisition of subsidiaries (SEK thousand)	0	-8,521
Acquisition of shares (SEK thousand)	0	0
PERSONNEL		
Average no. of employees	100	90
Turnover per employee (SEK thousand)	1,198	1,065
Total no. of employees	108	99
DATA PER SHARE		
Total no. of shares, end of period	118,445,825	93,083,326
Earnings per share (SEK)	-0.87	-0.49
Equity per share (SEK)	2.07	2.12

Definition of performance indicators



PROFITABILITY

Sales growth (%)	Percentage change in revenue compared with the previous period
Operating profit margin (%)	Operating profit in percentage of sales
EBITDA	Profit before financial items, tax and depreciation
Profit margin (%)	Profit for the period in percentage of sales
Return on Equity (%)	Profit for the period in percentage of average equity

CAPITAL STRUCTURE

Equity (SEK thousand)	Equity by the end of the period
Total assets (SEK thousand)	Total assets or the sum of liabilities and equity
Capital employed (SEK thousand)	Reduced balance sheet of non-interest-bearing liabilities, including deferred tax
Interest-bearing debt (SEK thousand)	Net interest-bearing provisions and liabilities minus financial assets including liquid assets
Capital turnover (times)	Sales for the year divided with average balance sheet total
Solvency (%)	Equity as a percentage of total assets
Leverage (%)	Interest-bearing liabilities divided by equity

CASH FLOW AND LIQUIDITY

Cash flow before investing activities (SEK thousand)	Profit after financial items incl. items that do not affect cash flow minus change in working capital
Cash flow after investing activities (SEK thousand)	Profit after financial items incl. items that do not affect cash flow minus change in working capital and investments
Cash and cash equivalents (SEK thousand)	Bank balances and cash

PERSONNEL

Average no. of employees	Average number of employees for the period
Turnover per employee	Turnover divided by average no. of employees
Total no. of employees	Total no. of employees, end of period

DATA PER SHARE

Total no. of shares, end period	No. of outstanding shares, end period incl. shares under registration
Earnings per share (SEK)	Profit for the period divided by no. of shares
Equity per share (SEK)	Equity divided by total no. of shares
