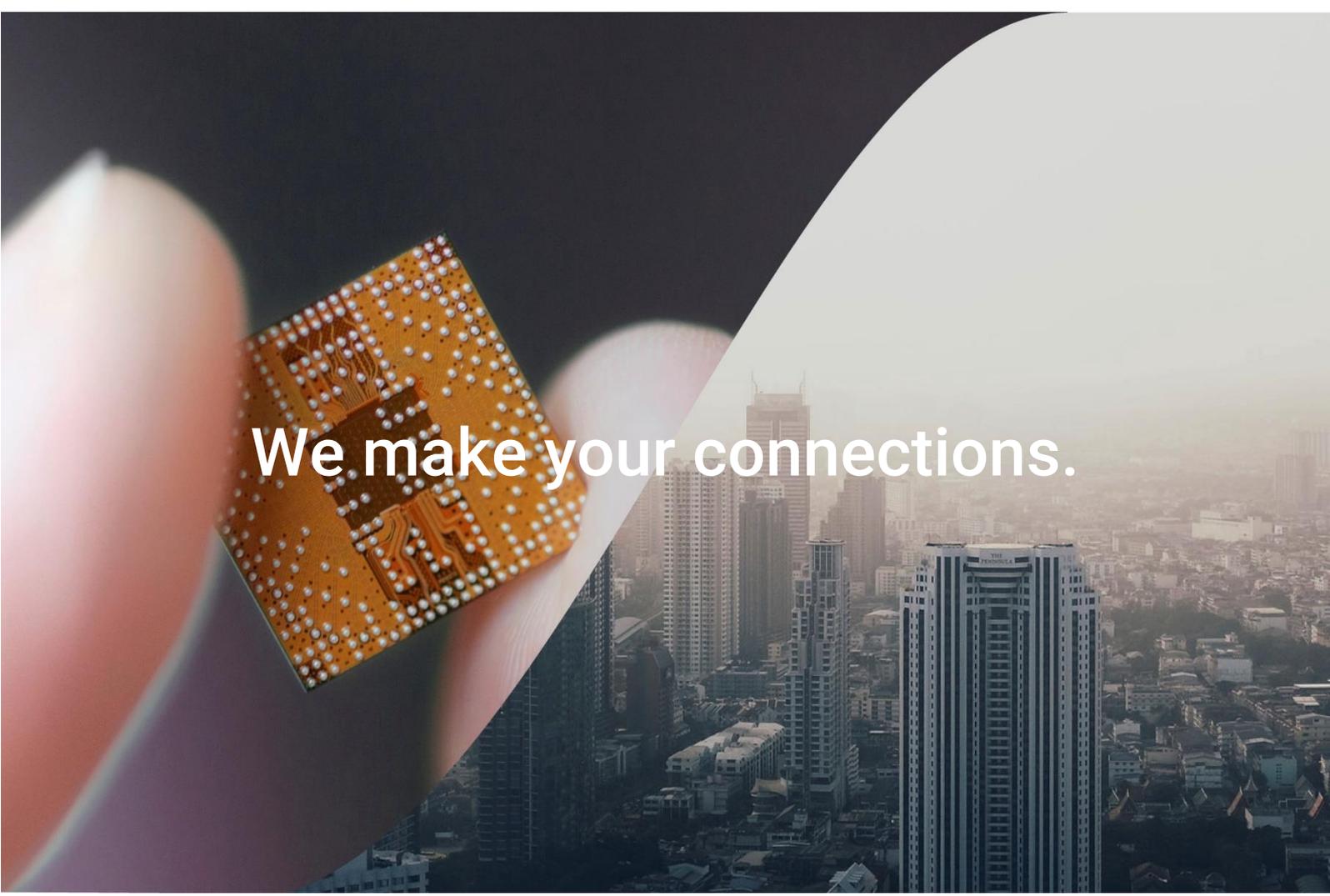


Interim report

January–March 2019

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 background shows a dense urban landscape with several tall skyscrapers under a hazy sky. The text "We make your connections." is overlaid in white on the microchip and the city background.

We make your connections.

SIVERSIMA

Interim report January–March 2019



First quarter 2019

- Operating income for the quarter amounted to SEK 40,536 thousand (25,189), an increase of 61 percent
- Net sales for the quarter amounted to SEK 25,050 thousand (13,073), an increase of 92 percent
- Earnings before depreciation (EBITDA) for the quarter amounted to SEK -5,925 thousand (-14,564)
- Result for the quarter amounted to SEK -20,670 thousand (-24,836)
- Earnings per share amounted to SEK -0.17 (-0.22)
- Equity per share amounted to SEK 1.93 (2.51)

Significant events during the period January–March:

- Sivers IMA AB has signed an agreement with an Eastern European system provider of wireless broadband access.
- Sivers IMA AB has signed a letter of intent for use of its unlicensed 5G products in ultrasound examination applications.
- Sivers IMA AB and Blu Wireless displayed exceptional performance with their licensed 5G solution.
- Sivers IMA AB launched wideband 5G RFIC at Mobile World Congress 2019.

Significant events following the period:

- Sivers IMA AB have, together with partners, sold more than 20 evaluation kits for 5G since the Mobile World Congress (MWC) in February.
- Sivers IMA Holding AB have selected Pareto Finance as financial advisor for the list change of the company's shares to Nasdaq main market and to assist the company with evaluation of other strategic and financial initiatives.

Key figures

KSEK	2019 Jan–Mar	2018 Jan–Mar	2018 Jan–Dec
Operating income	40,536	25,189	119,761
Net sales	25,050	13,073	69,835
Profit before depreciation	-5,925	-14,564	-57,548
Profit for the period	-20,670	-24,836	-102,971
Earnings per share, SEK	-0.17	-0.22	-0.87
Equity per share, SEK	1.93	2.51	2.07

A web-based presentation of the third interim report will be held at 10:00 Wednesday, May 22, 2019. Please register for the webinar via the link: <https://attendee.gotowebinar.com/register/8254917096183055884>

CEO statement



First quarter – strong net growth and great demand for our products



The first quarter of 2019 was my twelfth quarter as CEO of Sivers IMA. A lot has happened during that period, and in this quarter, we started to reap the rewards of the solid work done by the entire organization. The first quarter's good growth gives a taste of our business model's strength. Net sales nearly doubled in the quarter, and we are now starting to see that our wireless operations are driving growth. The fiber area is also expanding, but at a slightly lower growth rate.

The fact that 5G is starting to take off cannot have escaped anyone, and I dare say that everything within wireless 5G has gone right for us in the quarter. The interest in our technology during the Mobile World Congress (MWC) in Barcelona was overwhelming. Together with our partners Blu Wireless and Fujikura, we had a large and very well attended stand. The great interest can be explained, among other things, by the fact that operators both in the USA and Japan have recently said that they will invest in 5G infrastructure. In total, this amounts to almost SEK 2.6 trillion over five years.

What I am most proud of in the first quarter is that, together with Blu Wireless, we managed to show we can get up to 1 Gbps over 700 meters in the license-free 60 GHz

band. The performance we demonstrated together is industry-leading and can become a unique selling point for our customers, the system manufacturers.

Our major engagement at MWC continues to have a positive effect even after the fair, and we now have more customer requests within 5G than ever before. It is evident in how many evaluation packages we have sold. They are a way for potential customers to evaluate how our equipment works and to design in our products in their next step.

Our evaluation packages are far from free and give an indication that prospective customers believe in our solutions. We have nine design wins from customers who develop products or prototypes based on our 5G technology and more than 20 evaluation kits sold during the last two months. Our goal is to keep signing more design wins and to build for growth. They are an important part of our business.

Also in the fiber segment - CST Global - the business has strengthened. Sales to the Fortune 100 customer that we signed in the fourth quarter are doing well and we are working to get follow-up orders in the future.

In March, we also participated in the world's largest optical exhibition Optical Networking and Communication Conference (OFC) in San Diego, and since then we have seen a very good influx of new potential customers also in this area. In late 2018, we were hit by the trade war with China and we are now working to normalize our operations within fiber to the home (FTTH) from 2020. Especially through our new 10 Gbps products, and we see good opportunities for design wins with new customers going forward.

Overall, in terms of sales, the quarter is strong with very good growth and through solid cost control we have succeeded in reducing EBITDA losses to a great extent, without sacrificing quality or development efforts.

During my time at Sivers IMA I have never before seen such a strong customer interest, and this applies to both our business areas. Lead times can sometimes be long, but our development during the first quarter gives a taste of the potential of our business. We are involved in many exciting customers' projects and I look forward with excitement.

Anders Storm, CEO of Sivers IMA Group

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, 2019 to March 31, 2019.

Sivers IMA Group is an international supplier of millimeter-wave for 5G and optical semiconductors. The Group develops, manufactures and sells chips, components, modules and subsystems. These chips make it possible to send information both wirelessly and via fiber to provide increased capacity in data and telecommunication networks. Sivers IMA Group enables a better connected and safer world by delivering the best solutions in terms of sensors, fibers and wireless networks.

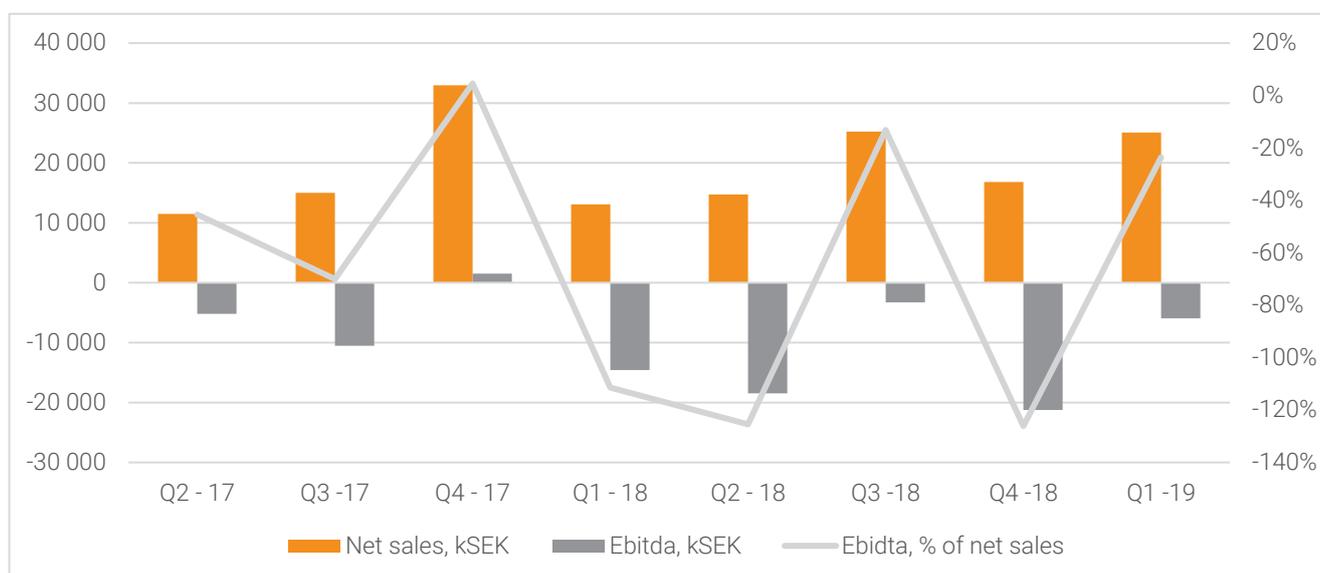
Wireless

Sivers IMA develops, manufactures and sell chips, components, modules and subsystems based on advanced technology for 5G millimeter-wave networks. Millimeter-wave is a key technology in the 5G networks that are now being built, and the core of the wireless solutions Sivers IMA offers. Sivers IMA delivers mainly to system manufacturers, who then in turn deliver to telecom operators. Deliveries are made directly or via partners.

Fiber

CST Global Ltd designs, manufactures and supplies semiconductor lasers and other semiconductors based optical products. The largest field of application is optical communication in fiber networks. The company currently has expertise in all material combinations and manufacturing processes that are used for the commercial manufacture of semiconductor chips for optoelectronic purposes. The main focus is products for fiber for the home and for data centers.

Net sales and EBITDA



Operations



Sales and results

During the period January to March, operating income amounted to SEK 40,536 thousand (25,189), which is an increase of 61 percent. Net sales for the same period increased by 92 percent to SEK 25,050 thousand (13,073). The increase is a result from increased sales volumes, mainly within the group's wireless business area. Result for the first quarter amounted to SEK -20,670 thousand (-24,836), which is an improvement of SEK 4,166 thousand compared to the same period last year. SEK -7,644 thousand (-7,597) of the result for the period is attributable to amortization of goodwill due to the acquisition of CST Global.

Liquidity and financing

On March 31, 2019, the Group's cash and cash equivalents amounted to SEK 35,956 thousand (69,375). As of March 31, the Group had a granted overdraft facility of SEK 2,500 thousand, of which SEK 1,103 thousand (0.0) was utilized at the end of the period.

In February 2019, Sivers IMA Holding entered into a loan agreement of SEK 20,000 thousand to secure the need for cash.

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.

Investments

Sivers IMA group's total investments during the period amounted to SEK 14,390 thousand (16,521). This refers to intangible fixed assets for capitalized development costs of SEK 12,157 thousand (12,180), and the acquisition of tangible fixed assets of SEK 2,233 thousand (4,341).

Depreciation

Result for the period January to March was charged with SEK 12,247 thousand (10,548) in depreciation and write-downs, of which SEK 2,037 (1,300) thousand relates to the depreciation of equipment, tools and installations, SEK 2,566 thousand (1,651) relates to the depreciation of balanced expenses for development work in previous years and SEK 7,644 thousand (7,597) relates to depreciation of goodwill. The goodwill amortization is attributable to the acquisition of CST Global.

Equity

As of March 31, 2019, Sivers IMA's equity amounted to SEK 228,816 thousand (280,176). The share capital amounted to SEK 59,222,912.50.

Shares

On March 31, Sivers IMA's share capital was divided into 118,445,825 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 March 31, 2019, 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 1,976 shareholders.

Employees

As of March 31, 2019, the Sivers IMA Group had 97 (94) 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.

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 2018 Annual Report.

Risks and uncertainties

Sivers IMA Group's operations, financial position and results can be affected by a number of risks and uncertainties. These risks are described in the group's annual report for 2018. No new significant risks have occurred since the annual report was published.

Upcoming reports

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

August 29, 2019 Interim report April–June 2019
November 15, 2019 Interim Report July–September 2019
February 14, 2019 Year -end report 2019

For more information, please contact:

Anders Storm, CEO

Telephone: 0702-62 63 90

e-mail: anders.storm@siversima.com

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

Sivers IMA Holding (publ)

Kista, May 22 2019

The board

This is SIVERS IMA



Sivers IMA Group is an international supplier of millimeter-wave for 5G and optical semiconductors. The Group develops, manufactures and sells chips, components, modules and subsystems. These chips make it possible to send information both wirelessly and via fiber to provide increased capacity in data and telecommunication networks.

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)
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Sivers IMA Holding AB
Box 1274
164 29 Kista

Consolidated Income Statement



SEK thousand	2019 Jan-Mar	2018 Jan-Mar	2018 Jan-Dec
Operating income			
Net Sales	25,050	13,073	69,835
Work performed by the company for its use and capitalized	9,535	7,811	33,171
Other operating income	5,951	4,305	16,755
Total operating income	40,536	25,189	119,761
Operating costs			
Cost of goods sold	-11,128	-6,799	-43,785
Other external expenses	-15,230	-14,480	-56,713
Personnel costs	-20,102	-18,473	-76,810
Depreciation/amortization of tangible/intangible non-current assets	-12,247	-10,548	-44,682
Total operating costs	-58,708	-50,300	-221,990
OPERATING PROFIT	-18,172	-25,111	-102,230
Profit/loss from financial items			
Interest expenses and similar income items	-1,637	-582	-2,785
FX currency gains/losses	871	908	-5,574
Profit after financial items	-20,681	-24,785	-110,589
Tax	11	-51	7,617
PROFIT FOR THE PERIOD	-20,670	-24,836	-102,971

Consolidated Balance Sheet



Group (SEK thousand)	2019-03-31	2018-03-31	2018-12-31
ASSETS			
Intangible assets			
Goodwill	95,544	127,215	103,188
Intangible non-current assets	115,598	72,876	104,034
Total intangible assets	211,142	200,091	207,222
Tangible assets			
Equipment, tools and installations	40,770	30,627	38,188
Total tangible assets	40,770	30,627	38,188
Total Fixed Assets	251,912	230,719	245,410
Current assets			
Inventories	15,741	20,698	14,263
Current receivables			
Account receivables	19,624	19,439	22,237
Other receivables	9,814	8,630	10,386
Prepaid expenses & accrued income	7,809	8,881	7,692
Total current receivables	37,247	36,950	40,315
Cash & cash equivalents	35,956	69,375	42,410
Total current assets	88,944	127,023	96,988
TOTAL ASSETS	340,856	357,742	342,397

Group (SEK thousand)	2019-03-31	2018-03-31	2018-12-31
EQUITY, PROVISIONS AND LIABILITIES			
Equity			
Total equity	228,816	280,176,	245,179
Provisions			
Deferred tax	200	242	210
Other provisions	3,984	2,033	3,411
Total provisions	4,184	2,275	3,621
Non-current liabilities			
Non-current interest-bearing liabilities	39,323	33,903	37,728
Total non-current liabilities	39,323	33,903	37,728
Current liabilities			
Account payable-trade	13,065	15,789	20,948
Other liabilities	38,468	12,421	18,899
Accrued expenses and deferred income	17,000	13,178	16,022
Total current liabilities	68,533	41,388	55,869
TOTAL EQUITY, PROVISIONS AND LIABILITIES	340,856	357,742	342,397

Report on changes in equity	2019-03-31	2018-03-31	2018-12-31
At the beginning of the year	245,179	196,945	196,945
Total income for the period	-20,670	-24,836	-102,971
Rights issue	-	104,556	145,786
Shared based payments	431	212	3,499
Warrants, payment	-	-	360
Annual conversion	3,876	3,299	1,561
At the end of the period	228,816	280,176	245,179

Consolidated Statement of Cash Flow



Group (SEK thousand)	2019-01-01 – 2019-03-31	2018-01-01 – 2018-03-31	2018-01-01 – 2018-12-31
OPERATING ACTIVITIES			
Operating profit	-18,172	-25,111	-102,230
Adjustments for items not included in the cash flow	13,776	17,659	58,900
Paid interest	-323	-117	-981
Paid tax	-	-	7,667
CASH FLOW FROM OPERATING ACTIVITIES PRIOR TO CHANGES IN OPERATING CAPITAL	-4,719	-7,569	-36,644
CASH FLOW FROM CHANGES IN OPERATING CAPITAL			
Decrease(+)/increase(-) of inventories	-790	-4,572	-10,418
Decrease(+)/increase(-) of operating receivables	3,481	3,988	531
Decrease(+)/increase(-) of operating liabilities	-10,233	8,555	26,335
CASH FLOW FROM OPERATING ACTIVITIES	-12,261	402	-20,196
INVESTMENT ACTIVITIES			
Acquisition of tangible fixed assets	-2,233	-4,341	-15,437
Acquisition of other intangible fixed assets	-12,157	-12,180	-49,154
Sale of fixed assets	97	-	-
CASH FLOW FROM INVESTMENT ACTIVITIES	-14,293	-16,521	-64,591
FINANCING ACTIVITIES			
Borrowings	20,000	-	-
Payment from warrants	-	-	360
Issue costs	-	-2,827	-4,997
Rights issue	-	26,400	69,800
CASH FLOW FROM FINANCING OPERATIONS	20,000	23,574	65,163
CHANGE OF LIQUID RESOURCES			
Cash and cash equivalents at the beginning of the year	42,410	61,920	61,920
Exchange rate difference in cash equivalents	100	0	114
LIQUID RESOURCES AT THE END OF THE PERIOD	35,956	69,375	42,410

Performance Indicators



Consolidated group	2019-01-01 – 2019-03-31	2018-01-01 – 2018-03-31	2018-01-01 – 2018-12-31
PROFITABILITY			
Sales growth (%)	92%	117%	7%
Operating profit margin (%)	neg	neg	neg
EBITDA (SEK thousand)	-5,925	-14,564	-57,548
Profit margin (%)	neg	Neg	neg
Return on equity (%)	neg	Neg	neg
CAPITAL STRUCTURE			
Equity (SEK thousand)	228,816	280,176	245,179
Total assets (SEK thousand)	340,856	357,742	342,397
Capital employed (SEK thousand)	293,315	314,079	286,528
Interest-bearing debt (SEK thousand)	28,543	-35,472	-4,682
Capital turnover	0.1	0.1	0.3
Solvency (%)	67%	78%	72%
Leverage (%)	28%	12%	15%
CASH FLOW AND LIQUIDITY			
Cash flow before investing activities (SEK thousand)	-12,261	402	-20,196
Cashflow after investing activities (SEK thousand)	-26,554	-16,119	-84,787
Cash and cash equivalents (SEK thousand)	35,956	69,375	42,410
INVESTMENTS			
Acquisition of tangible assets (SEK thousand)	-2,233	-4,341	-15,437
Acquisition of intangible assets (SEK thousand)	-12,157	-12,180	-49,154
Sales of tangible assets (SEK thousand)	97	-	-
PERSONNEL			
Average no. of employees	103	92	100
Turnover per employee (SEK thousand)	394	274	1,198
Total no. of employees	97	94	108
DATA PER SHARE			
Total no. of shares, end of period	118,445,825	111,445,825	118,445,825
Earnings per share (SEK)	-0.17	-0.22	-0.87
Equity per share (SEK)	1.93	2.51	2.07

Definition of performance indicators



PROFITABILITY

Sales growth (%)	Percentage change in net 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
