

INTERIM REPORT Q3

January-September 2021

Sivers Semiconductors.

At the heart of innovation



Interim Report January-September 2021

Third quarter 2021

- Revenue amounted to SEK 26.511 M (22.208), an increase of 19%
- Profit before depreciation and amortization (EBITDA) amounted to SEK -45.911 M (-38.699)
- Operating profit/loss (EBIT) for the period was SEK -53.906 M (-46.030)
- Profit/loss after tax was SEK -53.466 M (-151.610)
- Earnings per share before and after dilution was SEK -0.34 (-1.07)
- Equity per share amounted to SEK 2.75 (2.51)
- Profit for the quarter was negatively affected by acquisition costs of SEK 37.371 M relating to the acquisition of MixComm
- On September 22, Siverts Semiconductors announced that Siverts Wireless is launching the new highly integrated, 5G-NR-RFIC chip, TRB02801 and TRB03901, together with RFIC and RF antenna modules, BFM02801 and BFM03901, which cover all licensed 5G mmWave bands.
- On September 30, Siverts Semiconductors announced that Siverts Photonics will develop CW-WDM MSA compatible laser arrays that support Ayar Labs' optical I/O solution. Ayar Labs is the leader in integrated optical I/O and is pushing the boundaries for AI, cloud, high-performance computing, 5G and LIDAR.

January- September 2021:

- Revenue amounted to SEK 67.261 M (66.463), an increase of 1%
- Profit before depreciation and amortization (EBITDA) amounted to SEK -83.762 M (-58.769)
- Operating profit/loss (EBIT) for the period was SEK -107.717 M (-81.078)
- Profit/loss after tax was SEK -108.596 M (-195.219)
- Earnings per share before and after dilution was SEK -0.70 (-1.40)
- Equity per share amounted to SEK 2.75 (2.51)
- Profit for the quarter was negatively affected by acquisition costs of SEK 37.371 M relating to the acquisition of MixComm

Significant events in the third quarter:

- On August 5, Siverts Semiconductors AB issued 3,300,000 Class C shares, which were subsequently repurchased by the Company. The purpose was to ensure delivery of shares to participants under the Company's outstanding incentive program and to secure liquidity for payment of social security contributions charges attributable to such incentive programs.
- On August 30, Siverts Semiconductors announced the establishment of its first US office, employing its first local employee in California, US.
- On September 17, Siverts Semiconductors announced that its Japanese lead customer Fujikura, following several successful customer trials, is now preparing to start signing agreement for the start of full-scale volume production of its 60 GHz communication module.
- On September 20, Håkan Rippe was appointed new Chief Financial Officer (CFO) for the Group.

Significant events after the end of the period:

- On October 14, Siverts Semiconductors announced that it had signed an agreement relating to the acquisition of all the shares in MixComm, Inc, a US challenger in the development of chips for mmWave technology, for a purchase consideration of USD 135 M (approx. SEK 1,173 M). The seller is also entitled to a performance-based purchase consideration of a maximum of USD 20 M (approx. SEK 174 M) provided that certain commercial milestones relating to customers are reached.
- On October 14, Siverts Semiconductors completed a directed new issue of 17,021,277 ordinary shares, raising some SEK 400 M for the Company. The subscription price in the directed new issue was SEK 23.5 per share.
- Siverts Semiconductors AB held an Extraordinary General Meeting on November 11, 2021. The EGM resolved to authorize the Board to complete a non-cash issue of a maximum of 39,405,594 ordinary shares (including an additional maximum of 70,000 ordinary shares from adjustments for net cash position) against settlement in the form of shares in MixComm and departing from shareholders' preferential rights, offset issue of a maximum 6,993,007 ordinary shares for payment of performance-based compensation in connection with the acquisition of MixComm. In addition, Todd Thomson (Chief Operating and Financial Officer of US venture capitalists Kairos Ventures), was appointed to the Board of Siverts Semiconductors AB.

Key performance indicators

SEK 000	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Revenue	26,511	22,208	67,261	66,463	96,170
EBITDA	-45,911	-38,699	-83,762	-58,769	-55,661
EBIT	-53,906	-46,030	-107,717	-81,078	-85,710
Profit/loss for the period	-53,466	-151,610	-108,596	-195,219	-195,782
Earnings per share before and after dilution, SEK	-0.34	-1.07	-0.70	-1.40	-1.37
Equity per share, SEK	2.75	2.51	2.75	2.51	3.44

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

Register for the webinar via: <https://attendee.gotowebinar.com/register/1873434091805039628>

CEO's Statement

Shortly after the end of the third quarter, **Sivers Semiconductors signed an agreement relating to a transformative acquisition of the US mmWave company MixComm. The acquisition represents the merger of two prime challengers in mmWave technology, making Sivers a global leader in 5G and mmWave. It also gives us the opportunity to get our first major systems supplier customer in 5G base stations and products for satellite communication, including a customer expected to generate revenue from 2022 onwards. In addition, we gain immediate access to the important US market, including two offices in the US.**

Our joint IP portfolio will cover the entire spectrum of potential areas of use for mmWave, such as unlicensed 5G, licensed 5G infrastructure, fixed wireless access (FWA), customer premises equipment (CPE) and satellite communication (SATCOM) with sector-leading performance. We are delighted to shortly be able to welcome MixComm to the Sivers family and look forward to a promising future together.

We made positive progress in the third quarter. We continued to expand the customer base and maintained an excellent dialog with new and existing customers and partners. We are seeing positive signs that the pandemic is easing its grip, although it still has an inhibitory effect on growth. Net sales were SEK 26.5 million in the third quarter, an increase of 19% year-on-year. The pandemic is also having knock-on effects in the form of general component shortages which have inhibited our customers' access to the components needed to build planned volumes. Our customers are trying to secure alternative components and are doing their best to offset this.

Profit was negatively affected by non-recurring transaction costs attributable to acquisition costs. Last year we had provisions for social security expenses for employee stock options of a similar scale. Adjusted for these items, profit decreased slightly compared to the previous year, mainly due to planned increased personnel costs. To secure future growth, total staff reached 126 at the end of the quarter, an increase of 23 in year-on-year terms. We opened the first office on our largest market in the US in the quarter, where our first Photonics sales executive in this market is now based, in addition to 20 new colleagues at MixComm in the US who will soon be part of the family.



Activity was high in the quarter and we made several important announcements. This included our Japanese lead customer Fujikura preparing to start signing agreement for the start of full-scale, high-quality volume production of its 60 GHz communication module including a baseband modem, antenna and 5G chips (RFIC TRX BF/01) sourced from us. Alongside MixComm, we have 44 design wins including 16 expected to enter volume production within the coming 12 months. Fujikura is now preparing for large-scale production, which is an important milestone.

We also made advances in Photonics. For example, we will develop laser arrays that support Ayar Labs' optical I/O solution. Ayar Labs is a market leader in this area and our new InP100 platform will be a key part of their success in this deployment.

In connection with signing the acquisition agreement with MixComm, we completed a directed new issue of some SEK 400 M in October, with the aim of financing part of the acquisition and strengthening our cash position. I would like to take this opportunity to thank our existing and new shareholders for the confidence shown in us. Our strengthened cash position will continue to be used for our organic and international expansion.

Many of our customers are moving towards volume production and we are confident about the future. As societies start to open up again, we foresee considerable potential to capitalize on the hard work we have put into the company. Our competitive products and strong global network and the acquisition of MixComm ensure that we are well equipped for the future. We are in an excellent position and I remain optimistic about the future.

Anders Storm, President and CEO

The Group in summary

The Sivers Semiconductors Group in summary

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

This report relates to the Group's operations during the period January 1, 2021 to September 30, 2021.

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

The Sivers Semiconductors Group enables a better connected and safer world by delivering the best solutions in terms of sensors, data and wireless networks.

Wireless

The Wireless business area develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G mmWave technology. MmWave is a key technology in the 5G networks that are now being built, and the core of the wireless solutions Wireless offers.

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

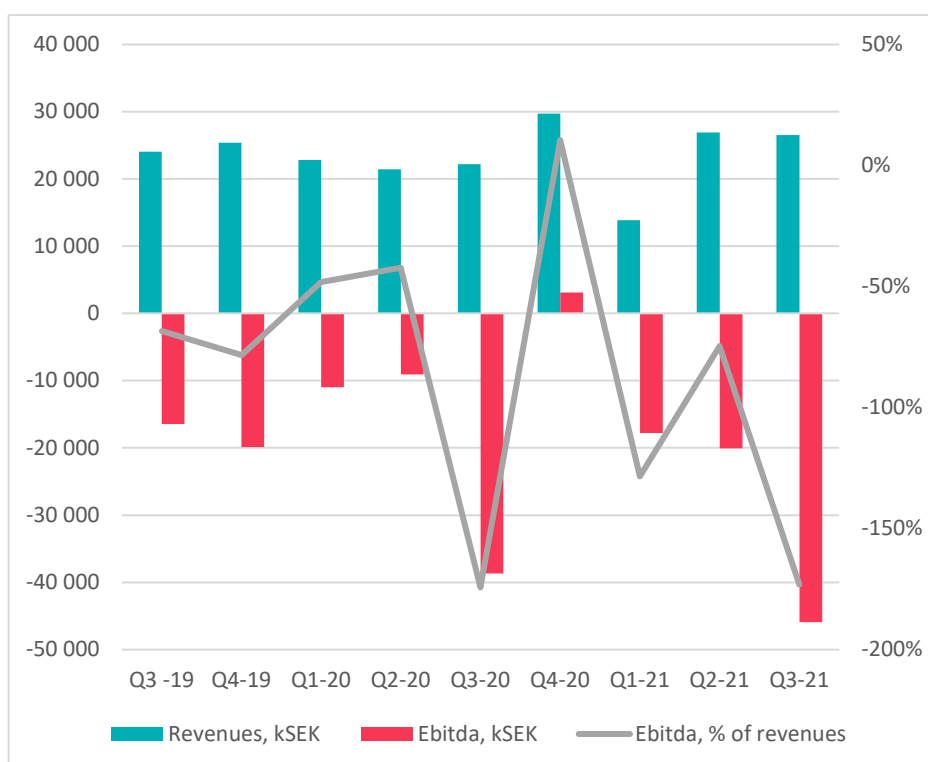
Photonics

The Photonics business area develops, designs, manufactures and sells III-V compound semiconductor laser devices for optical communication, optical sensing/sensors and optical wireless networks. Optical communications devices are a key component of cloud storage and cloud communications in areas such as Passive Optical Networks (PON) and Quantum technologies.

Optical Sensing devices enable autonomous and assisted driving vehicles in areas such as Consumer Biometrics and Augmented Reality applications and Optical Wireless Devices are critical to free-space optical communications using light (LiFi).

The business area delivers to several Fortune 100 and Silicon Valley customers, directly or via partners.

Revenue and EBITDA



Net sales, EBITDA and EBIT

Third quarter

During the third quarter 2021, the Group's revenue was SEK 26.511 M (22.208), an increase of 19% year-on-year. Wireless' revenue increased by SEK 0.802 M, an increase of 17%, Photonics' revenue increased by SEK 3.500 M which is an increase of 20%.

EBITDA was SEK -45.911 M (-38.699), a decrease of SEK 7.212 M. The change in EBITDA was due to profit in the third quarter 2021 being charged with costs of SEK 37.371 M relating to the acquisition of MixComm. The figures from the previous year were affected by substantial provisions for security expenses for employee stock options corresponding to a cost of SEK 32.147 M (for Q3 2021 this item corresponded to a reversal of SEK 0.916 M). Adjusted for social security expenses for employee stock options and acquisition costs, EBITDA amounted to SEK -9.456 M (-6.553 M), a decrease of SEK 2.904 M. This decrease was primarily due to increased personnel costs, mainly the result of an increase in the number of staff. In total, the Group's personnel costs, adjusted for change in social security expenses for employee stock options of SEK 33.063 M, increased by SEK 8.808 M.

EBIT amounted to SEK -53.906 M (-46.030 M), a decrease of SEK 7.877 M. The change in EBITDA is in line with EBIT.

Profit after tax was SEK -53.466 M (-151.610 M) an increase of SEK 98.144 M. The increase was due to the Group's financial expense of SEK 107.234 M in the previous year, resulting from the revaluation of an embedded derivative in convertible debt included in the Balance Sheet. The corresponding effect is not present this year.

January-September

In the period January-September, the Group's revenue was SEK 67.261 M (66.463), an increase of 1% year-on-year. Wireless' revenue increased by SEK 3.137 M, an increase of 20%, Photonics' revenue decreased by SEK 2.338 M which is a decrease of 5%.

EBITDA was SEK -83.762 M (-58.769), a decrease of SEK 24.993 M. The decrease was due to acquisition costs of SEK 37.371 M recognized in the third quarter. EBITDA for the period January-September 2020 was affected by provisions for social security expenses for employee stock options compared to the corresponding period in 2021. The cost for the period in 2021 comprised a reversal of SEK -3.932 M while the cost for the same period in 2020 amounted to SEK 35.024 M. Adjusted for acquisition costs and social security expenses for employee stock options, EBITDA was SEK -50.323 M (-23.745 M), a decrease of SEK -26.578 M. This decrease was due to increased other external costs and increased personnel costs. The increase in other external expenses was mainly related to the change of listing to Nasdaq main market (approx. SEK 8 M) and higher personnel expenses attributable to increased staff numbers.

EBIT was SEK -107.717 M (-81.078), a decrease of SEK 26.639 M. EBIT was mainly affected by increased depreciation, amortization and impairment of previous years' capitalized development expenses, due to additional intangible assets that have started to be amortized during the period. Profit after tax was SEK -108.596 M (-195.219), an improvement of SEK 86.623 M.

The improvement was due to the revaluation of embedded derivatives in convertible debt that negatively affected profit in 2020, corresponding to SEK 111.018 M for the period.

Depreciation and amortization

Third quarter

Profit for the third quarter 2021 was affected by SEK -7.995 M (-7.330) in depreciation and amortization, an increase of SEK 0.665 M, of which SEK -1.238 M (-1.237) related to depreciation and amortization of equipment, tools and installations, SEK -5.209 M (-5.097) related to depreciation and amortization of the previous year's capitalized development expenses and SEK -1.547 M (-0.997) relates to depreciation and amortization of right-of-use assets in lease agreements.

January-September

Profit for the period January-September was affected by SEK -23.955 M (-22.309) in depreciation and amortization, an increase of SEK 1.646 M of which SEK -4.422 M (-4.278) related to depreciation and amortization of equipment, tools and installations, SEK -15.575 M (-14.364) related to depreciation and amortization of the previous year's capitalized development expenses, and SEK -3.958 (-3.667) related to depreciation and amortization of right-of-use assets in leasing agreements.

Liquidity, cash flow and financing

On September 30, 2021 the Group's cash and cash equivalents amounted to SEK 56.925 M (249.448).

In addition to Group cash and cash equivalents, short-term investments in interest-bearing bonds amounted to SEK 50.247 M (0). In total, cash and cash equivalents and other current financial assets amounted to SEK 107.172 M.

In the third quarter, Silvers Semiconductors AB issued 3,300,000 Class C shares, which have subsequently been repurchased and are held by the company with the aim of ensuring delivery of shares under the stock option programs. Of these Class C shares, 2,200,000 have been converted to ordinary shares.

Group cash flow from investing activities saw increased outflows year-on-year due to an increased share of investments in capitalized expenses for development and property, plant and equipment. The investment in capitalized development expenses is attributable to the development of new product generations. The increase in property, plant and equipment is attributable to the expansion of Photonics' production equipment. The investments are intended to strengthen and expand important partnerships with new and existing customers when they move from R&D through pilot production to volume manufacture. The investment will facilitate further business development of advanced semiconductor laser devices that are critical to Photonic Integrated Circuits (PIC) which are used in the next-generation artificial intelligence, data-center and quantum technology applications.

Acquisition of MixComm

After the start of the fourth quarter, Sivers Semiconductors signed an agreement to acquire 100 percent of the share capital of MixComm Inc., an US-based 5G and satellite communications challenger in mmWave technology. The purchase consideration amounted to USD 135m (approximately SEK 1,173 million) on a cash- and debt-free basis. The consideration will be paid through a combination of USD 22.5 million (some SEK 196 million) in cash, and USD 112.5 million (some SEK 978 million) in 39,335,664 newly issued Sivers shares based on the 10-day volume weighted average price of a Sivers share prior to signing of the agreement. In addition, there is a performance-based earn-out of up to USD 20 million (SEK 174 million) to be paid in new Sivers shares based on the same share exchange ratio, tied to the achievement of certain commercial customer milestones within nine months from signing. As part of the purchase consideration is in the form of shares, the value varies in line with the share price.

Founded in 2017, MixComm is headquartered in Chatham, New Jersey (USA) and has design centres in Oregon and California. It is an active US participant in the 5G BFIC (repeaters/base stations), SATCOM and radar verticals. Led by a world class executive team, the company was built on more than 10 years of development at Columbia University led by Dr. Krishnaswamy (MixComm's Co-Founder and CTO) through externally funded research projects totalling approximately USD 94 million. The majority of MixComm's employees hold a PhD and the company is the first and only mmWave company selected to join the 5G Open Innovation Lab founded by T-Mobile and Intel. MixComm's flagship BFIC, the SUMMIT 2629, was the recipient of numerous "Best Products" citations in 2020, including "The Broadband Innovation of the Year" from the Mobile Breakthrough Awards. MixComm has established partnerships with GlobalFoundries (who is also a minority investor in MixComm) for RF-SOI fabrication, packaging and test services, and with Richardson RFPD for distribution and logistics globally. MixComm is currently majority owned by its founders, employees and Kairos Ventures, a leading US venture capital investor that identifies and commercializes the world's leading scientific discoveries into viable businesses. Kairos will become a significant shareholder of Sivers following the closing of the transaction.

Completion of the acquisition is conditional upon, inter alia, regulatory approval by CFIUS (the Committee on Foreign Investment in the United States).

New office in the US

During the quarter the Group started a new company in the US, Sivers Semiconductors Corporation. On August 30, the company's first employee, Susan Shea, was appointed VP Business Development North America at Sivers Photonics. Sivers Semiconductors Inc.'s main operations are marketing and sales of the Group's products, and will form part of both Photonics' and Wireless' operations. After the acquisition of MixComm, Sivers Semiconductors will have presence throughout the US.

Investments

The Group's total investments in the period January – September amounted to SEK 126.422 M (27.251) and related to intellectual property rights for underlying capitalized development expenses of SEK 40.346 M (25.223), acquisitions of property, plant and equipment of SEK 35.650 M (2.028) and loan to associated company of SEK 0.118 M (0) and acquisition of corporate bonds of SEK 50.309 M (0). The investment in capitalized development expenses is attributable to the development of new product generations. Investments in capitalized development expenses increased year-on-year, because the Group had a higher amount of projects in the development phase during the period. The increase in property, plant and equipment is attributable to the expansion of Photonics' production equipment. All acquired corporate bonds have a term shorter than one year.

Equity

As of September 30, 2021 Group equity amounted to SEK 433.289 M (531.925). Share capital totalled SEK 78.873 M.

Parent Company

In the third quarter 2021, the Parent Company made a shareholder contribution of SEK 45.000 M to the subsidiary Wireless. A corresponding write-down on shares in subsidiaries has been recognized.

In the quarter, the Parent Company also forgave a loan to subsidiary Photonics of SEK 73.180 M which was converted to shares in subsidiaries.

In the third quarter last year, Parent Company personnel costs were affected by increased provisions for social security expenses for employee stock options corresponding to some SEK 6 M, which explains the decrease in the cost for the current year. The remaining increase was due to an additional employee in the Parent Company.

The decrease in financial expenses in the third quarter 2021 relates to the effect of the revaluation of embedded derivatives in convertible debt (corresponding to SEK 107.234 M) recognized in the Balance Sheet in the previous year.

Shares

Sivers Semiconductor's share capital was divided over 157,745,647 (154,445,647) shares with a quotient value of SEK 0.50 as of September 30, 2021. These shares comprise 156,645,647 ordinary shares with voting rights of 1.0 and 1,100,000 Class C shares with voting rights of 0.1. The Class C shares are held by the Company for uses including exercise of stock option programs. Since June 10, 2021, the share trades on Nasdaq Stockholm under the ticker SIVE, ISIN code SE0003917798 and LEI code 254900UBKKNY2EJ588J53.

Employees

As of September 30, 2021, the Group had 126 (103) employees, excluding consultants. This increase of 23 people since Year-end is linked to the growth plan the Board and company have set for 2021 in order to meet future demand.

Ownership structure

As of September 30, 2021, Sivers Semiconductors AB (public) had three owners, each of which directly and indirectly held shares corresponding to five percent or more of the votes and capital in the company. In total, Sivers Semiconductors had approximately 20,000 shareholders.

Outlook for 2021

The board of Sivers Semiconductors deems that correct measures have been taken in the group to ensure a strong product family. Progress in sales and product development has been made and investments are continuing. The Board has decided to continue to not publish forecasts.

Risks and uncertainties

The Sivers Semiconductor Group's operations, financial position and results of operations can be affected by a number of risks and uncertainties. These risks are described in the Group's Annual Report 2020 and in the prospectus dated June 3, 2021. The company announced its intention to acquire MixComm Inc on October 19. There is a risk that the acquired business will not develop as expected and in line with its valuation, risks related to integration, retention risks related to key employees and other risks in line with the risks described for Sivers Semiconductors. Finally, a possible 4th wave of the corona virus may affect the Group's performance as long as countries still have restrictions in place.

Financial calendar

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

February 15, 2022 Year-end Report 2021

For more information, please contact:

Anders Storm, CEO

Telephone: +46 (0) 702 62 63 90

Email: anders.storm@sivers-semiconductors.com

Sivers Semiconductors AB (publ)

Kista, Sweden November 12, 2021

The Board

This is Sivers Semiconductors

Sivers Semiconductors AB is a leading and internationally recognized technology company that, through its two business areas Wireless and Photonics, supplies chips and integrated modules. Wireless develops RF chips and antennas for advanced 5G systems for data and telecommunications networks. Photonics develops and manufactures semiconductor optical products for optical fiber networks, sensors and optical wireless communication (Li-Fi).

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

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

Sivers Semiconductors AB (publ)

Corp. ID no. 556383- 9348

Investor Relations: ir@sivers-semiconductors.com

Telephone: +46 (0)8 703 68 00

Sivers Semiconductors AB

Box 1274

SE-164 29 Kista Sweden

Review Report

Introduction

We have reviewed the interim report for Sivers Semiconductors AB (publ) for the period January 1 - September 30, 2021. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, November 12, 2021

Deloitte AB

Zlatko Mehinagic
Authorized Public Accountant

Consolidated Income Statement in summary

Group (SEK 000)	2021	2020	2021	2020	2020
	Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Jan-Dec
Revenue	26,511	22,208	67,261	66,463	96,170
Other operating income	2,230	2,162	5,655	7,985	9,099
Capitalized work on own account	13,752	7,688	40,346	25,223	37,215
Raw materials and consumables	-7,837	-7,039	-24,838	-18,211	-26,333
Other external expenses	-53,512	-12,408	-95,584	-42,956	-62,819
Personnel costs	-27,055	-51,310	-76,603	-97,273	-108,994
Depreciation, amortization and impairment of fixed assets and intangible assets	-7,995	-7,330	-23,955	-22,309	-30,049
OPERATING PROFIT/LOSS	-53,906	-46,030	-107,717	-81,078	-85,710
Profit from financial items					
Financial income	80	1,174	232	1,206	4,103
Financial expenses	-627	-108,776	-2,118	-117,389	-119,744
Profit/Loss before tax	-54,453	-153,631	-109,603	-197,262	-201,351
Income tax	986	2,021	1,007	2,042	5,569
PROFIT/LOSS FOR THE YEAR	-53,466	-151,610	-108,596	-195,219	-195,782
Attributable to Parent Company shareholders	-53,466	-151,610	-108,596	-195,219	-195,782
Earnings per share (SEK)					
Before and after dilution	-0.34	-1.07	-0.70	-1.40	-1.37

Consolidated Statement of Comprehensive Income in summary

Other comprehensive income					
Items to be reclassified to profit and loss					
Exchange rate differences from translation of foreign operations	579	238	4,610	-3,246	-5,974
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-52,887	-151,372	-103,986	-198,465	-201,756
Attributable to Parent Company shareholders	-52,887	-151,372	-103,986	-198,465	-201,756

Consolidated Statement of Financial Position in summary

Group (SEK 000)	9/30/2021	9/30/2020	12/31/2020
ASSETS			
Non-current assets			
Goodwill	134,812	134,812	134,812
Other intangible assets	173,426	141,325	147,553
Property, plant and equipment	97,934	65,354	61,372
Financial assets	118	-	-
Total non-current assets	406,290	341,491	343,737
Current assets			
Inventories	19,154	14,410	14,776
Accounts receivable	22,450	18,073	19,460
Other receivables	11,823	5,755	7,405
Prepaid expenses and accrued income	18,334	9,709	12,360
Other current financial assets	50,247	-	-
Cash and cash equivalents	56,925	278,354	249,448
Total current assets	178,933	326,301	303,450
TOTAL ASSETS	585,223	667,792	647,186

Group (SEK 000)	9/30/2021	9/30/2020	12/31/2020
EQUITY AND LIABILITIES			
Equity	433,289	371,462	531,925
Non-current liabilities			
Bank borrowing	12,000	16,000	15,000
Deferred tax	95	137	126
Provisions	11,709	32,711	17,177
Leasing liabilities	24,689	23,349	22,166
Other non-current liabilities	6,280	8,914	7,702
Total non-current liabilities	54,773	81,111	62,172
Current liabilities			
Bank borrowing	4,000	4,000	4,000
Convertible debentures	-	40,749	-
Accounts payable	20,116	8,622	14,246
Leasing liabilities	5,091	4,149	3,975
Other liabilities	6,119	126,079	8,721
Accrued expenses and deferred income	61,835	31,620	22,148
Total current liabilities	97,161	215,219	53,090
TOTAL EQUITY AND LIABILITIES	585,223	667,792	647,186

Consolidated Statement of Changes in Equity in summary

	9/30/2021	9/30/2020	12/31/2020
Opening balance	531,925	288,533	288,533
Profit/loss for the period	-108,596	-195,219	-195,782
Other comprehensive income	4,610	-3,246	-5,974
New share issue	1,650	247,814	247,814
New issue, redemption of employee stock	-	12,050	20,002
Offset issue, loans	-	21,057	21,057
New issue, redemption of convertible debenture	-	-	153,492
Repurchase/sale of Treasury shares	-605	-	-
Share-based compensation	4,304	474	2,783
Closing balance at the end of the period	433,289	371,462	531,925

Summary Consolidated Cash Flow Statement

Group (SEK 000)	1/1/2021 -09/30/2021	1/1/2020 -09/30/2020	1/1/2020 -12/31/2020
Operating activities			
Operating profit/loss	-107,717	-81,078	-85,710
Adjustments for non-cash items	24,773	56,147	63,280
Interest received	82	-	-
Interest paid	-1,810	-3,411	-4,265
Income tax received	-	9,173	9,173
Cash flow from operating activities before change in working capital	-84,673	-19,169	-17,522
Cash flow from change in working capital			
Increase(-)/decrease(+) in inventories	-4,059	-4,858	-5,414
Increase(-)/decrease(+) in operating receivables	-10,782	-3,122	-8,714
Increase(+)/decrease(-) in operating liabilities	34,755	6,559	-8,417
Cash flow from operating activities	-64,759	-20,589	-40,067
Investing activities			
Acquisition of property, plant and equipment	-30,453	-2,028	-2,313
Acquisition of intangible assets	-40,346	-25,223	-37,215
Loan to associated company	-118	-	-
Sales of property, plant and equipment	-	30	30
Investments in financial instruments	-50,309	-	-
Cash flow from investing activities	-121,225	-27,221	-39,498
Financing activities			
Borrowings	-	20,000	20,000
Loan amortizations	-3,000	-	-1,000
Issue expenses	-	-5,881	-5,881
New share issue	1,650	265,745	273,698
Amortization of lease debt and hire purchase loans	-6,292	-4,873	-7,263
Repurchase of Treasury shares	-1,716	-	-
Sale/exercise of warrants using Treasury shares	1,111	-	-
Cash flow from financing activities	-8,247	274,991	279,553
Cash flow for the period	-194,231	227,181	199,988
Opening cash and cash equivalents	249,448	52,228	52,228
Exchange rate difference in cash and cash equivalents	1,708	-1,055	-2,767
Closing cash and cash equivalents	56,925	278,354	249,448

Parent Company Income Statement in summary

Parent Company (SEK 000)	2021 Jul-Sep	2020 Jul-Sep	2021 Jan-Sep	2020 Jan-Sep	2020 Jan-Dec
Revenue	1,842	1,845	6,175	5,292	7,614
Other external expenses	-2,173	-1,303	-13,136	-4,559	-9,760
Personnel costs	-3,109	-8,552	-11,000	-13,994	-16,154
OPERATING PROFIT/LOSS	-3,439	-8,010	-17,960	-13,262	-18,300
Profit from financial items					
Other interest income and similar items	4,470	2,287	12,209	4,339	8,432
Financial expenses and similar items	-42,981	-108,168	-44,729	-130,900	-190,158
Profit/Loss before tax	-41,950	-113,891	-50,480	-139,823	-200,027
Income tax	-	-	-	-	-
Profit/loss for the period	-41,950	-113,891	-50,480	-139,823	-200,027

Parent Company Statement of Comprehensive Income in summary

Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-41,950	-113,891	-50,480	-139,823	-200,027

Parent Company Statement of Financial Position in summary

Parent Company (SEK 000)	9/30/2021	9/30/2020	12/31/2020
ASSETS			
Non-current assets			
Financial non-current assets			
Shares in Group companies	300,106	226,839	226,839
Receivables from Group companies	185,481	214,296	185,653
Long-term prepaid expenses	37,371	-	-
Total financial non-current assets	522,958	441,135	412,492
Total non-current assets	522,958	441,135	412,492
Current assets			
Current receivables			
Receivables from Group companies	11,410	5,829	7,926
Other receivables	818	465	25
Prepaid expenses and accrued income	2,758	2,230	288
Other current financial assets	50,247	-	-
Total current receivables	65,232	8,524	8,239
Cash and cash equivalents	38,953	238,301	215,858
Total current assets	104,186	246,825	224,097
TOTAL ASSETS	627,143	687,960	636,589
Parent Company (SEK 000)	9/30/2021	9/30/2020	12/31/2020
EQUITY AND LIABILITIES			
Share capital	78,873	74,015	77,223
Share premium reserve	904,565	746,329	904,565
Retained earnings including profit/loss for the year	-402,237	-297,657	-355,457
Total equity	581,200	522,686	626,331
Provisions			
Provisions	5,478	7,249	6,542
Total provisions	5,478	7,249	6,542
Current liabilities			
Convertible debentures	-	40,749	-
Accounts payable	840	437	472
Other liabilities	390	115,290	162
Accrued expenses and deferred income	39,235	1,549	3,083
Total current liabilities	40,465	158,025	3,717
TOTAL EQUITY AND LIABILITIES	627,143	687,960	636,589

Notes

Note 1 – Accounting principles

The Interim Report has been prepared in accordance with IAS 34 and the applicable regulations of the Annual Accounts Act. The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the Swedish Annual Accounts Act. The Parent Company applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR2.

Note 2 – Revenue from contracts with customers and segment reporting

The products (chips, modules, evaluation packages, semiconductor products, etc.) that the Sivers Semiconductors Group manufactures and sells to customers are hardware.

Hardware sales are recognized either at a point in time or over time. In the Wireless business area, performance obligations are normally fulfilled at a specific point in time, while Photonics has a larger proportion of contracts where performance obligations are met over time.

Both Wireless and Photonics enter into Non Recurrent Engineering (NRE) contracts. These contracts relate to development projects where the Sivers Semiconductors companies adapt technology in hardware to match customer needs or develop a new product. Customized products developed through NRE contracts can later be sold under the category "hardware". Revenue for NRE contracts is recognized over time.

The Wireless business area also sells support for the Company's hardware, which facilitates customization of the technology. For example, the support agreements allow Sivers Semiconductors' products to be embedded into the customer's products, which are then sold on to end customers. Revenue from support contracts is recognized over time.

Revenue type	Jul-Sep 2021			Jul-Sep 2020		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	4,456	3,246	7,702	3,369	2,645	6,014
NRE/Development	707	17,739	18,446	1,076	14,840	15,915
Support & Other	363	-	363	279	-	279
Total	5,526	20,985	26,511	4,724	17,484	22,208
Recognition						
At a point in time	4,456	97	4,553	3,369	627	3,996
Over time	1,070	20,888	21,958	1,355	16,857	18,211
Total	5,526	20,985	26,511	4,724	17,484	22,208
Geographical market						
North America	1,397	18,334	19,730	479	13,765	14,244
Europe	1,017	1,541	2,558	3,998	2,537	6,535
Asia	3,113	1,110	4,223	247	1,182	1,429
Total	5,526	20,985	26,511	4,724	17,484	22,208

Revenue type	Jan-Sep 2021			Jan-Sep 2020		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	14,697	10,614	25,310	12,596	9,698	22,294
NRE/Development	2,527	37,992	40,518	1,832	41,246	43,078
Support & Other	1,433	-	1,433	1,091	-	1,091
Total	18,656	48,605	67,261	15,519	50,944	66,463
Recognition						
At a point in time	14,697	269	14,965	12,596	1,147	13,743
Over time	3,960	48,337	52,296	2,923	49,797	52,720
Total	18,656	48,605	67,261	15,519	50,944	66,463
Geographical market						
North America	6,125	39,991	46,116	1,133	42,069	43,202
Europe	6,150	4,748	10,897	11,842	6,108	17,949
Asia	6,381	3,867	10,248	2,544	2,767	5,311
Total	18,656	48,605	67,261	15,519	50,944	66,463

Segment revenue and profit				
Jul-Sep 2021, SEK 000	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	5,526	20,985	-	26,511
Revenue from other segments	-	-	-	-
Total income	5,526	20,985	-	26,511
Profit				
EBITDA	-5,712	694	-40,893	-45,911
Depreciation/amortization and impairment	-	-	-7,995	-7,995
EBIT	-5,712	694	-48,888	-53,906
Financial income	-	-	80	80
Financial expenses	-	-	-627	-627
Profit/Loss before tax	-5,712	694	-49,434	-54,453
Income tax	-	-	986	986
Profit after tax	-5,712	694	-48,448	-53,466

Segment revenue and profit				
Jul-Sep 2020, SEK 000	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	4,724	17,484	-	22,208
Revenue from other segments	-	-	-	-
Total income	4,724	17,484	-	22,208
Profit				
EBITDA	-25,709	-4,912	-8,078	-38,699
Depreciation/amortization and impairment	-	-	-7,330	-7,330
EBIT	-25,709	-4,912	-15,408	-46,030
Financial income	-	-	1,174	1,174
Financial expenses	-	-	-108,776	-108,776
Profit/Loss before tax	-25,709	-4,912	-123,010	-153,631
Income tax	-	-	2,021	2,021
Profit after tax	-25,709	-4,912	-120,989	-151,610

Segment revenue and profit

Jan-Sep 2021, SEK 000	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	18,656	48,605	-	67,261
Revenue from other segments				
Total income	18,656	48,605	-	67,261
Profit				
EBITDA	-17,367	-10,982	-55,414	-83,762
Depreciation/amortization and impairment	-	-	-23,955	-23,955
EBIT	-17,367	-10,982	-79,369	-107,717
Financial income	-	-	232	232
Financial expenses	-	-	-2,118	-2,118
Profit/Loss before tax	-17,367	-10,982	-81,255	-109,603
Income tax	-	-	1,007	1,007
Profit after tax	-17,367	-10,982	-80,247	-108,596

Segment revenue and profit

Jan-Sep 2020, SEK 000	Wireless	Photonics	Shared Group costs	Total
Revenue				
External revenue	15,519	50,944	-	66,463
Revenue from other segments	-	-	-	-
Total income	15,519	50,944	-	66,463
Profit				
EBITDA	-38,433	-7,077	-13,259	-58,769
Depreciation/amortization and impairment	-	-	-22,309	-22,309
EBIT	-38,433	-7,077	-35,568	-81,078
Financial income	-	-	1,206	1,206
Financial expenses	-	-	-117,389	-117,389
Profit/Loss before tax	-38,433	-7,077	-151,752	-197,262
Income tax	-	-	2,042	2,042
Profit after tax	-38,433	-7,077	-149,709	-195,219

Segment revenue and profit

Jan-Dec 2020, SEK 000

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

Wireless

Revenue for the third quarter 2021 amounted to SEK 5.526 M (4.724), an increase of SEK 0.802 M, which represents an increase of 17 % year-on-year. EBITDA was SEK -5.712 M (-25.709), an increase of SEK 19.997 M.

The year-on-year increase in EBITDA in the quarter was due to lower costs for social security expenses for employee stock option programs of some SEK 22 M. The remaining decrease was primarily due to higher personnel costs, which were mainly the result of an increase in the number of staff. However, the effect was offset slightly because capitalized work on own account for the segment increased by SEK 5.513 M. This was due to several accrued major projects in the development phase.

Revenue for the period January-September amounted to SEK 18.656 M (15.519), an increase of SEK 3.137 M, which represents an increase of 20% year-on-year. EBITDA was SEK -17.367 M (-38.433), an increase of SEK 21.066 M.

The positive progress in EBITDA was largely due to decreased costs for social security expenses for stock option programs (corresponding to approximately SEK 20 M for the period compared to the previous year).

Note 3 – Financial instruments

The Balance Sheet includes operating receivables and liabilities held to maturity. These consist of accounts receivables, contract assets, cash and cash equivalents, accounts payable, other current liabilities, accrued expenses and hire-purchase liabilities.

These are reported at amortized cost, which is an approximation to fair value. The credit risk for the receivables is assessed to be low.

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

Photonics

Revenue for the third quarter 2021 amounted to SEK 20.985 M (17.484), an increase of SEK 3.500 M year-on-year, representing an increase of 20%. EBITDA was SEK 0.694 M (-4.912), an increase of SEK 5.606 M.

The increase was mainly derived from increased revenue. In addition, Photonics had a positive profit effect corresponding to some SEK 4 M due to decreased costs for social security expenses for stock option programs. However, this was offset by a general increase in personnel costs, corresponding to some SEK 3.5 M, as a result of an increase in the number of employees.

Revenue for the period January-September amounted to SEK 48.605 M (50.944), a decrease of SEK 2.338 M year-on-year, representing a decrease of 5%. EBITDA was SEK -10.982 M (-7.077), a decrease of SEK 3.905 M.

The decrease in EBITDA is linked to reduced income driven by delays caused by Covid-19 in the first quarter, and increased costs of raw materials and consumables. The increased costs of input goods and necessities was due to increased purchasing of goods and services connected with research and development.

Alternative Performance Measures (APM)

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

Group (SEK 000)	1/1/2021 -09/30/2021	1/1/2020 -09/30/2020	1/1/2020 -12/31/2020
PROFITABILITY			
Revenue growth (%)	1%	-6%	0%
EBITDA (SEK 000)	-83,762	-58,769	-55,661
EBIT (SEK 000)	-107,717	-81,078	-85,710
CAPITAL STRUCTURE			
Equity (SEK 000)	433,289	371,462	531,925
Total assets (SEK 000)	585,223	667,792	647,186
Capital employed (SEK 000)	484,506	468,200	584,499
Interest-bearing net debt (SEK 000)	-5,708	-181,616	-196,874
Capital turnover ratio (times)	0.1	0.1	0.2
Equity/assets ratio (%)	74%	56%	82%
Debt/equity ratio (%)	12%	26%	10%
CASH FLOW AND LIQUIDITY			
Cash flow before investments (SEK 000)	-64,759	-20,589	-40,067
Cash flow after investing activities (SEK 000)	-185,984	-47,810	-79,566
Cash and cash equivalents (TSEK 000)	56,925	278,354	249,448
INVESTMENTS			
Acquisition of property, plant and equipment (SEK)	-35,650	-2,028	-2,313
Acquisition of intangible assets (SEK 000)	-40,346	-25,223	-37,215
Sales of property, plant and equipment (SEK 000)	-	30	30
PERSONNEL			
Average number of employees	115	100	101
Turnover per employee (SEK 000)	585	665	952
Total number of employees	126	99	103
DATA PER SHARE			
Number of shares*	157,745,647	148,029,190	154,445,647
Average number of shares before dilution*	155,134,658	139,106,118	142,821,263
Earnings per share before and after dilution	-0.70	-1.40	-1.37
Equity per share (SEK)	2.75	2.51	3.44

* In order to calculate equity per share and earnings per share, the number of shares and the average number of shares have been adjusted retrospectively to reflect the bonus issue elements of new share issues completed in 2020.

Definitions of key performance indicators

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

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

** Non-financial measure

Calculation of financial measures not included in IFRS

	9/30/2021	9/30/2020	12/31/2020
Revenue growth (%)			
Revenue	67,261	66,463	96,170
Revenue corresponding period previous year	66,463	70,993	96,355
Revenue growth (%)	1%	-6%	0%
EBITDA (SEK 000)			
Operating profit/loss	-107,717	-81,078	-85,710
Depreciation, amortization and impairment of fixed assets	23,955	22,309	30,049
EBITDA	-83,762	-58,769	-55,661
Capital employed (SEK 000)			
Total assets	585,223	667,792	647,186
Deferred tax	-95	-137	-126
Provisions	-11,709	-32,711	-17,177
Non-interest bearing portion of other non-current liabilities	-3,710	-3,610	-3,355
Accounts payable	-20,116	-8,622	-14,246
Non-interest bearing portion of other liabilities	-3,251	-122,892	-5,634
Accrued expenses and deferred income	-61,835	-31,620	-22,148
Capital employed	484,506	468,200	584,499
Interest-bearing net debt			
Interest-bearing non-current liabilities (leasing and other)	39,260	44,653	41,513
Interest-bearing current liabilities (convertible, leasing and other)	11,958	52,084	11,061
Cash and cash equivalents	-56,925	-278,354	-249,448
Interest-bearing net debt	-5,708	-181,616	-196,874
Capital turnover ratio, times			
Revenue	67,261	66,463	96,170
Average total assets	616,205	546,030	535,727
Total assets at the beginning of the period	647,186	424,268	424,268
Total assets at the end of the period	585,223	667,792	647,186
Capital turnover ratio, times	0.1	0.1	0.2
Equity/assets ratio %			
Equity (SEK 000)	433,289	371,462	531,925
Total assets (SEK 000)	585,223	667,792	647,186
Equity/assets ratio, %	74%	56%	82%
Debt/equity ratio (%)			
Interest-bearing liabilities	51,218	96,737	52,574
Equity	433,289	371,462	531,925
Debt/equity ratio (%)	12%	26%	10%
Equity per share, SEK			
Equity, SEK 000	433,289	371,462	531,925
Number of shares at the end of the period*	157,745,647	148,029,190	154,445,647
Equity per share	2.75	2.51	3.44

* In order to calculate equity per share and earnings per share, the number of shares and the average number of shares have been adjusted retrospectively to reflect the bonus issue elements of new share issues completed in 2020.

Sivers Semiconductors.