

Annual Report 2023

At the heart
of innovation



This is Sivers Semiconductors

Sivers Semiconductors is a global leader in AI photonics and wireless satellite communications (SATCOM). The two business units, Photonics and Wireless, supply cutting-edge, integrated chips and modules critical for high-performance gigabit wireless and optical networks.

Total number of employees

123

of whom

28

have a PhD

At the end of 2023, Sivers Semiconductors had 123 employees in the USA, Scotland and Sweden. 28 of the employees have a doctorate.

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



Sivers Photonics expertise is revolutionizing custom semiconductor photonic devices for optical networks and optical sensing



Sivers Wireless solutions are forging paths especially in SATCOM



Catering to a broad spectrum of industries from telecommunication to aerospace, Sivers Semiconductors fulfill the increasing demand for computational speed and AI application performance, replacing electric with optical connections for a more sustainable world.



Sweden
Head office & Wireless R&D and sales Fables 28 employees



USA
Wireless SATCOM & radar R&D and sales Fables 17 employees



Scotland
Photonics Manufacturing plant 78 employees

Sivers journey

2016

New Strategy

Listed at Aktietorget (Spotlight)
Shareholder: 1,674, 0% institutions
Market cap: \$20m
Net revenue: \$2m

2017

Photonics (CST) M&A

Acquired for USD 23m
Listing on Nasdaq First North Growth Market Stockholm

2018

Customers & investors

First Fortune 100 customer Swedbank Robur, AMF and Nordic Cross invest
Sivers' Chip selected best industry showcase at IEEE RFIC symposium

2019

Progress on 5G / US Fortune 100

5G design wins +12
NXP partnership
2 follow up orders from US Fortune 100 customer

2020

Customer Acceleration

2 US Fortune 100 customers
Number of 5G design wins total +21
Optical I/O starts-CW-WDM
MSA Member
Renamed Sivers Semiconductors

2023 in brief

Q1

- Collaboration with Intel and WiSig Network to launch the world's first 5G millimeter-wave (mmWave) FR2 stand-alone CPE solution
- 5G volume orders valued at USD 620,000 from multiple new customers
- Demo of CW-WDM MSA compliant DFB laser arrays with Ayar Labs at OFC 2023
- USD 1.85 m contract with Thorium Space for satellite communications

Q2

- Directed share issue of approximately SEK 150 m
- Granted approximately SEK 5 m from EU project PARALIA
- Demonstrated, with WiSig Networks and Intel, 5G mmWave backhaul technology
- Financing of SEK 75 m, of which a convertible loan of SEK 25 m
- Lottie Saks appointed CFO
- USD 1.3 m order from US company for custom photonic device qualification

Q3

- USD 1m order from Ayar Labs for technology to support growth of generative AI
- USD 375,000 award under DARPA NGMM program with PseudolithIC Inc.
- USD 425,000 contract from top-tier SATCOM network provider
- USD 5 m volume production order from its leading European SATCOM customer
- Second round of prototype orders from Tier-1 5G infrastructure vendor
- Demonstrated next-generation DFB laser arrays for generative AI at ECOO 2023

Q4

- Hosts well attended Capital Markets Day with participating customers
- USD 1 m orders for advanced optical sensing products from three customers across LiDAR, Medical and Industrial sectors
- Laser partnership with LioniX International and Chilas BV targeting optical applications
- USD 1.2 m EU HORIZON Grant for 6G mmWave development

236

SEK m in sales in 2023

+46

percent sales growth in 2023

21,000

Shareholders

2021

Growth

Accelerating Fortune 100 customers
26 5G Design wins
+20.000 share holders
>20% institutional owners
Listed at Nasdaq Stockholm main market in Mid-cap category 10th of June

2022

Wireless M&A

Transformative acquisition of MixComm (Tier 1, SATCOM, US)
Multiple orders from consumer electronics US
F100 customer SEK 34m
Third F100 customer secured
MSEK 170 SATCOM order
+46% revenue growth

2023

100% Growth

\$32m orders 12 month rolling
100% growth passing \$20m sales
SATCOM exploding Wireless growth +200%
Thorium Space 1.85 MUSD (March-23)
Lidar sensor order June 1,3 MUSD (14 MSEK) (June-23)
Ayar Lab 1 MUSD order for Generative AI (July-23)
F100 customer 3 MUSD (consumer electronics) (Sep-June)
Satcom product order for BFIC 5 MUSD (Aug-23)
Partnership Intel and WiSig Network launching first stand-alone 5G mmWave solution targeting India market

2024

YTD Momentum

Further momentum with +60 customer engagements can drive net revenue growth to multiples of USD 100 m with existing customers

An exceptional growth year

2023 was a record year for Siverts Semiconductors passing 200 million in revenue for the first time, driven by strong growth of 78 percent, resulting in sales of SEK 236 million for the full year. For the first time, we also delivered a positive EBITDA result of SEK 13.5 million for the fourth quarter, which meant a very positive end to the year and by far fulfilled our earnings outlook. Earnings also for the full year improved significantly, mainly driven by the good growth but also thanks to measures taken to improve profitability.

The company also won several important new orders in all major verticals; SATCOM, 5G, optical I/O and sensing. While SATCOM and our Fortune 100 customer were the most important growth drivers in 2023, other orders are securing a solid future.

Throughout the year, growth varied quarter-to-quarter, a trend we anticipate persisting due to individual orders. Previously announced customer contracts, together with new business transactions, are expected to contribute sales growth during 2024 and onwards. 2023 was an exceptional growth year, and we foresee continued growth for many years ahead.

Cost management remains a strategic priority as we systematically work towards enhancing operational efficiency. Together with continued optimization of costs and investments, we expect our growth to accelerate our path to profitability. Our focus in 2024 is on profitable growth, rather than just growth, and on positive operational cash flows.

Siverts is strategically positioned to take advantage of several megatrends, including in generative AI, in areas where we can have a decisive importance. Existing electrical-based communication between processors currently provides insufficient capacity for the enormous data volumes required by the generative AI of tomorrow. Collaborating with partners, Siverts' laser chips play a pivotal role in an optical communications solution designed to meet the evolving processor speed and capacity requirements.

Our indium phosphide (InP) product platform, InP100, is well positioned and timely. The collaboration with our first US Fortune 100 customer is progressing very well and are eagerly awaiting the results of the more extensive tests the customer is carrying out on our chip. A possible design-in starts at several hundred million SEK per year up to several billion SEK per year, depending on type and quantity of consumer products. We look forward to supporting future volume production.



Siverts stands out as a unique technology company, underpinned by competitive, world-class products and a strong global network.



After the end of the year, we received another order from our US Fortune 100 customer which is very gratifying and make us confident that the project is progressing in a good way. Many of our Photonics orders will be delivered in 2024, but we also see a strong pipeline for 2025.

Our platform's potential becomes evident as customers transition from prototype phases to scaled-up volumes. While contemplating the possibility of extending or constructing a proprietary production plant, we recognize the considerable flexibility in outsourcing, offering advantages in lead times and significantly reduced capital requirements. We call this dual approach, producing both in-house and through outsourcing, "hybrid fables."

During the year, we received important volume production orders from our leading European SATCOM customer who is now starting to scale up production. During the first quarter 2024, we received four larger orders with a total of approximately SEK 100 million from two SATCOM customers as well as very important orders from a new AI Photonics customer and our Fortune 100.

We start 2024 with great momentum and many more interesting projects, in the pipeline. Both business units have a bright future ahead of them. We expect volume production to continue to scale from approx. 30% in 2023 to over 80% in 2026, ensuring strong growth for Siverts for many years to come.

On March 26, 2024, it was announced that I will leave Siverts for new challenges outside the company. I will remain in my position until a new CEO has taken office or until the end of my six-month notice period, September 2024. After a long and fruitful tenure, this was a tough decision for me. Siverts is a fantastic company with great people and tremendous potential.

Together with a continued optimization of costs, investments and capital structure, we expect our organic growth to take us to profitability. We have secured further improved cash flow for 2024 via



2023 was a record year and by our deliberate steps taken in end of 2022 we could also deliver a positive adjusted EBITDA second half of 2023, according to **Anders Storm**, Group CEO.

loan facilities, convertibles, unlocking of funds to a value of SEK 82 million during first quarter 2024. Hence the Company anticipates this fund will fully address 2024, without the need for capital contributions from our shareholders.

Sivers stands out as a unique technology company, underpinned by competitive, world-class

products and a strong global network. Encouraged by the development at several key customers, our positioning aligns seamlessly with the megatrends driving the market and we look to the future with great confidence.

Anders Storm, Group CEO

Strong position on fast-growing markets



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



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

Sivers is supporting the convergence of many megatrends

Sivers Semiconductors is a global leader in AI photonics and SATCOM wireless, driving innovation in global communications and sensor technology.

Sivers' business units, Photonics and Wireless, supply cutting-edge, integrated chips and modules critical for high-performance gigabit wireless and optical networks.

Catering to a broad spectrum of industries from telecommunication to aerospace, Sivers fulfill the increasing demand for computational speed and AI application performance, replacing electric with optical connections for a more sustainable world.

The company's photonics expertise is revolutionizing custom semiconductor photonic devices



Sivers is satisfying demand for upgraded technology and infrastructure for megatrends.



for optical networks and optical sensing, while Sivers' wireless solutions are forging paths in advanced SATCOM/5G/6G systems, making Sivers a trusted partner to Fortune 100 companies as well as emerging unicorns.

The company is active on the market for products needed to upgrade data and telecommunications networks, including sensors. The sharp increase in traffic in these networks – as the company's customers' customers are starting to demand increased volumes – requires extensive investment, which in turn drives market growth for Sivers.

Optical semiconductors and mmWave technology are both central to high-speed networks and Sivers' products satisfy the strong need to upgrade

Sivers is uniquely positioned to contribute to driving market megatrends

High-speed broadband



Silicon photonics



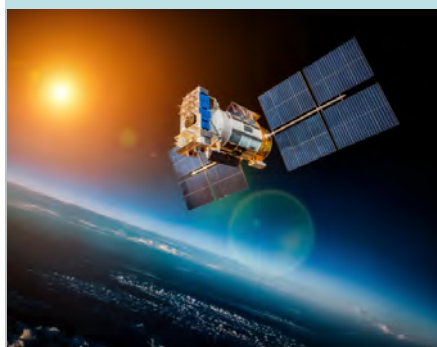
Augmented reality



Autonomous driving



Satellite communications



Consumer sensing



infrastructure driven by the exponential increase in data traffic. Both business areas focus on infrastructure applications, but they also have products that can be used in consumer electronics, and they generally tailor their offerings to customers' specific needs.

The market for data centers, SATCOM, broadband, and sensors is growing rapidly, and the chips and components offered by Sivers meet demand in all these areas. Going forward, growth will be fueled by increased product sales going from some 30 percent of sales in 2023 to above 80 percent in 2026.

Sivers' sensors and mmWave technology are vital cogs in growth in several megatrends. Sivers' total addressable market (TAM) is USD 10 bn.¹⁾



Photonics is focused on photonic devices for optical networks, and optical sensing for sensor applications for mobile devices, autonomous vehicles, medical sensors, and industry.

Wireless is focused on mmWave technology mainly for SATCOM.

10

Sivers' total addressable market is USD 10 Bn

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

A flexible and asset light strategy

Sivers connects the digital world with the real world by converting data or signals into radio waves or light. The company is showing strong organic growth and aims to continue to do so with a strong focus on product sales and cash flow.

Sivers aims to grow organically by leveraging its strong industry partnerships. By satisfying demand from selected verticals, Sivers aims to show strong product sales, increasing from some 30 percent of sales in 2023 to above 80 percent in 2026.

The company is continuously evaluating new cash flow positive verticals via acquisitions.

Sivers has a flexible go-to-market and asset light manufacturing strategy. For Photonics manufacturing is hybrid fabless, meaning Sivers will use its wholly owned 100mm wafer foundry for initial production and an external InP foundry for volume ramp. For Wireless, production is fully fabless.

The wholly owned 100mm wafer foundry

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

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



Photonics is a supplier of customized III-V semiconductor photonics devices enabling next generation applications in optical communications and sensing.



Data Communication



Healthcare



Automotive



Aerospace & Defence



Industrial

- Foundry Services
- InP100 Platform enabling next generation integrated photonics
- End-to-end services for prototyping to high-volume production

Wireless is a fabless designer of RFICs and BFICs.



Satellite Communications



Fixed Wireless Access (FWA)



5G RAN/ORAN mmWave

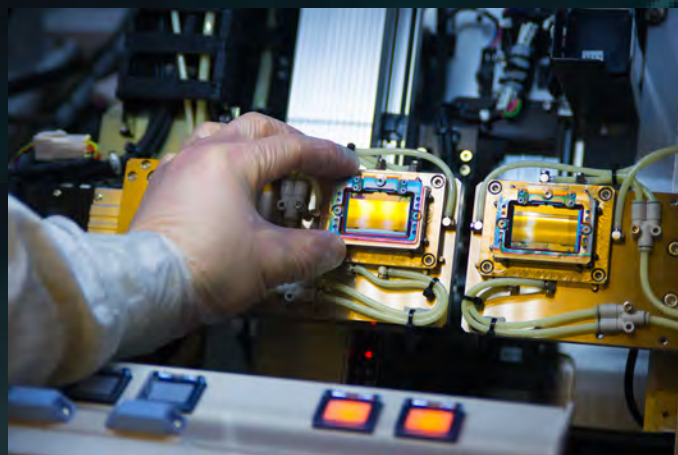


High Performance Radar



Track to Train

- RFICs and BFICs for licensed and unlicensed 5G (24 GHz to 71 GHz)
- Integrated RF modules
- Evaluation Kits (EVK) to validate the RFs of licensed or unlicensed 5G



Sivers will use its wholly owned 100mm wafer foundry for initial production and an external InP foundry for volume ramp.



Photonics



Indium Phosphide (InP) becoming more and more important due to higher frequency needed and material properties due to power needs and reduction of electricity used. Through its Photonics business unit Silvers caters to that need.

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

Photonics application areas

Sivers's photonics expertise is revolutionizing custom semiconductor photonics devices for optical networks and optical sensing.

Sivers Photonics designs and manufactures advanced III-V semiconductors and integrated circuits for photonic devices, primarily for artificial intelligence (AI) for large data centers, optical communications and optical sensing applications, mainly within various applications for consumer and industrial electronics. These photonic chips are key components for several future technologies, such as autonomous vehicles, smart factories, and generative AI.

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

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



Optical communications

The need for optical communications is driven by demand for cloud services with applications such as Netflix and YouTube. The need to reduce power consumption, increase speeds and manage heat in HPC computers requires data to be transmitted by light instead of electricity. Optical communications applications include critical components in data centers, telecoms and 5G, including fiber to the home, passive optical networks, and quantum technology applications. Optical communications will continue to rely on silicon photonics technology, with strong growth in hyper-scale data centers and data center interconnections (DCI).

20.9

The market for optical communications is expected to grow from USD 9.6 billion in 2020 to USD 20.9 billion in 2026.²⁾

15

The market for optical sensing is expected to grow from USD 183 million in 2020, to USD 15 billion in 2025.³⁾

Optical sensing

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



2) Yole Development 2021, optical transceivers for Datacom & Telecom
3) Yole Development, 2021

Sivers and Ayar Labs

Ayar Labs' SuperNova™ light source is powered by Sivers Photonics' DFB laser arrays. The combination facilitates applications such as high-performance computing, artificial intelligence, and high-density optics. Today's electrical communication between processors does not have sufficient capacity to quickly process the enormous amounts of data that generative AI of the future requires. Ayar Labs offers the solution to this problem and Sivers supplies the laser chip to this solution.

Built on the InP100 product platform at Sivers' 100mm wafer foundry in the UK, the DFB laser array is compliant with the Continuous-Wave Wavelength Division Multiplexing Multi-Source Agreement (CW-WDM MSA) standard and has a very high output power. Through optical communication, the speed and capacity of processors can be increased manifold, while energy consumption can be reduced by up to 90%.

The SuperNova™ remote optical source from Ayar Labs provides up to 16 wavelengths of light, powering up to 16 ports. Combined with Ayar Labs' TeraPHY™ optical I/O chiplet, the solution delivers

terabit data rates at low power and latency over distances up to hundreds of meters compared to existing electrical I/O alternatives.

In 2023, Sivers received a very important order from Ayar Labs of approximately SEK 11 million. The order, for the qualification of volume production of Photonics' unique laser arrays, confirmed Sivers' position as a key supplier in one of the future's biggest growth areas; generative artificial intelligence (AI). The performance Sivers and Ayar Labs offer together is necessary to enable next-generation AI and advanced machine learning. By enabling the switch to optical interconnect technology versus traditional electrical links, Ayar's solution, leveraging Sivers' technology, provides a dramatic step change in the required bandwidth, power, and latency improvements necessary for these complex systems to scale and meet the exploding demand for Artificial Intelligence and machine learning applications. With the massive growth of generative AI, this is just the beginning of Sivers' support in enabling the AI revolution that is changing the world.

Ayar Labs

Founded

2015

Based on MIT research since 2010

Locations in San Francisco Bay Area and Boston

122

employees

85% Advanced Degrees

186

Patents Filed (65 Issued)

Fundamental Patents on Silicon Photonic Micro-Rings and WDM Laser Systems

\$215M

Investment to Date

\$130M Series C (2022)

\$25M Series C1 (2023)

Includes Strategic Collaborations with Intel, HPE, NVIDIA

Sivers Photonics AI market opportunity

Base-line assumption super-cluster – Laser Array Market Opportunities

- ➔ Size: 10-50k GPUs per cluster
- ➔ 16Tb/s bi-directional connectivity per GPU-GPU link
- ➔ Four (2x Up + 2x Down) Supernova (8Tb/s modules are required per GPU) = 40-200k arrays per cluster

Sivers DFB arrays volume pricing \$30-\$150 per array depending on volumes

=>\$1,2m to \$30m (MSEK 12-300 each cluster)

=>Significant portion of BOM costs

An annual deployment of up to 5 large clusters gives TAM up to \$150M per annum (MSEK 1500)

-> 250.000 GPUs

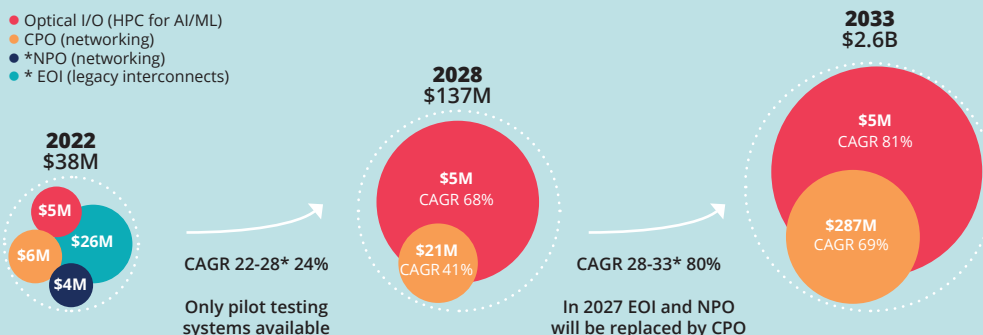
Nvidia is selling 3,5 million Data centre GPUs per year.

250.000 GPUs are less than 10% of the sold GPUs today.

This will grow 15x until 2033. TAM \$2.3 Bn.

2022 – 2033 Datacom optics revenue growth forecast

- Optical I/O (HPC for AI/ML)
- CPO (networking)
- *NPO (networking)
- * EOI (legacy interconnects)



Autonomous driving

One important application area for Silicon Photonics is optical sensing for **autonomous cars**. Cars will continually become more autonomous, from today's cruise control and automatic braking to levels where the "driver" does not need to hold the steering wheel, look at the road, or even think about where the car is heading. The need for LiDAR will increase with each level, but the specifications and technology used will vary between different cars. It is estimated that by 2045 more than 70 percent of all vehicles sold will include autonomous capabilities.



Market players

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

All these players are examples of potential customers.

Some of the world's largest tech companies among our customers

One indication that Sivers Photonics' products are innovative market leaders is that the Photonics business unit has some of the world's largest tech companies among its customers. Photonics continued to develop its relationships with these Fortune 100 customers in 2023.

By the end of 2023, the first customer had placed orders worth approximately SEK 163 million for development activities linked to optical sensors for consumer electronics.

Sivers is eagerly awaiting the results of the major tests that the customer is carrying out on the chip



Turnover could be up to SEK 2 Bn year longer term if both transmitter and receiver were to go to volume

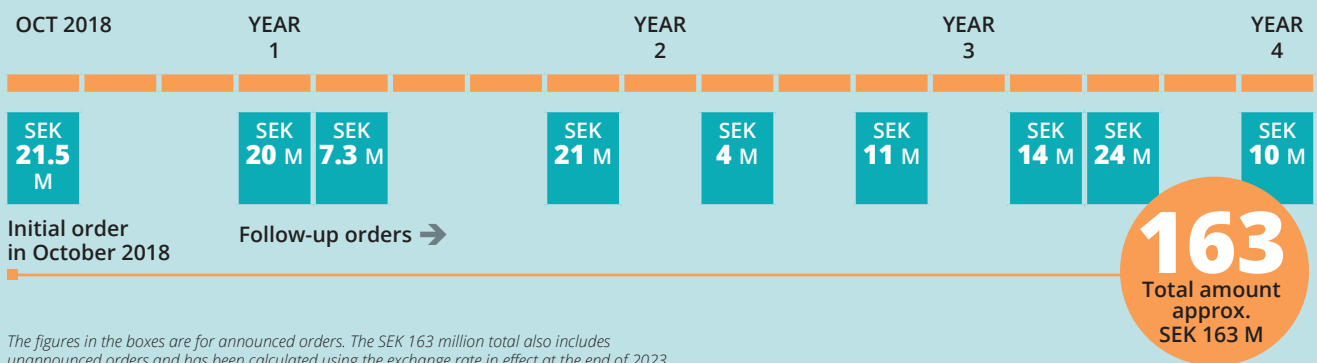


that Sivers sent to the customer late in the second quarter 2023. The two requests for proposal (RFP) that Sivers responded to during the year regarding a transmitter and a receiver chip contain different volume scenarios.

A design-in regarding one of these RFPs should, with indicated volumes from the customer, for example, correspond to a minimum turnover of approximately SEK 300 million per year up to approximately SEK 2 billion per year if both transmitter and receiver chips were to be designed in.

Sivers' first Fortune 100 customer

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



The figures in the boxes are for announced orders. The SEK 163 million total also includes unannounced orders and has been calculated using the exchange rate in effect at the end of 2023.



Wireless



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



Wireless application areas

Sivers wireless solutions are forging paths mainly in advanced SATCOM but also in 5G/6G systems.

Operators in the telecommunications market are facing several major challenges: increased global demand for broadband for end customers, network optimization, a higher number of connected devices and sensors, greater network security and more high-quality connections. The services are essential for everyday life and more and more companies view functioning broadband services as business-critical at a time when more people are working from home and environmental demands are reducing travel.

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

By 2028, FWA is expected to deliver broadband to more than

900

million people.

Increased traffic, new frequency allocations, state infrastructure investments and general technological development are driving the trend of large-scale FWA rollouts globally. In the United States alone, USD 20.4 billion will be invested in broadband solutions over the next ten years through the Rural Digital Opportunity Fund (RDOF).⁴⁾

5G operators that complement their mobile networks with FWA mmWave solutions (> 24 GHz) for data transport reduce the life cycle cost by up to 30 percent.⁵⁾ In 2021, FWA accounted for more than 15 percent of global mobile data traffic, and the number of connections is expected to increase from 100 million in 2022 to 300 million in 2028. By then, FWA is expected to deliver broadband to more than 900 million people.⁶⁾

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

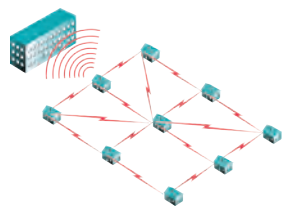
5) The Economics of mmWave 5G – GSMA Intelligence 2021

6) Ericsson Mobility Report, November 2022



Satellite communications

Antennas and chips for providers of satellite communications.



Mobile/WiFi backbone networks

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



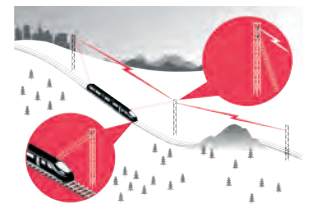
FWA

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



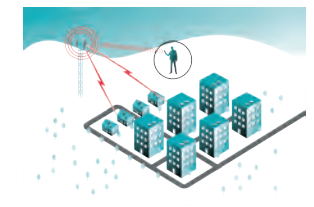
Uncompressed real-time data

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



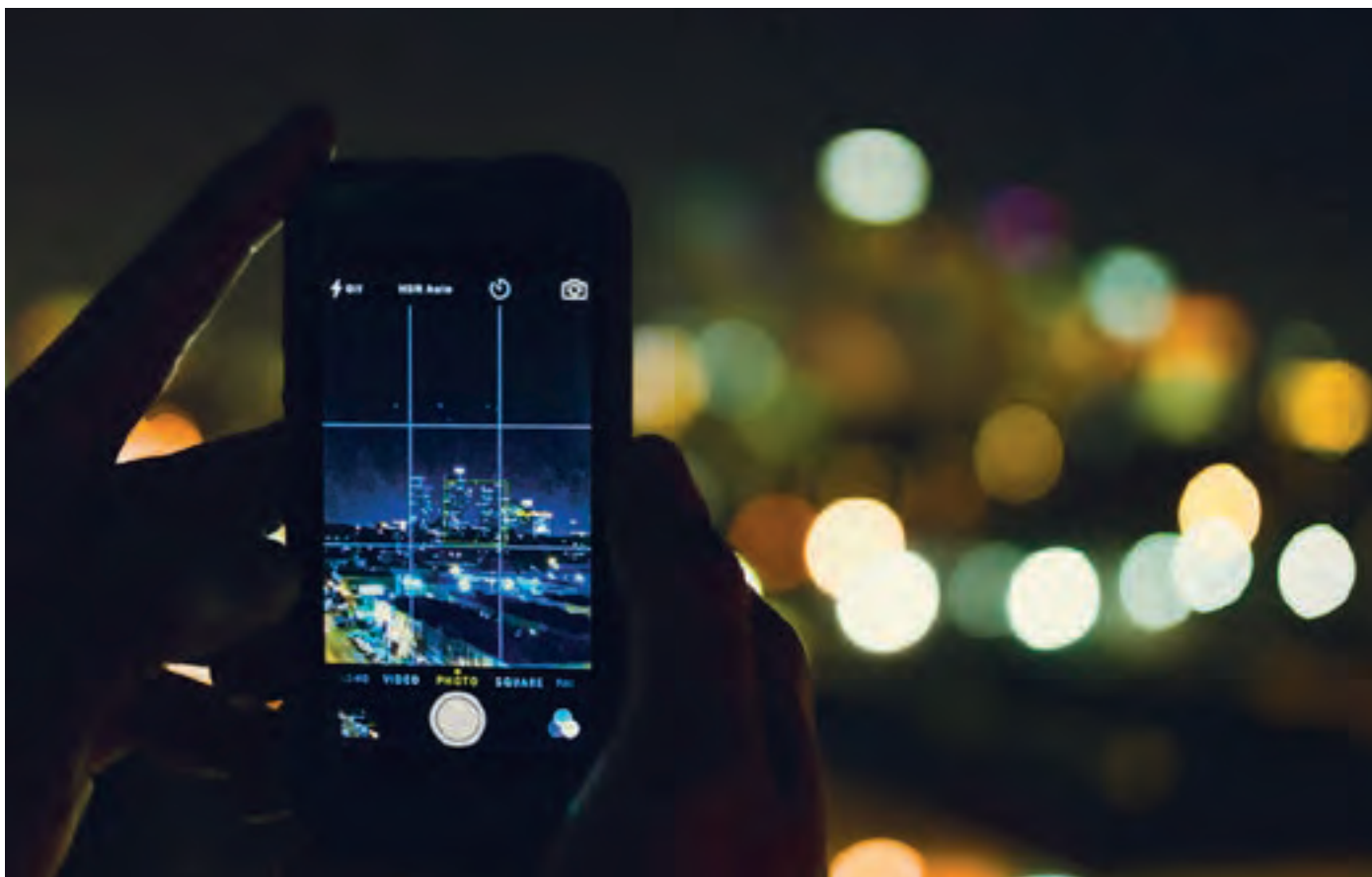
Track to train

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



Radio access

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



SATCOM

In 2023, Wireless received its second volume production order from its leading European **SATCOM** customer for beamforming integrated circuits (BFIC). It was a significant event as it marked the beginning of increased product sales and was a strong testament to the BFIC technology Siverts gained when acquiring MixComm in 2022. The order of USD 5 m covers the customer’s needs until early 2024, and Siverts expects volumes to increase in 2024 and beyond. The BFICs achieve state-of-the-art performance in output power, noise performance, efficiency, and multi-beam capability.

MixComm

Thanks to the acquisition of **MixComm** in 2022, a US challenger in the development of mmWave chips, Siverts’s IP portfolio now covers the entire spectrum of potential areas of use for millimeter wave, such as unlicensed 5G, licensed 5G infrastructure, fixed wireless access (FWA), customer premises equipment (CPE) and satellite communications (SATCOM). Siverts offers chips and components to several high-tech customers whose growth is supported by megatrends such as autonomous vehicles, digital health, and streamed media.

Market players

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

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

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



With the broadest millimeter-wave portfolio on the market, Siverts Wireless's solutions are forging paths in advanced SATCOM/5G/6G systems.





Order deepened strategic collaboration for generative AI

In July 2023, Sivers received yet an order from Ayar Labs of USD 1 million, to support growth of generative AI. The order deepened Sivers' strategic collaboration with Ayar Labs, who are working on scaling for volume production of their revolutionary in-package optical I/O solution.



We value Sivers as an essential part of our thriving ecosystem, as they have consistently proven to be a responsive and reliable supplier in meeting our SuperNova product commitments. The ability to deliver high quality remote light sources at volume and maintain an aggressive development roadmap are important to commercializing our optical I/O solutions."

Charlie Wuischpard, CEO of Ayar Labs



Important SATCOM development agreement

In March 2023, Sivers signed a development agreement for an advanced satellite communication solution with Thorium Space, a Polish advanced satellite communication systems company.

The agreement is a first step in the development of advanced chipsets for SATCOM ground terminals as well as space deployment. The value of the agreement is approximately SEK 19.5 million.



Our collaboration with Sivers is exactly what we have been waiting for from the first day at Thorium Space.

Thanks to our co-operation, we are confident that we can develop and deliver best-in-class, state-of-the-art active antenna solutions for the global terrestrial and space segment without any compromises."

Paweł Rymaszewski, CEO of Thorium Space



Sivers' and Ayar Labs' solution addresses new sizeable TAM

In October 2023, Sivers and Ayar Labs held a joint live demonstration, showing the Sivers 8-wavelength distributed feedback (DFB) laser array integrated into the Ayar Labs SuperNova™ multi-wavelength optical source supporting 4 Terabit data communication.



Short distance interconnect – distances ranging from centimeters to meters – is transitioning from copper to optical communications, offering a brand-new market opportunity and a brand-new quite sizeable TAM (total addressable market) for us and others like Sivers."

Charlie Wuischpard, CEO of Ayar Labs, when participating at Sivers' CMD in November 2023

Strong Ecosystem with blue chip industry partners

Sivers Semiconductors is at the absolute forefront of technology development through strong partnership with leading players in the market.

Partnership to develop laser technology for optical communications and optical sensing

In December 2023, Sivers entered a new partnership with LioniX International to develop a laser targeting high growth applications across optical communications and optical sensing.



The two technology platforms of LioniX International and Sivers complement each other creating ultra-narrow linewidth lasers with unprecedented performance. This collaboration between Sivers, LioniX and the end user Chilas is a great example of how the ecosystem can work together to create new applications in this wavelength domain”.

Arne Leinse, CEO of LioniX International



The end user Chilas is also part of the collaboration and will provide testing services for the assembled photonic integrated circuit and offer it worldwide as part of its laser portfolio.



Chilas acknowledges Sivers on their tailored semiconductor manufacturing capabilities, making them perfectly suitable for hybrid integration. This greatly benefits the development of wavelength agile laser sources, such as the demonstrated O-band tunable laser. Chilas is actively supporting the joint efforts of Sivers and LioniX International with great enthusiasm,”.

Dimitri Geskus, CTO Chilas B.V.

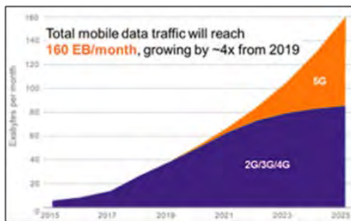


Sivers Semiconductors contributing to a sustainable future with cutting-edge technology

Catering to a broad spectrum of industries from telecommunication to aerospace, Sivers fulfill the increasing demand for computational speed and AI application performance, replacing electric with optical connections for a more sustainable world.

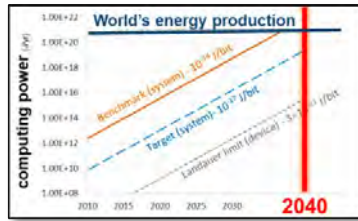
Sivers Semiconductors drives some of the world's most significant technological advances that reduces the CO₂ footprint of each new generation of products the company offers. By Sivers providing the best solutions in sensors, data, and wireless networks the company makes the connected world more sustainable, safer and better. This includes targeted initiatives aimed at reducing the company's own and our customers' environmental impact.

Key Market Trends driving Sivers markets



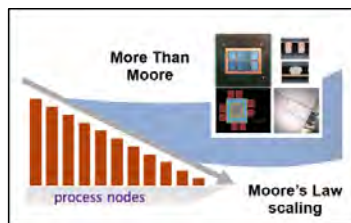
Explosion of Data

2026 projection: Over 42 billion connected IoT devices, generating~177ZB of data annually. Rack faceplate area fixed, transport rates quadruple in 5 years.



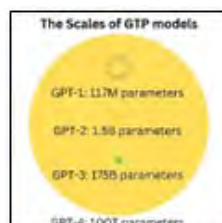
Power Consumption

In 2017, data center electricity usage was 3% of worldwide electric power. By 2040, computing may consume a significant % of worlds energy production.



Maturity of Moore's Law

Driving new architectures with system and technology optimization. Heterogenous integration optimizes packaged solutions.



Growth of AI/ML and LLM

Generative AI(GPT-4) language model to produce human-like text and images. Performance bottleneck is 10X delta between computation and data transport.

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

Our offering and operations for a sustainable and connected world

Efficient energy use is one of the biggest challenges the world currently faces. Here, semiconductors play a critical role.

Sivers Semiconductors develops and produces products for communications systems and sensors with the aim of reducing our environmental impact. To be competitive our products need to be fast and energy efficient. We streamline technical systems by utilizing the very best basic technology and design, offering sustainable products and solutions that can reduce energy consumption by up to 90 percent.

Sivers Semiconductors' cutting edge technology can reduce energy consumption by up to

90%



Sivers ground breaking technology offering 2x power efficiency versus current CMOS solutions.



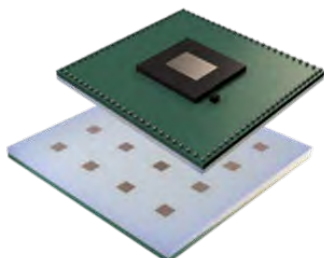
Technology that consumes less and achieves more, makes the world more accessible, safer, and greener – and contributes to our customers' and our own success.

Driving sustainable future with cutting edge technology



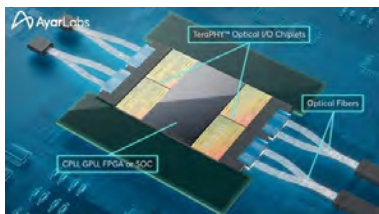
Fiber lasers

2026 projection: Over 42 billion connected IoT devices, generating~177ZB of data annually. Rack faceplate area fixed, transport rates quadruple in 5 years.



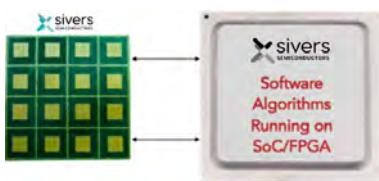
5G CPE RFIC/Modules

Best in class, 32 multipath modules with 50% power efficiency versus current generations.



Silicon Photonics

Light sources for replacing electricity with optical I/O future computers. Ground breaking technology reducing power consumption with 90%.



DPD Algorithms

Software that reduce power consumption when sending data, with up to 50%.

Sivers Semiconductors evaluates all operations based on the environmental impact. We develop our products' environmental performance and continuously strive to reduce our negative environmental impact, for example by applying the precautionary principle.

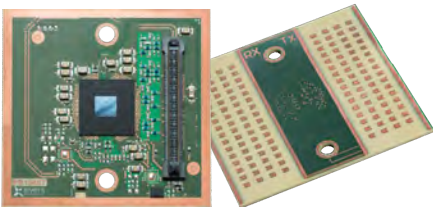
Sivers Semiconductors designs, develops and manufactures products and chooses its suppliers with the aim of reducing our environmental impact by:

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

Sustainability Case Studies

Evo rail delivering sustainable rail-5G with Sivers inside

Evo rail are delivering rail-5G, which is the first global multi-gigabit communications service specifically designed for railway. Power consumption is considerably lower than that of mobile 4G or 5G but communicates data up to 100 times faster than mobile 4G, significantly improving operational efficiencies and commuter experience. Consistent delivery of over one gigabit per second (Gbps) throughput to a moving train will enable passengers to access huge amounts of data instead of what they previously shared which is a fraction of this capacity.



The rail-5G is based on Sivers Semiconductors **RF module BFM06010** including **TRXBF01**, the market-leading RFIC (RF Integrated Circuit) covering the full 57-71 GHz frequency range for unlicensed 5G.



rail-5G is designed to work on the existing infrastructure with future deployments being self-powered through solar and wind energy, with the ambition of becoming the world's first carbon neutral communications system by 2025.

Evo-rail brings rail-5G solution to Caltrain

British communications provider evo-rail is bringing its rail-5G solution to the US market on the Caltrain line, alongside Nomad Digital and Alstom.

Sivers Semiconductors' solution **beams 5G** to the roofs of the trains from small base stations along the tracks.

The high-speed train has been deployed in UK, Spain, and soon also in USA, California.



evo rail
TRAVEL CONNECTED



Source: evo-rail

Ayar Labs delivering Terabit data rates at low power with integrated Sivers DFB laser array

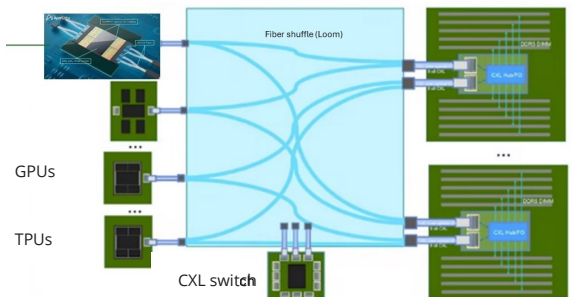
Ayar Labs is the first to deliver an in-package optical I/O solution that combines optical I/O chiplets and multi-wavelength light sources to replace traditional electrical I/O. This silicon photonics-based I/O solution enables chips to communicate with each other from millimeters to kilometers, and to deliver orders of magnitude improvements in latency, bandwidth density, and power consumption.

The SuperNova™ optical light source from Ayar Labs powered by the 8-wavelength DFB laser array from Sivers provides up to 16 wavelengths of light, powering up to 16 ports. Combined with Ayar Labs' TeraPHY™ optical I/O chiplet, this complete solution delivers up to 4 terabit per second bi directional data throughput, with nanosecond (ns) latency, whilst consuming a fraction of the power required for traditional electrical I/O.

Ayar Labs SuperNova™ multi-wavelength optical source with integrated Sivers DFB laser array



CXL-connected shared DRAM over TeraPHY optical I/O



Light sources for replacing electricity with Optical I/O HPC computers.

Next level breaking technology to advance Moore's law.

Sustainability at Sivers Semiconductors

Sivers Semiconductors' sustainability work is founded on three cornerstones:

1. Deliveries with sustainability benefits

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

2. Employees with sustainability competencies

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

3. Responsible utilization of resources

Utilizing all kinds of resources responsibly and efficiently is a cornerstone of our work for more sustainable operations and delivery.

Controls and organization for sustainability

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

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

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

123

employees,
of whom 28 with PhDs



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

Employees

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

At the end of the year, the company had a total of 123 staff, of whom 23 percent women and 77 percent men. Competence is based partly on education and partly on experience. An indication of the level of education is that as many as 23 percent of the company's employees have a doctorate. The working environment is international, and many different nationalities are represented among the company's employees.

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

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

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

Health and safety. Sivers Semiconductors ensures a healthy working environment, in all respects. We carry out and continuously implement risk assessments where we review potential causes of injuries and ill health, and how these risks can be eliminated or managed through preventative and



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



protective measures. Employee health and safety is addressed with openness and care and includes physical and mental health.

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

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

Development and remuneration. Siverts Semiconductors works based on each individual's performance and results to pursue operations towards set goals.

We proceed from the company's strategy, clarify priorities, and build our employees' motivation to work. Siverts Semiconductors attracts, motivates, and retains employees by means including salary

Our employees think Siverts shall:

■
...live up to laws and regulations:

38.6%

...be neither worse nor better than others in the industry:

11.4%

...be at the forefront of the industry:

52.3%

...be a global leading example in sustainability (regardless of industry):

27.3%



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

Human rights and social responsibility

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

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

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

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



Sivers Sustainability Strategy

To fully comply with the new EU rules on corporate sustainability reporting, The Corporate Sustainability Reporting Directive (CSRD), and the mandatory European Sustainability Reporting Standards (ESRS), Sivers will ensure and strengthen the company's sustainability work concerning the social and environmental information that the EU law requires.

Sivers' enhanced continued sustainability work builds on strategic considerations such as wanted market position, which ambition, goals and what strategies should be governing the company's suppliers, transport, purchasing, and brand, supported by a systematic sustainability work and reporting, where data needs to be collected, processed and analysed.

To ensure that accurate and relevant data is collected, the company will conduct a double materiality analysis. Such an analysis identifies sustainability issues where the company has an impact on people and society (from within and outside) and issues where the company is financially affected by external factors (from outside and within).



Support of Paris agreement COP 21

Starting in 2024, Sivers Semiconductors will determine its goals to follow Paris Agreement - CO₂ Net Zero emission by 2050.



Based on the EU's Corporate Sustainability Reporting Directive (CSRD) and the mandatory reporting standard ESRS, Sivers has identified groups of data points to consider for the above mentioned work, and based on these data points identify key performance indicators (KPIs) relevant for Sivers sustainability work:

→ Increase transparency in sustainability reporting:

- Risk description information about governance and processes, data regarding environmental and climate impact, own employees and objectives, measurement and follow-up.

→ Regulatory compliance

- Make a double materiality analysis in accordance with upcoming legal requirements, develop a strategy for identified significant sustainability issues, set goals, and develop key figures for measurement and follow-up.
- Further upcoming requirements are to draw up a transition plan for the reduction of greenhouse gas emissions, as well as establish a due diligence process for human rights and climate issues.
- A good starting point for developing objectives and due diligence process is the environmental and quality management system (ISO 9001 & 14001).
- Whistleblowing - the information about the process and how independent handling is guaranteed needs will be described in more detail in policies and on the website. Information about whistle-blowing will supplement the Code of Conduct.

→ The supply chain

- Revise the Supplier Code of Conduct so that supplier follow-up and auditing are covered.
- Increased transparency regarding the challenges of conflict minerals and Rare-Earth Elements (REE)
- Identify the need for a purchasing policy
- Evaluate to become member in RBA (Responsible Business Alliance), the world's largest industry collaboration for responsible electronics supply chains.

→ Own employees & board

- Equality and diversity work needs to be focused in the business, where Siver's board sets a good example - identified as an industry issue.
- Training for the board, management and employees on sustainability.



Sivers path to become carbon dioxide neutral

Sivers Semiconductors will identify the KPIs and goals to become carbon dioxide neutral through climate compensation (scope 1 and 2) in 2030 and without climate compensation in 2040 (very dependent on suppliers).

However, Sivers effect would be biggest including Scope 3 based on how big effect the company's solutions can have on downstream greenhouse gas emissions. I.e., see for example Optical I/O which is too early to calculate (90% energy reduction).

Glossary

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

The Sivers Semiconductors Share

The Sivers Semiconductors share has been listed on Nasdaq Stockholm since June 10, 2021. Prior to this, the Sivers Semiconductors share was listed on Nasdaq First North from November 30, 2017. Prior to that, the share was listed on Spotlight, formerly Aktietorget. Market capitalization as of December 31, 2023, amounted to SEK 1,506 M.

Share capital

As of December 31, 2023, the share capital of Sivers Semiconductors was SEK 117,325 M. The number of shares was 234,649,894. According to the Articles of Association, the share capital shall be a minimum of SEK 65 M and a maximum of SEK 260 M, distributed over a minimum of 130,000,000 shares and a maximum of 520,000,000 shares. The proportion of shares available for trading (free float) at year-end was 100 percent.

Share price performance during the year. During the year, the Sivers Semiconductors share increased by 5.25 percent, compared to the Nasdaq Stockholm, which increased by 17 percent. The closing price on December 29, 2023, was SEK 6.42 per share, corresponding to market capitalization of SEK 1,506 M.

Share turnover in the year

The average daily turnover of the Sivers Semiconductors share was 748,887 shares. A total of 188 million shares were traded in 2023, with a total value of SEK 1,441 M. The highest closing price for the share in 2022 was SEK 13 on March 17, and the lowest closing price was SEK 5.385 on October 23, 2023.

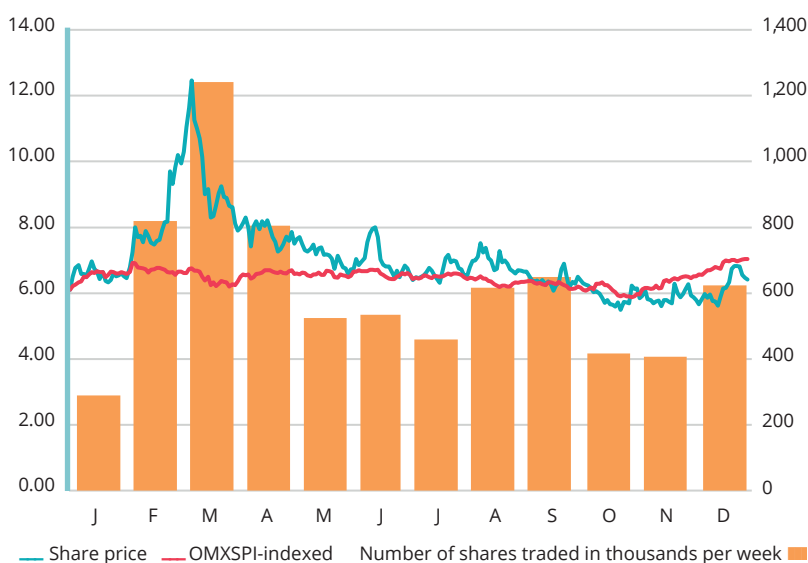
Owners and ownership structure

At the end of the year, the ten largest shareholders controlled 50 percent (50.3) of the capital and votes. The total number of shareholders in Sivers Semiconductors was approximately 21,000 (21,000).

Dividend

Sivers Semiconductors has not paid any dividends to date and follows the dividend policy adopted in 2020. The company will continue to focus on growth, which means that available financial resources and reported profit are reinvested in operations to finance the Company's long-term strategy. The Board's intention is therefore not to propose any dividend over the coming years.

Shares



Incentive programs

Sivers Semiconductors had five employee stock option programs at the end of the year. Stock option programs still active at the end of the period have the following terms: 1) 2015–2024, 2) 2020–2026, 3) 2022–2027, 4) 2021–2026 and 5) 2023–2026. Upon full conversion of outstanding employee stock options, the total number of shares will amount to 241,730,509. The total number of outstanding employee stock options granted as of December 31, 2023, amounted to 7,080,615 (7,083,821 after factor conversion) of which 1,685,615 have been vested.

In 2023, a new option program was established where allocation only takes place if previous options in program PO8 are returned to the company. The performance condition is based on average annual growth of the group's net sales 2023–2025.

In addition to the option programs, a share savings program was established in 2022 encompassing the Group management and key personnel within the Group. Participants who retain the

savings shares during the savings period 2022–2025 and who are also employed in the group during the entire savings period will, after the end of the savings period, be able to receive ordinary shares in the company free of charge ("performance shares") provided that the performance conditions are met. The share savings program includes a maximum of 412,500 savings shares, which can give the right to a maximum of 2,062,500 performance shares.

For more information, see Note 28 of the Group's Annual Report.

Board authorization

The AGM on May 25, 2023 authorized the Board, on one or more occasions in the period until the next AGM is held, with or without departing from shareholders' preferential rights, to decide to complete new issues of shares and/or convertibles implying the issue of or conversion to a total maximum of 42,000,000 shares, corresponding to a dilution effect of some 15.2 percent of the share capital and votes, based on the total number of shares in the company.



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Directors' Report

The Board and CEO of Siverts Semiconductors AB hereby presents the Annual Report and Consolidated Financial Statements for the financial year January 1–December 31 2023.

Operations

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

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

Significant events

Technology

On February 22, Siverts Semiconductors announced that the Siverts Wireless business area, in collaboration with Intel and WiSig Networks, had launched the world's first 5G mmWave FR2 stand-alone CPE solution. The solution was demonstrated live at the MWC2023 congress in Barcelona.

On February 27, Siverts Semiconductors announced that the Siverts Wireless business area had demonstrated a fully-functioning and deployment-ready base station reference design based on the NXP Semiconductors at the MWC2023 exhibition in Barcelona. Siverts and Pure Software have jointly developed an O-RAN-compliant base station reference design for the 5G mmWave market based on the NXP Layer-scene processor platform.

On March 7, Siverts Semiconductors announced that the Siverts Photonics business area had successfully demonstrated its CW-WDM MSA compliant distributed feedback (DFB) laser arrays with Ayar Labs' SuperNova remote optical source, supporting next generation applications including AI connections, disaggregated data centers, 6G, phased array sensory systems and more.

On May 8, Siverts Semiconductors announced that, in collaboration with WiSig Siverts and Intel, it had demonstrated 5G mmWave backhaul technology at G20 Event, attracting strong interest in the product which combines Siverts mmWave chip and antenna module solutions with WiSig Networks' modem and software stack implemented on the Intel Agilix FPGA.

New partnerships and agreements

On March 10, Siverts Semiconductors announced that the company's business area Siverts Wireless had joined a coalition of 85 organiza-

tions across seven states in the US to submit an application for investment under the US federal CHIPS and Science Act.

On May 5, Siverts Semiconductors announced that it had been awarded an EU grant of EUR 0.5 million (approx. SEK 5 million) for the design, development and characterization of multi/element RF Antenna circuitry.

On May 25, Siverts Semiconductors announced that it is evaluating its expansion of Photonics' capacity to meet volumes of more than 1,000 wafers per week. To enable this, Sivert Semiconductors is launching a strategic business development project, appointing an advisor, and making changes to Siverts' management.

On August 9, Siverts Semiconductors announced that the company had been awarded USD 0.375 million (approx. SEK 4 million) by the Defence Advanced Research Projects Agency (DARPA).

On December 6, Siverts Semiconductors announced that Siverts Photonics, LioniX and Chilas B.V. had partnered to develop narrow-linewidth tunable laser technology for optical communications and optical sensing markets.

On December 15, Siverts Semiconductors announced that it had been awarded EUR 1.2 million (approx. SEK 14 million) EU grant for design of a 6G chip.

New orders and sales

On February 24, Siverts Semiconductors announced that the Siverts Wireless business area had received orders worth USD 620,000 (SEK 6.5 million) for the delivery of unlicensed 5G mmWave modules in the 60 GHz band during 2023 to multiple new customers entering the volume phase. The orders include customers such as Airvine, as well as other customers through Richardson RFD (Siverts' distributor), and represent the start of a volume ramp-up after general availability announcements of their products.

On March 17, Siverts Semiconductors announced that the Siverts Wireless business area had signed a development agreement for an advanced satellite communication solution with Thorium Space, a Polish company. The agreement is the first step in the development of advanced chipsets for SATCOM ground terminals, as well as space deployment. The agreement is worth approximately USD 1.85 million (SEK 19.5 million).

On June 12, Siverts Semiconductors announced that its Siverts Photonics business area had received a follow-up order worth USD 1.3 million (approx. SEK 14 million) for the development, qualification and supply of advanced photonic devices for optical sensing applications from a US-based customer.

On July 3, Siverts Semiconductors announced that it had won a new order of USD 1 million (approx. SEK 11 million) from Ayar Labs for the development of a next generation laser-array chip that supports applications such as High Performance Computing (HPC), Artificial Intelligence (AI) and Machine Learning (ML).

On August 14, Siverts Semiconductors announced that its business area Siverts Wireless had won a USD 0.425 million (SEK 4.6 million) contract from a top-tier SATCOM network provider.

On August 21, Siivers Semiconductors announced that its business area Siivers Wireless had won a USD 5 million (SEK 54.5 million) volume production order from its leading European SATCOM customer.

On August 23, Siivers Semiconductors announced that its business area Siivers Wireless had won a second prototype order from a Tier-1 5G infrastructure provider.

On November 29, Siivers Semiconductors announced that its Siivers Photonics business area had received USD 1 million (approx. SEK 10 million) orders for advanced optical sensing within LiDAR, medical and industrial sectors.

Equity

On April 4, Siivers Semiconductors carried out a directed share issue of 20,695,650 new ordinary shares at a subscription price of SEK 7.25 per share, raising approximately SEK 150 million before transaction costs.

On May 25, Siivers Semiconductors obtained financing of SEK 75 million, including a convertible loan of SEK 25 million.

Recruitment and Board of Directors

At the AGM on May 25, Siivers Semiconductors announced that Ingrid Engström had declined re-election. On May 29, the company announced that former Board member Lottie Saks had been appointed CFO and joined management. On August 15, the company announced that Dr Bami Bastami had been recruited as strategic advisor to the Board and management.

Comments on the operations, results of operations and financial position

The Group's net sales amounted to SEK 236.334 million (132.607), an increase of SEK 103.727 million, equivalent to 78% year-on-year. Net sales increased by 71% given unchanged exchange rates. Wireless' net sales increased by SEK 92.650 million, equivalent to a 156% increase, and Photonics' net sales increased by SEK 11.068 million, an increase of 15%.

EBITDA was SEK -33.654 million (-73.693), an improvement of SEK 40.129 million. EBITDA adjusted for non-comparable items ("adjusted EBITDA") totaled SEK -19.827 million (-75.277), an improvement of SEK 55.540 million or 54%. Reconciliation of EBITDA and adjusted EBITDA can be found under the table Calculation of alternative performance measures.

EBIT was SEK -158.623 million (-185.096), an improvement of SEK 26.473 million. The improved EBIT was largely due to increased net sales in the year, but was negatively affected by non-recurring items and increased amortization of intangible assets added following the acquisition of MixComm (now Siivers Semiconductors Inc.), where amortization was only allocated to parts of the previous year. Increased costs excluding non-recurring items in other external expenses were also attributable to higher consultancy costs, mainly for NRE projects.

Profit after tax was SEK -157.384 million (-86.384), a decrease of SEK 71 million. Profits were negatively affected by factors including a deteriorated net financial position as a result of exchange rate losses associated with remeasurement of receivables and liabilities, and increased interest expenses on new borrowing. The previous year's net financial position was positively affected by SEK 78.671 million relating to the reversal of additional purchase consideration. Other comprehensive income was SEK -25.315 million (85.216), a decrease of SEK 110.531 million. The change was due to translation effects from USD and GBP to SEK.

SEK 000	Jan-Dec 2023	Jan-Dec 2022
Net sales	236,334	132,607
EBITDA ¹⁾	-33,654	-73,693
Adjusted EBITDA ¹⁾	-19,827	-75,277

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

Depreciation/amortization and impairment

Profit for the period January to December was affected by SEK -124.969 million (-111.403) in depreciation, amortization and impairment, an increase of SEK 13.566 million. SEK -14.122 million (-12.439) related to depreciation of equipment, tools, fixtures and fittings. SEK -27.544 million (-27.604) related to amortization of previous years' capitalized development expenses, SEK -75.721 million (-64,269) related to amortization and impairment of other intangible assets, and SEK -7.581 million (-7.091) related to depreciation of right-of-use assets in leasing agreements.

Income tax

Income tax for the period totaled SEK 18.399 million (17.244) and primarily comprises deferred tax on temporary differences.

Liquidity, cash flow and financing

On December 31, 2023, the Group's cash and cash equivalents and other current financial assets amounted to SEK 40.691 million (55.693). Cash and cash equivalents totaled SEK 25.525 million (47.174). In addition to Group cash and cash equivalents, short-term investments in frozen bank balances and bonds amounted to SEK 15.167 million (8.519).

In 2023, the group took up a long-term convertible loan of SEK 25 million and another SEK 50 million in loans, of which SEK 61 million was used to settle previous borrowing.

In the period January to December, the Group's cash flow from operating activities amounted to SEK -105.865 million (-137.461). Group cash flow from financing activities improved in 2023 compared to 2022, mainly as a result of the directed new issue of SEK 150 million which was completed in the second quarter 2023.

The company's management has secured the short-term financing need and work is underway to optimize the long-term capital structure with the aim of reducing capital costs.

As the Group is in a development phase and still lacks sufficient earning capacity to cover the costs of the business through sales revenue, the liquidity risk is a significant risk and uncertainty factor. Management prepares and monitors detailed cash flow forecasts and may need to take measures such as new share issues, cost savings and borrowing to ensure sufficient liquidity.

Investments

The Group's total investments in the period January-December amounted to SEK 53.836 million (816.878) and related to intangible assets for capitalized development expenses of SEK 32.763 million (59.726), acquisitions of other intangible assets of SEK 13.969 million (12.002), acquisition of property, plant and equipment of SEK 7.103 million (13.731) and acquisitions of subsidiaries of SEK 0 million (731.896). In the period, investments in short-term corporate bonds of SEK 8.692 million (125,492) were sold or expired, which had a positive effect on cash flow. The investment in capitalized development expenses was attributable to the development of new product generations.

Equity

As of December 31, 2023 Group equity amounted to SEK 1,197.740 million (1,240.079). Share capital totaled SEK 117.325 million (106.977).

Employees

As of December 31, 2023, the Group had 123 (130) employees, excluding consultants.

Significant risks and uncertainties

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

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

Market risk

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

The Group is active on a market that is expected to experience continued growth and positive earnings potential over the coming years. However, there is a risk that market developments could become unfavorable for the Group due to changes in the macroeconomic environment, new regulatory frameworks, limited protection for intellectual property rights or other unforeseen factors.

A significant proportion of the Group's revenue is derived from customers in the US and the UK.

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

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

Technology development risk

The market in which the Group operates is continuously evolving according to customer needs and behavior. There is a risk of technological progress not corresponding to the Group's, its customers' or

market expectations. This could, in turn, lead to market launches being delayed or canceled for part of or entire product categories, resulting in loss of revenue and/or increased development expenses. There is also a risk that the Group is not successful in finding the technical solutions required for commercial launch, or that these goals are not achieved within a reasonable time frame, with potential ensuing negative consequences for the Group's operations, profit and financial position.

The Silvers Semiconductors Group has a strong research and development focus. There are established processes for project management and follow-up to ensure future profitability.

The projects involve experienced collaboration partners with contact networks that help speed up market launch. The Silvers Semiconductors Group also focuses sharply on targeted recruitment to attract skilled staff. Collaborations with universities and other institutions provide a good recruitment pipeline.

Competition

Silvers Semiconductors is active in an intensely competitive segment of the global semiconductor industry, which is continuously developing based on customer needs and behaviors. The Group's competitors are major operators with significant research, financial and technical resources. Varying combinations of such resources provide competitors with advantages that can influence sector trends.

Intense competition from one or several of the Group's competitors can lead to increased pressure to reduce the Group's prices, increased sales and marketing costs and loss of market share. There is also a risk that competing methods and products may prove more effective, secure or cost-efficient than those developed by the Silvers Semiconductors. The Group's competitors may also be able to access increased capacity for manufacturing, marketing and distribution. If the Group's competitors can sell competing products that are more attractive, this could lead to reduced sales or force the Group to adapt its prices in a way that reduces Group margins.

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

Dependence on suppliers, producers and partners

The Group is dependent on its partners, producers and subcontractors to operate in the market. There is a risk that one or more of these partners, suppliers and producers could become unwilling to continue

Five-year summary, Group

SEK 000	2023	2022	2021	2020	2019
Net sales	236,334	132,607	90,652	96,170	96,355
Operating profit/loss	-158,623	-185,096	-140,941	-85,710	-78,024
Profit before tax	-175,783	-103,628	-139,012	-201,351	-87,014
Total assets	1,505,920	1,571,000	951,379	647,186	424,268
Equity/assets ratio	80%	79%	84%	82%	68%
Average number of employees	123	131	117	101	97

an agreed collaboration with Group companies, or that suppliers or producers could become unable to satisfy the Group's quality requirements. In the long run, this could have a negative impact on the Group's progress and sales.

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

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

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

Dependence on customers

More than 50 percent of the Group's sales in the financial year 2023 were derived from three customers. These customers are in the Photonics and Wireless business areas. If these customers were to decrease or stop purchasing the Group's products, this could have a negative impact on Group sales for a short or long period which, in turn, would have a negative impact on the Group's operations, profit and financial position.

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

Price risk

The Group's operations are dependent on certain highly complex input goods, and the Group cannot control the factors that affect the pricing of the input goods on which the Group depends. Should the price picture suddenly deviate from what is expected, there is a risk that the Group would be unable to access the quantity of the input goods required for the Group's intended manufacture. Increased costs for input goods could lead to a decrease in the Group's margins and difficulty acquiring sufficient volumes of input goods could cause limitation to production and reduced sales.

Dependence on key personnel

Board members, senior executives and other key personnel in the Group have business and specific technological expertise of major significance to the Group and its operations, which could be difficult to replace. Siverts Semiconductors' ability to recruit and retain such individuals is dependent on a number of factors, many of which are outside the Group's control, including labor market competition.

Furthermore, the arrangements and agreement solutions the Group has implemented to retain senior executives and key personnel could prove to be insufficient or have limited effect. If a Board member, member of management or other key personnel were to leave the Group, this could imply the loss of important competencies,

that pre-determined goals are not met, or have an adverse impact on the Group's business strategy. If such individuals leave the Group and cannot be replaced in an effective manner, this could have a material negative impact on the Group's operations and progress.

Production-critical systems and plants

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

Intellectual property rights

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

The Group's competitiveness is largely derived from proprietary methods, tools and special technical expertise. For example, the Group's planned initiative in the market for 5G networks is dependent on the ability to effectively protect the advanced 5G mmWave technology that forms the core of the Group's wireless solutions. If the Group is unable to protect its technologies, know-how and brand effectively, it could have a material negative impact on the Group's competitive situation and market position.

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

Acquisitions

Siverts Semiconductors has historically carried out acquisitions. For example, Siverts Semiconductors acquired Compound Semiconductor Technologies Global Limited (now Siverts Photonics) in 2017, and in 2022 MixComm Inc. was acquired (now Siverts Semiconductors Inc). In addition to risks related to identifying and completing acquisitions, the actual acquisition process exposes the Group to risks related to integration of the acquired operations. There is a risk of acquired

operations not progressing in the manner expected.

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

Share price risk

Sivers Semiconductors AB has employee stock options that entitle holders to acquire shares in the Company. The provision for social security expenses is valued at market value as of the reporting date, and the payment to the Swedish Tax Authority upon allocation of stock options is calculated on the basis of market value of the shares allocated, which is linked to the share price. An increase in the share price of SEK 10 compared to the closing price increases social security expenses by some SEK 5 M based on the number of stock options outstanding as of 31 December 2023.

Under the stock option programs, Sivers Semiconductors has the mandate to issue warrants, or alternatively sell treasury shares, to cover cash flow risk related to social security fees related to the options.

Financial risks

The Sivers Group is exposed to financial risks such as exchange rate risk, interest rate risk, credit risk and liquidity risk. The Group's financial risk is managed by the Board and management, which continuously monitor and evaluate risks. The Group management focuses strongly on liquidity risk. As the Group is in a development phase and still lacks sufficient earning capacity to cover the costs of the business through sales revenue, liquidity risk represents a significant risk and uncertainty factor. Management prepares and monitors detailed cash flow forecasts and takes measures such as new share issues, cost savings and borrowing to ensure sufficient liquidity. At the end of the period, net debt totaled SEK 97.099 million.

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

found in Note 31 on Financial instruments.

Research and development

Research and development is a key part of Group operations and is carried out in Kista and Gothenburg in Sweden, Glasgow in the UK and Chatham in the US. The development process follows the Group's project model, which is ISO9000:2015 certified and has been refined over a number of years. During the year, SEK 32.763 million (59.276) in project development expenses were capitalized.

Outlook for 2024

The Board has decided not to publish forecasts for 2024.

Parent Company

In the second quarter 2023, the Parent Company completed a directed new issue of some SEK 150 million. The Parent Company also raised a long-term convertible loan of SEK 25 million and a further SEK 25 million in borrowing recognized in other long-term liabilities. Interest expenses etc. were negatively affected by impairment of shares in subsidiaries due to an intra-Group transaction, while other interest income etc. were positively affected by currency revaluation, mainly from GBP and USD to SEK.

The share and ownership structure

Sivers Semiconductors' share capital was divided over 234,649,894 (213,954,244) shares with a quotient value of SEK 0.50 as of December 31, 2023. These shares comprise 233,754,244 ordinary shares, each with a voting right of 1.0, and 1,100,000 Class C shares, each with a voting right of 0.1. The Class C shares and 1,442,860 of the ordinary shares are held by the company for uses including the exercise of stock option programs.

Since June 10, 2021, the share has been trading on Nasdaq Stockholm under the ticker SIVE, ISIN code SE0003917798 and LEI code 254900UBKNY2EJ588J53.

As of December 31, 2023, 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 21,000 shareholders. The Company's largest shareholder, Erik Fällström, had a share holding representing 13.54 percent of the votes in the company.

The Board of Directors proposes that no dividend be paid 2023.

Proposed appropriation of earnings (SEK 000)

The following funds are at the disposal of the Annual General Meeting	
Share premium reserve	1,833,511,371
Retained earnings	-438,912,179
Profit/loss for the year	-72,705,695
Total	1,321,893,497
The Board of Directors proposes that the following funds are carried forward:	1,321,893,497

With regard to the Parent Company's and Group's results of operations and financial position, please refer to the Financial Statements and Notes below. All amounts are in SEK 000 unless otherwise indicated.

Corporate Governance Report

Corporate governance refers to the decision-making systems through which the owners, directly or indirectly, control the company. For Sivers Semiconductors AB (“Sivers” or

“the Company”), whose business operations are largely based on future income and earnings, good corporate governance is not just a matter of having good control of its organization, but is a critical part of the core business.

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

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

Sivers’ application of the Code

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

Shareholders

The Sivers share has been listed on Nasdaq Stockholm since June 10, 2021. There are two share classes in Sivers, ordinary shares and Class C shares. Ordinary shares can be issued at a maximum corresponding to 100 percent of the share capital. Class C shares can be issued at a maximum corresponding to 10 percent of total share capital. As of December 31, 2023, Sivers’ share capital amounted to SEK 117,324,948 divided over 234,649,894 shares, of which 233,754,244 were ordinary shares and 1,100,000 class C shares, each with a quotient value of SEK 0.50. There were approximately 21,000 shareholders at year end. Swedish institutional investors held some 18 percent at year end. 91 percent of the shares were nominee registered and 9 percent were registered directly. As of December 31, 2023 the Company’s largest shareholder, Erik Fällström, had a share holding representing 13.54 of the votes in the Company. There were no other shareholders in the Company with a holding corresponding to more than 10 percent of the votes represented by all the shares in the Company.

Annual General Meeting

The Annual General Meeting is the Company’s highest decision-making body. The AGM elects the Company’s Board of Directors and auditors, adopts the accounts, decides how profits should be allocated and decides on discharge from liability for the Board and the CEO. The AGM also addresses other matters that are mandatory under the

Swedish Companies Act and the Articles of Association. All shares in Sivers have the same voting rights, and there are no limitations in the Articles of Association regarding the number of votes a shareholder can exercise at the AGM.

The 2023 AGM was held on May 25 in Stockholm. The date of the AGM was published in the notice of the AGM on April 26, 2023. Registered shareholders representing 26.23% percent of the shares and votes in the Company were present at the AGM.

AGM decisions

The main resolutions of the Annual General Meeting 2023 are listed below:

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

The Annual General Meeting resolved to introduce an incentive program (“P08”) for employees in the Group. P08 can be allocated to employees in the US, Scotland and Sweden. Board members not employed by the Group are not entitled to participate in P08. Overall, the proposed P08 and existing outstanding incentive programs correspond to dilution of a maximum of approximately 5.5 percent of the share capital and votes in the company after dilution. Participants in the Group’s most recent warrants program, P07, are only allocated new warrants if earlier warrants under P07 are returned to the company. The performance covenant for P08 is based on average annual growth in Group net sales for the financial years 2023, 2024 and 2025. Warrants allocated to participants in the US are not encompassed by performance covenants.

The warrants shall be allocated to participants free of charge. Depending on the fulfillment of the Group’s performance covenants, each warrant confers the employee the right to acquire one share in Sivers Semiconductors in the period July 1, 2026 to June 30, 2028 at a price corresponding to 130 percent of the average volume-weighted price paid for the company’s share on Nasdaq Stockholm on the date of allocation of warrants to the participant. The purpose of P08 is to improve the company’s ability to retain and recruit competent personnel and to increase motivation of the employees.

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

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

Board authorization:

The Annual General Meeting on May 25, 2023 unanimously resolved to authorize the Board, on one or more occasions in the period until the next Annual General Meeting, to decide to issue a maximum of 7,341,000 new Class C shares, each with a quotient value of SEK 0.50, corresponding to approximately 3 percent of the number of ordinary shares issued and votes after dilution. Of these, 2,095,000 shares relate to stock options that are expected to be returned from the Group’s earlier warrants program P07. The total number of additional Performance Shares referred to under Point 14 above is 4,300,000. The Board aims to be able to transfer the surplus Class C shares, amounting to 946,000 shares or approximately 22 percent of the total number of Performance Shares, in order to ensure liquidity for the

payment of social security expenses attributable to P08. The number of Performance Shares is estimated to total a maximum of 2,062,500 shares. The Board aims to be able to transfer the surplus Class C shares, amounting to 412,500 shares or approximately 20 percent of the total number of Performance Shares, in order to ensure liquidity for the payment of social security expenses attributable to the share savings program. Departing from shareholders' preferential rights, a bank or securities company shall be able to subscribe for the new shares at a subscription price corresponding to the quotient value.

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

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

The Annual General Meeting resolved, with the requisite majority, to authorize the Board, on one or more occasions in the period until the next Annual General Meeting, with or without deviation from shareholders' preferential rights, to decide to complete new issues of shares and/or convertibles implying the issue of or conversion to a total maximum of 42,000 shares, corresponding to a dilution effect of approximately 15.2 percent of the share capital and votes, based on the total number of shares in the Company. Payment for shares and/or convertibles subscribed for shall be made in cash, in the form of a non-cash issue or through offset.

Nomination Committee

Regulations governing the establishment of a Nomination Committee can be found in the Code. The Nomination Committee is the Annual General Meeting's organ with the sole task of preparing the Meeting's decisions on matters relating to election and fees and, where applicable, procedural matters for the forthcoming Nomination Committee. The Annual General Meeting on May 19, 2020 decided to adopt the principles for the appointment of the Nomination Committee, and the instruction to the Nomination Committee shall apply until further notice. According to these, the Nomination Committee shall consist of four members – one member appointed by each of the three largest shareholders in terms of votes and the Chair of the Board. The Nomination Committee shall be constituted based on shareholder statistics from Euroclear Sweden AB as of the final banking day in August in the year prior to the Annual General Meeting and other reliable shareholder information provided to the Company at that time. When

assessing which parties shall be deemed the three largest shareholders in terms of votes, a group of shareholders shall be considered to comprise a single owner if the parties (i) are grouped as a single owner in the Euroclear Sweden system or (ii) have published information, and provided written confirmation to the Company of such information, relating to a written agreement regarding the coordinated exercise of voting rights with the aim of assuming a joint, long-term stance regarding the Company's management.

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

If any of the shareholders who have nominated a member to the Nomination Committee divests a significant proportion of their shareholding in the Company before the work of the Nomination Committee has been completed, the Nomination Committee may decide that the member such shareholder has nominated shall be relieved from the Nomination Committee and replaced with a new member to be nominated by such shareholder who is, at the time, the largest shareholder in terms of votes and who is not already represented on the Nomination Committee. The Nomination Committee shall also have the right to decide to increase the number of members of the Nomination Committee, and thereby offer new major shareholders the opportunity to appoint members to the Nomination Committee in order to better reflect the current ownership of the Company, or to maintain continuity in the work of the Nomination Committee. A shareholder who has appointed a member of the Nomination Committee is entitled to relieve the member and appoint a new member. A shareholder shall also be able to appoint a new member if the member appointed by the shareholder is removed from the Nomination Committee. Changes to the composition of the Nomination Committee shall be announced without delay.

The Nomination Committee shall, in connection with its work, otherwise complete the tasks due to the Nomination Committee under the Code. No remuneration is payable to the members of the Nomination Committee. On request by the Nomination Committee, the Company shall provide personnel resources, such as a secretarial function, to the Nomination Committee in order to facilitate the Committee's work. When required, the Company shall also assume responsibility for reasonable expenses for external consultants deemed necessary by the Nomination Committee to complete its assignments. During the year, the Nomination Committee comprised Joachim Cato, Chair of the Committee and appointed by Erik Fällström, Oscar Bergman, appointed by Swedbank Robur Fonder AB, Todd Thomson, appointed by Kairo Ventures and Tomas Duffy, Chair of Sivers.

The Board of Directors

The Board's responsibilities and tasks

After the AGM, the Board is the Company's highest decision-making body. The Board is also the Company's highest executive body and the Company's representative. Furthermore, according to the Companies Act, the Board is responsible for the Company's organization and the management of the Company's business, and shall continuously evaluate the Company's and the Sivers Group's ("the Group's") financial situation and ensure that the Company's organization has been designed to ensure satisfactory control of bookkeeping, fund management and the Company's financial position generally. The Chair of the Board has a special responsibility to lead the work of the Board and ensure that the Board completes its statutory duties.

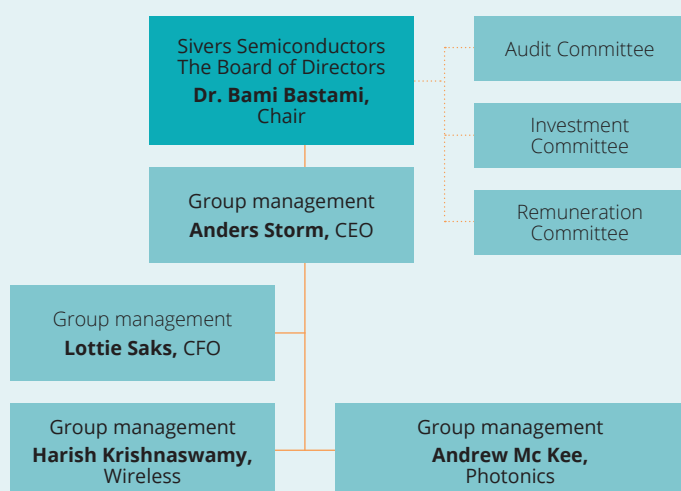
The Board's tasks include determining the Company's overarching goals and strategies, monitoring major investments, ensuring satisfactory control of the Company's compliance with laws and other regulations relevant to the Company's business, and ensuring the Company's compliance with internal guidelines.

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

Composition of the Board

The Board's registered office is in Stockholm, Sweden. According to the Company's Articles of Association, the Company's Board shall

The Board and management of Sivers Semiconductors



consist of a minimum of three and a maximum of nine members with a maximum of seven deputies. In the period January to May 2023, the Board comprised Tomas Duffy (Chair), Erik Fällström, Ingrid Engström, Lottie Saks, Beth Topolovsky and Todd Thomson. In the period June to December 2023, the Board comprised Tomas Duffy (Chair), Erik Fällström, Todd Thomson and Beth Topolovsky.

Board members are elected annually at the Annual General Meeting for the period until the next Annual General Meeting. There is no limit to how long a member can be on the Board. The Board currently consists of four regular members elected for the period until the end of the Annual General Meetings scheduled for 2023. The composition of the Board, which includes members with varying backgrounds and a broad range of experience, means that Board members have the expertise required for their Board duties, which include matters relating to strategy, corporate development, management, structural transactions and governance. This also means that management receives effective support from individual Board members on matters such as market, sales and financing.

The Board's work in the year

The Board meets regularly according to a schedule set out in the Rules of Procedure, which contains certain fixed decision-making points and certain decision-making points to be raised as and when required. During 2023, the Board held eight regular Board meetings, ten extra Board meetings and one statutory Board meeting. Questions requiring in-depth analysis and discussion were prepared by the relevant committees.

On given occasions, the agenda included an item giving the Board the opportunity for discussion without representatives of management being present.

The minutes taken at these meetings are records of decisions and are kept by the Company's CFO, who is also Secretary of the Board. Ahead of each Board meeting, the Board receives written supporting documentation for the discussions and decisions to be addressed.

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

The Board's Rules of Procedure

The Board works according to written Rules of Procedure, in accordance with the Companies Act, which shall be evaluated, updated and determined annually. The Rules of Procedure determine the division of the Board's work between the Board and its committees, and between the Board of Directors and CEO. According to the Rules of Procedure,

	Independent of:			Directors' fees 2023	Fees for work beyond Board duties		Attendance at Board meetings 2023
	Sivers Semiconductors and its senior executives	Major shareholders					
Tomas Duffy	Yes	Yes	X	–	19/19		
Erik Fällström	Yes	No	X	–	19/19		
Ingrid Engström	Yes	Yes	X	–	9/9		
Lottie Saks	Yes	Yes	X	–	11/11		
Beth Topolovsky	Yes	Yes	X	–	18/19		
Todd Thomson	Yes	Yes	–	–	19/19		

the Board shall make decisions regarding operational targets, strategy and overarching organization, appoint the CEO and evaluate the CEO's work, set guidelines for the Company's actions in society in order to ensure long-term value creation, adopt the Annual Report and other external financial reports, important policies and authorization instructions, determine rules for internal control, monitor the effectiveness of internal control, and evaluate the Board's work.

The Board has established an Audit Committee in accordance with the Companies Act and a Remuneration Committee in accordance with the Code. In addition, the Board has established an Investment Committee.

Evaluation of the Board's work

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

Audit Committee

During January to May 2023, the Audit Committee was comprised of Lottie Saks (Chair), Tomas Duffy and Ingrid Engström. During the period June to December, the Audit Committee comprised Todd Thomson (Chair) and Tomas Duffy. The Audit Committee met on four occasions in 2023. The Audit Committee also met with the Company's auditors. Matters addressed in 2023 include control documents, internal control, financing, cash flow, financial reporting an accounts systems, as well as matters related to the company's Interim Reports. Furthermore, the work included reviewing the outcome of the auditor's (as appointed by the AGM) review of operations and Audit. All the Audit Committee members were present at all meetings in 2023.

Remuneration Committee

During the period January to May 2023, the Remuneration Committee comprised Tomas Duffy (Chair), Erik Fällström and Ingrid Engström. During the period June to December 2023, the Remuneration Committee comprised Tomas Duffy (Chair), Erik Fällström and Todd Thomson. During the year, the Remuneration Committee produced a proposal for an incentive program that was presented to the Annual General Meeting 2023. In addition, the Committee produced a proposal regarding salary, other remuneration and terms of employment for the CEO, and prepared the Board's decision regarding proposed guidelines for remuneration to senior executives. The Remuneration Committee had two meetings during the year. All the Remuneration Committee members were present at all meetings in 2023.

Investment Committee

During the period January to May 2023, the Investment Committee comprised Tomas Duffy (Chair), Lottie Saks and Beth Topolovsky. During the period June to December 2023, the Investment Committee comprised Beth Topolovsky (Chair) and Tomas Duffy. The task of the Investment Committee is to evaluate Sivers' potential, ongoing and completed investments including business acquisitions. During the year, the Committee worked on analysis and in-depth review of forthcoming investments.

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

Auditors

The Company's auditor, Deloitte AB, was appointed by the Annual General Meeting on May 19, 2023 with Zlatko Mehinagic as Auditor in Charge. In August 2023, Deloitte changed its Auditor in Charge to Alexandros Kouvatso. During the year, the Company's auditor, in addition to auditing the Company's accounts, also reviewed the Interim Reports for the period January–September 2023.

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

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

Sivers Semiconductors is the Parent Company of the Group, which as of December 31, 2023 consists of five wholly-owned subsidiaries, Sivers Wireless AB and Trebax AB in Sweden, Sivers Photonics Ltd. in Scotland, and Sivers Semiconductors Corp. and Sivers Semiconductors Inc in the US. The Swedish Parent Company is responsible for Group-wide functions such as accounts, investor relations and IT. The Group's operations are mainly conducted through the three subsidiaries

Sivers Wireless AB and Sivers Semiconductors Inc ("Wireless") and Sivers Photonics Ltd ("Photonics").

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

management.

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

In 2023, the following focus areas were discussed by Group management:

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

The Board of Directors



Dr. Bami Bastani *Chairman*

Born: 1955 **Elected to the Board:** 2024 **Nationality:** Iranian

Education: PhD in Microelectronics, Ohio State University.

Other Board assignments: Executive chairman of Sivers Semiconductors Inc, Board member, IQE PLC, B2 Global Consulting (Founder June 17, 2010).

Previous Board assignments: Aquantia (NYSE: AQ), Global Semiconductor Alliance (GSA), Glowpoint Inc (OT.GLOW), SkyCross (Private), CorMedix (NASDAQ: CRMD), Globespanvirata (NASDAQ: GSPN), MERU Networks (NASDAQ: MERU), Trident Microsystems (NASDAQ: TRID), ANADIGICS (NASDAQ: ANAD), Nitronex Corporation (Private), and VSSB Medical Nano Technologies (Private).

Other experience: Senior Vice President and General Manager for the Mobile and Wireless Infrastructure Business Unit at GlobalFoundries. President, CEO, and Board member of Meru Networks, Trident Microsystems, and ANADIGICS Inc.

Independent in relation to Sivers Semiconductors and its management: No

Independent in relation to major shareholders: Yes

Own and closely related persons' shareholdings on December 31, 2023: 100,000 shares, 400,000 warrants.



Tomas Duffy *Vice Chairman*

Born: 1955 **Elected to the Board:** 2016 **Nationality:** Swedish

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

Other Board assignments: Board member Stella Tech AB.

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

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

Independent in relation to Sivers Semiconductors and its management: Yes

Independent in relation to major shareholders: Yes

Own and closely related persons' shareholdings on December 31, 2023: 1,150,000 shares, 0 warrants.



Erik Fällström *Board member*

Born: 1961 **Elected to the Board:** 2017 **Nationality:** Swedish
Education: Stockholm School of Economics.
Other Board assignments: Chairman AEDC Capital Ltd, DDM Holding AG, EDC Advisors Ltd and Omnio London Ltd
Previous Board assignments: Board member, Olympus S.A., Hoist Kredit AB, CST Global Ltd
Other experience: Management consulting, corporate finance, venture capital and private equity.
Independent in relation to Silvers Semiconductors and its management: Yes
Independent in relation to major shareholders: No
Own and closely related persons' shareholdings on December 31, 2023: 31,643,352 shares held privately and through associated companies. 0 options.



Todd Thomson *Board member*

Born: 1961 **Elected to the Board:** 2021 **Nationality:** American
Education: Master of Business Administration from University of Pennsylvania – The Wharton School, Bachelor of Economics from Davidson College.
Other Board assignments: Board member Dynasty Financial Partners LLC, Century Bank (NM), CNAQ, Linnaeus Therapeutics Inc, MixComm Inc., Amorphology Inc, NeuroBio Ltd, Delpor Inc, PteroDynamics Inc and FastDetect Inc.
Previous Board assignments: Chairman of Dynasty Financial Partners LLC, Board member of Cyren Ltd.
Other experience: CFO of Citigroup and CEO of Citigroup's Global Wealth Management division. Experience from GE Capital, Bain & Co., Booz Allen Hamilton and Barents Group, as well as several investment committees.
Independent in relation to Silvers Semiconductors and its management: Yes
Independent in relation to major shareholders: Yes
Own and closely related persons' shareholdings on December 31, 2023: 0 shares, 0 options.



Beth Topolovsky *Board member*

Born: 1961 **Elected to the Board:** 2020 **Nationality:** American
Education: BSEE, Electrical/Electronic Engineering, San Francisco State University.
Other Board assignments: American Chamber of Commerce in Sweden, The Turnaround Management Association in Sweden.
Other experience: Founder and CEO of Spark Group AB, a consulting firm specialized in corporate transformation in the tech industry. Over 25 years' experience of senior positions and technical experience from Cisco Systems, Hewlett-Packard and KLA-Tencor. Co-founder and CEO of Q2 Labs AB, Chief Operating Officer positions in Transmode and Tilgin.
Independent in relation to Silvers Semiconductors and its management: Yes
Independent in relation to major shareholders: Yes
Own and closely related persons' shareholdings on December 31, 2023: 5,000 shares, 0 options.

Group Management



Anders Storm *Group CEO*

Born: 1967

Employed since: 2015

Nationality: Swedish

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

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

Holdings in Sivers Semiconductors AB (publ) on December 31, 2023: 559,509 shares, 1,175,000 options.



Lottie Saks *Group CFO*

Born: 1967

Employed since: 2023

Nationality: Swedish

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

Experience: Group CFO of Sivers since June 2023. Currently, Non-Executive Board member of Freemelt AB, AWA and Pierce AB. At Pierce AB she is Chair of Audit Committee. From Jan 2021 to May, 2023, part of the Board of Sivers Semiconductors AB and Chair of Audit Committee. Lottie Saks has a long and broad experience of management and leading financial roles in companies with significant international presence as well as from listed companies on Nasdaq Stockholm's main list. Lottie most recently came from the role of CFO at Haldex and previously Cint. Before that, she worked for five years as CFO at OneMed. She has previously held leading positions at, among others, OMX Technology Financial Markets and Johnson & Johnson. She began her career in auditing at Arthur Andersen.

Holdings in Sivers Semiconductors AB (publ) on December 31, 2023: 72,933 shares, 300,000 options.



Andrew Mc Kee *MD Sivers Photonics*

Born: 1969

Employed since: 2001

Nationality: Scotland

Education: B.Sc. (Eng.) and Ph.D. from the University of Glasgow.

Experience: Andrew has extensive experience in all aspects of III-V optoelectronic device design and manufacture, gained with Agilent Technologies. As a founding member of CST Global, he is responsible for the company's technical roadmap, including developing new device designs and process technologies.

Holdings in Sivers Semiconductors AB (publ) on December 31, 2023: 948,467 shares, 250,000 options.



Harish Krishnaswamy *MD Sivers Wireless*

Born: 1980

Employed since: 2022

Nationality: Indian

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

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

Holdings in Sivers Semiconductors AB (publ) on December 31, 2023: 7,641,153 shares, 300,000 options.

Guidelines for remuneration to senior executives

The Annual General Meeting in May 2023 decided on the following guidelines for remuneration to senior executives:

Scope and applicability

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

The remuneration guidelines also apply to Board members to the extent they receive remuneration in addition to Board assignments. The guidelines apply to remuneration that has been decided, and changes to already decided remuneration, after the guidelines were adopted by the Annual General Meeting 2023. The guidelines do not apply to remuneration decided or adopted by the Annual General Meeting.

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

The Siverts Semiconductors Group is an international supplier of advanced 5G systems for data and telecommunications networks and optical products for optical fiber networks, sensors and optical wireless communication (Li-Fi). The Siverts Semiconductors Group enables a better connected and safer world by delivering the best solutions in terms of sensors, and data and wireless networks.

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

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

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

Forms of remuneration, etc.

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

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

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

Pension and other benefits

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

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

Termination of employment

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

Consultancy fees to Board members

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

Salary and employment terms for employees

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

Remuneration Committee

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

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

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

Deviation from the guidelines

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

Consolidated Income Statement

SEK 000	Note	2023	2022
Net sales	4	236,334	132,607
Other operating income		14,230	8,295
Capitalized work on own account		32,763	59,276
Raw materials and consumables		-50,223	-48,922
Other external expenses	7	-134,076	-99,585
Personnel costs	6	-132,682	-125,364
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets		-124,969	-111,403
Operating profit/loss		-158,623	-185,096
Profit from financial items			
Financial income	8	7,327	94,716
Financial expenses	8	-24,487	-13,248
Profit before tax		-175,783	-103,628
Income tax	9	18,399	17,244
Profit/loss for the year		-157,384	-86,384
Attributable to:			
Parent Company shareholders		-157,384	-86,384
Earnings per share (SEK)			
Before dilution	10	-0.68	-0.41
After dilution	10	-0.68	-0.41

Consolidated Statement of Comprehensive Income

SEK 000	Note	2023	2022
Profit/loss for the year		-157,384	-86,384
Other comprehensive income			
Items to be reclassified to profit and loss			
Exchange rate differences from translation of foreign operations		-25,315	85,216
Total comprehensive income for the year		-182,699	-1,168
Attributable to:			
Parent Company shareholders		-182,699	-1,168

Consolidated Statement of Financial Position

SEK 000	Note	12/31/2023	12/31/2022
ASSETS			
Non-current assets			
Goodwill	11	391,560	401,673
Other intangible assets	11	620,192	705,247
Capitalized development expenses	11	197,360	193,122
Property, plant and equipment	12.13	90,835	102,595
Other assets		516	352
Total non-current assets		1,300,463	1,402,989
Current assets			
Inventories	15	36,360	28,985
Account receivables	16	44,978	42,325
Current tax receivables		-	6,290
Other receivables	17	14,654	9,524
Prepaid expenses and accrued income	18	68,773	25,294
Other current financial assets	31	15,167	8,519
Cash and cash equivalents	26	25,525	47,174
Total current assets		205,457	168,111
TOTAL ASSETS		1,505,920	1,571,100
EQUITY AND LIABILITIES			
EQUITY AND LIABILITIES			
Share capital	19	117,324	106,977
Other contributed capital	19	1,833,509	1,704,259
Translation reserve	19	67,317	92,632
Retained earnings including profit/loss for the year		-820,410	-663,789
Equity attributable to Parent Company shareholders		1,197,740	1,240,079
Total equity		1,197,740	1,240,079
Non-current liabilities			
Bank borrowing	20	-	7,000
Deferred tax liability	21	135,597	156,885
Provisions	22	1,130	1,172
Leasing liabilities	23	15,622	21,474
Convertible loans	20	23,917	-
Other non-current liabilities	20	50,772	3,524
Total non-current liabilities		227,038	190,055
Current liabilities			
Convertible loans	31	-	44,493
Bank borrowing	20	-	4,000
Accounts payable		37,728	39,262
Leasing liabilities	23	7,171	6,913
Other liabilities	24	5,836	14,265
Accrued expenses and prepaid income	25	30,407	32,033
Total current liabilities		81,142	140,966
Total liabilities		308,180	331,021
TOTAL EQUITY AND LIABILITIES		1,505,920	1,571,100

Consolidated Statement of Changes in Equity

SEK 000	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/loss for the year	Total equity attributable to Parent Company shareholders	Total equity
Opening balance Jan 1, 2022	87,383	1,283,785	7,416	-579,682	798,903	798,903
Profit/loss for the year				-86,384	-86,384	-86,384
Total other comprehensive income			85,216		85,216	85,216
Total comprehensive income			85,216	-86,384	-1,168	-1,168
Transactions with shareholders:						
Non-cash issue	19,595	421,262			440,857	440,857
Issue expenses		-788			-788	-788
Change in treasury shares				1,181	1,181	1,181
Share-based payments				1,096	1,096	1,096
Total transactions with shareholders	19,595	420,474		2,277	442,346	442,346
Closing balance Dec 31, 2022	106,977	1,704,259	92,632	-663,789	1,240,079	1,240,079

SEK 000	Share capital	Other contributed capital	Translation reserve	Retained earnings including profit/loss for the year	Total equity attributable to Parent Company shareholders	Total equity
Opening balance Jan 1, 2023	106,977	1,704,259	92,632	-663,789	1,240,079	1,240,079
Profit/loss for the year				-157,384	-157,384	-157,384
Total other comprehensive income			-25,315		-25,315	-25,315
Total comprehensive income			-25,315	-157,384	-182,699	-182,699
Transactions with shareholders:						
New issue	10,348	139,696			150,044	150,044
Issue expenses		-10,445			-10,445	-10,445
Share-based payments				763	763	763
Total transactions with shareholders	10,348	129,250		763	140,361	140,361
Closing balance Dec 31, 2023	117,324	1,833,509	67,317	-820,410	1,197,740	1,197,740

Consolidated Statement of Cash Flow

SEK 000	Note	2023	2022
Operating profit/loss	26	-158,623	-185,096
Adjustments for non-cash items			
Depreciation, amortization and impairment		124,941	111,403
Changes in provisions		-42	-5,794
Other		904	603
Interest received		1,187	5,717
Interest paid		-20,312	-11,932
Paid tax		2,303	4,177
Cash flow from operating activities before change in working capital		-49,642	-80,922
Cash flow from change in working capital			
Increase (-) / decrease (+) in inventories		-7,288	-663
Increase (-) / decrease (+) in operating receivables		-48,615	-29,631
Increase (+) / decrease (-) in operating liabilities		-320	-26,245
Cash flow from operating activities		-105,865	-137,461
Investing activities			
Acquisition of property, plant and equipment		-7,103	-13,731
Acquisition of intangible assets		-46,733	-71,278
Financing of MixComm		-	-206,475
Frozen bank funds		-14,900	-
Sold/matured financial instruments		8,692	125,492
Cash flow from investing activities		-60,044	-165,992
Financing activities			
Borrowings		75,000	50,000
Loan amortizations		-61,000	-4,000
Issued loans		-9,039	-
Repaid loans		9,039	-
Amortization of leasing liabilities and hire purchase loans		-8,608	-11,190
New issue		150,043	-
Issue expenses		-10,445	-788
Sale/exercise of stock options using treasury shares		-	1,181
Cash flow from financing activities		144,990	35,203
Cash flow for the year		-20,918	-268,250
Cash and cash equivalents at the beginning of the year		47,174	304,117
Exchange rate difference in cash and cash equivalents		-731	11,307
Cash and cash equivalents at the end of the year		25,525	47,174

Notes for the Group

Note 1

General information

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

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

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

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

Note 2

Accounting principles

Basis of accounting

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

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

Consolidated Financial Statements

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

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

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

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

Business combinations

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

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

Goodwill

Goodwill is initially recognized and measured as set out above.

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

Revenue recognition

The Group recognizes revenue from the following major sources:

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

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

Hardware sales

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

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

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

Within the Photonics segment, the Group also sells hardware products that are manufactured based on specifications from the customer. Such hardware products include wafers and chips. Revenue from these hardware products is recognized at a point in time, at the time of customer acceptance and when the unconditional right to receive payment is transferred to Photonics.

Development/NRE projects

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

Considerations for NRE contracts are recognized over time, based on completion. Completion is normally measured with an input method based on costs incurred. A contract asset is recognized when sales exceed billing and a contract liability is recognized when billing exceeds sales.

Support contracts

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

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

Leasing The Group as lessee

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

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

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

- fixed lease payments (including in substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate applicable at the commencement date;
- amounts expected to be paid by the lessee under residual value guarantees, any residual value guarantees provided to the lessor by the lessee, closely related parties of the lessee or third parties not associated with the the lessor who are deemed financially capable of fulfilling the agreed contractual obligations,
- the exercise price of call options, if the lessee is reasonably certain that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

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

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

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

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

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

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

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

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

Sale & leaseback

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

Foreign currency

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

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

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

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

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

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

Government grants

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

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

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

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

Retirement and severance pay costs

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

Pension plans that encompass multiple employers are recognized as defined-contribution if there is insufficient information to recognize the plan

as defined-benefit. Currently, the Group only has retirement benefit plans that are recognized as defined-contribution plans.

Short-term and long-term employee benefits

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

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

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

Taxes

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

Current tax

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

Deferred tax

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

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

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

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

Deferred tax assets and liabilities

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

Current tax and deferred tax for the year

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

Property, plant and equipment

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

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

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

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

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

Internally generated intangible assets – research and development expenses

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

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

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

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

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

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

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

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

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

Inventories

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

Financial instruments

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

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

Financial assets

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

Classification of financial assets

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

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

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

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

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

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

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

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

Impairment of financial assets

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

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

For all other financial instruments, the Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition, determined either individually or collectively, with consideration given to all reasonable and verifiable information, including forward-looking information. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

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

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

Derecognition of financial assets

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

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

Financial liabilities and equity

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

Financial liabilities

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

Financial liabilities measured at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

Financial liabilities measured at amortized cost

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

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

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

Derecognition of financial liabilities

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

Derivative instruments

Initial recognition of derivatives is at fair value on the date a derivative contract is entered into, and derivatives are subsequently remeasured at

fair value at the end of each reporting period. The resulting profit or loss is recognized in profit or loss immediately, since the Group does not apply hedge accounting.

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

Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

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

Provisions

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

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

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

Share-based payments

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

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

Operating segments

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

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

New and revised standards

None of the revised IFRS standards or new interpretations that became effective in 2023 have had any effect on the Group's profit, cash flow and financial position.

New and revised standards that have not yet become effective

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

Note 3

Key estimates and judgments

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

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

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

Impairment of intangible assets

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

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

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

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

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

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

Recognition of capitalized development expenses

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

Revenue recognition

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

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

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

Changes in assumptions mainly have an impact on the timing of revenue recognition.

Note 4

Revenue from customer contracts

The Group receives revenue from customer contracts against the transfer of goods and services at a point in time and over time respectively from the following major revenue streams. This corresponds to revenue information for each reportable operating segment in accordance with IFRS 8 (see Note 5). Transaction amounts for remaining performance commitments

for agreements with a term of more than 12 month totaled SEK 0 million (145,784) as of the reporting date. The Group applies the relief rule, which means that agreements with remaining performance obligations for 12 months are not included in this amount.

Revenue type (SEK 000)	Jan-Dec 2023			Jan-Dec 2022		
	Wireless	Photonics	Total	Wireless	Photonics	Total
Hardware	24,534	22,593	47,126	21,732	11,463	33,194
NRE/Development projects	126,372	61,559	187,931	36,351	61,612	97,963
Support & other	1,277	-	1,277	1,450	-	1,450
Total	152,182	84,152	236,334	59,533	73,074	132,607
Recognition						
At a point in time	27,583	84,152	111,735	18,758	2,138	20,895
Over time	124,600	-	124,600	40,775	70,937	111,712
Total	152,182	84,152	236,334	59,533	73,074	132,607
Geographical market						
North America	14,624	61,350	75,974	24,634	56,702	81,336
Europe	136,188	17,937	154,125	27,910	11,055	38,966
Asia	1,370	4,864	6,235	6,988	5,317	12,305
Total	152,182	84,152	236,334	59,533	73,074	132,607

Note 5 Operating segments

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

Wireless

The Wireless business area develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G mmWave technology. The products are mainly delivered to systems manufacturers, who in turn deliver them to telecommunication operators. Deliveries are made directly or through partners.

Photonics

The Photonics business area develops, designs, manufactures and sells III-V compound semiconductor laser devices for optical communication, optical sensing/sensors and optical wireless networks. Optical communications devices are a key component of cloud storage and cloud communications in areas such as Passive Optical Networks (PON) and Quantum technologies. The business area delivers to several Fortune 100 customers located in Silicon Valley directly or via partners.

The Key Performance Indicator adjusted EBITDA includes adjustments for restructuring costs of SEK 7.5 million, data security breach of SEK 8.5 million, and acquisition related costs of SEK -2.8 million. Reconciliation can be found in the table Calculation of financial measures not included in IFRS.

Segment revenue and profit

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

2023 SEK 000	Wireless	Photonics	Group-wide	Total
Net sales				
External net sales	152,182	84,152	-	236,334
Net sales from other segments	-	-	-	-
Total net sales	152,182	84,152	-	236,334
Profit				
Adjusted EBITDA	-5,326	-2,074	-12,427	-19,827
Adjustments				-13,827
Depreciation/amortization and impairment				-124,969
EBIT				-158,623
Financial income				7,219
Financial expenses				-24,378
Profit before tax				-175,783
Income tax				18,399
Profit/loss for the year				-157,384

2022 SEK 000	Wireless	Photonics	Group-wide	Total
Net sales				
External net sales	59,533	73,074	-	132,607
Net sales from other segments	-	-	-	-
Total net sales	59,533	73,074	-	132,607
Profit				
Adjusted EBITDA	-50,714	-9,538	-15,025	-75,277
Adjustments				1,584
Depreciation/amortization and impairment				-111,403
EBIT				-185,096
Financial income				94,716
Financial expenses				-13,248
Profit before tax				-103,628
Income tax				17,244
Profit/loss for the year				-86,384

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

Revenue from goods and services

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

Geographical information

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

SEK 000	Revenue from external customers		Non-current assets	
	2023	2022	12/31/2023	12/31/2022
USA	75,974	81,336	901,829	988,632
China	444	5,924	-	-
Israel	4,995	4,231	-	-
United Kingdom	112,382	27,253	106,287	103,432
Ireland	5,742	3,685	-	-
France	163	-	-	-
Lithuania	-	3,606	-	-
Japan	796	2,150	-	-
Hungary	56	-	-	-
Sweden	254	16	292,347	310,926
Poland	24,412	-	-	-
Rest of world	11,116	4,406	-	-
Total	236,334	132,607	1,300,463	1,402,989

Information about major customers

Of Photonics' revenue, approximately SEK 25.762 million (34.656) was derived from sales to the largest customer in the segment, and SEK 125.649 million (35,728) was attributable to the two largest customers in Wireless. No other individual customers contributed 10% or more to Group revenue in 2023 or 2022.

Note 6 Employee remuneration

Number of employees

	2023			2022		
	Women	Men	Total	Women	Men	Total
Parent Company						
Sweden	1	2	3	-	3	3
Total Parent Company	1	2	3	-	3	3
Subsidiaries						
Sweden	5	19	24	5	33	38
Scotland	22	58	80	20	55	75
USA	1	15	16	2	13	15
Total, subsidiaries	28	92	120	27	101	128
Total, Group	29	94	123	27	104	131

Board members and other senior executives

	Parent Company		Group	
	2023	2022	2023	2022
Women				
The Board	1	3	1	3
Other senior executives	1	-	1	-
Men				
The Board	3	3	3	3
Other senior executives	1	2	3	4
Total	6	8	8	10

Salaries and other remuneration

Expenses for remuneration to employees

	2023	2022
Parent Company		
Salaries and other remuneration	12,368	10,033
Social security expenses	4,229	995
Pension costs	2,535	1,918
Subsidiaries		
Salaries and other remuneration	101,602	97,160
Social security expenses	13,398	12,858
Pension costs	3,600	2,400
Total salary and remuneration, Group	113,970	107,192
Total social security expenses, Group	17,627	13,853
Total pension costs, Group	6,135	4,318
Total, Group	137,732	125,364
Share-based payment (Note 28)	761	780
Remuneration after termination of employment	1,026	1,631

Remuneration to senior executives

	2023	2022
Parent Company		
Salary and other remuneration to senior executives	13,869	10,862
of which bonuses etc. to senior executives	3,180	902 ¹⁾
Salary and remuneration to other employees	5,338	2,084
Total salary and remuneration, Parent Company	19,132	12,946
Group		
Salary and other remuneration to senior executives	22,344	19,535
of which bonuses etc. to senior executives	3,730	1593 ¹⁾
Salary and remuneration to other employees	115,387	105,829
Total salary and remuneration, Group	137,732	125,364

1) 2022 figures adjusted for bonuses and similar remuneration.

Remuneration to senior executives

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

Remuneration to senior executives 2023

	Basic salary/fees	Variable remuneration	Share-based payments	Other remuneration	Pension costs	Total
Tomas Duffy, Chairman of the Board	1,187	-	-	-	-	1,187
Ingrid Engström ¹⁾	177	-	-	-	-	177
Erik Fällström	219	-	-	-	-	219
Beth Topolovsky	395	-	-	-	-	395
Lottie Saks ²⁾	212	-	-	-	-	212
Todd Thomson	-	-	-	-	-	-
Anders Storm, CEO	2,908	1,363	148	-	1,178	5,598
Other senior executives ³⁾	9,870	1,399	250	1,432	1,681	14,632
Total remuneration to senior executives	14,967	2,762	398	1,432	2,860	22,420

Remuneration to senior executives 2022

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

1) Ingrid Engström stepped down from her Board assignment in Sivers Semiconductors AB in connection with the Annual General Meeting on May 25, 2023

2) Lottie Saks stepped down from her Board assignment in Sivers Semiconductors AB on May 29, 2023 to take up the position as CFO of the company.

3) Other remuneration to senior executives in 2023 includes severance pay of SEK 1.026 million.

Share-based payments relates to costs for employee stock option programs calculated in accordance with IFRS 2.

Pensions

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

Severance pay

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

Note 7 Remuneration to Auditors

SEK 000	2023	2022
Deloitte AB		
Audit fees	1,007	1,043
Audit work in addition to auditing assignments	-	-
Other services	57	13
RSM		
Audit fees	560	424
Audit work in addition to auditing assignments	-	44
Other services	150	72
Total	1,774	1,596

Note 8 Financial items

SEK 000	2023	2022
Financial income		
Exchange rate gains	415	14,357
Interest income, bonds	-	1,512
Value adjustment, contingent consideration	-	78,671
Value adjustment of embedded derivatives	5,724	-
Other	1,187	176
Total	7,327	94,176
Financial expenses		
Interest expenses, loans and credit	11,925	454
Interest on convertible debentures	4,916	4,048
Interest expenses on leasing liabilities and amortization liabilities	1,317	1,832
Value adjustment of embedded derivatives in convertible debentures	-	168
Value change, bonds	-	2,147
Exchange rate losses	6,088	4,598
Other	241	-
Total	24,487	13,248

Note 9 Income tax

SEK 000	2023	2022
Current tax:		
Current year	3,037	4,052
Tax attributable to prior years	-841	500
	2,196	4,552
Deferred tax (see Note 21)		
Origin and reversal of temporary differences	16,202	12,692
Total	18,399	17,244

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

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

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

SEK 000	2023	2022
Profit before tax	-175,783	-103,628
Swedish tax rate of 20.6%	36,211	21,347
Tax effect from non-deductible expenses/non-taxable revenue	2,189	7,443
Tax effect from embedded derivatives	1,179	-35
Tax Credit R&D ¹⁾	3,102	4,552
Change in unrecognized deferred tax assets	-32,663	-27,971
Change in deferred tax liabilities	247	12,692
Deviating tax rate in foreign subsidiaries	8,133	-785
Recognized tax for the year	18,399	17,244

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

Note 10 Earnings per share

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

SEK 000	2023	2022
Profit		
Earnings attributable to Parent Company shareholders when calculating earnings per share before and after dilution	-157,384	-86,384
Number of shares		
Weighted average of ordinary shares when calculating earnings per share before dilution	231,964,922	210,190,271
Earnings per share		
Earnings per share before and after dilution	-0.68	-0.41

The denominator used in calculating earnings per share before and after dilution has been adjusted to reflect the bonus issue element of the new issues in 2023.

During 2023, the Group had convertible debentures and employee stock options that can give rise to dilution effects. As the Group is currently loss-making, dilution improves earnings per share. Accordingly, the earnings figure is the same before and after dilution for both years.

Note 11

Goodwill and other intangible assets

Carrying amount relating to goodwill was allocated to cash-generating units as follows:

SEK 000	12/31/2023	12/31/2022	12/31/2023		12/31/2022		
			2023 SEK 000	Wireless	Photonics	Wireless	Photonics
Wireless	391,560	401,673	Discount rate	12.1	14.8	10.9	14.8
Photonics	-	-	Constant growth rate	3.0	3.0	3.0	3.0

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

SEK 000	Goodwill	Customer relations	Technology	Other intangible assets	Capitalized development expenses
Accumulated cost					
As of January 1, 2022	134,812	-	-	-	273,532
Addition, internal development	-	-	-	-	59,276
Addition, business combination	240,083	28,338	616,618	12,813	-
Addition, investments	-	-	-	17,232	-
Exchange rate differences	26,778	3,161	68,775	1,854	24
As of December 31, 2022	401,673	31,499	685,383	31,899	332,838
Addition, internal development	-	-	-	-	32,763
Addition, business combination	-	-	-	-	-
Addition, investments	-	-	-	13,968	-
Exchange rate differences	-10,112	-1,194	-25,962	-1,824	-716
As of December 31, 2023	391,560	30,305	659,421	44,043	364,885
Accumulated depreciation, amortization and impairment					
As of January 1, 2022	-	-	-	-	89,320
Depreciation for the year	-	5,093	36,955	192	27,604
Impairments losses for the year	-	-	-	-	22,029
Exchange rate differences	-	157	1,141	6	763
As of December 31, 2022	-	5,250	38,096	198	139,716
Depreciation for the year	-	6,405	46,485	1,916	27,544
Impairments losses for the year	-	-	-	20,915	-
Exchange rate differences	-	-543	-3,945	-1,201	265
As of December 31, 2023	-	11,112	80,636	21,828	167,525
Carrying amount					
As of December 31, 2023	391,560	19,193	578,784	22,215	197,360
As of December 31, 2022	401,673	26,249	647,297	31,701	193,121

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

Impairment testing

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

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

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

In 2023, an intangible asset was impaired in its entirety (SEK 20,915 million) due to the customer choosing to pause a development project. The recoverable value of the asset was thereby set at SEK 0.

Note 11 – cont. Goodwill and other intangible assets

Sensitivity analysis

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

Impairment of capitalized development expenses and intangible assets

Capitalized development expenses consist of several development projects in the Group. Individual impairment testing is also carried out for these, when there is indication that impairment may be required. Impairment losses in the year totaled SEK 0 million (22.029) for terminated projects. The impairment in 2022 related to the integration of MixComm as a result of overlapping product areas, and referred to intangible assets attributable to Wireless.

In 2023, impairment of other intangible assets in the Wireless business area totaled SEK 20.915 million following the termination of a customer project.

These assets were impaired in their entirety, as the recoverable amount was calculated as zero. The recoverable amount is determined on the basis of discounted expected future cash flows.

Note 12 Property, plant and equipment

Equipment, tools and installations

SEK 000	2023	2022
Accumulated cost		
As of January 1	134,601	117,659
Investments	7,103	14,597
Sales	-	-
Exchange rate differences	1,101	2,344
December 31	142,806	134,601
Accumulated depreciation, amortization and impairment		
As of January 1	-58,703	-45,729
Depreciation and amortization	-14,122	-12,071
Sales	-	-
Exchange rate differences	-27	-904
As of December 31	-72,852	-58,703
Recognized value as of December 31	69,958	75,903

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

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

Note 13 Leasing (the Group as lessee)

Rights of use asset

Carrying amount	Buildings and land	Equipment	Vehicles	Total
As of January 1, 2022	20,494	8,445	295	29,234
Additional right-of-use assets	4,772	-	184	4,955
Changes to agreements ¹⁾	-881	-	-	-881
Depreciation and amortization	-4,391	-2,549	-151	-7,091
Exchange rate differences	466	1	8	475
As of December 31, 2022	20,460	5,897	335	26,692
Additional right-of-use assets	1,579	-	-	1,579
Changes to agreements ¹⁾	319	-319	-	-
Depreciation and amortization	-4,560	-2,821	-201	-7,581
Exchange rate differences	175	-	12	186
As of December 31, 2023	17,973	2,758	146	20,877

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

The Group's leasing activities

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

The Group has three significant rental agreements for buildings and land relating to premises in Kista, Glasgow and Chatham. The agreement relating to premises in Kista includes extension options for 3-year periods, of which one period has been included in the estimated value of right-of-use assets at an amount corresponding to liabilities. The agreement in Glasgow that was signed in 2020 has a remaining term of 7 years, with an option to terminate in 2025 at the earliest. The useful life has been set at 10 years, of which 7 remain at the end of the financial year 2023. A maturity analysis for leasing liabilities is presented in Note 23.

Sale and leaseback

The Group is also party to sale and leaseback agreements in Photonics, where the Group acquires assets that are sold to an external financier. The Group then leases back the asset from the financier and buys it back at residual value at the end of the leasing term. These agreements are recognized as if a sale had not taken place, because control over the assets is not transferred to the financier. Accordingly, the assets are recognized as property, plant and equipment (see Note 12) and the debt comprises a hire purchase loan under other non-current liabilities and other current liabilities respectively. The value of the assets in these sale and leaseback agreements amounted to SEK 292 million as of December 31, 2022 (12/31/2022: 13,638).

Amounts recognized in profit and loss SEK 000	2023	2022
Depreciation and amortization of right-of-use assets	-7,581	-6,643
Interest expense, leasing liabilities	-1,317	-1,832

Total cash outflow for lease contracts amounted to SEK 6.834 million (7.986). Property, plant and equipment in the Balance Sheet includes the items presented in Note 12, as well as right-of-use assets for lease contracts presented in this Note.

SEK 000	2023	2022
Property, plant and equipment (Note 12)	69,958	75,903
Right-of-use assets	20,877	26,692
Total	90,835	102,595

Note 14 Subsidiaries

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

Main activity	Country of registration	Number of wholly-owned subsidiaries	
		12/31/2023	12/31/2022
Develops, designs, manufactures and sells III-V compound semiconductor laser devices for optical communications, optical sensing/sensors and optical wireless networks.	Scotland	1	1
Develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G mmWave technology.	Sweden	1	1
Develops, manufactures and sells chips, components, modules and subsystems based on advanced 5G millimeter wave technology.	USA	1	1
Dormant companies	Sweden	1	2

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

Note 16 Account receivables

SEK 000	12/31/2023	12/31/2022
Account receivables	50,040	42,767
Loss provision	-5,061	-442
Total	44,978	42,325

Account receivables

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

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

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

SEK 000	Not overdue	Accounts receivable – number of days overdue					Total
		<30	31–60	61–90	91–120	>120	
12/31/2023	37,698	3,709	3,209	193	478	4,755	50,040
12/31/2022	13,277	16,313	6,937	305	13	5,922	42,767

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

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

SEK 000	2023	2022
Opening balance	-442	-1,200
Provision for the year	-5,061	-442
Reversals	442	1,218
Exchange rate differences	-	-18
Closing balance	-5,061	-442

Note 15 Inventories

SEK 000	12/31/2023	12/31/2022
Raw materials and consumables	34,538	26,748
Work in progress/finished goods	1,822	2,237
Total	36,360	28,985

The Group's products undergo several development stages as part of the production process. Customers can buy products at different stages in the process depending on their intended use. It is not always possible to determine in advance which products will be sold as found and which will require further development. Therefore, the information above has been broken down into input goods relating to purchased materials and products/finished goods relating to products where development has started. No impairment losses were recognized in 2023 or 2022.

The cost of inventories recognized as an expense for the year totaled SEK 26.050 million (36.036).

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

There have been no changes in calculation methods or significant assumptions in the reporting period.

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

Note 17 Other receivables

SEK 000	12/31/2023	12/31/2022
Tax asset	6,282	-
VAT receivables	1,379	3,715
Balance on tax account	117	713
Deposits	3,631	3,601
Other	3,244	1,494
Total	14,654	9,524

Note 18 Prepaid expenses and accrued income

SEK 000	12/31/2023	12/31/2022
Prepaid license expenses	4,026	607
Prepaid insurance	1,288	917
Prepaid interest	87	-
Prepaid fixtures & equipment	2,598	1,014
Prepaid rents	1,235	-
Accrued government grants	1,467	1,188
Other prepaid expenses	2,593	16,527
Total	13,295	20,252

SEK 000	12/31/2023	12/31/2022
NRE/Development projects Support	55,478	5,041
Support	-	-
Total	55,478	5,041
Of which short-term proportion	55,478	5,041

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

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

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

Note 19 Equity

Number of shares	12/31/2023	12/31/2022
Number of shares:		
Ordinary shares of SEK 0.50 each	233,549,894	212,837,161
Class C shares of SEK 0.50 each	1,100,000	1,100,000
	234,649,894	213,937,161
Issued and fully paid-up shares:		
As of January 1, number of shares of		
SEK 0.50 each	213,937,161	174,766,924
Directed new issues	20,695,650	-
Adjusted opening balance	17,083	-
Non-cash share issue	-	39,170,237
As of December 31, number of shares of SEK 0.50 each	234,649,894	213,937,161

As of December 31, 2023, the company had 233,549,894 outstanding ordinary shares and 1,100,000 Class C shares.

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

During 2023, the company completed a directed new share issue. Issue expenses totaled approximately SEK 10.045 million.

Specification of other contributed capital

SEK 000	12/31/2023	12/31/2022
Share premium reserve from new issue	1,884,868	1,745,172
Transaction expenses from new issue	-51,358	-40,913
Total	1,833,509	1,704,259

Specification of translation reserve

SEK 000	12/31/2023	12/31/2022
Value as of January 1	92,632	7,416
Exchange rate differences from translation of net assets in foreign operations	-25,315	85,216
December 31	67,317	92,632

Treasury shares

SEK 000	Number of shares	
	2023	2022
Opening balance, repurchased treasury shares	2,542,860	2,797,860
Change in the year	-	-255,000
Closing balance, repurchased treasury shares	2,542,860	2,542,860

SEK 000	Total equity (SEK 000)	
	2023	2022
Opening balance, repurchased treasury shares	-1,786	-605
Change in the year	-	-1,181
Closing balance, repurchased treasury shares	-1,786	-1,786

There were 2,542,860 (2,542,860) repurchased Treasury shares as of December 31, 2023. Repurchased shares are recognized as a deduction against equity, and payment upon redemption/divestment of shares under the stock option programs is recognized as an increase in equity. Repurchased shares are included in equity under Retained earnings including profit for the year.

Note 20 Borrowing

SEK 000	12/31/2023	12/31/2022
Borrowing at amortized cost		
Convertible loans	23,917	44,492
Bank loans and other borrowing	47,988	11,000
Total borrowing	71,905	55,492
Non-current	71,905	7,000
Current	-	48,492

In 2023, Siverts raised a loan of SEK 50 million and a convertible loan of SEK 25 million at a conversion rate of SEK 9.61, recognized under non-current liabilities. The loans accrue variable interest at STIBOR 3M + 8% with maturity on May 30, 2025.

Note 21 Deferred tax

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

Deferred tax liabilities

SEK 000	12/31/2023	12/31/2022
Value as of January 1	156,885	84
Business combinations	-	169,493
Recognized in profit/loss for the year	-16,202	-12,692
Translation (currency) difference	-5 086	-
December 31	135,597	156,885

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

SEK 000	2023	2022
Other intangible assets	15,954	12,650
Other items	247	42
Recognized in profit/loss for the year	16,202	12,692

As of the end of the reporting period, the Group had unutilized tax loss carry-forwards amounting to SEK 629.083 million (592.747) that can be utilized against future tax surpluses. No deferred tax receivable was recognized for these deficits as there is uncertainty about whether and when they will be realized against future surpluses. The deficits are not limited in time.

Gross deferred tax receivables relating to leasing liabilities amounted to SEK 2.101 million and gross deferred tax liabilities relating to right-of-use assets amounted to SEK 1.854 million.

Note 22 Provisions

SEK 000	12/31/2023	12/31/2022
Social security expenses for employee stock options	1,130	1,172
	1,130	1,172
Current	-	-
Non-current	1,130	1,172
Total	1,130	1,172

SEK 000	Social security expenses, employee stock options	Total
As of January 1, 2022	7,161	7,161
Dissolution in the year	-5,791	-5,791
Utilized in the year	-198	-198
As of December 31, 2022	1,172	1,172
As of January 1, 2023	1,172	1,172
Dissolution in the year	-42	-42
Utilized in the year	-	-
As of December 31, 2023	1,130	1,130

Change in provisions relates to provisions for social security expenses for vested employee stock options and revaluation of provisions made in previous years.

Note 23 Leasing liabilities

SEK 000	12/31/2023	12/31/2022
Maturity analysis		
Year 1	7,829	8,182
Year 2	4,563	7,156
Year 3	4,457	4,601
Year 4	3,563	4,480
Year 5	2,575	3,511
More than 5 years	1,598	6,960
Total	24,586	34,891

Classified as:

Non-current liabilities	15,622	21,474
Current liabilities	7,171	6,913
Total	22,793	28,387

Note 24 Other liabilities

SEK 000	12/31/2023	12/31/2022
PAYE tax & fees	3,305	5,676
Hire purchase loans ("sale & leaseback")	332	1,690
Other	2,199	1,181
Total	5,836	8,547

Note 25

Accrued expenses and prepaid income

SEK 000	12/31/2023	12/31/2022
Prepaid government grants	8,295	1,042
Accrued holiday pay and social security expenses	6,594	7,809
Other personnel-related expenses	5,247	4,742
Accrued consultancy costs	1,069	2,958
Accrued accounting and audit fees	1,112	1,248
Accrued interest expenses	2,069	-
Other accrued expenses	4,856	6,978
Total	29,242	24,776

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

Contract liabilities

SEK 000	12/31/2023	12/31/2022
Hardware sales	-	-
Development projects/NRE ¹⁾	1,165	7,257
Support ²⁾	-	-
Total	1,165	7,257
Short-term	1,165	7,257
Long-term	-	-

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

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

Revenue for the period from earlier unmet performance obligations

SEK 000	12/31/2023	12/31/2022
Hardware sales	-	-
Development projects/NRE	7,364	5,114
Support	-	414
Total	7,364	5,528

Note 26

Notes to Statements of Cash Flow

Cash and cash equivalents

SEK 000	12/31/2023	12/31/2022
Cash and cash equivalents	25,525	47,174
Total	25,525	47,174

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

Transactions not involving payment

Acquisitions of buildings, fixtures & equipment and vehicles totaling SEK 1.579 million (4.955) were financed via new leasing contracts in the year.

Changes in liabilities attributable to financing activities

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

SEK 000	1/01/2022	Transactions not involving payment				12/31/2022
		Cash flow from financing	Exchange rate fluctuations	Capitalized interest	New leasing contracts	
Leasing liabilities (Note 23)	30,461	-8,368	1,339	-	4,955	28,387
Hire purchase loans (Note 31)	4,775	-2,822	64	-	-	2,017
Bank borrowing (Note 20)	15,000	-4,000	-	-	-	11,000
Convertible loan (Note 20)		50,000	-	1,515	-	51,515
Total liabilities from financing activities	50,326	34,810	1,403	1,515	4,955	87,919

SEK 000	1/01/2023	Cash flow from financing	Exchange rate fluctuations	Capitalized interest	New leasing contracts	12/31/2023
Leasing liabilities (Note 23)	28,387	-6,834	-339	-	1,579	17,793
Hire purchase loans (Note 31)	2,017	-1,774	88	-	-	331
Bank borrowing (Note 20)	11,000	-11,000	-	-	-	-
Convertible debt and other loans (Note 20)	51,515	25,000	-	1,094	-	77,609
Total liabilities from financing activities	87,919	5,392	-251	1,094	1,579	95,733

Note 27

Pledged assets and contingent liabilities

SEK 000	12/31/2023	12/31/2022
Pledged assets		
Chattel mortgages	-	20,000
Shares in subsidiaries	30,686	-
Pledged assets for Sale & leaseback agreements	5,566	13,638
Total	36,252	33,638

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

Shares in subsidiaries relate to pledged shares in Siverts Wireless AB.

Note 28

Share-based payments

Employee stock option programs

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

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

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

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

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

The AGM on May 22, 2019 authorized a new employee stock option program, P05, for a total of 1,700,000 employee stock options, of which 485,000 have been vested.

The AGM on May 19, 2020 authorized a new employee stock option program, P06, for a total of 3,600,000 employee stock options, of which

3,555,000 have been granted. Of these, 0 remained outstanding at year-end. The change is due to the performance covenant associated with the program not having been met.

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

The AGM on May 25, 2023, authorized an employee stock option program, P08, for a total of 4,300,000 employee stock options, of which 3,965,000 have been allocated and further 1,585,000 stock options which have been allocated in exchange for outstanding P07. The final number of employee stock options that each participant is entitled to exercise is dependent on the degree of completion of performance covenants for the Group. The performance covenant is based on average annual growth in Group net sales for the financial years 2023, 2024 and 2025. No stock options under this program were vested at the end of the period.

To ensure the delivery of stock options to participants in the employee stock option programs and to cover cash outflows associated with social security expenses arising from the delivery of stock options to participants, the Annual General Meeting 2023 authorized the Board to issue Class C shares that can be repurchased and converted to ordinary shares following a Board decision. A summary of granted stock options under the programs is presented below.

12/31/2023	Outstanding at the beginning of the period	Allocated in the period	Forfeited in the period	Exercised in the period	Expired in the period	Outstanding at the end of the period	To be exercised at the end of the period	Outstanding at the end of the period (after factor conversion)
P03	320,615	-	-	-	-	320,615	320,615	323,821
P04	880,000	-	-	-	-	880,000	880,000	880,000
P05	550,000	-	-65,000	-	-	485,000	485,000	485,000
P07	2,095,000	-	-1,845,000	-	-	250,000	-	250,000
P08	-	5,415,000	-270,000	-	-	5,145,000	-	5,145,000
	3,845,615	5,415,000	-2,180,000	-	-	7,080,615	1,685,615	7,083,821

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

Note 28 – cont.

Share-based payments

As of December 31, 2023, outstanding options had a weighted average exercise price of SEK 8.78. Remaining term to maturity by employee stock option program is distributed as follows:

SEK 000	Interval, exercise price	Remaining term to maturity stock option program	Weighted average remaining term to maturity, months
PO3	4.04–5.60	12/31/2024	1.1
PO4	4.70–9.58	06/30/2026	20.3
PO5	9.38–10.23	05/22/2027	44.9
PO8	8.62	06/30/2028	66.0

In 2023, a total of 0 employee stock options (0 after factor conversion) were redeemed for new shares. 5,415,000 options were granted during the year and 2,180,000 options were forfeited because the relevant employees left the Group or received PO8 in exchange for PO7.

In accordance with the company's policy for allocation and exercise of employee stock options, allocation is conditional on the participant remaining in employment with the Group upon exercise of stock options that confer the right to acquire shares in Sivers Semiconductors AB at a price corresponding to 130 percent of the average volume-weighted price paid for the company's share on Nasdaq Stockholm or other market place on the day of trading of the allocation of the stock options.

In 2023, the Group issued stock options with an estimated fair value totaling SEK 15.272 million on the allocation date. In 2022, the Group issued stock options with an estimated fair value of SEK 0.377 million on the allocation date.

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

	12/31/2023		12/31/2022	
	No. of stock options	Weighted average exercise price	No. of stock options	Weighted average exercise price
Outstanding at beginning of year	3,845,615	14.41	8,115,615	24.09
Allocated in the year	5,415,000	8.62	110,000	12.9
Forfeited in the year	-2,180,000	23.93	-4,125,000	30.83
Exercised in the year	-	-	-255,000	4.64
Expired in the year	-	-	-	-
Outstanding at year-end	7,080,615	8.78	3,845,615	14.41
To be exercised at year-end	1,685,615	6.49	1,750,615	6.60

SEK 000	2023	2022
Weighted average share price	6.23	11.89
Weighted average exercise price	8.62	12.9
Expected volatility	79%	45%
Option term to maturity	3 years	3 years
Risk-free interest	3.35%	1.28%
Expected dividend	-	-

Expected volatility is calculated on the basis of the Group's historical share price volatility (over 3 years). In 2023 and 2022, the Group recognized costs of SEK -742 million and SEK -5.300 million respectively, (including social security expenses) relating to employee stock option programs. All outstanding employee stock option programs are settled with equity instruments.

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

The share savings program is recognized in personnel costs over the vesting period without affecting the company's cash flow, and is recognized as an equity-settled share-based payment. Fair value on allocation has been calculated on the basis of a Monte Carlo simulation model.

	12/31/2023		12/31/2022	
	Number of performance shares	Weighted average fair value at grant date	Number of performance shares	Weighted average fair value at grant date
Outstanding at beginning of year	1,221,240	11.26	-	-
Allocated in the year	-	-	1,508,740	11.26
Forfeited in the year	-309,135	11.26	-287,500	11.26
Exercised in the year	-	-	-	-
Expired in the year	-	-	-	-
Outstanding at year-end	912,105	-	1,221,240	11.26
To be exercised at year-end	-	-	-	-

Note 29 Pension obligations

Pension plans

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

For salaried employees in Sweden, the ITP 2 plan's defined-benefit pension obligations for retirement and family pension (alternatively family pension) are secured through insurance with Alecta. In accordance with a statement by the Swedish Financial Reporting Board, UFR 10 Reporting of pension plan ITP 2 financed through insurance with Alecta, this constitutes a defined-benefit plan for multiple employers. For the financial year 2023, the company has not had access to the information required to report its share of commitments under the plan, plan assets and expenses, which means that it has not been possible to recognize the plan as a defined-benefit plan. The ITP 2 pension plan which is secured through insurance with Alecta has therefore been recognized as a defined-contribution plan. The premium for the defined benefit retirement pension and family pension is calculated on an individual basis and is dependent on factors including salary, previously accrued pension and expected remaining period of employment. Payments for ITP 2 insurance with Alecta are expected to amount to SEK 3.6 million (3.6) in the coming reporting period.

The Group's share of aggregate payments to the plan, and the Group's share of the total number of active members in the plan, amount to 0.02889 percent and 0.00428 percent respectively (2022: 0.02889% and 0.00428% respectively). The collective consolidation level comprises the market value of Alecta's assets as a percentage of insurance commitments calculated in accordance with Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. The collective consolidation level is normally permitted to fluctuate between 125% and 175%. In order to increase the rate of consolidation if it is considered too low, measures may include increasing the agreed subscription price, and extending existing benefits. If the consolidation level exceeds 150 percent, premiums may be reduced. At the end of 2023, Alecta's surplus in the form of the collective consolidation level amounted to 157 percent (172).

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

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

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

Note 30 Prepaid earnings – government grants

SEK 000	12/31/2023	12/31/2022
Current	433	1,042
Non-current	10,646	3,197
Total	11,079	4,239

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

The table for 2022 has been adjusted in the Annual Report 2023.

Note 31

Financial instruments

(a) Classes and categories of financial instruments at fair value

The following table provides information about:

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

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

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

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

Fair value

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

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

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

In the fourth quarter 2022, the Parent Company entered into a loan agreement with the option of conversion. The loan proportion has been recognized at accrued cost and the embedded derivative has been recognized separately at fair value in the Income Statement. Fair value has been calculated based on outstanding debt and a 10% discount in relation to the volume-weighted average price of the company's share 15 trading days prior to the reporting date.

12/31/2023

SEK 000	Fair value	Level	Amortized cost	Total
Financial assets:				
Cash and cash equivalents (Note 26)	-		25,525	25,525
Accounts receivable (Note 16)	-		44,978	44,978
Contract asset (Note 18)	-		55,478	55,478
Frozen bank balances	-		15,167	15,167
Financial liabilities:				
Convertible loans	-		23,917	23,917
Other loans	-		47,988	47,988
Bank borrowing (Note 20)	-		-	-
Hire purchase loans	-		332	332
Accounts payable	-		37,728	37,728
Other liabilities ¹⁾	-		7,037	7,037

12/31/2022

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

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

Financial risks

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

Furthermore, the Group is exposed to credit risk, i.e. the risk of a counterparty being unable to meet its obligations, through the Group's financial assets. The Group is also exposed to interest rate risk as the bank loans raised in 2023 are at a variable rate.

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

Note 31 – cont.

Financial instruments

Liquidity risk management

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

Exposure to liquidity risk

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

SEK 000	Up to 1 month	1–3 months	Between 3 months and 1 year (i)	1–2 years	2–5 years	5+ years	Total	Carrying amount
December 31, 2023								
Accounts payable and other liabilities	31,716	10,409	5,949	-	-	-	48,074	44,765
Leasing liabilities	628	1,835	5,074	4,312	8,380	3,074	23,303	22,793
Hire purchase loans	44	132	176	-	-	-	351	332
Variable-interest financial instruments (nominal)	-	-	-	-	-	-	-	-
Fixed-interest financial instruments (nominal)	-	-	-	75,000	-	-	75,000	71,905
Interest on fixed income instruments	-	2,275	6,850	12,875	-	-	22,000	-
Total	32,388	14,651	18,048	92,187	8,380	3,074	168,729	139,795

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

Note 31 – cont.

Financial instruments

Exchange rate risk

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

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

Exchange rate exposure in net sales and operating expenses

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

SEK 000	Revenue		Operating expenses ¹⁾	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
GBP	22,573	13,452	-120,603	-112,050
USD	212,404	115,215	-140,417	-84,752
EUR	2,922	3,760	-18,008	-10,977

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

Exchange rate sensitivity

Based on the company's revenue-, cost- and currency-structure, a general strengthening of the GBP against the SEK of 10% would affect operating profit by some SEK -9.8 million (-9.9). A general strengthening of the USD against the SEK would affect operating profit by SEK +7.2 million (+3.5).

Exchange rate exposure in monetary assets and liabilities

Carrying amount relating to the Group's monetary assets and liabilities denominated in foreign currency as of the record date are set out in the following table.

SEK 000	Liabilities		Assets	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
GBP	6,249	9,400	4,984	7,078
USD	28,015	34,864	106,501	68,961
EUR	1,161	2,081	7,211	91
Other		-		-

Exchange rate sensitivity analysis

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

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

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

SEK M	GBP impact		USD impact	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Income Statement	0	0	78.8	35.6
Equity (translation effect)	8.7	11.1	-2.4	-0.1

Credit risk management

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

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

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

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

Interest rate risk

Financing raised in 2023 totaling SEK 75,000 million accrues monthly interest of STIBOR +8%. In relation to the expectations regarding future interest rates, this is not considered to constitute a material risk for the Group.

The Group's asset management

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

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

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

The Group is not subject to any external capital requirements.

Note 32

Related-party transactions

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

During 2023, Siverson issued USD 0.850 million in loans to senior executives through its subsidiary Siverson Semiconductors Inc. The loan plus interest was repaid in full before year end.

Remuneration to key senior executives

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

Note 33

Events after the reporting period

On March 11, 2024, Siverson Semiconductors announced that it had entered into an extended loan facility of SEK 50 million including a convertible loan of SEK 35 million at a fixed conversion rate of SEK 4.86. The loans mature on May 30, 2025 and accrue interest at STIBOR 3M +10%. On March 26, 2024, Siverson Semiconductors announced the departure of CEO Anders Storm.

Parent Company Income Statement

SEK 000	Note	2023	2022
Net sales	2	12,330	11,658
Other external expenses	3	-8,906	-12,591
Personnel costs	4	-20,492	-12,946
Operating profit/loss		-17,069	-13,879
Profit from financial items			
Other interest income and similar items		26,577	104,242
Interest expenses and similar items		-82,214	-125,296
		-72,706	-34,933
Profit before tax		-72,706	-34,933
Income tax	5	-	-
Profit/loss for the year		-72,706	-34,933

Parent Company Statement of Comprehensive Income

SEK 000	Note	2023	2022
Profit/loss for the year		-72,706	-34,933
Other comprehensive income		-	-
Total comprehensive income for the year		-72,706	-34,933

Parent Company

Statement of Financial position

SEK 000	Note	12/31/2023	12/31/2022
ASSETS			
Non-current assets			
Financial non-current assets			
Shares in Group companies	6	1,188,491	1,095,363
Receivables from Group companies	7	306,737	301,546
Long-term prepaid expenses	6	-	-
Total financial non-current assets		1,495,228	1,396,909
Total non-current assets		1,495,228	1,396,909
Current assets			
Current receivables			
Receivables from Group companies	7	376	383
Other receivables	8	64	1,150
Prepaid expenses and accrued income	9	1,046	1,098
Other current financial assets	16	15,167	8,519
Total current receivables		16,652	11,150
Cash and cash equivalents	10	11,349	24,521
Total current assets		28,002	35,671
TOTAL ASSETS		1,523,230	1,432,580

SEK 000	Note	12/31/2023	12/31/2022
EQUITY AND LIABILITIES			
Share capital	11	117,325	106,977
Share premium reserve		1,833,511	1,704,261
Retained earnings including profit/loss for the year		-511,618	-439,673
Total equity		1,439,218	1,371,565
Non-current liabilities			
Provisions	12	346	406
Convertible loans		23,917	-
Other non-current liabilities		47,988	-
Total non-current liabilities		72,251	406
Current liabilities			
Liabilities to Group companies		1,786	-
Convertible loans		-	44,493
Accounts payable		810	1,948
Other liabilities	13	1,592	7,919
Accrued expenses and prepaid income	14	7,572	6,250
Total current liabilities		11,760	60,610
Total liabilities		84,011	139,925
TOTAL EQUITY AND LIABILITIES		1,523,230	1,432,580

Parent Company Statement of Changes in Equity

SEK 000	Share capital	Share premium reserve	Retained earnings including profit/loss for the year	Total equity
Opening balance Jan 1, 2022	87,383	1,283,785	-406,701	964,467
New share issue	19,595	421,259		440,854
Issue expenses		-784		-788
Change in treasury shares			1,181	1,181
Share-based payments			780	780
Profit/loss for the year			-34,933	-34,933
Closing balance Dec 31, 2022	106,977	1,704,261	-439,673	1,371,565

SEK 000	Share capital	Share premium reserve	Retained earnings including profit/loss for the year	Total equity
Opening balance Jan 1, 2023	106,977	1,704,261	-439,673	1,371,565
New share issue	10,348	139,696		150,043
Issue expenses		-10,445		
Change in treasury shares				
Share-based payments			761	761
Profit/loss for the year			-72,706	-80,893
Closing balance Dec 31, 2023	117,325	1,833,511	-511,618	1,439,218

Parent Company Statement of Cash Flow

SEK 000	Note	2023	2022
Operating profit/loss	15	-17,069	-13,879
Adjustments for non-cash items		-46	780
Interest received		686	-
Interest paid		-11,228	-4,000
Income tax paid		-	-
Cash flow from operating activities before change in working capital		-27,657	-17,099
Cash flow from change in working capital			
Increase (-) /decrease (+) in operating receivables		-10,732	-13,511
Increase (+) /decrease (-) in operating liabilities		-694	-667
Cash flow from operating activities		-39,083	-31,277
Investing activities			
Loans to subsidiaries – New		-132,879	-170,169
Frozen bank funds		-14,900	-
Financing of MixComm		-	-206,475
Paid acquisition costs		-	-33,503
Sold/matured financial instruments		8,692	125,492
Cash flow from investing activities		-139,087	-284,655
Financing activities			
Borrowings		75,000	50,000
Loan amortizations		-50,000	-
New share issue		150,043	-
Issue expenses		-10,045	-784
Sale/exercise of stock options using treasury shares		-	1,181
Cash flow from financing activities		164,998	50,397
Cash flow for the year		-13,172	-265,535
Cash and cash equivalents at the beginning of the year		24,521	290,056
Cash and cash equivalents at the end of the year		11,349	24,521

Parent Company Notes

Note 1 Accounting principles

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

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

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

Shares in Group companies

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

Revenue

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

Financial instruments

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

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

Note 2 Revenue

Information about intra-Group purchases and sales

SEK 000	2023	2022
Sales	12,330	11,658
Purchases	-	-

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

Note 3 Remuneration to Auditors

SEK 000	2023	2022
Deloitte AB		
Audit fees	507	660
Audit work in addition to auditing assignments	-	-
Tax advisory	-	-
Other services	57	13
Total	564	673

Note 4 Personnel costs

SEK 000	2023	2022
Salary and other remuneration	12,368	10,033
Social security expenses	4,229	995
Pension costs	2,534	1,918
Total	19,132	12,946

Note 5 Income tax

SEK 000	2023	2022
Current tax	-	-
Deferred tax	-	-
Total	-	-

SEK 000	2023	2022
Profit before tax	-72,706	-34,933
Tax calculated according to the Swedish tax rate of 20.6 % (20.6)	14,977	7,196
Tax effect from non-deductible expenses/non-taxable revenue	-10,848	-7,332
Tax effect from embedded derivatives	1,179	-34
Change in unrecognized deferred tax assets	-5,308	170
Tax for the year - recognized	-	-

Note 6 Shares in Group companies

SEK 000	12/31/2023	12/31/2022
Accumulated cost		
Opening balance, accumulated cost as of January 1	1,443,802	548,349
Acquisition of subsidiaries	-2,480	795,257
Shareholder contributions paid	60,000	100,196
Conversion of loan to shares in subsidiaries	95,694	-
Liquidation of subsidiary	-86	-
Closing balance, accumulated cost	1,596,930	1,443,802
Impairment losses		
Opening balance, accumulated impairment losses as of January 1	-348,439	-248,243
Impairments losses for the year	-60,000	-100,196
Closing balance, accumulated impairment losses	-408,439	-348,439
Carrying amount	1,188,491	1,095,363

Company name	Corporate identity number	Registered office	Share of equity	No. of shares
Sivers Photonics Ltd	SC211759	Glasgow	100%	1,830,023,043
Sivers Wireless AB	556063-7331	Kista	100%	7,120,659
Trebax AB	556661-8400	Gothenburg	100%	1,000
The Sivers Semiconductors Corporation		Delaware	100%	10,000
Sivers Semiconductors Inc		Chatham	100%	21,217,821

1) Share of equity corresponds to share of votes.

Carrying amount

Company name	12/31/2023	12/31/2022
Sivers Photonics Ltd	365,027	269,334
Sivers Wireless AB	30,686	30,686
Trebax AB	-	-
Sivers Semiconductors Corp	-	86
Sivers Semiconductors Inc	792,777	795,257
Carrying amount	1,188,491	1,095,363

Note 7 Receivables from Group companies

SEK 000	12/31/2023	12/31/2022
Accumulated cost		
Opening balance, accumulated cost as of January 1	301,929	224,797
Additional receivables	191,992	191,077
Loss provision	-754	-13,749
Settled receivables	-186,054	-100,196
Closing balance, accumulated cost	307,113	301,929
Impairment losses		
Opening balance, accumulated impairment losses as of January 1	-	-
Impairments losses for the year	-	-
Closing balance, accumulated impairment losses	-	-
Carrying amount	307,113	301,929
Carrying amount relating to non-current receivables with Group companies	313,737	301,546
Carrying amount relating to current receivables with Group companies	376	383
Total	307,113	301,929

Of additional receivables, SEK 132.879 million (170.169) relates to loans to subsidiaries. The remainder relates to capitalized interest, receivable relating to management fees and receivables relating to employee stock options that have not yet been settled. Group receivables in the year were settled at SEK 186.054 million (100.196), of which SEK 0 million (0) relates to repayments from subsidiaries and the remainder of shareholder contributions settled through offset of Group receivables of SEK 90.361 million (100.196), and a loan to Photonics that has been converted to shares totaling SEK 95.694 million (0).

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

Loss provisions relating to receivables with Group companies

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

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

SEK 000	2023	2022
Opening balance loss provisions, as of January 1	17,518	3,769
Net increase in loss allowances relating to new receivables with Group companies recognized in the current year	754	13,749
Total recognized loss provision as of December 31	18,272	17,518

Note 8 Other receivables

SEK 000	12/31/2023	12/31/2022
VAT receivables	-	997
Balance on tax account	-	-
Other	64	153
Total	64	1,150

Note 9 Prepaid expenses and accrued income

SEK 000	12/31/2023	12/31/2022
Prepaid insurance	398	558
Other prepaid expenses	648	540
Total	1,046	1,098

Note 10 Cash and cash equivalents

SEK 000	12/31/2023	12/31/2022
Bank balances	11,349	24,521
Carrying amount	11,349	24,521

Note 11 Share capital

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

SEK 000	12/31/2023	12/31/2022
Number of shares	234,649,894	213,937,161
Quotient value, SEK	0.50	0.50
Carrying amount	116,774,947	106,968,581

As of December 31, 2023, the company had 233,549,894 outstanding ordinary shares and 1,100,000 Class C shares. The ordinary shares confer 1.0 voting right and Class C shares 0.1 voting right each.

Note 12 Provisions

SEK 000	12/31/2023	12/31/2022
Social security expenses for employee stock options	346	406
	346	406
Short-term	-	-
Long-term	346	406
	346	406

SEK 000	Social security expenses, employee stock options	Total
As of January 1, 2022	2,627	2,627
Additional provision for the year	2,429	2,429
Utilized in the year	-198	-198
Reclassification	-	-
As of December 31, 2022	406	406

SEK 000	Social security expenses, employee stock options	Total
As of January 1, 2023	406	406
Dissolution in the year	-60	-60
Utilized in the year	-	-
Reclassification	-	-
As of December 31, 2023	346	346

Note 13 Other liabilities

SEK 000	12/31/2023	12/31/2022
PAYE tax & fees	458	1,432
Embedded derivatives in convertible debentures	-	5,724
Other	1,134	763
Total	1,592	7,919

Note 14 Accrued expenses and prepaid income

SEK 000	12/31/2023	12/31/2022
Accrued holiday pay and social security expenses	2,162	1,624
Other personnel-related expenses	2,319	802
Accrued consultancy costs	509	-
Accrued interest expenses	2,069	-
Accrued accounting and audit fees	513	693
Accrued acquisition expenses	-	3,131
Total	7,572	6,250

Note 15

Notes to Statements of Cash Flow

Cash and cash equivalents

SEK 000	12/31/2023	12/31/2022
Cash and cash equivalents	11,349	24,521
Total	11,349	24,521

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

SEK 000	January 1, 2023	Cash flow from financing	Transactions not involving payment			December 31, 2023
			Exchange rate fluctuations	Capitalized interest	Conversion of debt to shares	
Convertible debentures and loans	51,515	25,000	-	1,094	-	77,609
Total liabilities from financing activities	51,515	25,000	-	1,094	-	77,609

Changes in liabilities attributable to financing activities

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

Note 16

Financial instruments

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

12/31/2023

SEK 000	Fair value	Level	Amortized cost	Total
Financial assets:				
Cash and cash equivalents (Note 10)	-		11,349	11,349
Group receivables (Note 7)	-		302,305	302,305
Frozen bank balances	15,167		-	15,167
Financial liabilities:				
Convertible debt	-		23,917	23,917
Other loans	-		47,988	47,988
Accounts payable	-		810	810
Other liabilities ¹⁾	-		2,156	2,156

Fair value

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

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

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

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

In the second quarter 2023, the Group raised financing totaling SEK 75 million, of which a convertible loan totaled SEK 25 million, where the recognized value of the conversion element corresponds to fair value.

12/31/2022

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

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

Note 17

Pledged assets and contingent liabilities

SEK 000	12/31/2023	12/31/2022
Contingent liabilities	-	-
Guarantee commitments for subsidiaries	-	11,000
Total	-	11,000

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

that the subsidiaries become unable to make contractual payments.

Note 18

Related-party transactions

Transactions between the Parent Company and its subsidiaries, which are closely-related parties of the Parent Company, relate to management fees invoiced to subsidiaries, intra-Group borrowing and interest on intra-Group borrowing. Intra-Group sales are specified in Note 2 and intra-Group borrowing in Note 7. Intra-Group interest income amounted to SEK 20.169 million (7.647) in the financial year.

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

Note 19

Events after the reporting period

Events after the reporting period are presented in Note 33 for the Group's Annual Report.

Note 20

Proposed distribution of earnings

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

SEK	2023
Share premium reserve	1,833,511
Retained earnings	-438,912
Profit/loss for the year	-72,706
Total	1,321,893
The Board of Directors proposes that the following funds are carried forward:	1,321,893

SIGNATURES

The Annual Report and Consolidated Financial Statements have been approved for publication by the Board of Directors on April 23, 2024. The Consolidated Income Statement and Balance Sheet and the Parent Company Income Statement and Balance Sheet are subject to authorization by the AGM on May 15, 2024.

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

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

Kista, Sweden, April 23, 2024

Bamdad Bastani
Chairman of the Board

Anders Storm
CEO

Tomas Duffy
Board member

Erik Fällström
Board member

Beth Topolovsky
Board member

Todd Thomson
Board member

Our audit report was submitted on April 23, 2024
Deloitte AB

Alexandros Kouvatso
Authorized Public Accountant

Auditor's Report

To the Annual General Meeting of the shareholders of **Sivers Semiconductors AB (publ)**
Corporate identity number 556383-9348

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Sivers Semiconductors AB (publ) for the financial year 2023-01-01 - 2023-12-31 except for the corporate governance statement on pages 35-38. The annual accounts and consolidated accounts of the company are included on pages 29-80 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Significant uncertainty regarding the going concern assumption

As stated in the Board of Directors' Report on page 30, the company is in a development phase and lacks sufficient earnings capacity to cover the company's costs through sales revenues. The liquidity risk is therefore a significant risk and uncertainty factor for the Group.

The Board of Directors' Report also states that work is ongoing to optimize the Group's long-term financing. As stated in the Board of Directors' Report, these factors indicate that there is a material uncertainty factor that may lead to significant doubts as to the company's ability to continue as a going concern. We have not modified our statements because of this.

Key Audit Matters

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

Accounting of net sales

The group's net sales as of December 31, 2023 amount to 236 334 TSEK and consist of revenues from contracts with customers that includes sales of hardware, NRE/development projects, and support agreements. The group generates its revenues from contracts with customers through the transfer of goods and services at a point in time or over time. The group's revenues are a significant item and its accounting and recognition is determined based on the terms of the contract with the customer. The group recognizes revenue when control of a good or service is transferred to the customer, which requires judgments by the company.

The group's accounting policy for revenue recognition, together with significant estimates and judgments, are described in notes 2, 3, 4 and 5.

Our audit procedures included, but were not limited to:

- evaluation of the process and internal controls,
- ample review of revenue recognition from customer contracts by reconciling against customer contracts,
- for a sample of revenue transactions, verified that revenues are recognized in the period when the company fulfills its obligations,
- for a sample of service contracts, verified that these have been correctly recognized as services are performed in accordance with completion,
- evaluation of whether appropriate disclosures are made in accordance with IFRS in the annual report.

Accounting of capitalized development expenses

The group's reported value for capitalized development costs as of December 31, 2023 amounts to 197 360 TSEK and consists of expenses related to the development of new generations of products. Development costs are recognized as intangible assets provided that the criteria described in the group's accounting policies on page 50 are met. The capitalization and subsequent valuation of development costs are based on management's assessment of whether the project will be successful given its commercial and technical opportunities.

There is a risk that development costs do not meet the criteria for capitalization, and there is a risk that the reported value of capitalized development costs exceeds the recoverable amount, which may have a material impact on the group's results and financial position. Furthermore, there is a risk that these assets do not generate economic benefits for the company over the period of use that management has deemed reasonable.

The group's accounting policies for capitalized development costs, together with significant estimates and judgments, are described in notes 2, 3, and 11.

Our audit procedures included, but were not limited to:

- evaluation of the process and internal controls related to the capitalization and valuation of capitalized development costs,
- review of a sample of transactions to ensure that development expenses are recognized in the correct period, that depreciation begins when the asset is put into use, and that capitalized expenses are fulfil the requirements of IAS 38,
- evaluation of the group's procedures and management's assessments to evaluate the need for impairment of capitalized development costs,
- evaluation of whether appropriate disclosures are made in accordance with IFRS in the annual report.

Valuation of goodwill

The group's reported value for goodwill as of December 31, 2023 amounts to 391 560 TSEK. The value of goodwill is significant and must be tested at least annually or when there is an indication of impairment to identify any potential impairment losses. The recoverable amount is based on management's assessment of factors such as sales growth, margin development, investment levels, weighted average cost of capital, and perpetual growth rate. The value of goodwill is significant, and impairment tests are sensitive to changes in assumptions and are therefore a particularly significant area in our audit.

The group's accounting policies for goodwill, together with significant estimates and judgments, are described in notes 2, 3, and 11.

Our audit procedures included, but were not limited to:

- evaluation and assessment of the group's routine for preparing impairment tests,
- with the support of valuation specialists, evaluated significant assumptions in management's valuation model for calculating the recoverable amount,
- arithmetic testing of cash flow models and reconciliation of assumptions against approved budget/business plan,
- evaluation of whether appropriate disclosures are made in accordance with IFRS in the annual report.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-28, 84-87 and the Remuneration Report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from

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

A further description of our responsibility for the audit of the annual report and consolidated accounts can be found on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Sivers Semiconductors AB (publ) (publ) for the financial year 2023-01-01 - 2023-12-31 and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

A further description of our responsibilities for the audit of the management's administration is located at the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/rn/showdocument/documents/rev_dok/revisors_ansvar.pdf. This description forms part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) for Sivers Semiconductors AB (publ) (publ) for the financial year 2023-01-01 - 2023-12-31.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Sivers Semiconductors AB (publ) (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of The Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 35-38 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Deloitte AB, was appointed auditor of Sivers Semiconductors AB (publ) by the general meeting of the shareholders on the 2023-05-25 and has been the company's auditor since 2015-05-07.

Stockholm in accordance with signature on the Swedish original

Deloitte AB

Alexandros Kouvatzos
Authorized Public Accountant

Alternative Performance Measures (APM)

Alternative Performance Measures are used to describe progress of operations and increase comparability between periods. They are not defined using the IFRS regulatory framework, but rather correspond to the Group Management's and Board's measures of the Company's financial performance and can thus be viewed as a complement to the financial information presented under IFRS.

Group

SEK 000	1/1/2023 - 12/31/2023	1/1/2022 - 12/31/2022
Profitability		
Net sales growth, %	78%	46%
Net sales growth, at constant currency (%)	71%	30%
EBITDA (SEK 000)	-33,654	-73,693
EBITDA adjusted (SEK 000)	-19,827	-75,277
EBIT (SEK 000)	-158,623	-185,096
Capital Structure		
Equity (SEK 000)	1,197,740	1,240,079
Total assets (SEK 000)	1,505,920	1,571,100
Capital employed (SEK 000)	1,294,838	1,331,700
Interest-bearing net debt (SEK 000)	71,574	38,723
Capital turnover ratio (multiple)	0.2	0.1
Equity/assets ratio (%)	80%	78%
Debt/equity ratio (%)	8%	7%
Cash Flow and Liquidity		
Cash flow before investments (SEK 000)	-105,865	-133,461
Cash flow after investments (SEK 000)	-165,909	-299,454
Cash and cash equivalents (TSEK 000)	25,525	47,174
Investments		
Acquisition of property, plant and equipment (SEK 000)	7,103	-13,731
Acquisition of intangible assets (SEK 000)	46,732	-71,278
Employees		
Average number of employees	123	131
Sales per employee (SEK 000)	1,921	1,012
Total number of employees	123	130
Data per share		
Number of shares ¹⁾	234,649,894	213,954,244
Average number of shares before dilution ¹⁾	231,964,922	210,190,271
Earnings per share before and after dilution	-0.68	-0.41
Equity per share	5.10	5.80

¹⁾ In order to calculate equity per share and earnings per share, the number of shares and the average number of shares have been adjusted retrospectively to reflect the bonus issue elements of new share issues completed in 2023.

Calculation of Alternative Performance Measures

Group

SEK 000	1/1/2023 - 12/31/2023	1/1/2022 - 12/31/2022
Net sales growth, %		
Net sales	236,334	132,607
Net sales, corresponding period previous year	132,607	90,652
Net sales growth, %	78%	46%
Net sales growth, at constant currency, %		
Net sales	236,334	132,607
Exchange rate adjustment	-9,397	-14,723
Net sales adjusted	226,938	117,884
Net sales corresponding period previous year	132,607	90,652
Net sales growth, at constant currency	71%	30%
EBITDA (SEK 000)		
Operating profit/loss	-158,623	-185,096
Depreciation, amortization and impairment of property, plant and equipment, and intangible assets	124,969	111,403
EBITDA	-33,564	-73,693
EBITDA adjusted (SEK 000)		
EBITDA	-33,654	-73,693
Expenses in relation to stock option programs	742	-5,300
Acquisition-related expenses	-2,758	2,085
Restructuring costs	7,349	1,631
Data security breach	8,494	-
EBITDA adjusted	-19,827	-75,277
Capital employed (SEK 000)		
Total assets	1,505,920	1,571,100
Deferred tax liability	-135,597	-156,885
Provisions	-1,130	-1,172
Non-interest bearing portion of other non-current liabilities	-2,784	-3,197
Accounts payable	-37,728	-39,262
Non-interest bearing portion of other liabilities	-5,504	-6,851
Accrued expenses and prepaid income	-28,338	-32,033
Capital employed	1,294,838	1,331,700
Interest-bearing net debt		
Interest-bearing non-current liabilities (leasing and other)	87,527	28,801
Interest-bearing current liabilities (convertible, leasing and other)	9,572	57,096
Cash and cash equivalents	-25,525	-47,174
Interest-bearing net debt	71,574	38,723
Capital turnover ratio, multiple		
Net sales	236,334	132,607
Average total assets	1,538,510	1,261,239
Total assets at the beginning of the period	1,571,100	951,379
Total assets at the end of the period	1,505,920	1,571,100
Capital turnover ratio, multiple	0.2	0.1
Equity/assets ratio (%)		
Equity (SEK 000)	1,197,740	1,240,079
Total assets (SEK 000)	1,505,920	1,571,100
Equity/assets ratio, %	80%	79%
Debt/equity ratio (%)		
Interest-bearing liabilities	97,097	85,897
Equity	1,197,740	1,240,079
Debt/equity ratio (%)	8%	7%
Equity per share (SEK)		
Equity, SEK 000	1,197,740	1,240,079
Number of shares at the end of the period ¹⁾	234,649,894	213,954,244
Equity per share	5.10	5.80

Definitions of Alternative Performance Measures

Profitability	Definition	Reason for using the measure
Revenue growth (%)	Percentage change in revenue compared with previous period	The measure is used to monitor progress of the Group's operations between different periods
Revenue growth, at constant currency (%)	Revenue adjusted for exchange rates compared to the equivalent period in the previous year. The Group uses average exchange rates for the period to adjust for exchange rates	Illustrates the Company's growth in revenue driven by volume and price changes independent of exchange rate effects
EBITDA	Profit before financial items, tax, depreciation and amortization	The measure is a means of evaluating profit without taking into account financial decisions or tax
Adjusted EBITDA	EBITDA adjusted for items affecting comparability. Items affecting comparability include: Expenses related to the employee stock option programs (IFRS 2 expenses and social security expenses), acquisition related expenses, restructuring costs, legal costs in relation to major disputes, and a data security breach.	The purpose of using the measure is to illustrate the performance of the operating activities, independent of depreciation, amortization and items affecting comparability
EBIT (operating profit)	Profit before financial items and tax	Operating profit provides an overall view of total profit generation in operations
Capital Structure		
Equity	Equity at the end of the period	Used to calculate equity/assets ratio
Total assets	Total assets or the sum of liabilities and equity	Used to calculate capital employed and equity/assets ratio
Capital employed	Total assets less non-interest bearing liabilities, including deferred tax	Shows the proportion of assets linked to operations
Interest-bearing net debt	Net interest-bearing provisions and liabilities less cash and cash equivalents	The measure shows the Group's total debt/equity ratio
Capital turnover ratio (multiple)	Revenue for the period divided by average total assets	Measure of the assets' ability to generate revenue
Equity/assets ratio (%)	Equity as a percentage of total assets	The measure shows the proportion of total assets that comprises equity and helps to increase understanding of the Group's capital structure
Debt/equity ratio (%)	Interest-bearing liabilities divided by equity	The measure describes financial risk, i.e. the proportion of the Group's assets that is financed by borrowing
Cash Flow and Liquidity		
Cash flow before investments	Profit after financial items plus items not affecting cash flow and less changes in working capital	Used to monitor whether the Company is able to generate a sufficiently positive cash flow to maintain operations and generate a surplus for future investments
Cash flow after investments	Profit after financial items plus items not affecting cash flow and less changes in working capital and investments	Used to monitor whether the Company is able to generate a sufficiently positive cash flow to maintain and expand operations and generate a surplus for future dividends
Cash and cash equivalents	Bank balances and cash	Used to calculate interest-bearing net debt
Employees		
Average number of employees¹⁾	Average number of employees in the period	
Sales per employee¹⁾	Sales divided by average number of employees	
Total number of employees¹⁾	Total number of employees at the end of the period	
Data per share		
Number of shares²⁾	Number of shares at the end of the period	
Average number of shares²⁾	Average number of shares at the end of the period	
Earnings per share (SEK)	Profit for the period divided by average number of shares	The performance indicator sheds light on the owners' share of profit
Equity per share (SEK)	Equity divided by total number of shares at the end of the period	The measure shows the extent of owners' invested capital per share from a owner perspective

1) The performance indicator is operational and is not considered an Alternative Performance Measure according to ESMA's guidelines

2) Non-financial measure

Annual General Meeting 2024

Sivers Semiconductors AB's Annual General Meeting will be held on Wednesday, May 15, 2024.

Participation

Shareholders wishing to attend the meeting shall:

- Be included in the share register kept by Euroclear Sweden AB on Monday May 6, 2024.
- Register their intention to participate in the AGM by Wednesday May 8, 2024.

Registration

Registration shall be sent by post to Setterwalls Advokatbyrå AB, FAO: Anna Barnekow, P.O. Box 1050, 101 39 Stockholm, Sweden, or by email: anna.barnekow@setterwalls.se. When registering, the name, personal identity number / corporate identity number, daytime telephone number, number of shares held and any attending assistants should be stated. If a shareholder wishes to participate through a representative, a written and dated Power of Attorney signed by the shareholder must be attached to the registration. A form for Power of Attorney is available on the Company's website www.sivers-semiconductors.com. If the shareholder is a legal entity, the certificate of incorporation or other authorizing document must be attached to the registration.

Nominee-registered shares

Shareholders whose shares are nominee-registered must, in addition to the notification of their intention to participate in the meeting, be temporarily included in the share register under their own name (voting rights registration) to participate in the meeting.

Proposed dividend

The Board of Directors proposes that no dividend be paid.

