

The logo for SERSTECH, featuring a green double-headed arrow icon to the left of the word "SERSTECH" in white, uppercase, sans-serif font.

SERSTECH

The text "Q3" in a large, bold, green, sans-serif font, positioned in the bottom left corner of the image.

Q3

1 JULY – 30 SEPTEMBER





1 JULY – 30 SEPTEMBER 2023

SERSTECH GROUP

- Net sales amounted to KSEK 13 593 (3 125), an increase of 335%.
- EBITDA amounted to KSEK -329 (-2 957), corresponding to an EBITDA margin of -2%.
- EBIT amounted to KSEK -3 333 (-4 637), corresponding to an EBIT margin of -25%.
- Cash flow from operating activities amounted to KSEK 12 719 (1 574).
- Earnings per share amounted to SEK -0.02 (-0.06).
- Earnings per average number of shares amounted to SEK -0.02 (-0.06).

1 JANUARY – 30 SEPTEMBER 2023

SERSTECH GROUP

- Net sales amounted to KSEK 58 704 (13 624), an increase of 331%.
- EBITDA amounted to KSEK 17 146 (-8 061), corresponding to an EBITDA margin of 29%.
- EBIT amounted to KSEK 8 215 (-13 099), corresponding to an EBIT margin of 14%.
- Cash flow from operating activities amounted to KSEK 2 964 (-11 767).
- Earnings per share amounted to SEK 0.04 (-0.16).
- Earnings per average number of shares amounted to SEK 0.05 (-0.16).

SERSTECH GROUP — KEY FIGURES

Amount in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
Net sales	13 593	3 125	58 704	13 624	17 112
EBITDA	-329	-2 957	17 146	-8 061	-21 245
EBIT	-3 333	-4 637	8 215	-13 099	-29 278
Earnings per share (SEK)	-0.02	-0.06	0.04	-0.16	-0.35
Earnings per average number of shares (SEK)	-0.02	-0.06	0.05	-0.16	-0.35
Cash flow from Operating activities	12 719	1 574	2 964	-11 767	-13 158
Equity ratio (%)	77%	78%	77%	78%	51%

MESSAGE FROM THE CEO

Net sales grew by 335% in the third quarter and the operational cashflow was positive by 2.9 MSEK for the nine-month period. Given the high EBITDA result from the first nine months, we expect that we will be EBITDA positive for the full year 2023, for the first time ever. The strong sales are driven by both the war in Ukraine and the increasing demand for narcotics identification within law enforcement. We expect the high demand to remain for at least the next few years.

Most of our sales so far this year have come from three large orders, but we also see a strong increase in the run-rate business, i.e. the many small orders that we receive from our partners without our direct involvement. The high number of smaller orders are both proof that our partner network is performing well and that the demand is not limited to a few geographical markets. As our partner network evolves and becomes more capable, our direct involvement in each business opportunity decreases, allowing our sales team to focus on the larger opportunities and business development.

The two orders we received from our partner Kaiser in Singapore were significant not only for their size. The July order was the first time we receive a second larger order from the same end-customer, who has indicated that we should continue to expect repeat orders over the coming years. The end-user is within narcotics law enforcement, which remains our largest customer segment and for which our Serstech Arx and Serstech ChemDash are perfectly suited.

For more than a year, our R&D team has been fully occupied with the electronics and software upgrade of our Serstech Arx product. The work is going according to plan, and we expect the project to be completed during the fourth quarter. After the upgrade, Serstech Arx will be built with only components that are readily available, which will allow us to scale up production as needed. So far in 2023, we have managed to deliver our products either on time or before the requested delivery date in all cases. Our delivery precision has been made possible thanks to the build-up of inventory and other preparations we did in 2022 and early 2023. With the soon finished electronics upgrade, we expect deliveries to go smoothly also in the coming year.

The outlook for the coming years remains positive, both due to our strong technical and sales capabilities and to the high demand in the market. As always, we will continue to see a large variation between individual quarters, but we remain confident in our longer-term growth target of 50% per year on average.

Stefan Sandor, CEO
November, 2023



‘The outlook for the coming years remains positive, both due to our strong technical and sales capabilities and to the high demand in the market.’

— Stefan Sandor, Serstech CEO.

SIGNIFICANT EVENTS DURING THE PERIOD

SERSTECH RECEIVED 9.1 MSEK ORDER FROM SINGAPORE

In July 2023, Serstech received an order of 9.1 MSEK from its partner Kaiser-SGI in Singapore, consisting of hardware, software and the patented SERS kit. The order was delivered and invoiced before the end of September 2023. It is the second larger order in eight months from the same end-consumer.



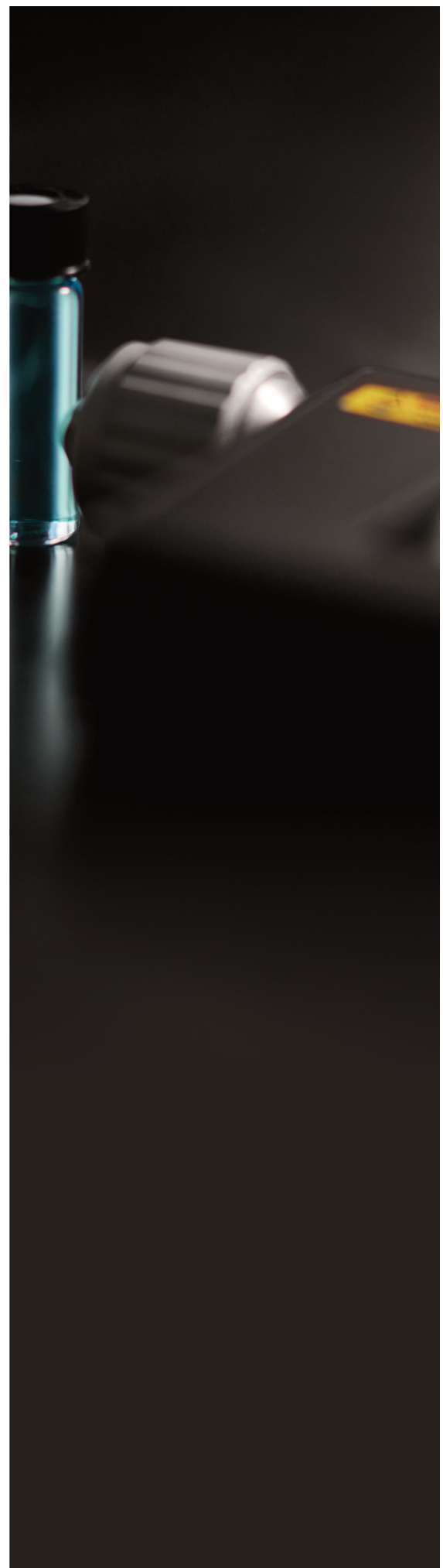
ABOUT SERSTECH

Serstech develops and markets optical instruments and software that are used by law enforcement, border control and first responders to identify dangerous or hazardous chemicals. Each instrument contains a Raman spectrometer, which is used to analyze the optical fingerprint of more than 17 000 different chemicals, such as narcotics, explosives, toxic industrial chemicals, and chemical warfare agents. Since the instruments emit and receive optical signals, the chemicals of interest can often be analyzed through packaging materials. By not opening the packaging, the operator is not exposed to the dangerous chemicals inside, and the potential evidence is not affected or consumed by the analysis.

Serstech entered its commercial phase in 2018 and has since built a sales channel that spans the globe. Serstech today has sales partners in 63 countries and serves customers on all continents. The main competitive advantages of Serstech's products are usability, speed, small size, low weight, and best-in-class price/performance ratio.

The customer groups are almost exclusively public organizations such as police, bomb squads, HazMat teams (Hazardous Materials), fire departments and border control organizations. Due to the nature of the customers, almost all sales are through public tenders. Local presence through the sales partner network is essential, since many of the tenders are classified and well-established local connections and relationships are necessary to gain access to them. The sales cycles are long, and the time from first customer contact to first sale is almost always several years.

Research and development is done at sites in Sweden and Romania, all production is in Sweden and the head office is in Lund, Sweden. Having both R&D and production in Sweden is often a distinct advantage, since customers in the security sector are very conscious about the origin of the technologies they deploy. Serstech is the only company in the European Union developing and manufacturing handheld Raman instruments.





PRODUCTS



SERSTECH ARX

Serstech Arx is the smallest and lightest handheld Raman instrument on the market. It has been optimized for field use and is operated by pressing a single button and without the need for accessories or advanced settings. The patented autofocus removes the need for any manual input, regardless of the packaging or sample properties.



SERSTECH 100 INDICATOR

The Serstech 100 Indicator is a hand-held, small and light Raman spectrometer that can identify more than 14,000 substances. Customisable with fully validated and data-enriched libraries, Serstech 100 Indicator display is easy to understand and gives accurate responses in seconds. Connect it to ChemDash for reporting and management of users, measurements and libraries.



SERSTECH SERS-KIT

The Serstech SERS kit is used together with Serstech Arx or Serstech 100 Indicator to enhance the capability to identify dark coloured substances or mixtures with very low concentrations. The device is capable of detecting very low amounts of "street quality" narcotics samples, including heroin and many fentanyl variants. The Serstech SERS kit is based on patent pending technology used together with disposable SERS surfaces.



SERSTECH CHEMDASH

Serstech's ChemDash software solution allows for integrated management of multiple instruments and libraries. Sharing intelligence in real-time is often essential for police and border control. ChemDash also allows you to quickly and easily update the firmware of all your devices.

ESTABLISHED APPLICATION AREA

NARCOTICS

Customs, police and prison authorities and United Nations are using Serstech's solutions to identify illicit drugs. The database of substances is based on the UN lists of controlled substances and has been produced together with the Swedish Defense Research Agency (FOI) and others.



EXPLOSIVES

Government agencies are the main customer group in this area. The database of substances covers commercially available explosives, improvised explosive devices (IED), home-made explosives and precursors, used in manufacturing of explosives.



HAZARDOUS CHEMICALS

The number of hazardous chemicals is large and growing. Typically, first responders need to quickly and safely identify these chemicals at accident or spill sites. Serstech's database of thousands of hazardous chemicals also includes information that helps the hazmat team to make life-saving decisions on site.



CHEMICAL WARFARE AGENTS

In November 2017, Serstech launched the Chemical Warfare Agents database, which has already been sold to several government agencies. The need for identification if such chemicals is growing and we expect this application area to increase in importance.



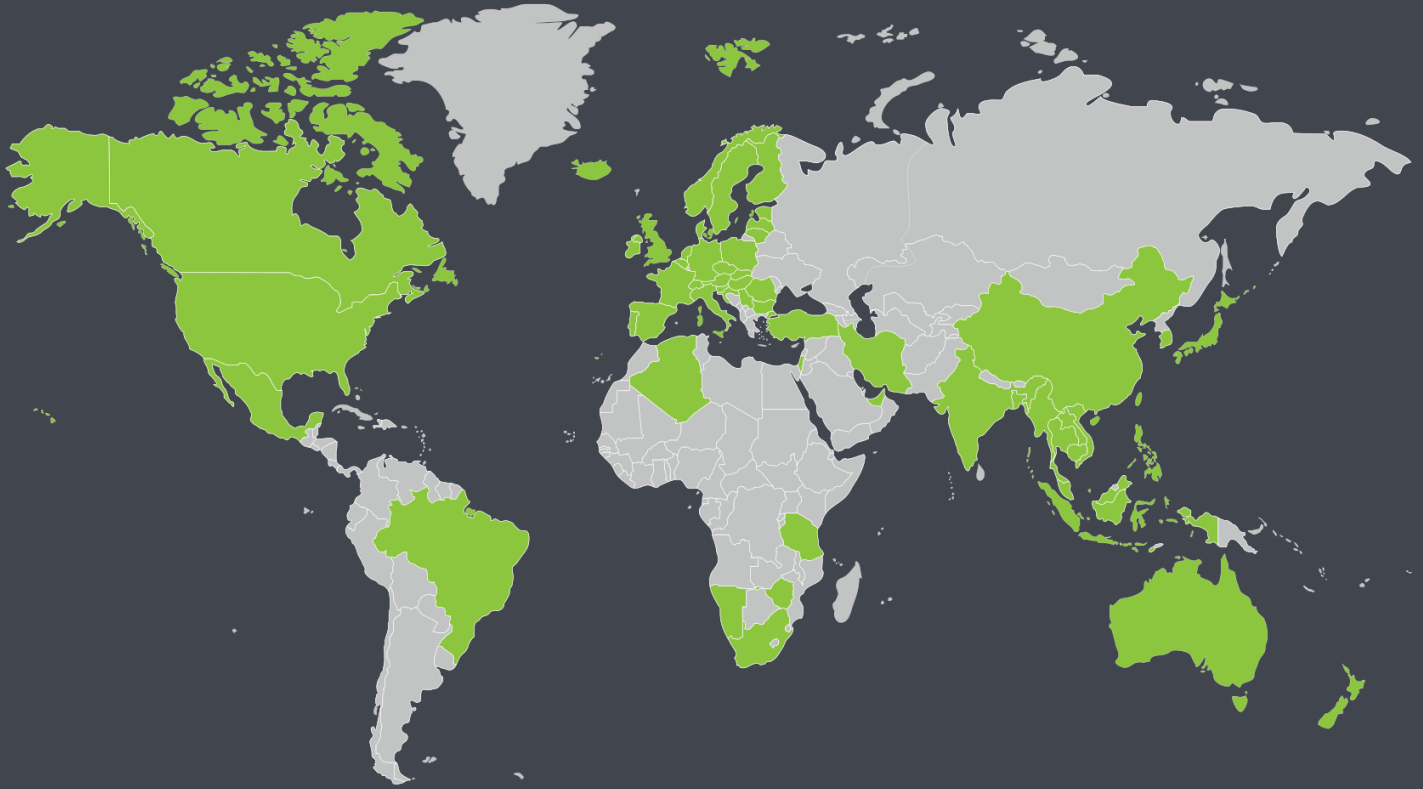
PHARMACEUTICAL

Serstech's solutions are used to verify incoming goods of pharmaceutical manufacturers. The handheld instrument makes it quick and easy to verify chemicals without contaminating or destroying the sample.



GEOGRAPHICAL COVERAGE PARTNER NETWORK

Business is local and the value of having local representation can never be overestimated. Serstech's partner network spans the globe and today covers the home countries of more than 80% of the world's population and an even larger part of the global security investments.



- | | | | | | |
|------------|----------------|------------|-------------|--------------|-------------|
| Algeria | Cambodia | Hong Kong | Lithuania | Portugal | Sweden |
| Angola | Canada | Hungary | Malaysia | Rwuanda | Switzerland |
| Argentina | Chile | India | Mauritius | Saudi Arabia | Taiwan |
| Australia | China | Indonesia | Mexico | Serbia | Taiwan |
| Australia | Croatia | Iraq | Myanmar | Singapore | Thailand |
| Bangladesh | Czech Republic | Ireland | New Zealand | Slovakia | Turkey |
| Belgium | Denmark | Israel | Nigeria | Slovenia | UAE |
| Bolivia | Ecuador | Italy | Norway | South Africa | Uganda |
| Botswana | Egypt | Japan | Pakistan | Spain | UK |
| Brazil | France | Kazakhstan | Peru | Sri Lanka | Ukraine |
| Brunei | Germany | Korea | Philippines | Sudan | USA |
| Bulgaria | Greece | Kuwait | Poland | Sweden | Vietnam |

FINANCIAL COMMENTS, SERSTECH GROUP

NET SALES

1 JULY – 30 SEPTEMBER 2023

Net sales for the third quarter increased by 335 percent to KSEK 13 593 (3 125). This marks the second highest net sales in the company's history. The large order from Singapore Partner, Kaiser-SGI, announced in July 2023, was delivered during the quarter.

Due to the nature of the industry, with almost entirely tender-based business, we expect to see continued large variation between quarters.

JANUARY – 30 SEPTEMBER 2023

The net sales for the first nine months of 2023 increased by 331 percent to KSEK 58 704 (13 624).

2023 commenced on a highly favorable note, for three consecutive quarters, we have delivered three large orders, amounting to approx. KSEK 10 000, KSEK 27 500, KSEK 9 100 respectively. We also see a growth in our run-rate business, specifically referring to the smaller orders we receive from our partners. This positive trend reflects the high demand in the market and that our partner network is performing well.

NET EARNINGS

1 JULY – 30 SEPTEMBER 2023

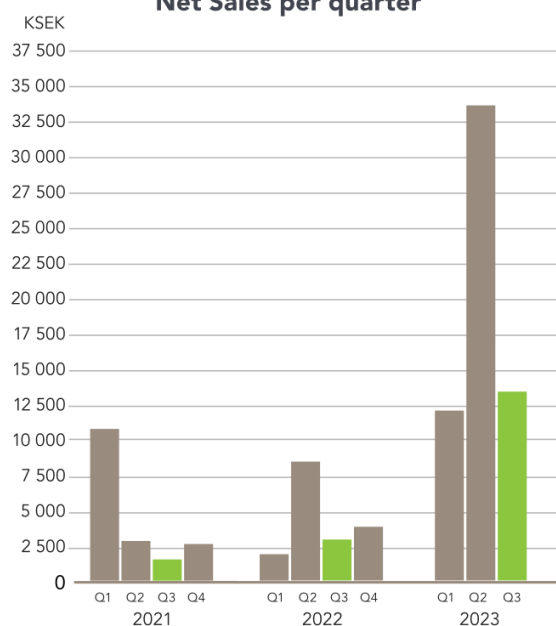
For the third quarter, EBITDA amounted to KSEK -329 (-2 957), corresponding to an EBITDA margin of -2%.

Other external costs amounted to KSEK -5 150 (-3 079). The increase is primarily driven by higher sales and R&D costs. The sales expenses have increase due to intensified sales activities. During the third quarter we participated in 12 (3) exhibitions, which are our main marketing channel.

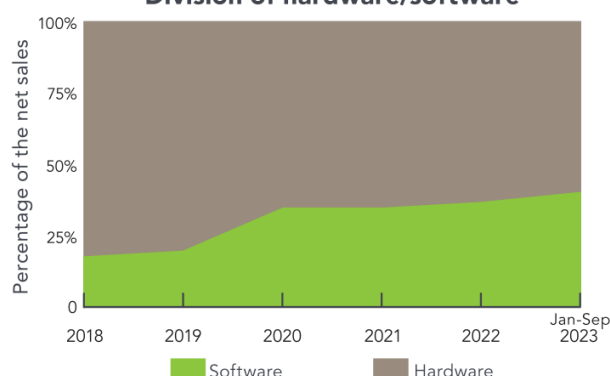
The increase in R&D expenses is due to further development of our latest product, Serstech Arx. Some of the work is being done by temporary consultants with high expertise in the field. Parts of the R&D costs are being capitalized. Payroll expenses amounted to KSEK -4 695 (-2 975). The increase is primarily due to the expansion of our workforce.

Depreciation/amortization amounted by KSEK -3 004 (-1 680) for depreciation of assets: KSEK -35 (-53) refers to depreciation of equipment, tools and installations; KSEK -2 969 (-1 627) refers to depreciation of capitalized development costs and patents. EBIT amounted to KSEK -3 333 (-4 637), corresponding to an EBIT margin of -25%. Net earnings for the period, amounted to KSEK -3 427 (-4 698). Earnings per share amounted to SEK -0.02 per share (-0.06), and earnings per average number of shares, amounted to SEK -0.02 (-0.06).

Net Sales per quarter

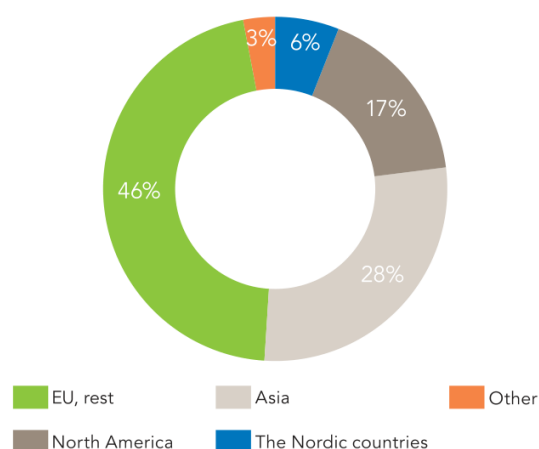


Division of hardware/software



Geographical division of Serstech's net sales

2018-2023



JANUARY - SEPTEMBER 2023

For the first nine months of 2023, EBITDA amounted to KSEK 17 146 (-8 061), corresponding to an EBITDA margin of 29%.

Other external costs amounted to KSEK -15 342 (-8 748). The increase is primarily driven by higher sales and R&D costs. Parts of the R&D costs are being capitalized. Payroll expenses amounted to KSEK -12 837 (-10 911).

Depreciation/amortization amounted by KSEK -8 931 (-5 038) for depreciation of assets: KSEK -117 (-102) refers to depreciation of equipment, tools, and installations; KSEK -8 814 (-4 936) refers to depreciation of capitalized development costs and patents.

EBIT amounted to KSEK 8 215 (-13 099), corresponding to an EBIT margin of 14%. Net earnings for the period, amounted to KSEK 7 877 (-13 302). Earnings per share amounted to SEK 0.04 per share (-0.16), and earnings per average number of shares, amounted to SEK 0.05 (-0.16).

CASH FLOW & INVESTMENT

JULY - SEPTEMBER 2023

The cash flow during the third quarter amounted to KSEK 9 994 (3 796).

Cash flow from operating activities amounted to KSEK 12 719 (1 574). The change is primarily attributed to enhanced operating profit and a reduction in account receivables. Account receivables amounted to KSEK 16 553 as of 30 September 2023 and are anticipated to be settled during the fourth quarter.

Cash flow from investment activities amounted to KSEK -2 186 (-1 584), and relates to intangible fixed assets, capitalized expenditure for development work and patent. Cash flow from financing activities amounted to KSEK -539 (3 806). The change resulted from the company receiving a loan disbursement in the period last year.

JANUARY - SEPTEMBER 2023

The cash flow during the first nine months amounted to KSEK 15 978 (-14 436). Cash flow from operating activities amounted to KSEK 2 964 (-11 767). The change is primarily attributed to enhanced operating profit.

Cash flow from investment activities amounted to KSEK -5 563 (-5 995), and relates to intangible fixed assets, capitalized expenditure for development work and patent. Cash flow from financing activities amounted to KSEK 18 577 (3 326), the change was mainly due to a right issue, which added KSEK 20 751 to the cash balance.

FINANCIAL POSITION AND LIQUIDITY

As of 30 September 2023, the group had KSEK 17 844 (5 138) in cash and bank balances. The group had KSEK 2 000 (2 000) in unutilized overdraft credit. The group had long-term interest-bearing liabilities of KSEK 0 (4 000) and short-term interest-bearing liabilities of KSEK 2 400 (1 025).

EQUITY, SHARE CAPITAL AND NUMBER OF SHARES

As of 30 September 2023, the equity of Serstech Group amounted to KSEK 55 267 (42 858) and the equity ratio amounted to 77 percent (78). All shares belong to the same series and have the same voting and profit rights in the company.

PERSONNEL

On September 30, 2023, Serstech Group had 23 (21) employees.

	TOTAL	Men	Women
Lund, Sweden	17	11	6
Cluj, Romania	6	4	2
Group	23	15	8

ACCOUNTING PRINCIPLES

The report has been prepared in accordance with BFNAR 2012: 1 Annual Report and Consolidated Financial Statements, K3. The company's assets and liabilities are stated at cost or nominal value, respectively, unless otherwise stated. This is a consolidated report that refers to the Serstech Group, which consists of Serstech AB and its subsidiaries Serstech Förvaltning AB and Serstech Development SRL. This report has not been subject to review by the company's auditor.

SERSTECH GROUP INCOME STATEMENT

Amounts in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
REVENUE					
Net sales	13 593	3 125	58 704	13 624	17 112
Capitalized work for own account	631	432	1 914	1 251	3 615
Other operating income	85	101	368	1 495	1 684
Total revenue	14 309	3 658	60 986	16 370	22 411
EXPENSES					
Raw materials, consumables and goods for resale	-3 761	-769	-15 639	-5 375	-7 795
Other external costs	-5 150	-3 079	-15 342	-8 748	-16 671
Payroll expenses	-4 695	-2 957	-12 837	-10 911	-13 739
Depreciation of tangible and intangible assets	-3 004	-1 680	-8 931	-5 038	-8 033
Other operating expenses	0	0	0	0	-6 413
Exchange gains and losses, net	-1 032	189	-23	602	963
Total expenses	-17 642	-8 296	-52 771	-29 470	-51 688
EBIT	-3 333	-4 637	8 215	-13 099	-29 278
Interest and similar, net	-86	-66	-298	-124	-209
EBT	-3 419	-4 703	7 917	-13 223	-29 487
Taxes	-8	5	-40	-79	-80
Net Earnings	-3 427	-4 698	7 877	-13 302	-29 566

SERSTECH GROUP BALANCE SHEET — ASSETS

Amounts in KSEK	2023-09-30	2022-09-30	2022-12-31
Intangible assets			
Intangible assets	31 050	42 133	34 351
Total intangible assets	31 050	42 133	34 351
Tangible assets			
Equipment, tools, fixtures and fittings	126	218	192
Total tangible assets	126	218	192
Financial assets			
Deferred tax assets	78	69	69
Total financial assets	78	69	69
Total fixed assets	31 255	42 420	34 612
Current assets			
Inventories etc.			
Inventories	3 238	2 195	1 868
Total Inventories	3 238	2 195	1 868
Current receivables			
Accounts receivable - trade	16 553	3 013	11 478
Current tax assets	356	356	196
Other receivables	1 809	1 050	1 707
Prepaid expenses and accrued income	533	674	818
Total Current receivables	19 251	5 093	14 200
Cash and bank balances	17 844	5 138	1 866
Total current assets	40 333	12 426	17 934
TOTAL ASSETS	71 587	54 846	52 546

SERSTECH GROUP BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2023-09-30	2022-09-30	2022-12-31
Equity			
Equity	55 267	42 858	26 616
Total equity	55 267	42 858	26 616
Provisions	920	118	216
Total provision	920	118	216
Non-current liabilities			
Liabilities to credit institutions	0	4 000	4 000
Total non-current liabilities	0	4 000	4 000
Current liabilities			
Liabilities to credit institutions	2 400	1 025	739
Advance payments from customers	1 229	0	10 064
Accounts payable	5 455	2 818	4 957
Current tax liabilities	121	0	195
Other current liabilities	784	706	464
Accrued expenses and deferred income	5 412	3 321	5 295
Total current liabilities	15 400	7 870	21 714
TOTAL EQUITY AND LIABILITIES	71 587	54 846	52 546

SERSTECH GROUP CHANGE IN EQUITY

Amounts in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
Equity brought forward	58 639	47 539	26 616	56 110	56 110
Warrants	61	0	165	0	0
Rights issue	0	0	24 578	0	0
Issue costs	0	0	-3 827	0	0
Translation difference on consolidation	-7	17	-143	50	72
Profit/loss for the period	-3 427	-4 698	7 877	-13 302	-29 566
Amount at end of period	55 267	42 858	55 267	42 858	26 616

SERSTECH GROUP CASH FLOW ANALYSIS

Amounts in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
OPERATING ACTIVITIES					
Operating profit	-3 333	-4 637	8 215	-13 099	-29 278
Adjustment for items not included in cash flow	3 163	1 680	9 637	5 038	14 537
Interest paid	-86	-66	-298	-124	-209
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-256	-3 023	17 554	-8 185	-14 950
CASHFLOW FROM CHANGES IN OPERATING PROFIT					
increase (-)/decrease (+) inventory	219	-210	-1 370	813	1 140
increase (-)/decrease (+) account receivables	14 596	7 120	-5 075	-2 213	-614
increase (-)/decrease (+) other short-term receivables	1 228	582	24	-347	-989
increase (+)/decrease (-) account payables	-110	-1 820	498	-941	1 198
increase (+)/decrease (-) other short-term liabilities	-2 958	-1 075	-8 667	-894	1 057
CASHFLOW FROM OPERATING ACTIVITIES	12 719	1 574	2 964	-11 767	-13 158
INVESTMENT ACTIVITIES					
Acquisition of property, plant and equipment	-16	0	-25	-13	-30
Acquisition of intangible fixed assets	-2 170	-1 584	-5 538	-5 982	-7 560
CASHFLOW FROM INVESTMENT ACTIVITIES	-2 186	-1 584	-5 563	-5 995	-7 590
FINANCING ACTIVITIES					
Loans	-600	3 806	-2 339	3 326	3 040
Warrant issue	61	0	165	0	0
Share issue costs paid	0	0	-3 827	0	0
Rights issue	0	0	24 578	0	0
CASHFLOW FROM FINANCING ACTIVITIES	-539	3 806	18 577	3 326	3 040
CASHFLOW FOR THIS PERIOD	9 994	3 796	15 978	-14 436	-17 708
Cash and cash equivalents at beginning of period	7 850	1 342	1 866	19 574	19 574
Cash and cash equivalent at end of period	17 844	5 138	17 844	5 138	1 866

SERSTECH GROUP KEY FIGURES

Amounts in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
PROFITABILITY AND RETURN					
Revenue change (%)	335%	106%	331%	-13%	-8%
EBITDA margin (%)	-2%	-95%	29%	-59%	-124%
EBIT margin (%)	-25%	-148%	14%	-96%	-171%
CAPITAL STRUCTURE					
Equity	55 267	42 858	55 267	42 858	26 616
Balance sheet	71 587	54 846	71 587	54 846	52 546
Capital employed	57 655	47 883	57 655	47 883	31 355
Equity ratio (%)	77%	78%	77%	78%	51%
CASH FLOW AND LIQUIDITY					
Cash flow before investments	12 719	1 574	2 964	-11 767	-13 158
Cash flow after investments	10 533	-10	-2 599	-17 762	-20 748
Liquid funds	17 844	5 138	17 844	5 138	1 866
INVESTMENTS					
Acquisition of property, plant and equipment	-16	0	-25	-13	-30
Acquisition of intangible fixed assets	-2 170	-1 584	-5 538	-5 982	-7 560
PERSONNEL					
Number of employees	23	21	23	21	17
DATA PER SHARE					
Number of shares	206 700 000	83 816 085	206 700 000	83 816 085	83 816 085
Earnings per share (SEK)	-0.02	-0.06	0.04	-0.16	-0.35
Equity per share (SEK)	0.27	0.51	0.27	0.51	0.32
Average number of shares	206 700 000	83 816 085	145 258 043	83 816 085	83 816 085
Earnings per average number of shares	-0.02	-0.06	0.05	-0.16	-0.35

SERSTECH AB, PARENT COMPANY INCOME STATEMENT

Amounts in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
REVENUE					
Net sales	13 593	3 125	58 704	13 624	17 112
Capitalized work for own account	394	458	1 054	1 337	1 977
Other operating income	85	99	360	1 492	1 680
Total revenue	14 072	3 682	60 118	16 453	20 769
EXPENSES					
Raw materials, consumables and goods for resale	-3 761	-769	-15 639	-5 375	-7 795
Other external costs	-5 703	-4 017	-17 246	-11 795	-18 631
Payroll expenses	-3 951	-2 212	-10 460	-8 471	-10 597
Depreciation of tangible and intangible assets	-2 992	-1 671	-8 897	-5 013	-7 998
Other operating expenses	0	0	0	0	-6 413
Exchange gains and losses, net	-1 032	189	-23	602	963
Total expenses	-17 439	-8 480	-52 265	-30 052	-50 471
EBIT	-3 367	-4 798	7 853	-13 599	-29 702
Interest and similar, net	-86	-66	-298	-124	-209
EBT	-3 453	-4 864	7 555	-13 723	-29 911
Net Earnings	-3 453	-4 864	7 555	-13 723	-29 911

SERSTECH AB, PARENT COMPANY BALANCE SHEET — ASSETS

Amounts in KSEK	2023-09-30	2022-09-30	2022-12-31
Intangible assets			
Intangible assets	31 433	42 467	34 685
Total intangible assets	31 433	42 467	34 685
Tangible assets			
Equipment, tools, fixtures and fittings	54	153	116
Total tangible assets	54	153	116
Financial assets			
Shares in subsidiaries	143	143	143
Total financial assets	143	143	143
Total fixed assets	31 630	42 763	34 944
Current assets			
Inventories etc.			
Inventories	3 238	2 195	1 868
Total	3 238	2 195	1 868
Current receivables			
Accounts receivable- trade	16 419	2 885	11 348
Other receivables from Group companies	194	29	29
Current tax assets	356	356	196
Other receivables	1 662	952	1 496
Prepaid expenses and accrued income	520	662	806
Total Current receivables	19 151	4 884	13 875
Cash and bank balances	16 446	4 461	1 207
Total current assets	38 835	11 540	16 950
TOTAL ASSETS	70 465	54 303	51 894

SERSTECH AB, PARENT COMPANY BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2023-09-30	2022-09-30	2022-12-31
Equity			
Equity	54 527	42 243	26 056
Total equity	54 527	42 243	26 056
Provisions	920	118	216
Total provisions	920	118	216
Non-current liabilities			
Liabilities to credit institutions	0	4 000	4 000
Total non-current liabilities	0	4 000	4 000
Current liabilities			
Liabilities to credit institutions	2 400	739	739
Advance payments from customers	1 229	0	10 064
Accounts payable	5 455	2 818	4 957
Liabilities to Group companies	0	617	245
Other current liabilities	627	447	323
Accrued expenses and deferred income	5 307	3 321	5 294
Total current liabilities	15 018	7 942	21 622
TOTAL EQUITY AND LIABILITIES	70 465	54 303	51 894

SERSTECH AB, PARENT COMPANY CHANGE IN EQUITY

Amounts in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
Equity brought forward	57 918	47 106	26 056	55 967	55 967
Warrants	61	0	165	0	0
Rights issue	0	0	24 578	0	0
Issue costs	0	0	-3 827	0	0
Profit/loss for the period	-3 453	-4 864	7 555	-13 723	-29 911
Amount at end of period	54 527	42 243	54 527	42 243	26 056

SERSTECH AB, PARENT COMPANY CASH FLOW ANALYSIS

Amounts in KSEK	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
OPERATING ACTIVITIES					
Operating profit	-3 367	-4 798	7 853	-13 599	-29 702
Adjustment for items not included in cash flow	3 151	1 671	9 601	5 013	14 508
Interest paid	-86	-66	-298	-124	-209
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-302	-3 193	17 156	-8 710	-15 403
CASHFLOW FROM CHANGES IN OPERATING PROFIT					
increase (-)/decrease (+) inventory	219	-210	-1 370	813	1 140
increase (-)/decrease (+) account receivables	14 593	7 123	-5 071	-2 205	-604
increase (-)/decrease (+) other short-term receivables	1 095	573	-205	-301	-829
increase (+)/decrease (-) account payables	-110	-1 820	498	-942	1 197
increase (+)/decrease (-) other short-term liabilities	-2 919	-975	-8 763	-408	1 070
CASHFLOW FROM OPERATING ACTIVITIES	12 576	1 498	2 245	-11 753	-13 429
INVESTMENT ACTIVITIES					
Acquisition of intangible fixed assets	-2 183	-1 610	-5 583	-6 068	-7 646
CASHFLOW FROM INVESTMENT ACTIVITIES	-2 183	-1 610	-5 583	-6 068	-7 646
FINANCING ACTIVITIES					
Loans	-600	3 520	-2 339	3 040	3 040
Warrant issue	61	0	165	0	0
Share issue costs paid	0	0	-3 827	0	0
Rights issue	0	0	24 578	0	0
CASHFLOW FROM FINANCING ACTIVITIES	-539	3 520	18 577	3 040	3 040
CASHFLOW FOR THIS PERIOD	9 854	3 408	15 239	-14 781	-18 035
Cash and cash equivalents at beginning of period	6 592	1 053	1 207	19 242	19 242
Cash and cash equivalents at end of period	16 446	4 461	16 446	4 461	1 207

DEFINITIONS

PROFITABILITY AND RETURN

Revenue growth
EBIT margin
EBIT
EBITDA
EBITDA margin

Change in revenue as a percentage of previous period revenue.
Operating profit (EBIT) in relation to Net Sales.
Operations profit (EBIT).
Operating profit before depreciation and amortization.
EBITDA in relation to net sales.

CAPITAL STRUCTURE

Equity
Balance sheet
Capital employed
Equity ratio

Equity at the end of the period.
Total assets or total liabilities and equity.
Balance sheet total less non-interest-bearing liabilities, including deferred tax.
Equity as a percentage of total assets.

CASH FLOW AND LIQUIDITY

Liquid funds
Cash flow before investments

Cash flow after investments

Bank balances and cash.
Profit before financial items plus items that do not affect cash flow less change in working capital.
Profit after financial items plus items that do not affect cash flow less changes in working capital and investments.

PERSONNEL

Number of employees

Number of employees at the end of the period.

DATA PER SHARE

Number of shares
Earnings per share
Equity per share

Number of outstanding shares at the end of the period.
Profit for the period divided by the number of shares.
Equity divided by the number of shares.

Auditor's review

This report has not been subject to review by the Company's auditor.

Future reports

The company will provide continuing financial information according to the following schedule:

2024-02-23

Year-end report 2023 (Jan-Dec)

2024-04-29

Quarterly report (Jan-Mar)

2024-04-29

Annual General Meeting

2024-07-16

Half-Year report (Jan-Jun)

**FOR FURTHER INFORMATION,
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Serstech is traded at Nasdaq First North Growth Market and more information
about the company can be found at www.serstech.com