



**Q3**

## THIRD QUARTER REPORT, 1 JULY – 30 SEPTEMBER 2022

Serstech Group  
Third Quarter 2022

Net sales: KSEK 3 125 (1 516)  
Profit for the period: KSEK -4 698 (-5 074)  
Earnings per share: SEK -0.06 (-0.06)  
Earnings per average number of shares: SEK -0.06 (-0.06)

Serstech Group  
Period 1 January – 30 September 2022

Net sales: KSEK 13 624 (15 740)  
Profit for the period: KSEK -13 302 (-7 347)  
Earnings per share: SEK -0.16 (-0.09)  
Earnings per average number of shares: SEK -0.16 (-0.09)

## MESSAGE FROM THE CEO

The until recently dormant market took some significant steps towards normalcy during the latter part of the quarter, with multiple tenders being published in Europe and Asia. The significance is obvious – after two and half years without tenders, the customers are getting closer to starting to buy again. Since several tenders are now published, there will be orders in the market again within 2-4 months.

In a completely tender-driven business, the absence of tenders for two and a half years has been challenging for the entire industry, but that is now clearly changing. Serstech has during the quarter started to scale up sales, R&D and component stock further to be ready for coming larger orders. The component shortage means that we need to increase our R&D team to be prepared for product redesigns, as current components go out of stock. We are currently preparing for redesigns and component replacements to be able to produce products beyond our component inventory corresponding to approximately 45 MSEK in sales value. Given our sales volumes over the last three years, this might seem to be excessive in terms of preparedness, but the expected volumes in the market suggest otherwise. We do not want to risk being forced to decline orders due to supply issues.

Over the last three years, both supply and demand for narcotics have gone up in most parts of the world, but law enforcement has not been able or allowed to invest in equipment to combat this problem during the pandemic. Now they can, which is apparent in the volume of tenders being published in primarily Europe and Asia. In the US, large investments are being made in the southern border states, and Serstech has therefore hired two new salespeople to focus on these local markets. Most buyers are local law enforcement, typically on the county level. The number of counties and law enforcement organizations is high, while the average order is rather small. All-in-all, it is a very attractive market.



The Russian attack on Ukraine has forced countries around the world, and especially in Europe, to reevaluate their preparedness for attacks using chemical weapons. Serstech has several ongoing sales opportunities, in which the potential customer wants to build better preparedness for such an attack. Our instruments are very suitable for quick identification of chemical warfare agents, and we have a newly expanded substance library, which now also include some of the 4th Generation Warfare Agents, collectively named Novichoks. The new substances have been acquired through collaboration with our US federal government partners.

For about a year, we have been collaborating with French gas detector manufacturer Proengin in marketing and sales. On several occasions in 2022, we have shared exhibition booths at exhibitions around the world and we are working on several sales opportunities together. Proengin's gas detectors and our Raman instruments complement each other well, and many customer groups need both. By working together, we can provide a solution to a wider customer problem and provide better overall value. At the same time, we have a better sales reach together and become more visible in joint marketing efforts, while sharing the cost.

In August, we received an important reference order from India, the first order since before the pandemic. The order value was of 1.2 MSEK and the customer was the National Security Guard (NSG), which is an elite, national anti-terror force. High-end forces such as NSG are usually very well-funded, which means that they buy equipment based on performance and suitability, rather than price. Serstech's instruments are small, lightweight and user friendly, which makes them well suited for infantry units and other user groups that need to carry and handle many types of equipment.



*‘New business opportunities keep appearing around the world, which bodes well for 2023 and onwards.’*

— Stefan Sandor, Serstech CEO.

Our sales pipeline keeps growing and many opportunities have changed from having a due date of “within a year” to “imminent”, as tenders have been published. New business opportunities keep appearing around the world, which bodes well for 2023 and onwards. We expect our opportunity hit-rate to increase, since we now have our new Serstech Arx in volume production and our partner network grows ever more skilled and experienced. Business remains slow at the moment, but we expect that to change imminently.

A handwritten signature in blue ink, appearing to read 'Stefan Sandor'.

**Stefan Sandor, CEO**

# SUMMARY OF THIRD QUARTER REPORT

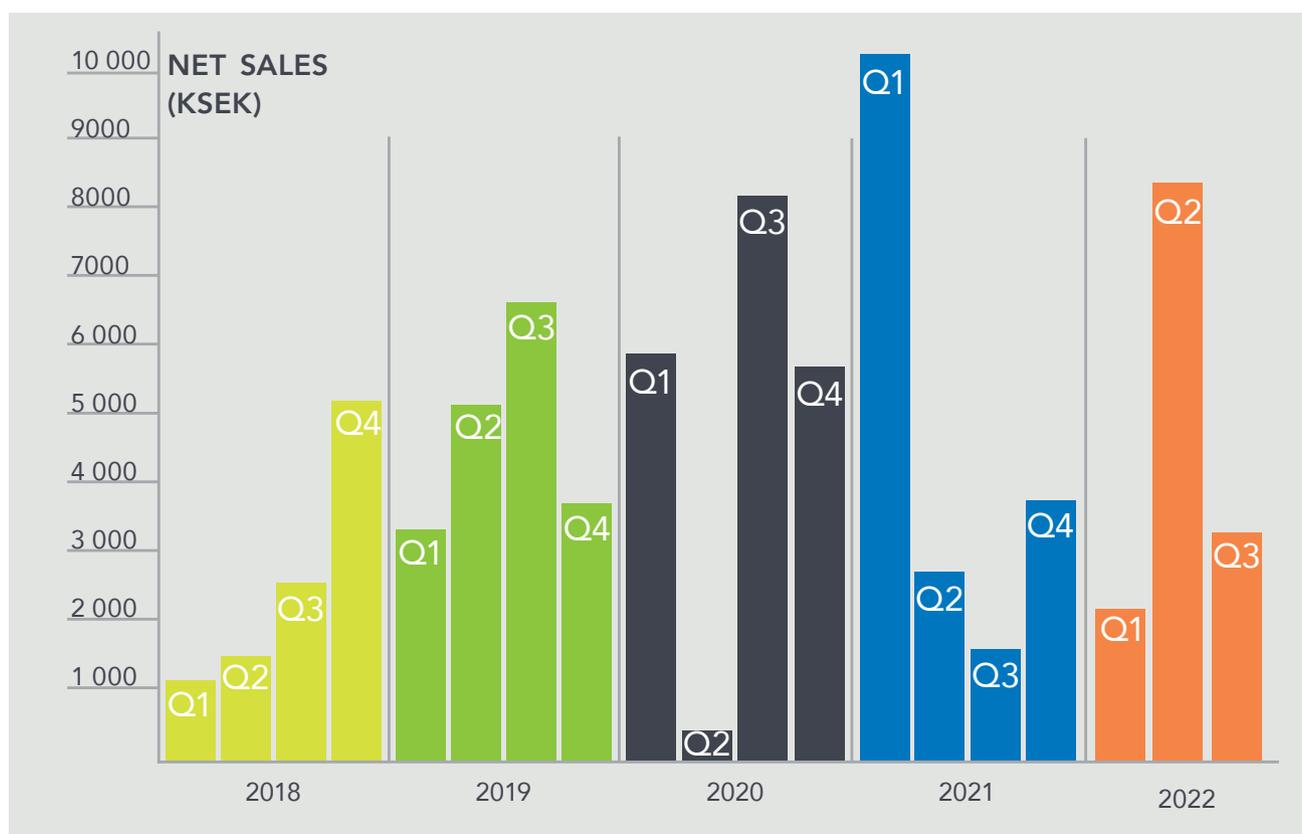
## SERSTECH GROUP NET SALES AND NET EARNINGS FOR THE PERIOD 1 JULY – 30 JSEPTEMBER 2022

Net sales amounted to KSEK 3 125 (KSEK 1 516).

Net income amounted to KSEK -4 698 (KSEK -5 074).

Earnings per share SEK -0.16 (SEK -0.16).

Ending cash balance for the period amounted to KSEK 5 138 (KSEK 21 053).



## SIGNIFICANT EVENTS DURING THE PERIOD

Serstech receives reference order from elite anti-terror unit in India

Serstech today received its first order from India since the beginning of the pandemic, which caused most customers to reprioritize their activities. The end-customer is the important reference customer National Security Guard (NSG), which is an elite federal anti-terror force. The order value is 1.2 MSEK and the order will be delivered in September 2022 through Serstech's partner Kapri Corp. The end-customer has indicated that this could be the first of several orders.

## SIGNIFICANT EVENTS AFTER THE PERIOD

On October 13, 2022, Serstech announced an Extra Ordinary Shareholders meeting to be held on November 15, 2022.

# FINANCIAL COMMENTS SERSTECH GROUP AFTER THE THIRD QUARTER 2022

## NET SALES AND NET EARNINGS

Net sales year-to-date, September 2022 amounted to KSEK 13 624 (15 740) showed a decrease of 13% compared to year-to-date September last year mainly due to Covid-19 effects. However, clear indications shows that large customer groups are starting to move back towards normal operations and that they therefore soon are more likely to invest in Serstech solutions and equipment.

The overall expenses increased by 15% compared to the third quarter 2021, due to an increase in expenses mainly related to development expenses, and to rebuilding sales resources in major geographic markets now that markets are opening again post Covid pandemic.

The development expenses are also reflected in the capitalized work for own account.

Compared to the first nine month of 2021, Serstech showed slightly lower revenue and higher expenses, KSEK -24 095 (-20 039) which led to net earnings of KSEK -13 302 (-7 347), amounted to SEK -0.06 per share (-0.06). Earnings per average number of shares, amounted to -0.06 (-0.06).

## DEPRECIATION AND AMORTIZATION

The result for the first nine-month of 2022, net earnings, has been affected by KSEK 5 038 (5 170) for depreciation, of which KSEK 102 (235) refers to depreciation of equipment, tools and installations, whereas KSEK 4 936 (4 935) refers to depreciation of previous years' capitalized development costs and patents

## INVESTMENTS

Total investments amounted to KSEK 5 982 (8 249) and relate fully to intangible fixed assets, such as capitalized expenditure for development work and patent.

## PERSONNEL

On September 30, 2022, Serstech Group had 22 (18) employees.

	TOTAL	Men	Women
Lund, Sweden	13	10	3
Cluj, Romania	9	7	2
Group	22	17	5

### **LIQUIDITY AND FINANCING**

At the end of the third quarter 2022, the group had KSEK 5 138 (21 053) in cash and cash equivalents and KSEK 2 000 (1 000) in unutilized overdraft credit. The cashflow during the nine month of 2022 was negative, KSEK -14 436 (9 657) mainly related to Covid-19 pandemic effects and thereby followed less sales.

At the end of the third quarter 2022, Serstech had long-term interest-bearing liabilities of KSEK 4 000 (0) and short-term interest-bearing liabilities of KSEK 1 025 (1 708).

### **EQUITY, SHARE CAPITAL AND NUMBER OF SHARES**

As of September 30, 2022, the equity of Serstech Group amounted to KSEK 42 858 (59 002) and the equity ratio amounted to 78 percent (89). The share capital was on September 30 divided into 83 816 085 shares with a quota value of SEK 0.51. All shares belong to the same series and have the same voting and profit rights in the company.

### **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	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
<b>REVENUE</b>					
Net sales	3 125	1 516	13 624	15 740	18 650
Capitalized work for own account	432	617	1 251	3 031	3 321
Other operating income	101	75	1 495	-253	2 308
<b>Total revenue</b>	<b>3 658</b>	<b>2 208</b>	<b>16 370</b>	<b>18 518</b>	<b>24 279</b>
<b>EXPENSES</b>					
Raw materials and consumables	-769	-664	-5 375	-5 698	-6 442
Other external costs	-3 079	-1 524	-8 748	-4 505	-6 813
Payroll expenses	-2 957	-3 348	-10 911	-10 464	-14 431
Depreciation of tangible and intangible assets	-1 680	-1 729	-5 038	-5 170	-6 853
Exchange gains and losses, net	189	31	602	100	148
<b>Total expenses</b>	<b>-8 296</b>	<b>-7 234</b>	<b>-29 470</b>	<b>-25 737</b>	<b>-34 391</b>
<b>EBIT</b>	<b>-4 637</b>	<b>-5 026</b>	<b>-13 099</b>	<b>-7 219</b>	<b>-10 110</b>
Interest and similar, net	-66	-33	-124	-120	-147
<b>EBT</b>	<b>-4 703</b>	<b>-5 059</b>	<b>-13 223</b>	<b>-7 339</b>	<b>-10 257</b>
Taxes	5	-15	-79	-7	6
<b>Net Earnings</b>	<b>-4 698</b>	<b>-5 074</b>	<b>-13 302</b>	<b>-7 347</b>	<b>-10 251</b>

# SERSTECH GROUP

## BALANCE SHEET — ASSETS

Amounts in KSEK	2022-09-30	2021-09-30	2021-12-31
<b>Intangible assets</b>			
Intangible assets	42 133	38 652	41 054
<b>Total intangible assets</b>	<b>42 133</b>	<b>38 652</b>	<b>41 054</b>
<b>Tangible assets</b>			
Equipment, tools, fixtures and fittings	218	339	337
<b>Total tangible assets</b>	<b>218</b>	<b>339</b>	<b>337</b>
<b>Financial assets</b>			
Deferred tax assets	69	38	52
<b>Total financial assets</b>	<b>69</b>	<b>38</b>	<b>52</b>
<b>Total fixed assets</b>	<b>42 421</b>	<b>39 030</b>	<b>41 444</b>
<b>Current assets</b>			
<b>Inventories etc.</b>			
Inventories	2 195	3 647	3 008
<b>Total Inventories</b>	<b>2 195</b>	<b>3 647</b>	<b>3 008</b>
<b>Current receivables</b>			
Accounts receivable - trade	3 013	708	800
Current tax assets	356	53	129
Other receivables	1 050	1 049	1 145
Prepaid expenses and accrued income	674	453	459
<b>Total Current receivables</b>	<b>5 093</b>	<b>2 263</b>	<b>2 532</b>
Cash and bank balances	5 138	21 053	19 574
<b>Total current assets</b>	<b>12 426</b>	<b>26 963</b>	<b>25 114</b>
<b>TOTAL ASSETS</b>	<b>54 846</b>	<b>65 993</b>	<b>66 558</b>

# SERSTECH GROUP

## BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2022-09-30	2021-09-30	2021-12-31
<b>Equity</b>			
Equity	42 858	59 002	56 110
<b>Total equity</b>	<b>42 858</b>	<b>59 002</b>	<b>56 110</b>
<b>Provisions</b>			
Provisions	118	122	118
<b>Total provision</b>	<b>118</b>	<b>122</b>	<b>118</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	4 000	0	0
<b>Total non-current liabilities</b>	<b>4 000</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	1 025	1 708	1 699
Work in progress on behalf of others	0	66	66
Accounts payable	2 818	756	3 759
Current tax liabilities	0	206	311
Other current liabilities	706	577	610
Accrued expenses and deferred income	3 321	3 556	3 885
<b>Total current liabilities</b>	<b>7 870</b>	<b>6 869</b>	<b>10 330</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54 846</b>	<b>65 993</b>	<b>66 558</b>

# SERSTECH GROUP

## CHANGE IN EQUITY

Amounts in KSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
Equity brought forward	47 539	64 078	56 110	43 872	43 872
Rights issue	0	0	0	24 516	24 516
Issue costs	0	0	0	-2 035	-2 035
Translation difference on consolidation	17	-2	50	-4	8
Profit/loss for the period	-4 698	-5 074	-13 302	-7 347	-10 251
<b>Amount at end of period</b>	<b>42 858</b>	<b>59 002</b>	<b>42 858</b>	<b>59 002</b>	<b>56 110</b>

# SERSTECH GROUP

## CASH FLOW ANALYSIS

Amounts in KSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
<b>OPERATING ACTIVITIES</b>					
Operating profit	-4 637	-5 026	-13 099	-7 219	-10 110
Adjustment for items not included in cash flow	1 680	1 706	5 038	5 134	6 824
Interest paid	-66	-33	-124	-120	-147
<b>CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL</b>	<b>-3 023</b>	<b>-3 353</b>	<b>-8 185</b>	<b>-2 205</b>	<b>-3 433</b>
<b>CASHFLOW FROM CHANGES IN OPERATING PROFIT</b>					
increase (-)/decrease (+) inventory	-210	-1 455	813	-1 452	-813
increase (-)/decrease (+) account receivables	7 120	432	-2 213	2 910	2 818
increase (-)/decrease (+) other short-term receivables	582	-300	-347	1 782	1 605
increase (+)/decrease (-) account payables	-1 820	-248	-941	-3 229	-226
increase (+)/decrease (-) other short-term liabilities	-1 075	-1 025	-894	-1 046	-579
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>1 574</b>	<b>-5 949</b>	<b>-11 767</b>	<b>-3 240</b>	<b>-628</b>
<b>INVESTMENT ACTIVITIES</b>					
Acquisition of property, plant and equipment	0	-222	-13	-231	-278
Sale of property, plant and equipment	0	0	0	7	7
Acquisition of intangible fixed assets	-1 584	-2 130	-5 982	-8 249	-12 284
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>-1 584</b>	<b>-2 352</b>	<b>-5 995</b>	<b>-8 473</b>	<b>-12 555</b>
<b>FINANCING ACTIVITIES</b>					
Loans	3806	-471	3 326	-1 111	-1 120
Share issue costs paid	0	0	0	-2 035	-2 035
Rights issue	0	0	0	24 516	24 516
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>3 806</b>	<b>-471</b>	<b>3 326</b>	<b>21 370</b>	<b>21 361</b>
<b>CASHFLOW FOR THIS PERIOD</b>	<b>3 796</b>	<b>-8 772</b>	<b>-14 436</b>	<b>9 657</b>	<b>8 178</b>
Cash and cash equivalents at beginning of period	1 342	29 826	19 574	11 396	11 396
Cash and cash equivalents at end of period	5 138	21 053	5 138	21 053	19 574

# SERSTECH GROUP

## KEY FIGURES

Amounts in KSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
<b>PROFITABILITY AND RETURN</b>					
Revenue change (%)	106%	-82%	-13%	8%	-9%
Operating margin (%)	neg	neg	neg	neg	neg
Profit margin (%)	neg	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg	neg
<b>CAPITAL STRUCTURE</b>					
Equity	42 858	59 002	42 858	59 002	56 110
Balance sheet	54 846	65 993	54 846	65 993	66 558
Capital employed	47 883	60 710	47 883	60 710	57 809
Interest-bearing net debt	-113	-19 345	-113	-19 345	-17 875
Capital turnover rate (times)	0,06	0,02	0,22	0,26	0,30
Equity ratio (%)	78%	89%	78%	89%	84%
Gearing ratio (%)	12%	3%	12%	3%	3%
Interest coverage	neg	neg	neg	neg	neg
<b>CASH FLOW AND LIQUIDITY</b>					
Cash flow before investments	1 574	-5 949	-11 767	-3 240	-628
Cash flow after investments	-10	-8 301	-17 762	-11 713	-13 183
Liquid funds	5 138	21 053	5 138	21 053	19 574
<b>INVESTMENTS</b>					
Acquisition of property, plant and equipment	0	-222	-13	-231	-278
Sale of property, plant and equipment	0	0	0	7	7
Acquisition of intangible fixed assets	-1 584	-2 130	-5 982	-8 249	-12 284
<b>PERSONNEL</b>					
Average number of employees	18	25	21	23	22
Revenue per employee	199	90	791	814	1 104
Number of employees	22	30	22	30	28
<b>DATA PER SHARE</b>					
Number of shares	83 816 085	83 816 085	83 816 085	83 816 085	83 816 085
Earnings per share (SEK)	-0,06	-0,06	-0,16	-0,09	-0,12
Equity per share (SEK)	0,51	0,76	0,51	0,70	0,67
Average number of shares	83 816 085	83 816 085	83 816 085	77 529 879	77 529 879
Earnings per average number of shares	-0,06	-0,07	-0,16	-0,09	-0,13

# SERSTECH AB, PARENT COMPANY

## INCOME STATEMENT

Amounts in KSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
<b>REVENUE</b>					
Net sales	3 125	1 516	13 624	15 740	18 650
Capitalized work for own account	458	617	1 337	3 031	3 475
Other operating income	99	63	1 492	-267	2 291
<b>Total revenue</b>	<b>3 682</b>	<b>2 196</b>	<b>16 453</b>	<b>18 504</b>	<b>24 415</b>
<b>EXPENSES</b>					
Raw materials and consumables	-769	-664	-5 375	-5 698	-6 442
Other external costs	-4 017	-2 255	-11 795	-6 515	-9 739
Payroll expenses	-2 212	-2 771	-8 471	-8 559	-11 739
Depreciation of tangible and intangible assets	-1 671	-1 726	-5 013	-5 166	-6 842
Exchange gains and losses, net	189	33	602	128	181
<b>Total Expenses</b>	<b>-8 480</b>	<b>-7 383</b>	<b>-30 052</b>	<b>-25 810</b>	<b>-34 581</b>
<b>EBIT</b>	<b>-4 798</b>	<b>-5 187</b>	<b>-13 599</b>	<b>-7 306</b>	<b>-10 165</b>
Interest and similar, net	-30	-33	-124	-120	-147
<b>EBT</b>	<b>-4 864</b>	<b>-5 220</b>	<b>-13 723</b>	<b>-7 426</b>	<b>-10 312</b>
Taxes	0	0	0	0	0
<b>Net Earnings</b>	<b>-4 864</b>	<b>-5 220</b>	<b>-13 723</b>	<b>-7 426</b>	<b>-10 312</b>

# SERSTECH AB, PARENT COMPANY

## BALANCE SHEET — ASSETS

Amounts in KSEK	2022-09-30	2021-09-30	2021-12-31
<b>Intangible assets</b>			
Intangible assets	42 467	38 827	41 299
<b>Total intangible assets</b>	<b>42 467</b>	<b>38 827</b>	<b>41 299</b>
<b>Tangible assets</b>			
Equipment, tools, fixtures and fittings	153	309	266
<b>Total tangible assets</b>	<b>153</b>	<b>309</b>	<b>266</b>
<b>Financial assets</b>			
Shares in subsidiaries	143	143	143
<b>Total financial assets</b>	<b>143</b>	<b>143</b>	<b>143</b>
<b>Total fixed assets</b>	<b>42 763</b>	<b>39 279</b>	<b>41 708</b>
<b>Current assets</b>			
<b>Inventories etc.</b>			
Inventories	2 195	3 647	3 008
<b>Total</b>	<b>2 195</b>	<b>3 647</b>	<b>3 008</b>
<b>Current receivables</b>			
Accounts receivable- trade	2 885	589	680
Other receivables from Group companies	29	29	29
Current tax assets	356	75	129
Other receivables	952	1 036	1 081
Prepaid expenses and accrued income	662	453	459
<b>Total Current receivables</b>	<b>4 884</b>	<b>2 182</b>	<b>2 378</b>
Cash and bank balances	4 461	20 711	19 242
<b>Total current assets</b>	<b>11 540</b>	<b>26 540</b>	<b>24 628</b>
<b>TOTAL ASSETS</b>	<b>54 303</b>	<b>65 819</b>	<b>66 336</b>

## SERSTECH AB, PARENT COMPANY

### BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2022-09-30	2021-09-30	2021-12-31
<b>Equity</b>			
Equity	42 243	58 853	55 967
<b>Total equity</b>	<b>42 243</b>	<b>58 853</b>	<b>55 967</b>
Provisions	118	122	118
<b>Total provisions</b>	<b>118</b>	<b>122</b>	<b>118</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	4 000	0	0
<b>Total non-current liabilities</b>	<b>4 000</b>	<b>0</b>	<b>0</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	739	1 699	1 699
Work in progress on behalf of others	0	66	66
Accounts payable	2 818	756	3 759
Liabilities to Group companies	617	349	396
Other current liabilities	447	418	446
Accrued expenses and deferred income	3 321	3 556	3 885
<b>Total current liabilities</b>	<b>7 942</b>	<b>6 844</b>	<b>10 251</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54 303</b>	<b>65 819</b>	<b>66 336</b>

## SERSTECH AB, PARENT COMPANY

### CHANGE IN EQUITY

Amounts in KSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
<b>Equity brought forward</b>	<b>47 106</b>	<b>64 073</b>	<b>55 967</b>	<b>43 798</b>	<b>43 798</b>
Rights issue	0	0	0	24 516	24 516
Issue costs	0	0	0	-2 035	-2 035
Profit for the period	-4 864	-5 220	-13 723	-7 426	-10 312
<b>Amount at end of period</b>	<b>42 243</b>	<b>58 853</b>	<b>42 243</b>	<b>58 853</b>	<b>55 967</b>

# SERSTECH AB, PARENT COMPANY

## CASH FLOW ANALYSIS

Amounts in KSEK	2022-07-01 2022-09-30	2021-07-01 2021-09-30	2022-01-01 2022-09-30	2021-01-01 2021-09-30	2021-01-01 2021-12-31
<b>OPERATING ACTIVITIES</b>					
Operating profit	-4 798	-5 187	-13 599	-7 306	-10 165
Adjustment for items not included in cash flow	1 671	1 726	5 013	5 160	6 833
Interest paid	-66	-33	-124	-120	-147
<b>CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL</b>	<b>-3 193</b>	<b>-3 494</b>	<b>-8 710</b>	<b>-2 266</b>	<b>-3 479</b>
<b>CASHFLOW FROM CHANGES IN OPERATING PROFIT</b>					
increase (-)/decrease (+) inventory	-210	-1 455	813	-1 452	-813
increase (-)/decrease (+) account receivables	7 123	432	-2 205	2 910	2 819
increase (-)/decrease (+) other short-term receivables	573	-292	-301	1 774	1 669
increase (+)/decrease (-) account payables	-1 820	-248	-942	-3 229	-226
increase (+)/decrease (-) other short-term liabilities	-975	-1 076	-408	-1 180	-776
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>1 498</b>	<b>-6 133</b>	<b>-11 753</b>	<b>-3 443</b>	<b>-806</b>
<b>INVESTMENT ACTIVITIES</b>					
Acquisition of property, plant and equipment	0	-197	0	-197	-197
Sale of property, plant and equipment	0	0	0	7	7
Acquisition of intangible fixed assets	-1 610	-2 163	-6 068	-8 323	-12 429
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>-1 610</b>	<b>-2 360</b>	<b>-6 068</b>	<b>-8 513</b>	<b>-12 619</b>
<b>FINANCING ACTIVITIES</b>					
Loans	3520	-480	3 040	-1 120	-1 120
Share issue costs paid	0	0	0	-2 035	-2 035
Rights issue	0	0	0	24 516	24 516
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>3 520</b>	<b>-480</b>	<b>3 040</b>	<b>21 361</b>	<b>21 361</b>
<b>CASHFLOW FOR THIS PERIOD</b>	<b>3 408</b>	<b>-8 973</b>	<b>-14 781</b>	<b>9 405</b>	<b>7 936</b>
Cash and cash equivalents at beginning of period	1 053	29 684	19 242	11 307	11 307
Cash and cash equivalents at end of period	4 461	20 711	4 461	20 711	19 242

# DEFINITIONS

## PROFITABILITY AND RETURN

Revenue growth (%)  
Operating margin (%)  
Profit margin (%)  
Return on equity (%)

Change in revenue as a percentage of previous period revenue  
Operating profit as a percentage of turnover  
Profit for the period as a percentage of turnover  
Profit for the period as a percentage of average equity

## CAPITAL STRUCTURE

Equity (KSEK)  
Balance sheet (KSEK)  
Capital employed (KSEK)  
Interest-bearing net debt (KSEK)

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  
Net interest-bearing provisions and liabilities less financial assets including liquid assets  
Capital turnover rate (times)  
Net sales for the year divided by average balance sheet total  
Equity as a percentage of total assets  
Interest-bearing liabilities divided by equity  
Profit after financial items plus financial expenses divided by financial expenses

## CASH FLOW AND LIQUIDITY

Liquid funds (KSEK)  
Cash flow before investments (KSEK)  
Cash flow after investments (KSEK)

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

Average number of employees  
Revenue per employee (KSEK)  
Number of employees

Average number of employees during the period  
Turnover divided by the average number of employees  
Number of employees at the end of the period

## DATA PER SHARE

Number of shares  
Earnings per share (SEK)  
Equity per share (SEK)

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:

2023-02-24

Year-end report

## FOR FURTHER INFORMATION, PLEASE CONTACT:

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## ABOUT SERSTECH

Serstech delivers solutions for chemical identification and has customers around the world, mainly in the safety and security industry. Typical customers are customs, police authorities, security organizations and first responders. The solutions and technology are however not limited to security applications and potentially any industry using chemicals of some kind could be addressed by Serstech's solution. Serstech's head office is in Sweden and all production is done in Sweden.

Serstech is traded at Nasdaq First North Growth Market and more information about the company can be found at [www.serstech.com](http://www.serstech.com)