

Q1

## FIRST QUARTER REPORT, 1 JANUARY – 31 MARCH 2022

Serstech Group  
First Quarter 2022

Net sales: KSEK 2 054 (11 459)

Profit for the period: KSEK -6 575 (3 024)

Earnings per share SEK -0.08 (0.04)

Earnings per average number of shares: SEK -0.08 (0.04)

## MESSAGE FROM THE CEO

Throughout 2020 and 2021, our sales pipeline was more or less at a constant level, with many tenders being postponed again and again. Since December 2021, we have seen a dramatic increase in our pipeline and during the first quarter in 2022, several tenders have finally started to proceed towards finalization instead of being postponed. Based on the information we have collected from the market in Q1, we believe that the total demand in 2022 and 2023 will be significantly higher than before the pandemic and dramatically higher than it was in 2020 and 2021. Due to the long sales cycles in the industry, we expect that it will be another few months before orders are placed, but it is evident that the customers are going back to normal operations and that they are getting ready to start buying again.

The first quarter traditionally has a more negative cash flow than other quarters, both due to seasonal effects and more payments, some of which are related to costs for the whole year. Also in Q1 2022, we saw a disproportionately negative cash flow, which was affected by our patent applications and expenses for accounting, stock market listing and similar. There is a risk of running low on cash in Q2 or Q3 and we have therefore put in place preventive measures so that we can continue to build product stock and invest in sales, even if the forecast sales volumes would be delayed to the later parts of the year. Based on the above, the sales forecast and current cost level, we do not expect a need for a rights issue at present.

There are multiple factors that are currently converging to drive up demand to the highest levels we have seen so far;

- During the pandemic, law enforcement and border control agents had to focus on travel restrictions and similar, putting drug enforcement on the backburner. Any investment not related to the pandemic was postponed, cancelled or reduced in size.
- The above in combination with an increased demand for narcotics during the pandemic, is now forcing law enforcement and border control organizations to invest in new technology at an expedited pace.
- For two years, many of our customer groups have postponed purchasing decision outside the covid area, which means that they have a pent-up demand that needs to be met within the near future. In some cases, purchase departments have been forbidden to buy anything not related to the pandemic, even when budgets had allocations for it.
- Many of the instruments today in use around the world are first-generation Raman devices, which means that they are above ten years old and due to be replaced. Replacements have not been done for two years, but in 2022 this work is resumed.
- The deteriorating security situation in Europe and the world is increasing security and defense budgets in almost every region. Among other things, we see a large increase in the number of requests for identification of chemical warfare agents, something our products are very good at.

One of the many indications that the demand is much stronger than before is that the average size of currently open tenders is several times larger than previous years. During the period 2018-2021, the typical sales opportunity was up to 1-1.5 MSEK, but now a large portion is above 10 MSEK per opportunity. There are also some tenders that are significantly larger than 10 MSEK scheduled

‘*We are focusing our marketing and sales efforts on the open markets and will be participating in more than 30 tradeshows during the year. In Q2 alone, we’ll be at 12 tradeshows in Europe, South America, USA and Asia.*’

— Stefan Sandor, Serstech CEO.

to close the coming quarters, but our experience is that such large tenders are normally postponed or reduced in size before they close. In our industry, nothing is certain until the order has been placed and at least partially paid, but chances are that 2022 and 2023 can allow for extraordinary growth.

Not all markets are open for business yet, but several are. We are focusing our marketing and sales efforts on the open markets and will be participating in more than 30 tradeshows during the year. In Q2 alone, we'll be at 12 tradeshows in Europe, South America, USA and Asia.

In April, we are finally starting the mass-production of our new product, Serstech Arx. The component shortage has made the ramping up of production cumbersome, with several redesigns needed to accommodate for component availability. In May, we even expect to be able to build some stock of products for quick delivery. Due to the high number of sales opportunities the coming year, we have increased our forecasts and are actively working on building component stock. Many critical semiconductor components have 52 weeks delivery time, which means that we need to buy some of the components at significant markups from trading companies that have been hoarding components for some time. Fortunately, the more expensive components in our products are optical and these have not been much affected by the shortage-driven price inflation, so relatively speaking, our cost increase is still moderate, but this can change due to the high volatility on the spot market.

We have now six local salespeople working directly for Serstech. In March, we added one person for the Middle East and North Africa and one for South America. As the markets open up, we want as much local presence as possible to catch every sales opportunity together with our partner network. Both new salespeople have been working with competing products in the past and know the market, the customers and many of our existing partners. We now have local salespeople in USA, China, South-East Asia, India, South America and Middle East.

Throughout 2021, certain units within the US Department of Defense have been testing and evaluating our Serstech Arx product in laboratory settings and the results of their evaluations are positive. As the next step, they will in Q2 buy a few units to do field testing and if also the field testing runs well, we expect to see at least one first order by the end of the year. DoD would then become both an important customer and a very important reference in North America and globally.

In March, I spent two weeks in the Washington, DC area and in south Texas and I met many potential customers, both at their locations and at two tradeshows. Every potential customer I met further reinforced my conviction that Serstech Arx is an excellent fit for our customer groups in law enforcement, border control, certain military units and fire departments. The combination of the decisive return of the market and our ability to mass-produce our new products makes us confident that we will achieve strong growth again already within the coming quarters.



Stefan Sandor, CEO



# SUMMARY OF FIRST QUARTER REPORT

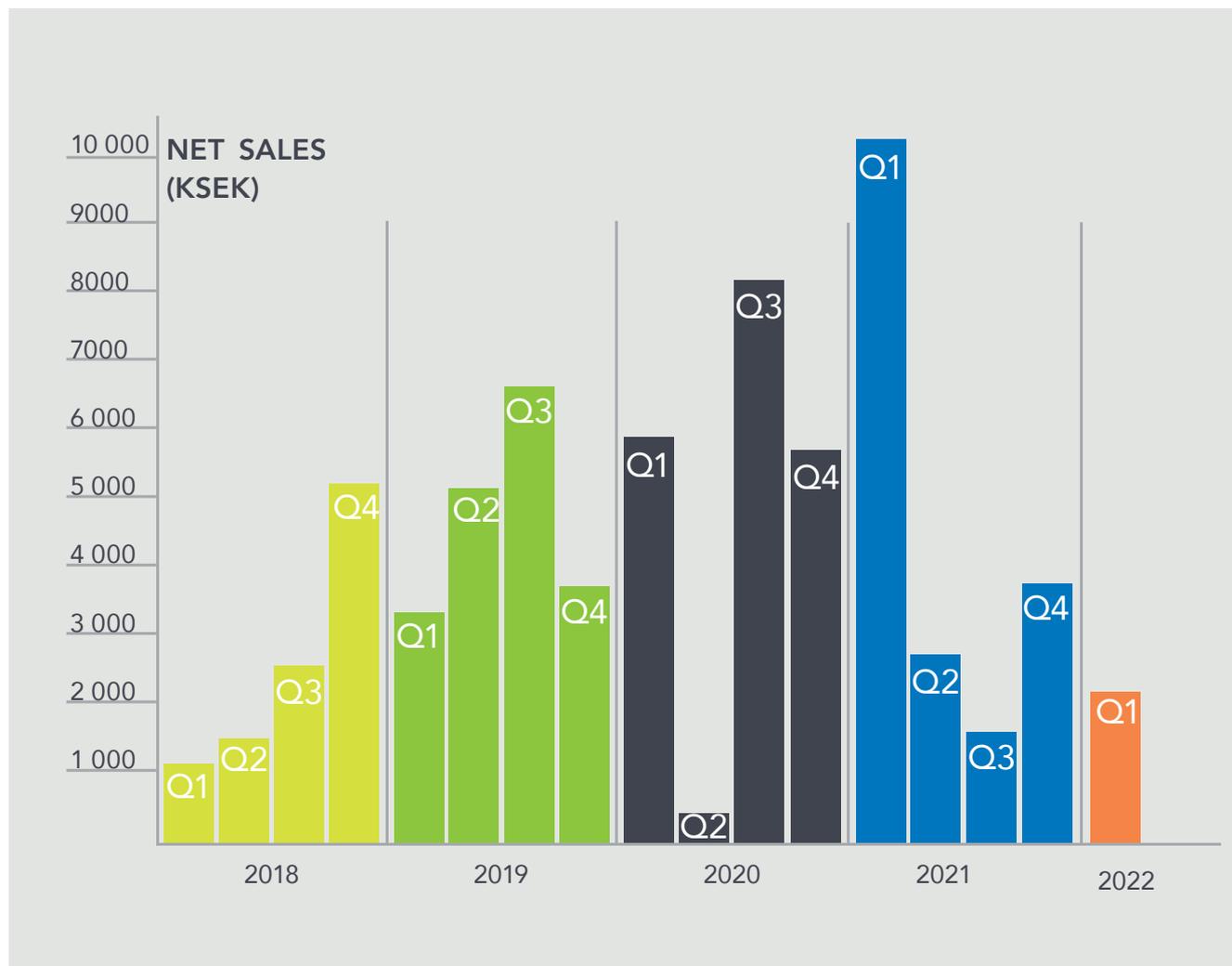
## SERSTECH GROUP NET SALES AND INCOME FOR THE FIRST QUARTER 1 JANUARY – 31 MARCH 2022

Net sales amounted to KSEK 2 054 (KSEK 11 459).

Net income after financial items amounted to KSEK -6 575 (KSEK 3 024).

Earnings per share SEK -0.08 (SEK 0.04).

Cash flow during the fourth quarter amounted to KSEK -0.08 (KSEK 0.04).



## SIGNIFICANT EVENTS DURING THE PERIOD

By the end of March, the Company applied for Conversion aid for December 2021 amounting 0,7 MSEK due to Covid effects on sales compared to December 2019. The aid is approved and has been paid in cash.

Serstech has added ADS, one of the world's top providers of military equipment, to its distribution network. ADS supports and delivers to more than 3 500 customers every year, with a primary focus on the US defence and security markets, with customers in both civilian and military agencies.

A significant number of ADS's sales professionals have a background in civilian and military agencies.

Serstech has filed nine patent applications to the European patent office. The patent applications are filed to protect the newly launched Serstech Arx products and the next generation product platform that is currently under development. Due to ongoing and expected sales opportunities in particularly the US market, Serstech recently decided to ramp up its IPR efforts to better protect its innovations.

Serstech has three already approved patents, whereof the two more recent ones have been implemented in currently available products. One of these is for the industry-first autofocus functionality that is available in the Serstech Arx instruments. Autofocus not only allows for more accurate measurements, but it also removes the need for any adaptors, which can be cumbersome to handle by operators in the field. The other patent is for the SERS kit, which allows for identification of substances down to ppm (parts per million) level concentrations.

In 2020, Serstech announced being part of a consortium of public and private organizations, with funding granted from the European Commission. The project aims to develop technologies, based on Raman and SERS (Surface Enhanced Raman Spectroscopy), to detect and identify chemical warfare agents and toxic industrial compounds in liquid and gas form. Serstech is to supply modified Raman devices as part of the project. Serstech has, in 2021, received an initial payment of approximately 2 MSEK and will receive an additionally 2 MSEK gradually up to the end of the projects, in June 2024. The consortium includes several European universities and the Swedish Defence Research Agency (FOI).



## SIGNIFICANT EVENTS AFTER THE PERIOD

Serstech group has strengthened and secured the competence in the Romanian subsidiary, Serstech Development SRL through a reorganisation aiming for a stronger cooperation with the Swedish R&D team and as of April 2022, with a common management team.

The Company has applied for Conversion aid for February 2022 amounting 0,3 MSEK due to Covid effects on sales compared to February 2019. The aid is approved and has been paid in cash.

# FINANCIAL COMMENTS SERSTECH GROUP FIRST QUARTER

## SALES AND RESULTS

The net sales in the first quarter KSEK 2 054 (11 459) showed a decrease of 82% compared to the first quarter last year mainly due to Covid-19 effects. However, multiple indications that our customer groups are starting to move back towards normal operations and that they therefore soon are more likely to invest in equipment such as ours.

In the first quarter Serstech reported applying for government grants related to the Covid-19 pandemic of 0.7 MSEK.

The overall expenses increased compared to the third quarter, by 28% due an increase in expenses mostly related to development expenses, and to rebuild sales resources in major geographic markets now that markets are opening again post Covid pandemic.

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

Compared to the first quarter of 2022, Serstech showed lower revenue and higher expenses, which led to an EBIT of KSEK -6 581 (3 022) and reported net earnings of KSEK -6 575 (3 024), amounted to SEK -0.08 per share (0.04). Earnings per average number of shares, amounted to -0.08 (0.04).



## DEPRECIATION AND AMORTIZATION

The result, EBIT, has been affected by KSEK 1 679 (1 720) for depreciation, of which KSEK 38 (87) refers to depreciation of equipment, tools and installations, whereas KSEK 1 641 (1 633) refers to depreciation of previous years' capitalized patents and development costs.

## INVESTMENTS

Total investments amounted to KSEK 1 782 (2 777) and relate fully to intangible fixed assets, such as capitalized expenditure for development work.

## PERSONNEL

On March 31, 2022, Serstech Group had 23 (18) employees.

	TOTAL	Men	Women
Lund, Sweden	13	10	3
Cluj, Romania	10	8	2
Group	23	18	5

## **LIQUIDITY AND FINANCING**

At the end of the quarter, the group had KSEK 8 945 (6 716) in cash and cash equivalents and KSEK 1 000 in unutilized overdraft credit. The cashflow in the first quarter was negative, KSEK -10 629 (-4 680) mainly related to Covid-19 pandemic effects.

At the end of the first quarter the Company had no long-term interest-bearing liabilities of KSEK 0 (739) and short-term interest-bearing liabilities of KSEK 1 699 (1 920). Total liabilities to credit institutions, however, remains constant since the Q4 2021 report. Repayment on interest bearing liabilities has been paused to April 2022, due to the Covid-19 pandemic.

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

As of March 31, 2022, the equity of Serstech Group amounted to KSEK 49 512 (46 898) and the equity ratio amounted to 85 percent (82). The share capital was on March 31 divided into 83 816 085 shares with a quota value of SEK 0.59. 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	2022-01-01 2022-03-31	2021-01-01 2021-03-31	2021-01-01 2021-12-31
<b>REVENUE</b>			
Net sales	2 054	11 459	18 650
Capitalized work for own account	382	1 190	3 321
Other operating income	172	15	2 308
<b>Total revenue</b>	<b>2 608</b>	<b>12 664</b>	<b>24 279</b>
<b>EXPENSES</b>			
Raw materials and consumables	-773	-3 068	-6 442
Other external costs	-2 538	-1 862	-6 813
Payroll expenses	-4 176	-3 207	-14 431
Depreciation of tangible and intangible assets	-1 679	-1 720	-6 853
Exchange gains and losses, net	4	265	148
<b>Total expenses</b>	<b>-9 162</b>	<b>-9 593</b>	<b>-34 391</b>
<b>EBIT</b>	<b>-6 554</b>	<b>3 071</b>	<b>-10 110</b>
Interest and similar, net	-27	-49	-147
<b>EBT</b>	<b>-6 581</b>	<b>3 022</b>	<b>-10 257</b>
Taxes	6	2	6
<b>Net Earnings</b>	<b>-6 575</b>	<b>3 024</b>	<b>-10 251</b>

# SERSTECH GROUP

## BALANCE SHEET — ASSETS

Amounts in KSEK	2022-03-31	2021-03-31	2021-12-31
<b>Intangible assets</b>			
Intangible assets	41 173	36 445	41 054
<b>Total intangible assets</b>	<b>41 173</b>	<b>36 445</b>	<b>41 054</b>
<b>Tangible assets</b>			
Equipment, tools, fixtures and fittings	294	300	337
<b>Total tangible assets</b>	<b>294</b>	<b>300</b>	<b>337</b>
<b>Financial assets</b>			
Deferred tax assets	58	22	52
<b>Total financial assets</b>	<b>58</b>	<b>22</b>	<b>52</b>
<b>Total fixed assets</b>	<b>41 525</b>	<b>36 767</b>	<b>41 444</b>
<b>Current assets</b>			
<b>Inventories</b>			
Inventories	3 594	2 409	3 008
<b>Total Inventories</b>	<b>3 594</b>	<b>2 409</b>	<b>3 008</b>
<b>Current receivables</b>			
Accounts receivable - trade	1 718	9 193	800
Current tax assets	249	148	129
Other receivables	1 183	1 407	1 145
Prepaid expenses and accrued income	812	408	459
<b>Total Current receivables</b>	<b>3 961</b>	<b>11 156</b>	<b>2 532</b>
Cash and bank balances	8 945	6 716	19 574
<b>Total current assets</b>	<b>16 500</b>	<b>20 281</b>	<b>25 114</b>
<b>TOTAL ASSETS</b>	<b>58 025</b>	<b>57 048</b>	<b>66 558</b>

# SERSTECH GROUP

## BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2022-03-31	2021-03-31	2021-12-31
<b>Equity</b>			
Equity	49 512	46 898	56 110
<b>Total equity</b>	<b>49 512</b>	<b>46 898</b>	<b>56 110</b>
<b>Provisions</b>	<b>118</b>	<b>122</b>	<b>118</b>
<b>Total provision</b>	<b>118</b>	<b>122</b>	<b>118</b>
<b>Non-current liabilities</b>			
Liabilities to credit institutions	0	739	0
<b>Total non-current liabilities</b>	<b>0</b>	<b>739</b>	<b>0</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	1 699	1 925	1 699
Work in progress on behalf of others	66	75	66
Accounts payable	2 156	3 263	3 759
Current tax liabilities	217	105	311
Other current liabilities	614	498	610
Accrued expenses and deferred income	3 644	3 423	3 885
<b>Total current liabilities</b>	<b>8 395</b>	<b>9 289</b>	<b>10 330</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>58 025</b>	<b>57 048</b>	<b>66 558</b>

# SERSTECH GROUP

## CHANGE IN EQUITY

Amounts in KSEK	2022-01-01 2022-03-31	2021-01-01 2021-03-31	2021-01-01 2021-12-31
<b>Equity brought forward</b>	<b>56 110</b>	<b>43 872</b>	<b>43 872</b>
Rights issue	0	0	24 516
Issue costs	0	0	-2 035
Translation difference on consolidation	-23	2	8
Profit/loss for the period	-6 575	3 024	-10 251
<b>Amount at end of period</b>	<b>49 512</b>	<b>46 898</b>	<b>56 110</b>

# SERSTECH GROUP

## CASH FLOW ANALYSIS

Amounts in KSEK	2022-01-01 2022-03-31	2021-01-01 2021-03-31	2021-01-01 2021-12-31
<b>OPERATING ACTIVITIES</b>			
Operating profit	-6 554	3 071	-10 110
Adjustment for items not included in cash flow	1 679	1 721	6 824
Interest paid	-27	-49	-147
<b>CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL</b>	<b>-4 902</b>	<b>4 743</b>	<b>-3 433</b>
<b>CASHFLOW FROM CHANGES IN OPERATING PROFIT</b>			
increase (-)/decrease (+) inventory	-586	-214	-813
increase (-)/decrease (+) account receivables	-917	-5 575	2 818
increase (-)/decrease (+) other short-term receivables	-511	1 375	1 605
increase (+)/decrease (-) account payables	-1 603	-722	-226
increase (+)/decrease (-) other short-term liabilities	-357	-1 350	-579
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>-8 876</b>	<b>-1 743</b>	<b>-628</b>
<b>INVESTMENT ACTIVITIES</b>			
Acquisition of property, plant and equipment	0	-9	-278
Sale of property, plant and equipment	0	0	7
Acquisition of intangible fixed assets	-1 753	-2 773	-12 284
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>-1 753</b>	<b>-2 782</b>	<b>-12 555</b>
<b>FINANCING ACTIVITIES</b>			
Loans	0	-155	-1 120
Share issue costs paid	0	0	-2 035
Rights issue	0	0	24 516
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>-155</b>	<b>21 361</b>
<b>CASHFLOW FOR THIS PERIOD</b>	<b>-10 629</b>	<b>-4 680</b>	<b>8 178</b>
Cash and cash equivalents at beginning of period	19 574	11 396	11 396
Cash and cash equivalents at end of period	8 945	6 716	19 574

# SERSTECH GROUP

## KEY FIGURES

Amounts in KSEK	2022-01-01- 2022-03-31	2021-01-01- 2021-03-31	2021-01-01- 2021-12-31
<b>PROFITABILITY AND RETURN</b>			
Revenue change (%)	-82%	91%	-9%
Operating margin (%)	neg	27%	neg
Profit margin (%)	neg	26%	neg
Return on equity (%)	neg	7%	neg
<b>CAPITAL STRUCTURE</b>			
Equity	49 512	46 898	56 110
Balance sheet	58 025	57 048	66 558
Capital employed	51 210	49 562	57 809
Interest-bearing net debt	-7 246	-4 052	-17 875
Capital turnover rate (times)	0,03	0,20	0,30
Equity ratio (%)	85%	82%	84%
Gearing ratio (%)	3%	6%	3%
Interest coverage	neg	62,67	neg
<b>CASH FLOW AND LIQUIDITY</b>			
Cash flow before investments	-8 876	-1 743	-628
Cash flow after investments	-10 629	-4 525	-13 183
Liquid funds	8 945	6 716	19 574
<b>INVESTMENTS</b>			
Acquisition of property, plant and equipment	0	-9	-278
Sale of property, plant and equipment	0	0	7
Acquisition of intangible fixed assets	-1 753	-2 773	-12 284
<b>PERSONNEL</b>			
Average number of employees	23	19	22
Revenue per employee	113	667	1 104
Number of employees	22	18	28
<b>DATA PER SHARE</b>			
Number of shares	83 816 085	71 243 673	83 816 085
Earnings per share (SEK)	-0,08	0,04	-0,12
Equity per share (SEK)	0,59	0,66	0,67
Average number of shares	83 816 085	71 243 673	77 529 879
Earnings per average number of shares	-0,08	0,04	-0,13

# SERSTECH AB, PARENT COMPANY

## INCOME STATEMENT

Amounts in KSEK	2022-01-01 2022-03-31	2021-01-01 2021-03-31	2021-01-01 2021-12-31
<b>REVENUE</b>			
Net sales	2 054	11 459	18 650
Capitalized work for own account	411	1 190	3 475
Other operating income	172	15	2 291
<b>Total revenue</b>	<b>2 637</b>	<b>12 664</b>	<b>24 415</b>
<b>EXPENSES</b>			
Raw materials and consumables	-773	-3 068	-6 442
Other external costs	-3 403	-2 516	-9 739
Payroll expenses	-3 379	-2 560	-11 739
Depreciation of tangible and intangible assets	-1 671	-1 720	-6 842
Exchange gains and losses, net	4	269	181
<b>Total Expenses</b>	<b>-9 222</b>	<b>-9 595</b>	<b>-34 581</b>
<b>EBIT</b>	<b>-6 585</b>	<b>3 069</b>	<b>-10 165</b>
Interest and similar, net	-27	-45	-147
<b>EBT</b>	<b>-6 612</b>	<b>3 024</b>	<b>-10 312</b>
Taxes	0	0	0
<b>Net Earnings</b>	<b>-6 612</b>	<b>3 024</b>	<b>-10 312</b>

# SERSTECH AB, PARENT COMPANY

## BALANCE SHEET — ASSETS

Amounts in KSEK	2022-03-31	2021-03-31	2021-12-31
<b>Intangible assets</b>			
Intangible assets	41 448	36 549	41 299
<b>Total intangible assets</b>	<b>41 448</b>	<b>36 549</b>	<b>41 299</b>
<b>Tangible assets</b>			
Equipment, tools, fixtures and fittings	228	291	266
<b>Total tangible assets</b>	<b>228</b>	<b>291</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>41 819</b>	<b>36 983</b>	<b>41 708</b>
<b>Current assets</b>			
<b>Inventories etc.</b>			
Inventories	3 594	2 409	3 008
<b>Total</b>	<b>3 594</b>	<b>2 409</b>	<b>3 008</b>
<b>Current receivables</b>			
Accounts receivable- trade	1 597	9 073	680
Other receivables from Group companies	29	29	29
Current tax assets	249	148	129
Other receivables	1 107	1 403	1 081
Prepaid expenses and accrued income	796	408	459
<b>Total Current receivables</b>	<b>3 778</b>	<b>11 061</b>	<b>2 378</b>
Cash and bank balances	8 671	6 553	19 242
<b>Total current assets</b>	<b>16 043</b>	<b>20 023</b>	<b>24 628</b>
<b>TOTAL ASSETS</b>	<b>57 862</b>	<b>57 006</b>	<b>66 336</b>

## SERSTECH AB, PARENT COMPANY

### BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2022-03-31	2021-03-31	2021-12-31
<b>Equity</b>			
Equity	49 355	46 822	55 967
<b>Total equity</b>	<b>49 355</b>	<b>46 822</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	0	739	0
<b>Total non-current liabilities</b>	<b>0</b>	<b>739</b>	<b>0</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	1 699	1 920	1 699
Work in progress on behalf of others	66	75	66
Accounts payable	2 156	3 263	3 759
Liabilities to Group companies	380	279	396
Current tax liabilities	444	363	0
Other current liabilities	3 644	3 423	446
Accrued expenses and deferred income	8 389	9 323	3 885
<b>Total current liabilities</b>	<b>10 251</b>	<b>10 251</b>	<b>10 251</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57 862</b>	<b>57 006</b>	<b>66 336</b>

## SERSTECH AB, PARENT COMPANY

### CHANGE IN EQUITY

Amounts in KSEK	2022-01-01 2022-03-31	2021-01-01 2021-03-31	2021-01-01 2021-12-31
Equity brought forward	55 967	43 798	43 798
Rights issue	0	0	24 516
Issue costs	0	0	-2 035
Profit for the period	-6 612	3 024	-10 312
<b>Amount at end of period</b>	<b>49 355</b>	<b>46 822</b>	<b>55 967</b>

# SERSTECH AB, PARENT COMPANY

## CASH FLOW ANALYSIS

Amounts in KSEK	2022-01-01 2022-03-31	2021-01-01 2021-03-31	2021-01-01 2021-12-31
<b>OPERATING ACTIVITIES</b>			
Operating profit	-6 585	3 069	-10 165
Adjustment for items not included in cash flow	1 671	1 719	6 833
Interest paid	-27	-45	-147
<b>CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL</b>	<b>-4 941</b>	<b>4 743</b>	<b>-3 479</b>
<b>CASHFLOW FROM CHANGES IN OPERATING PROFIT</b>			
increase (-)/decrease (+) inventory	-586	-214	-813
increase (-)/decrease (+) account receivables	-917	-5 574	2 819
increase (-)/decrease (+) other short-term receivables	-483	1 379	1 669
increase (+)/decrease (-) account payables	-1 603	-722	-226
increase (+)/decrease (-) other short-term liabilities	-259	-1 429	-776
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>-8 789</b>	<b>-1 817</b>	<b>-806</b>
<b>INVESTMENT ACTIVITIES</b>			
Acquisition of property, plant and equipment	0	0	-197
Sale of property, plant and equipment	0	0	7
Acquisition of intangible fixed assets	-1 782	-2 777	-12 429
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>-1 782</b>	<b>-2 777</b>	<b>-12 619</b>
<b>FINANCING ACTIVITIES</b>			
Loans	0	-160	-1 120
Share issue costs paid	0	0	-2 035
Rights issue	0	0	24 516
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>0</b>	<b>-160</b>	<b>21 361</b>
<b>CASHFLOW FOR THIS PERIOD</b>	<b>-10 571</b>	<b>-4 754</b>	<b>7 936</b>
Cash and cash equivalents at beginning of period	19 242	11 307	11 307
Cash and cash equivalents at end of period	8 671	6 553	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:

2022-07-15  
Half Year report 2022  
(Jan-Jun)

2022-11-10  
Interim report Q3 2022  
(Jan-Sept)

2023-02-24  
Year-end report

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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)