



FIRST QUARTER REPORT, 1 January – 31 March 2020



## Strong growth, despite Corona effect

### Serstech Group - First quarter 2020

Net sales: KSEK 6 012 (3 251)

Profit for the period: KSEK -3 206 (-3 660)

Earnings per share SEK -0,04 (0,06)

Earnings per average number of shares: SEK -0,04 (0,06)

## MESSAGE FROM THE CEO

Several of the tenders that we expected to close in Q4 2019 resulted in orders during the first quarter of this year. Net sales increased by approximately 85%, despite the slowdown in March. We also saw a large inflow of new opportunities during the quarter and our sales pipeline increased by several million SEK every week until early March, resulting in the strongest pipeline in the history of the company. Before the downturn, the sum of the tenders our partners participated in was above 120 MSEK for the full year, which can be compared to just above 10 MSEK at the same time in 2019. This number has of course decreased dramatically due to recent events, but it was clear proof that our partner and sales strategy was showing results. Many experienced industry insiders are convinced that it takes three to four years to establish a new brand in the security market, but it seemed until the Corona pandemic started that we were about to succeed in a little more than two years.

In January, we were pleased to receive the second order from the World Customs Organization (WCO), only seven months after the initial order. WCO is the umbrella organization for almost all national customs organizations in the world. Our partner Hotzone Solutions signed a frame agreement with WCO in 2019 and we expect more orders from WCO over the coming years. In an industry where end-customers normally refuse to be named publicly, WCO also represents an important reference customer and proof-of-concept.

During the second week of the year, Serstech established the fully owned subsidiary Serstech Development s.r.l. in Romania. The subsidiary currently employs ten people, mainly software engineers, who previously worked as consultants for us. The company was established to retain and enable recruitment of highly skilled engineers, which at the time had become increasingly difficult in Lund. The cost of skilled staff is significantly lower than in Sweden and the risk associated with increasing the staff size is also significantly lower than in Sweden, due to a much more flexible labor market. The performance of the team is at the same high level as of the team in Sweden and the longer-term plan is to continue to grow the team in Romania faster than the team in Sweden.

In March, as the gravity of the effects of the Corona pandemic became clearer, we initiated various cost-cutting activities. Our ambitious and aggressive growth plans had increased our staff cost considerably and due to the sharp downturn of the sales projections, we had to both stop all ongoing recruitment and reduce staff rather quickly. In total seven people have left or will be leaving the company over the next few months and the team in Lund will be in total 14 people by early summer. Starting from mid-April, we have also reduced working hours for the remaining staff by 60%, which further lowers our fixed costs. With the new spending level, we will still remain in pretty good shape for quite some time, despite a pessimistic sales

forecast. The timing of the recently completed rights issue was fortunate – our current cash balance is good and should be sufficient even if the sales takes the rest of the year to get back on track. It is of course harder than usual to make predictions and we do not rule out that we need to take further actions during the year.

*‘Given everything that has happened the last months, Serstech is in a good condition to weather the storm ahead.’*

— Stefan Sandor, Serstech CEO.

In Q2, we will launch our two new products – one Raman instrument for the security market and one for the pharmaceutical production market. Both products are significantly improved compared to our current instrument and introduce the industry-first and patented autofocus functionality, which will improve the signal quality dramatically. The instruments are upgraded in virtually every aspect and we expect the pharma version to contribute well to our sales in Q4, since the pharmaceutical industry is less negatively affected by the prevailing market conditions. We expect the security version to contribute to sales in 2021, but due to the long sales cycles in combination with the downturn in the economy, we do not expect large numbers in 2020.

Due to the Covid-19 pandemic, where a company that is dependent on governmental tenders is especially effected, Serstech expect sales in 2020 to be lower than in 2019. Large uncertainties remain however, and things can develop in a more positive direction. The long term need for our products is unaffected or increased and our financial goals remain intact.

Given everything that has happened the last months, Serstech is in a good condition to weather the storm ahead. We have new products coming out to energize our partner network and we will be well prepared and in good shape when sales opportunities start to open up again.



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

Stefan Sandor, CEO

# FINANCIAL COMMENTS (SERSTECH GROUP)

## Sales and result

The net sales for the period January to March increased significantly by 85% to KSEK 6 012 (3 251), however, the orders and invoicing were nearly all made by the second week of March. After the second week of March, we have seen a significant decrease in orders due to the Covid19 situation.

The improved sales, despite Covid19, is the result of a solid partner network with business from a large number of end-customers.

The total revenue for the period is significantly higher, both as a result of increased sales and as a result of an increase in capitalized work. The expenses are also significantly higher due to investments in both partner and product development. However, at the bottom line EBIT for the period KSEK -3 155 (-3 636) and the reported net earnings for the period KSEK -3 206 (-3 660), were both slightly improved compared to the same period last year.

Earnings per share (Serstech AB) during the period amounted to SEK -0.04 per share (0.06). Earnings per average number of shares, due to the new share issue, amounted to -0,04 (0,06).

## Depreciation and amortization

The result for the period has been adjusted by KSEK 2 709 (2 470) for depreciation, of which KSEK 78 (78) refers to depreciation of equipment, tools and installations, whereas KSEK 2 631 (2 392) refers to depreciation of previous year's capitalized development costs.

## Investments

Serstech's total investments during the period amounted to KSEK 4 410 (1 158) and relate to intangible fixed assets of KSEK 4 158 (1 142), such as capitalized expenditure for development work, and tangible fixed assets of KSEK 252 (16), such as tools and installation and financial assets of KSEK 0 (0).

## Liquidity and financing

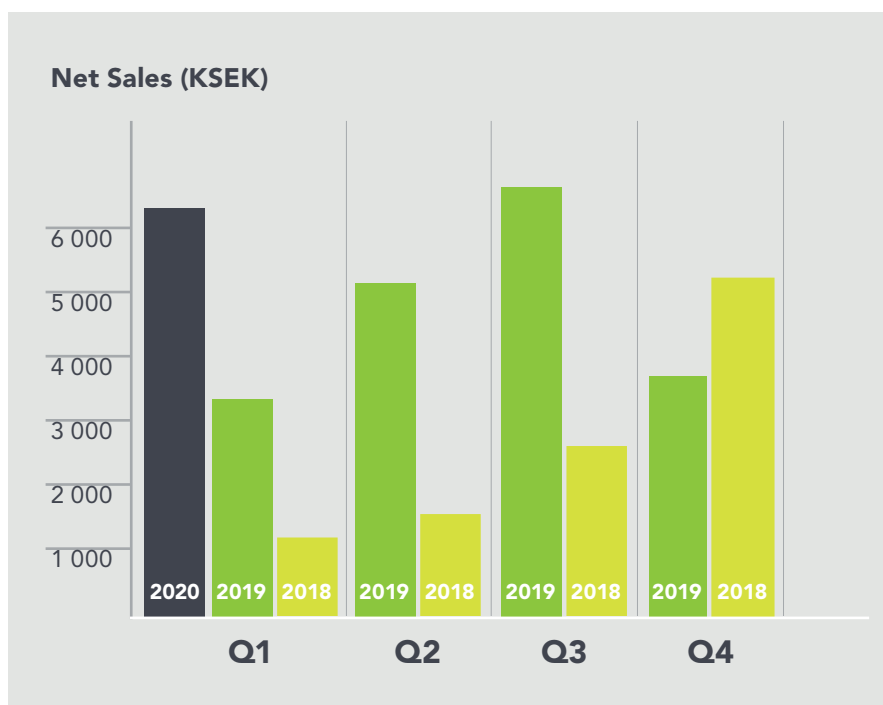
At the end of the period, the group had KSEK 15 119 (2 691) in cash and banks and KSEK 1 000 in unutilized overdraft credit. The management has secured additional financing if needed. The Board has concluded that the group has sufficient liquidity. At the reporting date the company had long-term interest-bearing liabilities of KSEK 1 681 (1 375).

## Equity, share capital and number of shares

As of March 31, 2020, Serstech's equity amounted to KSEK 47 533 (38 650).

The company's equity ratio amounted to 88 percent (90) on March 31, 2020.

The share capital was on March 31st divided into 71 243 673 shares with a quota value of SEK 0.11. All shares belong to the same series and have the same voting and profit rights in the company.



## SIGNIFICANT EVENTS DURING THE PERIOD

In early January, the rights issue was fully registered, increasing the number of shares to 71 243 673. All shares belong to the same series and have the same voting and profit rights in the company.

Early January 2020, Serstech secured proven competence in Romania by starting a Romanian subsidiary called Serstech Development s.r.l. The new company will employ the team that has been working as external consultants for the majority of 2019. The new company is fully owned by Serstech and the tasks performed will be mainly software development. The move is expected to both secure necessary development resources and to reduce the average cost per employee over time.

As a result of this new company structure, this report is also the first report with consolidated financial statements.

In early March, Serstech received an order from a Southeast-Asian narcotics police organization. Buyers in the security industry typically want to remain anonymous. The narcotics police community however communicate openly between departments and organizations and the order represents an important door opener for Serstech in the region.

On March 23, Serstech announced the initiation of a cost-cutting program to reduce the impact of the changing market conditions following the Corona outbreak. All essential functions will remain intact, but the program has several contingencies which can quickly be activated if the current situation remains for a prolonged period. Suppliers and resellers cannot deliver on-site demonstrations, which are mandatory components of the procurement process, as a result, most tenders are temporarily postponed.

Due to the recent rights issue, Serstech has strong financials and limited debt. Serstech will continue development of the new products, which are due to be launched this summer. The new products will place the company in a strong position to resume sales, as soon as travelling is possible and end-customer meetings can be scheduled.

On March 31, Serstech announced that they had reduced staff by six people, among which Johan Diedrichs, who as VP R&D is part of the management team. His last day with the company will be May 27.

## SIGNIFICANT EVENTS AFTER THE PERIOD

The effects of the Corona virus pandemic are still not fully known and therefore, Serstech continuously adapts accordingly. Government support programs in response to the pandemic are frequently added or amended, which also will have an impact on Serstech's short-term strategy.

## OUR FINANCIAL GOALS

In late 2019, the board announced a five-year revenue growth target of at least 50% per year on average. The EBITDA results target is set to be at least 25% by the end of the five-year period and the expectation is that the results will be close to zero at the beginning of the period, due to the increased investments in R&D and sales.

Due to the Covid-19 pandemic, where a company that is dependent on governmental tenders is especially effected, Serstech expect sales in 2020 to be lower than in 2019.

Large uncertainties remain however, and things can develop in a more positive direction. The long term need for our products is unaffected or increased and our financial goals remain intact.

## PERSONNEL

As of March 31, 2020, Serstech Group had 27 (13) employees, among which 21 men and 6 women.

## 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 group did not exist in Q1 2019, therefore the comparison is done using the figures of the parent company alone.

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

## LISTING

The shares have been traded since September 29, 2016 on Nasdaq OMX First North Growth Market under the short-name SERT and with ISIN code SE0005365095.

As of December 30, 2019, the company had 3 207 shareholders.

# SERSTECH GROUP

## INCOME STATEMENT

Amounts in KSEK	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>REVENUE</b>			
Net sales	6 012	3 251	18 742
Capitalized work for own account	4 158	1 142	5 455
Other operating income	32	0	45
<b>Total revenue</b>	<b>10 202</b>	<b>4 393</b>	<b>24 242</b>
<b>EXPENSES</b>			
Raw materials and consumables	-1 897	-1 122	-8 140
Other external costs	-4 386	-1 148	-9 137
Payroll expenses	-4 618	-3 368	-12 607
Depreciation of tangible and intangible assets	-2 709	-2 470	-9 912
Exchange gains and losses, net	254	79	67
<b>Total expenses</b>	<b>-13 357</b>	<b>-8 029</b>	<b>-39 729</b>
<b>EBIT</b>	<b>-3 155</b>	<b>-3 636</b>	<b>-15 487</b>
Interest and similar, net	-49	-24	504
<b>EBT</b>	<b>-3 204</b>	<b>-3 660</b>	<b>-14 983</b>
Taxes	-2	0	0
<b>Net Earnings</b>	<b>-3 206</b>	<b>-3 660</b>	<b>-14 983</b>

# SERSTECH GROUP

## BALANCE SHEET — ASSETS

	2020-03-31	2019-03-31	2019-12-31
<b>Amounts in KSEK</b>			
<b>INTANGIBLE ASSETS</b>			
Intangible assets	31 221	32 595	29 688
<b>Total intangible assets</b>	<b>31 221</b>	<b>32 595</b>	<b>29 688</b>
<b>TANGIBLE ASSETS</b>			
Equipment, tools, fixtures and fittings	644	709	470
<b>Total tangible assets</b>	<b>644</b>	<b>709</b>	<b>470</b>
<b>FINANCIAL ASSETS</b>			
Shares in subsidiaries	0	0	0
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FIXED ASSETS</b>	<b>31 865</b>	<b>33 304</b>	<b>30 158</b>
<b>CURRENT ASSETS</b>			
Inventories etc.			
Inventories	1 257	1 685	3 024
<b>Total</b>	<b>1 257</b>	<b>1 685</b>	<b>3 024</b>
<b>CURRENT RECEIVABLES</b>			
Accounts receivable - trade	3 929	2 431	2 947
Current tax assets	19	155	0
Other receivables	1 625	2 656	10 278
Prepaid expenses and accrued income	244	216	301
<b>TOTAL CURRENT RECEIVABLES</b>	<b>5 817</b>	<b>5 458</b>	<b>13 526</b>
Cash and bank balances	15 119	2 691	15 159
<b>Total current assets</b>	<b>22 193</b>	<b>9 834</b>	<b>31 709</b>
<b>TOTAL ASSETS</b>	<b>54 058</b>	<b>43 138</b>	<b>61 867</b>



# SERSTECH GROUP

## BALANCE SHEET — EQUITY AND LIABILITIES

	2020-03-31	2019-03-31	2019-12-31
<b>Amounts in KSEK</b>			
<b>EQUITY</b>			
Equity	47 533	38 650	51 077
<b>Total equity</b>	<b>47 533</b>	<b>38 650</b>	<b>51 077</b>
Provisions	139	259	139
<b>NON-CURRENT LIABILITIES</b>			
Liabilities to credit institutions	1 681	1 375	1 194
<b>Total non-current liabilities</b>	<b>1 681</b>	<b>1 375</b>	<b>1 194</b>
<b>CURRENT LIABILITIES</b>			
Liabilities to credit institutions	1 138	375	1 950
Accounts payable	1 235	793	4 929
Other current liabilities	773	418	428
Accrued expenses and deferred income	1 559	1 268	2 150
<b>Total current liabilities</b>	<b>4 705</b>	<b>2 854</b>	<b>9 457</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>54 058</b>	<b>43 138</b>	<b>61 867</b>

## CHANGE IN EQUITY SERSTECH GROUP

	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>Amounts in KSEK</b>			
<b>Equity brought forward</b>	<b>32 759</b>	<b>42 309</b>	<b>42 309</b>
Rights issue	17 286	0	17 286
Issue costs	-1 185	0	-1 185
New share issue in progress	7 650	0	7 650
Profit for the period	-6 131	-3 660	-14 983
<b>Amount at end of period</b>	<b>50 378</b>	<b>38 650</b>	<b>51 077</b>

# SERSTECH GROUP

## CASH FLOW ANALYSIS

	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>Amounts in KSEK</b>			
<b>OPERATING ACTIVITIES</b>			
Operating profit	-3 155	-3 714	-15 487
Adjustment for items not included in cash flow	2 703	2 549	9 913
Interest paid	-51	-24	384
<b>CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL</b>	<b>-503</b>	<b>-1 189</b>	<b>-5 190</b>
<b>CASHFLOW FROM CHANGES IN OPERATING PROFIT</b>			
- increase (-)/decrease (+) inventory	1 767	-734	-2 073
- increase (-)/decrease (+) account receivables	-982	591	75
- increase (-)/decrease (+) other short-term receivables	8 691	1 360	-6 192
- increase (+)/decrease (-) account payables	-3 694	-1 745	2 391
- increase (+)/decrease (-) other short-term liabilities	-246	206	1 098
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>5 033</b>	<b>-1 511</b>	<b>-9 891</b>
<b>INVESTMENT ACTIVITIES</b>			
- Acquisition of property, plant and equipment	-252	-16	-16
- Sale of property, plant and equipment	0	0	16
- Acquisition of intangible fixed assets	-4 158	-1 142	-5 455
- Acquisition of subsidiaries	0	0	0
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>-4 410</b>	<b>-1 158</b>	<b>-5 455</b>
<b>FINANCING ACTIVITIES</b>			
Loans	-325	-94	1 300
Share issue costs paid	-339	0	23 751
Rights issue	0	0	0
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>-664</b>	<b>-94</b>	<b>25 051</b>
<b>CASHFLOW FOR THIS PERIOD</b>	<b>-41</b>	<b>-2 763</b>	<b>9 705</b>
Cash and cash equivalents at beginning of period	15 159	5 454	5 454
Cash and cash equivalents at end of period	15 119	2 691	15 159



# SERSTECH GROUP

## KEY FIGURES

	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>PROFITABILITY AND RETURN</b>			
Revenue growth (%)	85%	169%	77%
Operating margin (%)	neg	neg	neg
Profit margin (%)	neg	neg	neg
Return on equity (%)	neg	neg	neg
<b>CAPITAL STRUCTURE</b>			
Equity (KSEK)	47 533	38 650	50 378
Balance sheet (KSEK)	54 058	43 138	61 838
Capital employed (KSEK)	50 352	40 401	53 522
Interest-bearing net debt (KSEK)	-12 300	-941	-11 936
Capital turnover rate (times)	0,10	0,07	0,34
Equity ratio (%)	88%	90%	81%
Gearing ratio (%)	6,0%	4,5%	6,2%
Interest coverage	neg	neg	neg
<b>CASH FLOW AND LIQUIDITY</b>			
Cash flow before investments (KSEK)	5 033	-1 511	-9 915
Cash flow after investments (KSEK)	623	-2 669	-15 424
Liquid funds (KSEK)	15 119	2 691	15 080
<b>INVESTMENTS</b>			
Acquisition of property, plant and equipment (KSEK)	252	-16	-16
Acquisition of intangible fixed assets (KSEK)	4 158	-1 142	12
Sales of property, plant and equipment (KSEK)	0	0	-5 455
Acquisition of subsidiaries (KSEK)	0	0	0
Acquisition of shares and holdings (KSEK)	0	0	0
<b>PERSONNEL</b>			
Average number of employees	21	15	15
Revenue per employee (KSEK)	486	300	1 616
Number of employees	28	16	17
<b>DATA PER SHARE</b>			
Number of shares	71 243 673	64 119 306	69 058 067
Earnings per share	-0,04	-0,06	-0,23
Equity per share (SEK)	0,67	0,60	0,73
Average number of shares	70 150 870	64 119 306	66 588 697
Earnings per average number of shares	-0,05	0,06	-0,24

# SERSTECH AB, PARENT COMPANY

## INCOME STATEMENT

Amounts in KSEK	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>REVENUE</b>			
Net sales	6 012	3 251	18 742
Capitalized work for own account	4 158	1 142	5 455
Other operating income	32	0	45
<b>Total revenue</b>	<b>10 202</b>	<b>4 393</b>	<b>24 242</b>
<b>EXPENSES</b>			
Raw materials and consumables	-2 093	-1 122	-8 140
Other external costs	-4 342	-1 148	-9 137
Payroll expenses	-4 353	-3 368	-12 607
Depreciation of tangible and intangible assets	-2 703	-2 470	-9 912
Exchange gains and losses, net	370	79	67
<b>Total expenses</b>	<b>-13 121</b>	<b>-8 029</b>	<b>-39 729</b>
<b>EBIT</b>	<b>-2 919</b>	<b>-3 636</b>	<b>-15 487</b>
Interest and similar, net	-49	-24	-195
<b>EBT</b>	<b>-2 968</b>	<b>-3 660</b>	<b>-15 682</b>
Taxes	0	0	0
<b>Net Earnings</b>	<b>-2 968</b>	<b>-3 660</b>	<b>-15 682</b>

# SERSTECH AB, PARENT COMPANY

## BALANCE SHEET — ASSETS

	2020-03-31	2019-03-31	2019-12-31
<b>Amounts in KSEK</b>			
<b>INTANGIBLE ASSETS</b>			
Intangible assets	31 221	32 595	29 688
<b>Total intangible assets</b>	<b>31 221</b>	<b>32 595</b>	<b>29 688</b>
<b>TANGIBLE ASSETS</b>			
Equipment, tools, fixtures and fittings	644	709	470
<b>Total tangible assets</b>	<b>644</b>	<b>709</b>	<b>470</b>
<b>FINANCIAL ASSETS</b>			
Shares in subsidiaries	0	0	0
<b>Total financial assets</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL FIXED ASSETS</b>	<b>31 865</b>	<b>33 304</b>	<b>30 158</b>
<b>CURRENT ASSETS</b>			
Inventories etc.			
Inventories	1 257	1 685	3 024
<b>Total</b>	<b>1 257</b>	<b>1 685</b>	<b>3 024</b>
<b>CURRENT RECEIVABLES</b>			
Accounts receivable - trade	3 929	2 431	2 947
Other receivables from Group companies	104	0	10 278
Current tax assets	19	155	0
Other receivables	1 625	2 656	10 278
Prepaid expenses and accrued income	244	216	301
<b>TOTAL CURRENT RECEIVABLES</b>	<b>5 921</b>	<b>5 458</b>	<b>13 526</b>
Cash and bank balances	14 854	2 691	15 080
<b>Total current assets</b>	<b>22 032</b>	<b>9 834</b>	<b>31 630</b>
<b>TOTAL ASSETS</b>	<b>53 947</b>	<b>43 138</b>	<b>61 838</b>

# SERSTECH AB, PARENT COMPANY

## BALANCE SHEET — EQUITY AND LIABILITIES

	2020-03-31	2019-03-31	2019-12-31
<b>Amounts in KSEK</b>			
<b>EQUITY</b>			
Equity	47 071	38 650	51 077
<b>Total equity</b>	<b>47 071</b>	<b>38 650</b>	<b>51 077</b>
Provisions	139	259	139
<b>NON-CURRENT LIABILITIES</b>			
Liabilities to credit institutions	1 681	1 375	1 194
<b>Total non-current liabilities</b>	<b>1 681</b>	<b>1 375</b>	<b>1 194</b>
<b>CURRENT LIABILITIES</b>			
Liabilities to credit institutions	1 138	375	1950
Work in progress on behalf of others	0	0	0
Accounts payable	1 234	793	4 929
Liabilities to Group companies	670	0	670
Other current liabilities	455	418	428
Accrued expenses and deferred income	1 559	1 268	2 150
<b>Total current liabilities</b>	<b>5 056</b>	<b>2 854</b>	<b>10 127</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>53 947</b>	<b>43 138</b>	<b>61 838</b>

# SERSTECH AB, PARENT COMPANY

## CHANGE IN EQUITY

	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>Amounts in KSEK</b>			
<b>Equity brought forward</b>	<b>50 378</b>	<b>42 309</b>	<b>42 309</b>
Rights issue	7 650	0	17 286
Issue costs	-339	0	-1 185
New share issue in progress	-7 650	0	7 650
Profit for the period	-2 968	-3 660	-15 682
<b>Amount at end of period</b>	<b>47 071</b>	<b>38 650</b>	<b>50 378</b>

# SERSTECH AB, PARENT COMPANY

## CASH FLOW ANALYSIS

	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>Amounts in KSEK</b>			
<b>OPERATING ACTIVITIES</b>			
Operating profit	-3 155	-3 714	-15 487
Adjustment for items not included in cash flow	2 703	2 549	9 913
Interest paid	-51	-24	-195
<b>CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL</b>	<b>-503</b>	<b>-1 189</b>	<b>-5 884</b>
<b>CASHFLOW FROM CHANGES IN OPERATING PROFIT</b>			
- increase (-)/decrease (+) inventory	1 767	-734	-2 073
- increase (-)/decrease (+) account receivables	-982	591	75
- increase (-)/decrease (+) other short-term receivables	8 691	1 360	-6 192
- increase (+)/decrease (-) account payables	-3 694	-1 745	2 391
- increase (+)/decrease (-) other short-term liabilities	-246	206	1 768
<b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>5 033</b>	<b>-1 511</b>	<b>-9 915</b>
<b>INVESTMENT ACTIVITIES</b>			
- Acquisition of property, plant and equipment	-252	-16	-16
- Sale of property, plant and equipment	0	0	12
- Acquisition of intangible fixed assets	-4 158	-1 142	-5 455
- Acquisition of subsidiaries	0	0	-50
<b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>-4 410</b>	<b>-1 158</b>	<b>-5 509</b>
<b>FINANCING ACTIVITIES</b>			
Loans	-325	-94	1 300
Share issue costs paid	-339	0	-1 185
Rights issue	0	0	24 936
<b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>-664</b>	<b>-94</b>	<b>25 051</b>
<b>CASHFLOW FOR THIS PERIOD</b>	<b>-41</b>	<b>-2 763</b>	<b>9 627</b>
Cash and cash equivalents at beginning of period	15 159	5 454	5 454
Cash and cash equivalents at end of period	15 119	2 691	15 080

# SERSTECH AB, PARENT COMPANY

## KEY FIGURES

	2020-01-01 2020-03-31	2019-01-01 2019-03-31	2019-01-01 2019-12-31
<b>PROFITABILITY AND RETURN</b>			
Revenue growth (%)	85%	169%	77%
Operating margin (%)	neg	neg	neg
Profit margin (%)	neg	neg	neg
Return on equity (%)	neg	neg	neg
<b>CAPITAL STRUCTURE</b>			
Equity (KSEK)	47 071	38 650	50 378
Balance sheet (KSEK)	53 947	43 138	61 838
Capital employed (KSEK)	49 890	40 401	53 522
Interest-bearing net debt (KSEK)	-12 035	-941	-11 936
Capital turnover rate (times)	0,10	0,07	0,34
Equity ratio (%)	87%	90%	81%
Gearing ratio (%)	6,0%	4,5%	6,2%
Interest coverage	neg	neg	neg
<b>CASH FLOW AND LIQUIDITY</b>			
Cash flow before investments (KSEK)	4 848	-1 511	-9 915
Cash flow after investments (KSEK)	438	-2 669	-15 424
Liquid funds (KSEK)	14 854	2 691	15 080
<b>INVESTMENTS</b>			
Acquisition of property, plant and equipment (KSEK)	-252	-16	-16
Acquisition of intangible fixed assets (KSEK)	0	0	12
Sales of property, plant and equipment (KSEK)	-4 158	-1 142	-5 455
Acquisition of subsidiaries (KSEK)	0	0	0
Acquisition of shares and holdings (KSEK)	0	0	0
<b>PERSONNEL</b>			
Average number of employees	18	15	15
Revenue per employee (KSEK)	567	300	1 616
Number of employees	20	16	17
<b>DATA PER SHARE</b>			
Number of shares	71 243 673	64 119 306	69 058 067
Earnings per share	-0,04	-0,06	-0,23
Equity per share (SEK)	0,66	0,60	0,73
Average number of shares	70 150 870	64 119 306	66 588 697
Earnings per average number of shares	-0,04	0,06	-0,24

# DEFINITIONS

## PROFITABILITY AND RETURN

Revenue growth (%)	Change in revenue as a percentage of previous period revenue
Operating margin (%)	Operating profit as a percentage of turnover
Profit margin (%)	Profit for the period as a percentage of turnover
Return on equity (%)	Profit for the period as a percentage of average equity

## CAPITAL STRUCTURE

Equity (KSEK)	Equity at the end of the period
Balance sheet (KSEK)	Total assets or total liabilities and equity
Capital employed (KSEK)	Balance sheet total less non-interest-bearing liabilities, including deferred tax
Interest-bearing net debt (KSEK)	Net interest-bearing provisions and liabilities less financial assets including liquid assets
Capital turnover rate (times)	Capital turnover rate (times)
Equity ratio (%)	Net revenue for the year divided by average balance sheet total
Gearing ratio (%)	Equity as a percentage of total assets
Interest coverage	Interest-bearing liabilities divided by equity
	Profit after financial items plus financial expenses divided by financial expenses

## CASH FLOW AND LIQUIDITY

Liquid funds (KSEK)	Bank balances and cash
Cash flow before investments (KSEK)	Profit before financial items plus items that do not affect cash flow less change in working capital
Cash flow after investments (KSEK)	Profit after financial items plus items that do not affect cash flow less changes in working capital and investments

## PERSONNEL

Average number of employees	Average number of employees during the period
Revenue per employee (KSEK)	Turnover divided by the average number of employees
Number of employees	Number of employees at the end of the period

## DATA PER SHARE

Number of shares	Number of outstanding shares at the end of the period
Earnings per share (SEK)	Profit for the period divided by the number of shares
Equity per share (SEK)	Equity divided by the number of shares



### **Future reports**

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

#### **2020-04-27**

Annual shareholders meeting

#### **2020-07-20**

Half Year report (Jan-Jun)

#### **2020-11-11**

Quarterly report (Jan-Sep)

#### **2021-02-25**

Year-end report (Jan-Dec)

## **FOR FURTHER INFORMATION, PLEASE CONTACT:**

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## **ABOUT SERSTECH**

Serstech delivers solutions for chemical identifications and has customers across the world, mainly in the safety and security industry. Typical customers are customs, police authorities and security organizations.

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