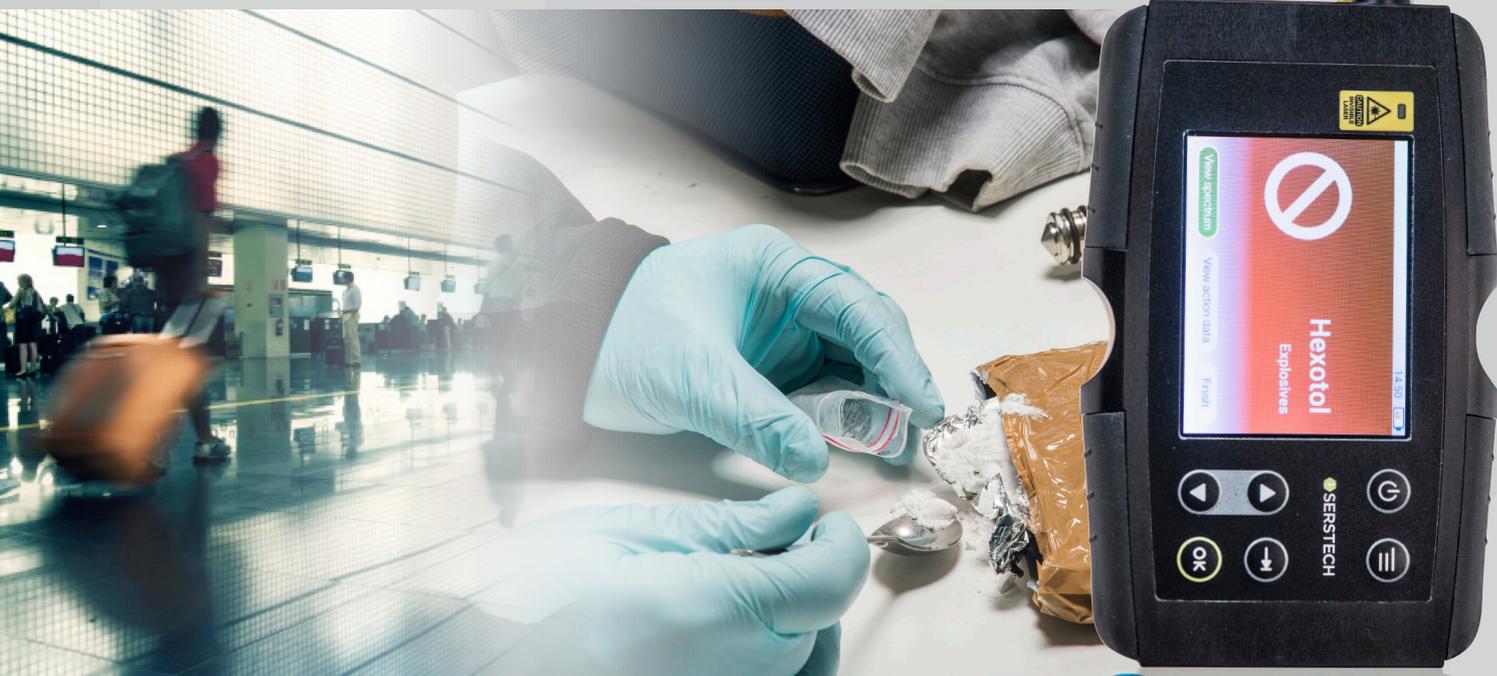




YEAR-END REPORT, January - December 2019



Strong Full Year Sales Increase

Fourth quarter 2019

Net sales: KSEK 3 824 (5 093)

EBITDA -3 457 (1 010)

Profit for the quarter: KSEK -6 131 (-181)

Earnings per share SEK -0,09 (0,00)

Earnings per average number of shares: SEK -0,09 (0,00)

Full year 2019

Net sales: KSEK 18 742 (10 588)

EBITDA -5 642 (-7 962)

Profit for the period KSEK -15 682 (-12 331)

Earnings per share: SEK -0,23 (-0,20)

Earnings per average number of shares: SEK -0,24 (-0,23)

MESSAGE FROM THE CEO

The first three quarters of 2019 had strong growth – well above 100% every quarter – and when we closed the books, we had achieved a full-year growth of almost 80%. The last quarter of the year had lower than expected sales, since the time between tender closure and awarding a winner was longer than expected in several cases. Our partners did not lose many tenders in 2019, but we saw several postponed decisions by the end-customers during the latter part of the year. We expect that we will continue to see large fluctuations from month to month and from quarter to quarter, since practically all our sales are through public tenders. Some quarters there will be many tender closures and some there will be fewer, but we are convinced that we will continue to see a positive long-term trend.

We are now more than 18 months into Serstech's commercial phase. During the time since we actively started to sell and market our products in 2018, we have learned a lot about the industry and the behavior of the end-customers. In general, things take longer than we initially hoped for, as we have seen in the case of the postponed and delayed tender closings in 2019. The first months of 2020 have however showed a significant increase in the number of tenders in which our products are offered. As a result, the opportunity pipeline is currently much stronger than at any other time in the history of the company.

Sales process and positioning

There are two main categories of customers; the first one already has a Raman system in place. The update cycle is between five and eight years, and the goal of our partners is to establish Serstech as the best replacement option before the next cycle starts. The second case is when the end-customer does not have a Raman system already, which we have seen to be the case in some developing countries. In this case, our partners need to convince the customer about Raman and Serstech and then the customer needs to secure a procurement budget and eventually plan for a public tender. The process is between 18 and 36 months, and typically, the larger the procurement tender, the longer the lead-time before an order is placed. In both customer categories, the sales investment is significant, and the goal is to influence the tender specification to include features that the competition does not have. The above means that the sales opportunities in a given geographical region can vary wildly between years – some years, there will be several tenders and some none at all.

For the first time ever, two of our partners in December won small tenders, for which they had gone through all the steps and influenced the tender specifications in a way that locked out parts of the competition. In 2018 and 2019, we have had a very limited set of these important "lock-out" features, besides size, weight and price. Most of our development work the last two years has been focused on getting the fundamentals in place and to try to catch up with the more experienced main competitors. Our next product update, planned for this summer, will introduce several new features that both reduce the risk of us being locked out and improve our chances to lock out the competition.



Quickly identifying illegal and dangerous substances is an integral part of efficient action against drug trafficking and use.

Stronger value proposition and team

The rights issue, that was completed in December, was oversubscribed by more than 30% and we now have sufficient funds to accelerate our product development and sales efforts. We have an ambitious product roadmap and with the new financing in place, we are moving forward at a high pace. This summer, we will launch a new Raman spectrometer that will allow us to move past being mainly the low-cost alternative. The new product includes our implementation of the recently patented auto-focus functionality. The feature will provide an industry-first focusing mechanism, that will dramatically improve the quality of the measured substance spectra. Other features include next-generation substance matching algorithms, an industry-best user interface, a new, more slim shape and lower weight, a better display and several other upgrades.

In 2020, we plan to almost double our R&D team and more than double our sales team – all-in-all, we plan to hire 15 people to our teams in Sweden and Romania this year. The sales team will grow from two people to five and we will hire our first marketing person, to improve our partner communication, our brand building efforts and the marketing support for our partners. In 2018 and 2019, we built a small, but strong team and established the basic functions in the company, such as sales, product management, project management and quality assurance, and it is now time to take the next steps. Our much stronger sales team, will be able to meet our partners more often and push, follow up and help them build the knowledge, mind-set and focus they need to succeed. Our new technical sales team will be able to train, either remotely or on-site, both partners and end-customers to make them understand the benefits of Raman spectroscopy and Serstech's unique solution.

The important narcotics library is one of our top sellers and in December, we launched a significantly improved version, expanding its content from 205 to 380 spectra, which now makes it similar in size to what the competition offers. The work to expand it further continues and we expect to have the most relevant and highest quality narcotics library in the industry by summer 2020. Every week, there is at least one new narcotic substance discovered by police and border control agents, which makes updated libraries imperative for our customers. We plan to introduce a subscription model for these updates within a year, to better capitalize on the high value we continuously provide.

Improving performance in sales channel

Our partner network continues to evolve, and we replaced or cancelled 15 partnerships during 2019, with the majority in the last quarter. By the end of the year, we had 70 active sales partnerships and we expect this number to show a net increase during 2020. We put a lot of requirements on our partners and we continuously evaluate their performance, reporting quality, number of customer meetings and many other parameters. Since the sales cycles are long and we are in the beginning of our relationship with our partners, we cannot measure on sales numbers alone. Our recently introduced Partner Program awards also customer visits, marketing activities and proven expertise through our online training and certification system.

As our relationships with partners are strengthened and we build mutual trust, we gain more and more insights into the local markets, the end-customers, product update cycles and coming tenders. Our rapidly improving understanding allows us to adapt our offering, bring our sales resources to bear where they are most needed and provide better partner support in public tenders. For the first time, we now know in which tenders our products are offered and as we gain more data, we will be able to better predict our sales and adjust our plans accordingly.

“ We now have a fast-growing sales pipeline of known opportunities and every week, our partners report new tenders they are participating in. The importance and value of this cannot be emphasized enough”

— Stefan Sandor, Serstech CEO.



Hazardous chemicals can pose serious threats to humans and first responders need to quickly understand what they are dealing with.

>> We have started 2020 in a strong way and we can see the same positive trend as we did in 2019. The largest difference between now and only six months ago is that we now have a fast-growing sales pipeline of known opportunities and every week, our partners report new tenders they are participating in. The importance and value of this cannot be emphasized enough and it is a clear proof that our strategy is working. Building a working global sales network from scratch obviously takes time and we are now starting to see the results – high-value opportunities being added every week.

The high inflow of opportunities is due to several factors, the most important of which is the maturity of our sales channel. Our internal sales team has an average employment time of a bit more than one year and our partners have an average time with us of around eleven months. Our sales team has spent most of 2019 on the road, meeting with partners, building trust, doing training and joining end-customer meetings for demos. The results from this are more skilled and confident partners, a growing trust between Serstech and the partners and significantly higher awareness among end-customers. Building a brand and trust in a conservative industry takes time and it is now clear that both the end-customer communities and our competitors are starting to take notice of Serstech, as the new player in the field. With three new people in sales starting in March and one in marketing before the summer, we expect to accelerate this process further in 2020.

The new product launch this summer will be another important success factor. The traditional competitors, mainly five US and one European company, have aging products and display limited innovation. Several of our competitors have large portfolios and consider their relatively low-priced hand-held Raman products as second priority, since they are only a small part of their revenue. They spend limited resources in both R&D and sales and there are very limited new features or products reaching the market. For nearly two years, we spent our R&D resources on getting the technical fundamentals in place and that phase has now been completed. Since a few months, we focus our resources on projects that will elevate our products to a best-in-breed status and we are well on our way to this goal.

“ *In 2020, we will beat the 50% growth goal with a wide margin’* ”

— Stefan Sandor, Serstech CEO.

The combination of factors – our pace in R&D, our growing sales team, our rapidly improving sales channel and the relatively slower competitors – makes me highly optimistic about the future. Our sales strategy is working, our sales continue to increase rapidly, our expanded product portfolio will open new opportunities and our chances to win tenders are improving fast. Our partners are becoming ever more active and their stronger trust in us allow us to participate in the work with important end-customers and tenders. In 2020, we will beat the 50% growth goal with a wide margin.

Stefan Sandor, CEO



FINANCIAL COMMENTS

Sales and result

The net sales for the period January to December increased significantly by 77% to KSEK 18 742 (10 588). The EBITDA has also improved to KSEK -5 642 (-7 962) despite higher operational expenses. Improved sales and EBITDA can be explained by the creation of a solid partner network with recurring business from a large number of end-customers. Implementing new strategies take time, but the improved sales are a clear indication that this strategy has set a new pace for the company.

EBIT for the period was KSEK -15 554 (-12 446) and the reported net earnings for the period was KSEK -15 682 (-12 331). The lower earnings despite the increased sales is in part due to an increased depreciation of capitalized development costs and in part due to higher operational expenses, mainly payroll expenses as a result of an increased focus on partner and product development.

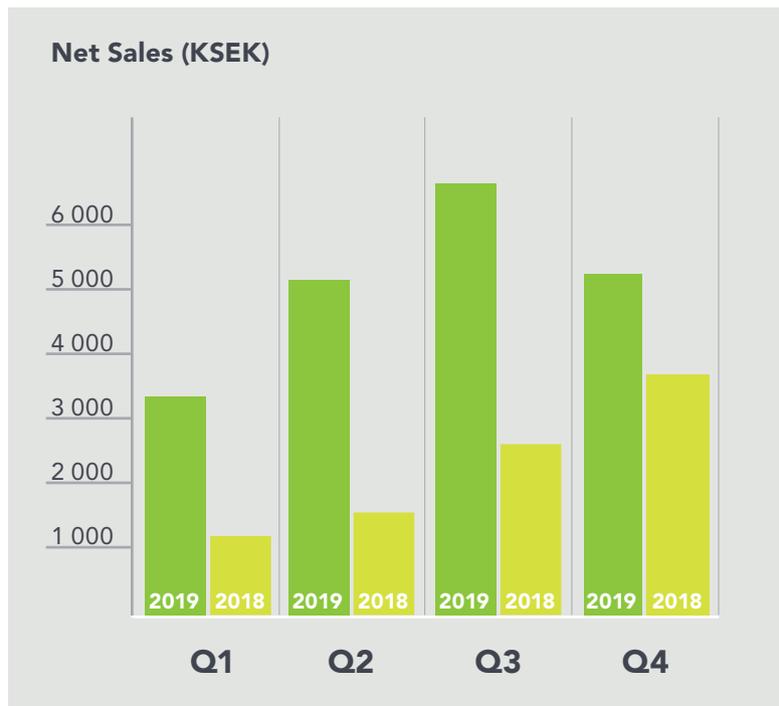
Earnings per share during the period amounted to SEK -0.23 per share (-0.20). Earnings per average number of shares, due to the new share issue, amounted to -0,24 (-0,23).

Depreciation and amortization

The result for the period has been adjusted by KSEK 9 912 (4 484) for depreciation, of which KSEK 301 (348) refers to depreciation of equipment, tools and installations, whereas KSEK 9 611 (4 136) refers to depreciation of previous year's capitalized development costs. The increase in depreciation of capitalized development costs is effective as from January 2019 as several long-term projects have been finalized and become item for depreciation.

Investments

Serstech's total investments during the period amounted to KSEK 5 509 (3 719) and relate to intangible fixed assets of KSEK 5 455 (3 564), such as capitalized expenditure for development work, and tangible fixed assets of KSEK 4 (155), such as tools and installation and financial assets of KSEK 50 (0) for all shares in the company Serstech Förvaltning AB, related to the employee incentive program.



Liquidity and financing

At the end of the period, the company had KSEK 15 080 (5 454) in cash and banks and KSEK 1 000 in unutilized overdraft credit. In addition, the company was still waiting to receive KSEK 7 650 as part of the rights issue, this is included in the balance as other receivables.

The management has secured additional financing if needed. The Board has concluded that the company has sufficient liquidity to implement its strategic plan.

At the reporting date the company had long-term interest-bearing liabilities of KSEK 1 194 (1 469).

Equity, share capital and number of shares

As of December 31, 2018, Serstech's equity amounted to KSEK 50 378 (42 309).

The company's equity ratio amounted to 81 percent (87) on December 31, 2019.

The share capital was on December 31st divided into 69 058 067 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

On January 16, Serstech reported on a good outcome from a legal process with a former partner. Serstech had repossessed products with a sales value higher than the amount owed by the former partner and all costs Serstech had related to the matter. The products were fully functional and later resold.

The annual general meeting (AGM) was held on April 24. The Members of the Board and the Chief Executive Officer (CEO) were granted discharge for their management duties in 2018. The Chairman of the Board Sophie Persson left the Board and the AGM elected Thomas Pileby as new Chairman of the Board. The AGM also elected Arve Nilsson as new Member of the Board. The AGM also decided to offer the CEO, management and all employees of Serstech to buy stock warrants with the maturity of three years at market value.

On May 15, Serstech could announce having already achieved its year end goal to reach 60 signed distribution partner agreements. By doing so, Serstech had established access to the vast majority of security buyers in the world. Most of the public tenders in the security industry are not made fully public and are typically distributed only to trusted and established local suppliers. In addition, tenders are often written to benefit a certain product. Having local partners in prioritized markets means future tenders can now be influenced in favour of Serstech, a prerequisite to successful sales in the security industry.

On May 20, Serstech announced that all employees of Serstech had decided to invest in the stock warrant program decided on the AGM. The strike price was set to 3.76 SEK per share.

On the 29th of May, Serstech announced that Member of the Board Arve Nilsson acquired 77.256 Serstech shares on the open market.

On the 31st of May, Serstech signed its third OEM agreement. The agreement was signed with the Swiss company RS Dynamics. RS Dynamics has developed cutting edge patented technologies in portable and handheld devices for trace detection. Their devices can detect the presence of extremely small traces of explosives, narcotics and radioactive materials. With the Raman instrument and the ChemDash software from Serstech, RS Dynamic will now be able to offer a complete solution that can also identify the traces found.

On June 11, Serstech announced the rapid expansion of its R&D team in response to the increasing demand for software solutions from its customers. The expanded team was set to focus on making the launch possible in September for the FDA (US Food and Drug Administration) certified version of ChemDash. The certification was a prerequisite for Serstech to access the pharmaceutical and life science markets, worth by estimates 30 MEUR in 2020.



The newly launched Heroin ID Kit greatly amplifies the Raman signal in substances with weak signal or high noise, such as heroin.

On June 24, Serstech received a 3.4 MSEK order for hardware and software from its Dutch partner Hotzone Solutions Group. The order was delivered to the World Customs Organization (WCO), an intergovernmental institution representing 183 customs organizations from around the world processing more than 98% of all international trade.

On August 20, Serstech appointed Joakim Nyström as new CFO. Joakim had been acting CFO since Thomas Pileby took over as Chairman of the Board at the annual general meeting in May.

On September 2, Serstech launched new versions of the Serstech 100 Indicator and the ChemDash software, both of which targeting the pharmaceutical and life-science market. The instrument and software are fully compliant with the FDA (US Food and Drug Administration) regulatory framework that most pharmaceutical producers around the world adhere to.

On September 2, Serstech also launched its Heroin ID Kit, which targets the security industry as an accessory to the Serstech 100 Indicator. Serstech applied for a patent for the solution, which uses SERS technology (Surface Enhanced Raman Spectroscopy) to greatly amplify the Raman signal in substances with a weak signal or high noise, such as heroin. The patent application was the second application in less than 18 months.

At the end of September Anna Werntoft left the board of directors to enter a new senior operational position with terms that exclude external assignments.

On October 30, the Board of Serstech announced its plans to issue rights of approximately 25 MSEK. The reason for the rights issue was to accelerate further growth through strategic investments in sales and R&D. The proposed issue was guaranteed to 100% by Fårö Capital AB.

“I am very happy and grateful to accept this award. It seems impossible, but then again, anything is possible when you work at Serstech. Serstech has a great team of highly competent, creative and fun colleagues. A team where you can be yourself, express yourself freely and create.” — Katja Szybek, Technical Person of the Year 2019

In the same announcement, the Serstech election committee also proposed Mr Christer Fåhraeus, owner of Fårö Capital AB, to take on the vacant position on the board of directors. Mr Fåhraeus is an experienced entrepreneur who has founded and developed several highly successful companies in the life science and IT industries. Fårö Capital owned more than 1.8 million Serstech shares at the time thus being the largest single shareholder in the company.

On November 20, Serstech held an extra ordinary general meeting that approved the proposed election of Christer Fåhraeus to fill the vacant board position. The general meeting also approved the Board of Directors decision on a preferential rights issue. It was decided that the share capital would increase by 801 491,2875 SEK through a new share issue of maximum 7 124 367 shares at a subscription price of 3,50 SEK per share. The total issue would thus amount to 24 935 284,50 SEK.

On November 27, Serstech announced that the company's Senior Optical Engineer Katja Szybek was to receive the prestigious award “Technical Person of the Year 2019” (In Swedish: “Årets Tekniker 2019”) from the Swedish Chamber of Commerce. Katja was awarded the prize for her many contributions to the Serstech product and patent portfolios, with one patent approved and another applied for over the last 18 months.

On November 28, Serstech signed an OEM agreement with Finnish gas detector manufacturer Environics, one of the global leaders in handheld gas detection. In the first half of 2018, Environics and Serstech initiated a sales cooperation, targeted at mainly US firefighters and HazMat (Hazardous Materials) teams. The products sold under this agreement will be co-branded, as opposed to Serstech's previous OEM agreements, in which Serstech's brand is not visible.

The US market has more than 7000 HazMat teams and each county typically makes its own purchasing decisions, i.e. this market requires a large sales effort. Environics has a strong focus in US and a wide partnership network with resellers in this important civilian security market.

On December 2, the Serstech Board announced that achieving the ambitious financial goal from 2017 to reach 150 MSEK in revenue on a rolling 12-month basis by the end of 2019 was

unlikely. Given a strong growth on a large and continuously growing market the board set a five-year revenue growth target of at least 50% per year on average. The EBITDA results target was 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.

On December 12, the subscription period ended in Serstech AB's (“Serstech”) rights issue. The rights issue was subscribed for a total of approx. SEK 32.9 million (excl. guarantee commitments), corresponding to a subscription rate of approx. 132 percent. In addition to the announcement Stefan Sandor, Serstech CEO commented: “We are very grateful for the interest in Serstech's rights issue. The issue proceeds will enable us to accelerate the business further in the best possible way. I have great confidence in Serstech's continued journey and want to thank all new and existing shareholders for their trust”.

“We are happy and proud to sign this agreement and strengthen our cooperation with Environics, which is one of the market leaders in the gas detection area. The combination of handheld Raman and handheld gas detectors is exactly what this customer group needs”

— Stefan Sandor, Serstech CEO.

SIGNIFICANT EVENTS AFTER THE PERIOD

A few days after the end of the period, 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, the report for the first quarter of 2020 will also be the first report with consolidated financial statements.

THE FUTURE

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.

PERSONNEL

As of December 31, 2019, Serstech had 17 (14) employees, 13 men and 4 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 report refer to the entity of Serstech AB, this is not a consolidated report. Serstech AB had a subsidiary (Serstech Förvaltning AB) at the end of the period, Serstech Förvaltning AB is the referred to subsidiary in the report. However, the scope of the subsidiary is considered insignificant and for that reason no consolidated report is made.

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 First North Growth Market under the shortname SERT and with ISIN code SE0005365095. As of December 30, 2019, the company had 3 207 shareholders.

INCOME STATEMENT

	2019-10-01 2019-12-31	2018-10-01 2018-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31
Amounts in KSEK				
REVENUE				
Net sales	3 824	5 093	18 742	10 588
Capitalized work for own account	2 155	1 148	5 455	3 563
Other operating income	45	0	45	0
Total revenue	6 024	6 241	24 242	14 151
EXPENSES				
Raw materials and consumables	-2 985	-1 990	-8 140	-5 147
Other external costs	-2 959	-463	-9 137	-7 812
Payroll expenses	-3 537	-2 778	-12 607	-9 154
EBITDA	-3 457	1 010	-5 642	-7 962
Depreciation of tangible and intangible assets	-2 505	-1 125	-9 912	-4 484
EBIT	-5 962	-115	-15 554	-12 446
Interest and similar, net	-78	-25	-195	-293
Exchange gains and losses	-91	-41	67	408
EBT	-6 131	-181	-15 682	-12 331
Net Earnings	-6 131	-181	-15 682	-12 331

BALANCE SHEET — ASSETS

	2019-12-31	2018-12-31
Amounts in KSEK		
INTANGIBLE ASSETS		
Intangible assets	29 688	33 845
Total intangible assets	29 688	33 845
TANGIBLE ASSETS		
Equipment, tools, fixtures and fittings	470	771
Total tangible assets	470	771
FINANCIAL ASSETS		
Shares in subsidiaries	50	0
Total financial assets	50	0
TOTAL FIXED ASSETS	30 208	34 615
CURRENT ASSETS		
Inventories etc.		
Inventories	3 024	951
Total	3 024	951
CURRENT RECEIVABLES		
Accounts receivable - trade	2 947	3 022
Current tax assets	0	122
Other receivables	10 278	3 020
Prepaid expenses and accrued income	301	1 246
TOTAL CURRENT RECEIVABLES	13 526	7 410
Cash and bank balances	15 080	5 454
Total current assets	31 630	13 815
TOTAL ASSETS	61 838	48 430

BALANCE SHEET — EQUITY AND LIABILITIES

	2018-12-31	2017-12-31
Amounts in KSEK		
EQUITY		
Equity	50 378	42 309
Total equity	50 378	42 309
Provisions	139	259
NON-CURRENT LIABILITIES		
Liabilities to credit institutions	1 194	1 469
Total non-current liabilities	1 194	1 469
CURRENT LIABILITIES		
Liabilities to credit institutions	1 950	375
Accounts payable	4 929	2 538
Liabilities to Group companies	670	0
Other current liabilities	428	479
Accrued expenses and deferred income	2 150	1 001
Total current liabilities	10 127	4 393
TOTAL EQUITY AND LIABILITIES	61 838	48 430

CHANGE IN EQUITY

	2019-10-01 2019-12-31	2018-10-01 2018-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31
Amounts in KSEK				
Equity brought forward	32 759	42 490	42 309	34 418
Rights issue	17 286	0	17 286	24 579
Issue costs	-1 185	0	-1 185	-4 357
New share issue in progress	7 650	0	7 650	0
Profit for the period	-6 131	-181	-15 682	-12 331
Amount at end of period	50 378	42 309	50 378	42 309

CASH FLOW ANALYSIS

	2019-10-01 2019-12-31	2018-10-01 2018-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31
Amounts in KSEK				
OPERATING ACTIVITIES				
Operating profit	-6 053	-156	-15 486	-12 038
Adjustment for items not included in cash flow	2 386	1 078	9 797	4 437
Interest paid	-78	-25	-195	-293
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-3 745	897	-5 884	-7 894
CASHFLOW FROM CHANGES IN OPERATING PROFIT				
- increase (-)/decrease (+) inventory	-1 149	-467	-2 073	-601
- increase (-)/decrease (+) account receivables	-1 280	92	75	5 498
- increase (-)/decrease (+) other short-term receivables	-7 653	-675	-6 192	-513
- increase (+)/decrease (-) account payables	3 176	912	2 391	1 407
- increase (+)/decrease (-) other short-term liabilities	1 751	415	1 768	-9 720
CASHFLOW FROM OPERATING ACTIVITIES	-8 900	1 174	-9 915	-11 823
INVESTMENT ACTIVITIES				
- Acquisition of property, plant and equipment	0	-35	-16	-155
- Sale of property, plant and equipment	0	0	12	0
- Acquisition of intangible fixed assets	-2 155	-1 149	-5 455	-3 564
- Acquisition of subsidiaries	0	0	-50	0
CASHFLOW FROM INVESTMENT ACTIVITIES	-2 155	-1 184	-5 509	-3 719
FINANCING ACTIVITIES				
Loans	-387	-94	1 300	-989
Share issue costs paid	-1 185	0	-1 185	0
Rights issue	24 936	0	24 936	20 222
CASHFLOW FROM FINANCING ACTIVITIES	23 364	-94	25 051	19 233
CASHFLOW FOR THIS PERIOD	12 308	-104	9 626	3 691
Cash and cash equivalents at beginning of period	2 772	5 558	5 454	1 763
Cash and cash equivalents at end of period	15 080	5 454	15 080	5 454

KEY FIGURES

	2019-10-01 2019-12-31	2018-10-01 2018-12-31	2019-01-01 2019-12-31	2018-01-01 2018-12-31
PROFITABILITY AND RETURN				
Revenue growth (%)	neg	859%	77%	37%
Operating margin (%)	neg	neg	neg	neg
Profit margin (%)	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg
CAPITAL STRUCTURE				
Equity (KSEK)	50 378	42 309	50 378	42 309
Balance sheet (KSEK)	61 838	48 430	61 838	48 430
Capital employed (KSEK)	53 522	44 153	53 522	44 153
Interest-bearing net debt (KSEK)	-11 936	-3 610	-11 936	-3 610
Capital turnover rate (times)	0,08	0,11	0,34	0,22
Equity ratio (%)	81%	87%	81%	87%
Gearing ratio (%)	6,2%	4,4%	6,2%	4,4%
Interest coverage	neg	neg	neg	neg
CASH FLOW AND LIQUIDITY				
Cash flow before investments (KSEK)	-8 900	1 174	-9 915	-11 823
Cash flow after investments (KSEK)	-11 055	-10	-15 424	-15 542
Liquid funds (KSEK)	15 080	5 454	15 080	5 454
INVESTMENTS				
Acquisition of property, plant and equipment (KSEK)	0	-35	-16	-155
Acquisition of intangible fixed assets (KSEK)	-2 155	-1 149	-5 455	-3 564
Sales of property, plant and equipment (KSEK)	0	0	12	0
Acquisition of subsidiaries (KSEK)	0	0	50	0
Acquisition of shares and holdings (KSEK)	0	0	0	0
PERSONNEL				
Average number of employees	15	13	15	11
Revenue per employee (KSEK)	402	486	1 616	1 404
Number of employees	17	14	17	14
DATA PER SHARE				
Number of shares	69 058 067	64 119 306	69 058 067	64 119 306
Earnings per share	-0,09	0,00	-0,23	-0,20
Equity per share (SEK)	0,73	0,66	0,73	0,66
Average number of shares	66 588 687	64 119 306	66 588 697	53 432 755
Earnings per average number of shares	-0,09	0,00	-0,24	-0,23

SIGNIFICANT EVENTS DURING THE PERIOD

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

FINANCIAL COMMENTS

Future reports

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

2020-04-27

Annual shareholders meeting

2020-04-27

Quarterly report (Jan-Mar)

2020-07-20

Half Year report (Jan-Jun)

2020-11-11

Quarterly report (Jan-Sep)

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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 you find more information about the company at: www.serstech.com.