



HALF YEAR REPORT, 1 January – 30 June 2021

Serstech Group Second quarter 2021

Net sales: KSEK 2 765 (308)
Profit for the period: KSEK -5 299 (-6 820)
Earnings per share SEK -0.06 (-0.10)
Earnings per average number of shares: SEK -0.07 (-0.10)

Serstech Group Half year 2021

Net sales: KSEK 14 224 (6 321)
Profit for the period: KSEK -2 270 (-10 025)
Earnings per share SEK -0.03 (-0.14)
Earnings per average number of shares: SEK -0.03 (-0.14)

MESSAGE FROM THE CEO

The second quarter brought a slight increase in orders received compared to the previous quarter, but we clearly see remaining effects of the pandemic in most parts of the world. We have not lost any tenders during the quarter, which is encouraging and again suggests that there is an unmet demand in the market. We do expect an increase in sales over the next six months, as the buyers become more active and the important demo sessions can be arranged safely again. Buyers in our industry will not buy an instrument they have not tested themselves and therefore they postpone procurement plans until they can physically meet with their suppliers.

In addition, many of our customer groups have been preoccupied with temporary, pandemic-related responsibilities over the last 12-15 months and have had less urgent need for Raman instruments. As the effects of the pandemic subside, we expect our customer groups to go back to their normal operations again.



The postponed tenders remain open and there have been numerous new ones being published in the second quarter, which bring our sales pipeline to new record levels. We do expect an increasing number of tenders to close as soon as the effects of the pandemic allow travel and physical meetings again. For most of this year so far, the activity level in China has been at the normal level and we can also see that sales meetings are becoming possible in the US again, even though our Swedish staff is still unable to travel there. Already in September, we will participate in exhibitions in the US and later in the fall also in Europe and in other regions, which have been more or less closed for business since the pandemic started.

The AGM in April decided to proceed with the rights issue as suggested by the board and as a result our cash balance was strengthened by approx. 22,5 MSEK in June. In addition to this, our cash flow was positive for the quarter (rights issue excluded) and our current cash balance is 30 MSEK, which will allow us to start the development of our next generation instruments according to plan. We expect to start the

development during the second half of 2021 and have already started with the recruitment to our R&D team, which was reduced in size in 2020. We plan for the majority of the recruitments to be in Romania, since it is much easier and quicker to find qualified engineers in Romania than in Sweden. The costs and risks in hiring in Romania are lower compared to in Sweden and we expect that the average cost per team member will go down slightly in 2022 compared to 2021.

The Serstech Arx units that were launched in March 2021 have been very well received by the market and we have sold more units than we have been able to produce so far. The production is still in the ramp-up phase, and we have suffered from some component shortages, but we expect these to be sorted out during the third quarter. We expect to have full production capacity for deliveries of Arx units in the fourth quarter this year. For the Serstech 100 Indicator, which is sold both under our own brand and through several OEM agreements, we have been able to secure large quantities of components. Despite the global component shortage, we have complete sets of material to quickly produce Serstech 100 Indicators corresponding to a partner sales value of approximately 23 MSEK.

We expect the world to start getting back to normal over the summer and the prospects for the second half of the year are much better than they were for the first half. Despite the effects of the pandemic, we think that there is a good chance that we can reach our goal of 50% growth this year and then continue to grow rapidly in 2022.

Stefan Sandor, CEO



‘We do expect an increase in sales over the next six months.’

— Stefan Sandor, Serstech CEO.

SIGNIFICANT EVENTS DURING THE PERIOD

The annual general meeting (AGM) was held on April 30. The Members of the Board and the Chief Executive Officer (CEO) were granted discharge for their management duties in 2020. Christer Fåhrens had declined re-election and was replaced as Board member through the election of Märta Lewander Xu, remaining members were all re-elected. The AGM also resolved to issue a maximum of 1,300,000 warrants and to issue new shares in a preferential rights issue raising SEK 24,516,203.40.

On the 6th of May, Serstech signed an employment agreement with Thomas Lövskog, who joins the Serstech management team as VP Research and Development. Thomas has more than 20 years of experience from senior management positions within R&D in various high-tech companies, whereof the last four years in vice president and senior vice president positions.

On the 26th of May, Serstech announced that the rights issue was oversubscribed to a subscription rate of 110 percent.

N/A

SIGNIFICANT EVENTS AFTER THE PERIOD

“ We have not lost any tenders in the quarter and the postponed tenders along with newly opened tenders have brought our sales pipeline to new record levels’

— Stefan Sandor, Serstech CEO.



PERSONNEL

On June 30, 2021, Serstech Group had 19 (22) employees.

	TOTAL	Men	Women
Lund, Sweden	14	12	2
Cluj, Romania	5	4	1
Group	19	16	3

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 lower at the beginning of the period and improving over time.

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.

LISTING

The shares have been traded since September 29, 2016 on Nasdaq OMX First North Growth Market under the shortname SERT and with ISIN code SE0005365095. As of June 30, 2021, the company had approximately 3200 shareholders.

FINANCIAL COMMENTS SERSTECH GROUP

SECOND QUARTER 2021

SALES AND RESULTS

The net sales in the second quarter were KSEK 2 765 (308), which is higher than the second quarter of last year but significantly lower than the previous three quarters. The main reason for the lower sales is the current standstill in tenders closing. We have seen this in the first two quarters manifesting in a temporary lower order intake. The value and volume of new orders have been relatively constant and low throughout both quarters.

To close a tender, demos of the products are often mandatory, but the travel restrictions due to the pandemic are still effecting the possibility to schedule demo sessions. During the quarter we have continued to see an increase in sales opportunities and new tenders being opened, growing our sales pipe to the highest ever recorded. We are expecting an increase in sales over the next six months.

The overall expenses have been kept fairly stable since mid 2020, however, investments in both marketing and R&D are ongoing and we are expecting to see an increase in cost related to travel, exhibitions and new hires during the next six months. Compared to the second quarter of 2020, Serstech showed both higher revenue and lower expenses, which led to an improved EBIT of KSEK -5 266 (-6 772) and reported net earnings of KSEK -5 299 (-6 820). Earnings per share (Serstech AB) amounted to SEK -0.06 per share (-0.10).

DEPRECIATION AND AMORTIZATION

The result has been adjusted by KSEK 1 721 (2 715) for depreciation, of which KSEK 86 (90) refers to depreciation of equipment, tools and installations, whereas KSEK 1 635 (2625) refers to depreciation of previous years' capitalized patents and development costs.

INVESTMENTS

Serstech's total investments amounted to KSEK 3 338 (3 724) and relate to intangible fixed assets of KSEK 3 345 (3 724), such as capitalized expenditure for development work and tangible fixed assets of KSEK -7 (0), such as tools and installation.

LIQUIDITY AND FINANCING

At the end of the quarter, the group had KSEK 29 826 (10 272) in cash and cash equivalents and KSEK 1 000 in unutilized overdraft credit. The cashflow in the second quarter was positive at KSEK 23 111 (-4 847), however, it should be noted that in the second quarter Serstech issued new shares raising KSEK 22 481 after issue costs.

The cashflow for the quarter excluding the new share issue was positive at KSEK 630. In the cashflow for the second quarter there are no grants related to the Covid-19 pandemic. At the end of the quarter Serstech had long-term interestbearing liabilities of KSEK 259 (1 209) and short-term interestbearing liabilities of KSEK 1 920 (1 609).

EQUITY, SHARE CAPITAL AND NUMBER OF SHARES

As of June 30, 2021, the equity of Serstech Group amounted to KSEK 64 078 (40 714) and the equity ratio amounted to 88 percent (85). The share capital was on June 30 divided into 83 816 085 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.

	2021-04-01 2021-06-30	2020-04-01 2020-06-30
Amounts in KSEK		
REVENUE		
Net sales	2 765	308
Capitalized work for own account	1 224	1 620
Other operating income	-343	1 090
Total revenue	3 646	3 018
EXPENSES		
Raw materials and consumables	-1 965	-633
Other external costs	-1 175	-1 970
Payroll expenses	-3 858	-4 165
Depreciation of tangible and intangible assets	-1 721	-2 715
Exchange gains and losses, net	-193	-308
Total Expenses	-8 912	-9 791
EBIT	-5 266	-6 772
Interest and similar, net	-42	-48
EBT	-5 308	-6 820
Taxes	9	0
Net Earnings	-5 299	-6 820

FINANCIAL COMMENTS SERSTECH GROUP

PERIOD 1 JANUARY - 30 JUNE 2021

SALES AND RESULTS

The net sales in the period amounted to KSEK 14 224 (6 321), which means an increase of 125% compared to the same period last year, much thanks to the strong first quarter. After strong sales in the first quarter (mainly from one large order), the second quarter showed less than moderate sales numbers. The main reason for the lower sales is the current standstill in tenders closing. We have seen this in the first two quarters manifesting in a temporary lower order intake. The value and volume of new orders have been relatively constant and low throughout both quarters.

To close a tender, demos of the products are often mandatory, but the travel restrictions due to the pandemic are still effecting the possibility to schedule demo sessions. During the last quarter we have continued to see an increase in sales opportunities and new tenders being opened, growing our sales pipe to the highest ever recorded. We are expecting an increase in sales over the next six months.

The overall expenses have been kept fairly stable since mid 2020, however, investments in both marketing and R&D are ongoing and we are expecting to see an increase in cost related to travel, exhibitions and new hires during the next six months.

Compared to the same period of 2020, Serstech showed both higher revenue and lower expenses, which led to an improved EBIT of KSEK -2 191 (-9 928) and reported net earnings of KSEK -2 270 (-10 024). Earnings per share (Serstech AB) amounted to SEK -0.03 per share (-0.14).

DEPRECIATION AND AMORTIZATION

The result has been adjusted by KSEK 3 442 (5 426) for depreciation, of which KSEK 173 (174) refers to depreciation of equipment, tools and installations, whereas KSEK 3 269 (5 241) refers to depreciation of previous years' capitalized patents and development costs.

INVESTMENTS

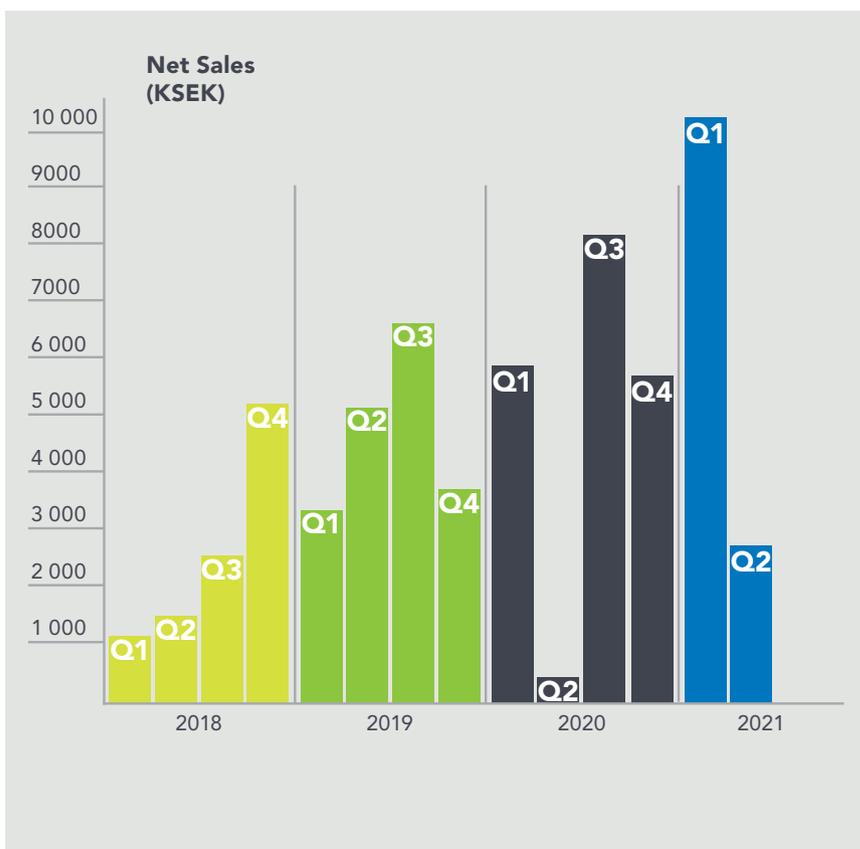
Serstech's total investments amounted to KSEK 6 121 (8 134) and relate to intangible fixed assets of KSEK 6 119 (7 882), such as capitalized expenditure for development work and tangible fixed assets of KSEK 2 (252), such as tools and installation.

LIQUIDITY AND FINANCING

At the end of the period, the group had KSEK 29 826 (10 272) in cash and cash equivalents and KSEK 1 000 in unutilized overdraft credit. The cashflow for the period was KSEK 18 430 (-4 888). It should be noted that in the period Serstech issued new shares raising KSEK 22 481 after issue costs.

The cashflow for the period excluding the new share issue was KSEK -4 051. The first quarter cashflow was negative at KSEK -4 680, whereas the second quarter was cashflow positive at KSEK 630 (excluding the rights issue).

In the cashflow for the period there are in total KSEK 1 700 in grants received in the first quarter, which are related to the Covid-19 pandemic. At the end of the period Serstech had long-term interestbearing liabilities of KSEK 1 920 (1 609) and short-term interestbearing liabilities of KSEK 259 (1 209).



EQUITY, SHARE CAPITAL AND NUMBER OF SHARES

As of June 30, 2021, the equity of Serstech Group amounted to KSEK 64 078 (40 714) and the equity ratio amounted to 88 percent (85). The share capital was on June 30 divided into 83 816 085 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.

SERSTECH GROUP

INCOME STATEMENT

Amounts in KSEK	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30	2020-01-01 2020-12-31
REVENUE			*	*	*
Net sales	2 765	308	14 224	6 321	20 488
Capitalized work for own account	1 224	1 620	2 414	3 343	5 914
Other operating income	-343	1 090	-328	1 122	4 958
Total revenue	3 646	3 018	16 310	10 786	31 361
EXPENSES					
Raw materials and consumables	-1 965	-633	-5 034	-2 726	-8 181
Other external costs	-1 175	-1 970	-3 097	-3 831	-5 159
Payroll expenses	-3 858	-4 165	-7 015	-8 768	-15 415
Depreciation of tangible and intangible assets	-1 721	-2 715	-3 442	-5 426	-8 782
Exchange gains and losses, net	-193	-308	87	37	-360
Total Expenses	-8 912	-9 791	-18 501	-20 714	-37 897
EBIT	-5 266	-6 772	-2 191	-9 928	-6 536
Interest and similar, net	-42	-48	-87	-96	-190
EBT	-5 308	-6 820	-2 278	-10 024	-6 726
Taxes	9	0	8	-1	-4
Net Earnings	-5 299	-6 820	-2 270	-10 025	-6 730

* There has been a change made in the method of classifying capitalized work as of this report. Reclassification has been made on previously reported figures to enable a fair comparison. The reclassification is effecting costs equally, thus having no effect on any of the result or key figures.

SERSTECH GROUP

BALANCE SHEET — ASSETS

	2021-06-30	2020-06-30	2020-12-31
Amounts in KSEK			
Intangible assets			
Intangible assets	38 156	32 319	35 305
Total intangible assets	38 156	32 319	35 305
Tangible assets			
Equipment, tools, fixtures and fittings	212	554	377
Total tangible assets	212	554	377
Financial assets			
Deferred tax assets	31	0	20
Total financial assets	31	0	20
Total fixed assets	38 399	32 873	35 702
Current assets			
Inventories			
Inventories	2 192	1 383	2 195
Total Inventories	2 192	1 383	2 195
Current receivables			
Accounts receivable - trade	1 140	1 343	3 618
Current tax assets	0	47	0
Other receivables	853	1 585	1 271
Prepaid expenses and accrued income	402	321	2 067
Total Current receivables	2 418	3 296	6 955
Cash and bank balances	29 826	10 272	11 396
Total current assets	34 413	14 951	20 547
TOTAL ASSETS	72 813	47 824	56 249

SERSTECH GROUP BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2021-06-30	2020-06-30	2020-12-31
Equity			
Equity	64 078	40 714	43 872
Total equity	64 078	40 714	43 872
Provisions	122	139	122
Total provision	122	139	122
Non-current liabilities			
Liabilities to credit institutions	259	1 209	1 219
Total non-current liabilities	259	1 209	1 219
Current liabilities			
Liabilities to credit institutions	1 920	1 609	1 600
Work in progress on behalf of others	0	0	306
Accounts payable	1 004	631	3 985
Current tax liabilities	126	0	202
Other current liabilities	471	656	402
Accrued expenses and deferred income	4 833	2 866	4 541
Total current liabilities	8 354	5 762	11 036
TOTAL EQUITY AND LIABILITIES	72 813	47 824	56 249

CHANGE IN EQUITY SERSTECH GROUP

Amounts in KSEK	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30	2020-01-01 2020-12-31
Equity brought forward	46 898	47 533	43 872	51 077	51 077
Rights issue	24 516	0	24 516	7 650	7 650
Issue costs	-2 035	0	-2 035	-339	-339
New share issue in progress	0	0	0	-7 650	-7 650
Translation difference on consolidation	-1	0	-4	0	-135
Profit for the period	-5 299	-6 820	-2 270	-10 025	-6 730
Amount at end of period	64 078	40 714	64 078	40 714	43 872

SERSTECH GROUP CASH FLOW ANALYSIS

Amounts in KSEK	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30	2020-01-01 2020-12-31
OPERATING ACTIVITIES					
Operating profit	-5 266	-6 772	-2 191	-9 928	-6 536
Adjustment for items not included in cash flow	1 715	2 716	3 432	5 419	6 887
Interest paid	-42	-48	-87	-96	-190
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-3 593	-4 104	1 154	-4 605	161
CASHFLOW FROM CHANGES IN OPERATING PROFIT					
increase (-)/decrease (+) inventory	217	-126	3	1 641	829
increase (-)/decrease (+) account receivables	8 053	2 586	2 478	1 604	-671
increase (-)/decrease (+) other short-term receivables	707	-65	2 077	975	1 310
increase (+)/decrease (-) account payables	-2 259	-34	-2 981	-3 728	-944
increase (+)/decrease (-) other short-term liabilities	1 329	620	-21	374	2 873
CASHFLOW FROM OPERATING ACTIVITIES	4 453	-1 123	2 710	-3 739	3 558
INVESTMENT ACTIVITIES					
Acquisition of property, plant and equipment	0	0	-9	-252	-252
Sale of property, plant and equipment	7	0	7	0	0
Acquisition of intangible fixed assets	-3 345	-3 724	-6 119	-7 882	-14 054
Acquisition of subsidiaries	0	0	0	0	0
CASHFLOW FROM INVESTMENT ACTIVITIES	-3 338	-3 724	-6 121	-8 134	-14 306
FINANCING ACTIVITIES					
Loans	-485	0	-640	-326	-326
Warrant issue	0	0	0	0	0
Share issue costs paid	-2 035	0	-2 035	-339	-339
Rights issue	24 516	0	24 516	7 650	7 650
CASHFLOW FROM FINANCING ACTIVITIES	21 996	0	21 841	6 985	6 985
CASHFLOW FOR THIS PERIOD	23 111	-4 847	18 430	-4 888	-3 763
Cash and cash equivalents at beginning of period	6 716	15 119	11 396	15 159	15 159
Cash and cash equivalents at end of period	29 826	10 272	29 826	10 272	11 396

SERSTECH GROUP

KEY FIGURES

Amounts in SEK	2021-04-01- 2021-06-30	2020-04-01- 2020-06-30	2021-01-01- 2021-06-30	2020-01-01- 2020-06-30	2020-01-01- 2020-12-31
PROFITABILITY AND RETURN					
Revenue growth (%)	798%	-94%	125%	-24%	9%
Operating margin (%)	neg	neg	neg	neg	neg
Profit margin (%)	neg	neg	neg	neg	neg
Return on equity (%)	neg	neg	neg	neg	neg
CAPITAL STRUCTURE					
Equity (KSEK)	64 078	40 714	64 078	40 714	43 872
Balance sheet (KSEK)	72 813	47 824	72 813	47 824	56 249
Capital employed (KSEK)	66 257	43 532	66 257	43 532	46 691
Interest-bearing net debt (KSEK)	-27 647	-7 454	-27 647	-7 454	-8 577
Capital turnover rate (times)	0.04	0.01	0.22	0.12	0.35
Equity ratio (%)	88%	85%	88%	85%	78%
Gearing ratio (%)	3%	7%	3%	7%	6%
Interest coverage	neg	neg	neg	neg	neg
CASH FLOW AND LIQUIDITY					
Cash flow before investments (KSEK)	4 453	-1 123	2 710	-3 739	3 558
Cash flow after investments (KSEK)	1 115	-4 847	-3 411	-11 873	-10 748
Liquid funds (KSEK)	29 826	10 272	29 826	10 272	11 396
INVESTMENTS					
Acquisition of property, plant and equipment (KSEK)	0	0	-9	-252	-252
Sale of property, plant and equipment (KSEK)	7	0	7	0	0
Acquisition of intangible fixed assets (KSEK)	-3 345	-3 724	-6 119	-7 882	-14 054
Sales of property, plant and equipment (KSEK)	0	0	0	0	0
Acquisition of subsidiaries (KSEK)	0	0	0	0	0
Acquisition of shares and holdings (KSEK)	0	0	0	0	0
PERSONNEL					
Average number of employees	19	26	19	26	24
Revenue per employee (KSEK)	192	197	858	589	1 307
Number of employees	18	23	18	23	20
DATA PER SHARE					
Number of shares	83 816 085	71 243 673	83 816 085	71 243 673	71 243 673
Earnings per share	-0.06	-0.10	-0.03	-0.14	-0.09
Equity per share (SEK)	0.76	0.57	0,76	0.57	0.62
Average number of shares	77 529 879	71 243 673	77 529 879	70 150 870	67 681 490
Earnings per average number of shares	-0.07	-0.10	-0.03	-0.14	-0.10

SERSTECH AB, PARENT COMPANY

INCOME STATEMENT

Amounts in KSEK	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30	2020-01-01 2020-12-31
REVENUE		*		*	*
Net sales	2 765	308	14 224	6 321	20 388
Capitalized work for own account	1 224	1 620	2 414	3 343	6 014
Other operating income	-345	1 090	-330	1 122	4 949
Total revenue	3 644	3 018	16 308	10 786	31 351
EXPENSES					
Raw materials and consumables	-1 965	-1 270	-5 034	-2 726	-8 181
Other external costs	-1 749	-1 814	-4 262	-4 359	-7 211
Payroll expenses	-3 225	-3 692	-5 786	-8 045	-13 588
Depreciation of tangible and intangible assets	-1 720	-2 715	-3 440	-5 419	-8 782
Exchange gains and losses, net	-173	-280	95	89	-339
Total Expenses	-8 832	-9 771	-18 427	-20 460	-38 101
EBIT	-5 188	-6 753	-2 119	-9 674	-6 750
Interest and similar, net	-42	-48	-87	-96	-190
EBT	-5 230	-6 801	-2 206	-9 770	-6 940
Taxes	0	0	0	0	0
Net Earnings	-5 230	-6 801	-2 206	-9 770	-6 940

* There has been a change made in the method of classifying capitalized work as of this report. Reclassification has been made on previously reported figures to enable a fair comparison. The reclassification is effecting costs equally, thus having no effect on any of the result or key figures.

SERSTECH AB, PARENT COMPANY

BALANCE SHEET — ASSETS

	2021-06-30	2020-06-30	2020-12-31
Amounts in KSEK			
Intangible assets			
Intangible assets	38 298	32 319	35 405
Total intangible assets	38 298	32 319	35 405
Tangible assets			
Equipment, tools, fixtures and fittings	204	554	377
Total tangible assets	204	554	377
Financial assets			
Shares in subsidiaries	143	50	143
Total financial assets	143	50	143
Total fixed assets	38 645	32 923	35 925
Current assets			
Inventories			
Inventories	2 192	1 383	2 195
Total Inventories	2 192	1 383	2 195
Current receivables			
Accounts receivable - trade	1 021	1 343	3 499
Other receivables from Group companies	29	127	29
Current tax assets	22	47	0
Other receivables	848	1 585	1 271
Prepaid expenses and accrued income	402	321	2 067
Total Current receivables	2 322	3 423	6 866
Cash and bank balances	29 684	10 065	11 307
Total current assets	34 198	14 871	20 368
TOTAL ASSETS	72 843	47 794	56 293

SERSTECH AB, PARENT COMPANY

BALANCE SHEET — EQUITY AND LIABILITIES

Amounts in KSEK	2021-06-30	2020-06-30	2020-12-31
Equity			
Equity	64 073	40 969	43 798
Total equity	64 073	40 969	43 798
Provisions	122	139	122
Total provisions	122	139	122
Non-current liabilities			
Liabilities to credit institutions	259	1 209	1 219
Total non-current liabilities	259	1 209	1 219
Current liabilities			
Liabilities to credit institutions	1 920	1 609	1 600
Work in progress on behalf of others	0	0	306
Accounts payable	1 004	631	3 985
Liabilities to Group companies	266	0	353
Current tax liabilities	0	0	91
Other current liabilities	366	371	278
Accrued expenses and deferred income	4 833	2 866	4 541
Total current liabilities	8 389	5 477	11 154
TOTAL EQUITY AND LIABILITIES	72 843	47 794	56 293

SERSTECH AB, PARENT COMPANY — CHANGE IN EQUITY

Amounts in KSEK	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30	2020-01-01 2020-12-31
Equity brought forward	46 822	47 770	43 798	51 077	51 077
Warrant issue	0	0	0	0	0
Rights issue	24 516	0	24 516	7 650	7 650
Issue costs	-2 035	0	-2 035	-339	-339
New share issue in progress	0	0	0	-7 650	-7 650
Profit for the period	-5 230	-6 801	-2 206	-9 769	-6 940
Amount at end of period	64 073	40 969	64 073	40 969	43 798

SERSTECH AB, PARENT COMPANY

CASH FLOW ANALYSIS

Amounts in KSEK	2021-04-01 2021-06-30	2020-04-01 2020-06-30	2021-01-01 2021-06-30	2020-01-01 2020-06-30	2020-01-01 2020-12-31
OPERATING ACTIVITIES					
Operating profit	-5 188	-6 753	-2 119	-9 674	-6 750
Adjustment for items not included in cash flow	1 715	2 716	3 435	5 419	7 046
Interest paid	-42	-48	-87	-96	-190
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-3 515	-4 085	1 229	-4 351	106
CASHFLOW FROM CHANGES IN OPERATING PROFIT					
increase (-)/decrease (+) inventory	217	-126	3	1 641	829
increase (-)/decrease (+) account receivables	8 052	2 586	2 478	1 604	-552
increase (-)/decrease (+) other short-term receivables	687	-59	2 066	878	1 310
increase (+)/decrease (-) account payables	-2 259	-33	-2 981	-3 728	-944
increase (+)/decrease (-) other short-term liabilities	1 325	653	-104	89	2 991
CASHFLOW FROM OPERATING ACTIVITIES	4 507	-1 064	2 691	-3 867	3 740
INVESTMENT ACTIVITIES					
Acquisition of property, plant and equipment	0	0	0	-252	-252
Sale of property, plant and equipment	7	0	7	0	0
Acquisition of intangible fixed assets	-3 383	-3 724	-6 161	-7 882	-14 154
Acquisition of subsidiaries	0	0	0	0	-93
CASHFLOW FROM INVESTMENT ACTIVITIES	-3 376	-3 724	-6 154	-8 134	-14 499
FINANCING ACTIVITIES					
Loans	-480	0	-640	-325	-325
Share issue costs paid	-2 035	0	-2 035	-339	-339
Rights issue	24 516	0	24 516	7 650	7 650
CASHFLOW FROM FINANCING ACTIVITIES	22 001	0	21 841	6 986	6 986
CASHFLOW FOR THIS PERIOD	23 132	-4 788	18 378	-5 015	-3 773
Cash and cash equivalents at beginning of period	6 553	14 854	11 307	15 080	15 080
Cash and cash equivalents at end of period	29 684	10 065	29 684	10 065	11 307

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 sales 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:

2021-11-09

Quarterly report (Jan-Sep)

2022-02-24

Year-end report (Jan-Dec)

2022-04-29

Quarterly report (Jan-Mar)

2022-07-15

Half Year report (Jan-Jun)

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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