

SERSTECH

HALF YEAR REPORT, 1 January – 30 June 2020



Serstech Group - Second Quarter 2020

Net sales: KSEK 308 (5 089)

Profit for the period: KSEK -6 820 (-3 349)

Earnings per share SEK -0,10 (-0,05)

Earnings per average number of shares: SEK -0,10 (-0,05)

Period 1 January – 30 June 2020

Net sales: KSEK 6321 (8 340)

Profit for the period: KSEK -10 025 (-7 008)

Earnings per share SEK -0,14 (-0,11)

Earnings per average number of shares: SEK -0,14 (-0,11)

MESSAGE FROM THE CEO

The second quarter was naturally heavily influenced by the ongoing pandemic and our sales was significantly lower than normal. In April and the first half of May, the vast majority of ongoing tenders were either postponed indefinitely or cancelled. In late May and in June, several of the postponed or cancelled tenders were reopened, some end-customers mentioning the reason being an increased narcotics problem in the country. In June, we also noted a significantly higher activity level among our partners, with customer meetings and demonstrations being possible again in some regions.

The plan and goal for 2020 was to grow our revenue well beyond 100% and we also had high ambitions in our product development roadmap for the year. The plan was to grow our R&D capacity in both Sweden and Romania and double our sales team. As a direct result of the effects from Covid-19, we initiated a cost-cutting program in mid-March. We have asked eleven colleagues to leave the company and managed to achieve an overall fixed cost reduction by more than 60% per month from April to October. The majority of staff reductions has been done in Lund, leaving the team in Cluj Napoca relatively untouched.

The combination of significantly reduced cost and the reopening of some tenders makes us cautiously optimistic that the market will start to normalize in the third or fourth quarter. We expect to be able to maintain a very low cost level until at least the end of the year, partially due to the ongoing reduction in working hours for the Swedish team. Since we do not use our own resources or cash for sourcing and production, our fixed costs will not automatically increase when the volumes start to go up again. We therefore expect to see improvements in our cash flow the coming quarters.

‘We are cautiously optimistic about the third and the fourth quarter’

— Stefan Sandor, Serstech CEO.

In April, we announced the new instruments Serstech Arx and Arx+, which are intended for the security and pharmaceutical industry, respectively. The differences between the two instruments are that the Arx+ contains a barcode reader and complies with FDA’s regulations governing the pharmaceutical production industry. Both instruments have our patented autofocus solution, built-in Wi-Fi, next generation analysis algorithms and a completely redesigned hardware and user interface. The new products have created a lot of buzz in the market and positive response from partners and end-customers. We expect the products to generate initial sales already in Q4 this year, even though the volumes are hard to predict, due to the current market situation.

For most of this year, we have reduced capacity in R&D due to the reduction of the team size and reduced working hours for the remaining team. Nevertheless, we plan to launch ChemDash 2.0 in September and reshape and significantly improve our software offering. The new ChemDash platform, rewritten from scratch, will be introduced in three different versions – ChemDash Lite, ChemDash Pro and ChemDash Pro+. ChemDash Lite is free and is included with any Serstech instrument and has limited functionality. ChemDash Pro is our first premium software and will be sold with subscription and perpetual license options. ChemDash Pro+ is like Pro but complies with the FDA regulations for the pharmaceutical market. The new ChemDash platform introduces a licensing mechanism, which in the future will allow us to sell subscriptions to updates of our substance libraries. At the moment, the security market does not accept the subscription business model, but we expect that to gradually change over the coming years.

The overall feeling after the end of Q2 is positive and we think that the second half of the year will be better than what we initially feared and prepared for. The cost reductions we have done, in combination with the variety of new products, put us in a good competitive position to quickly resume sales, without adding any fixed cost.



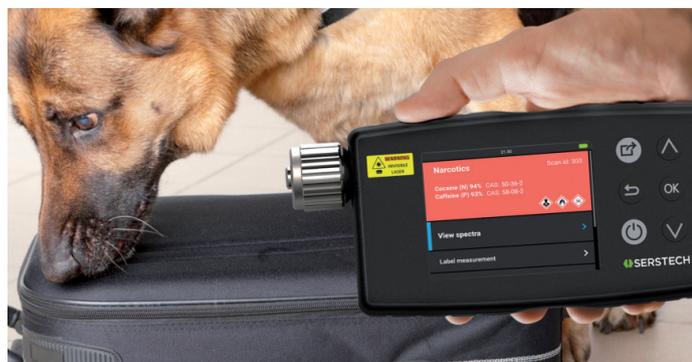
Stefan Sandor, CEO



FINANCIAL COMMENTS (SERSTECH GROUP)

Sales and result

After a strong first quarter, orders and sales were deeply affected by the Covid19 situation in the second quarter, which led to a decrease in net sales for the period January to June of 24% to KSEK 6 321 (8 340).



EBIT for the period was KSEK -9 928 (-6 959) and the reported net earnings for the period was KSEK -10 025 (-7 008). The lower results were due to both the lower revenue and the significantly higher investment in product development and sales. Since early March, the management has been working on cost reductions in all areas. The cost reductions will have an incremental effect the coming months, with full effect from October.

Earnings per share (Serstech AB) during the period amounted to SEK -0.14 per share (-0.11). Earnings per average number of shares, due to the new share issue, amounted to -0,14 (-0,11).

Depreciation and amortization

The result for the period has been adjusted by KSEK 5 425 (4 940) for depreciation, of which KSEK 174 (156) refers to depreciation of equipment, tools and installations, whereas KSEK 5 251 (4 784) refers to depreciation of previous year's capitalized development costs.

‘Most of our customers in the police and border control segments typically order SERS kits when they place orders for our instruments, since the kit brings their narcotics identification capability to a new level’

— Stefan Sandor, Serstech CEO.

Investments

Serstech's total investments during the period amounted to KSEK 8 134 (2 326) and relate to intangible fixed assets of KSEK 7 882 (1 142), such as capitalized expenditure for development work, and tangible fixed assets of KSEK 252 (0), 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 10 272 (4 667) in cash and bank balances and KSEK 1 000 in unutilized overdraft credit.

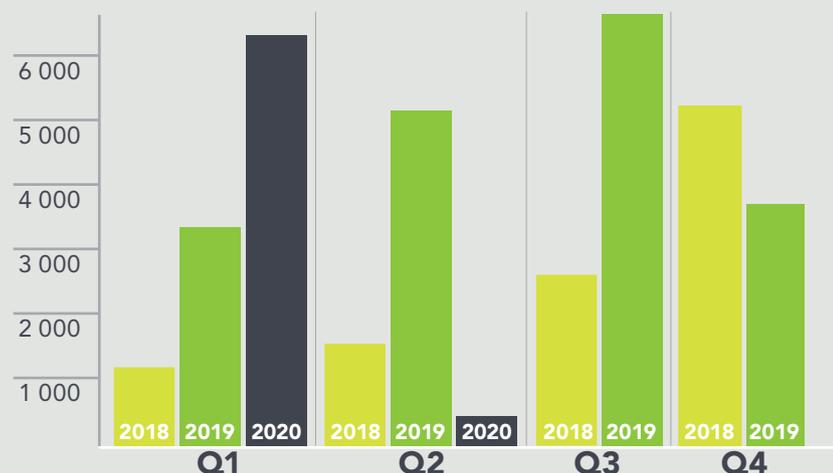
The management has secured additional financing if needed. The Board has concluded that the group has sufficient liquidity. At the reporting date the company had long-term interest-bearing liabilities of KSEK 1 209 (2 481).

Equity, share capital and number of shares
As of June 30, 2020, Serstech's equity amounted to KSEK 40 714 (36 000).

The company's equity ratio amounted to 85 percent (84) on June 30, 2020.

The share capital was on June 30 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.

Net Sales (KSEK)



SIGNIFICANT EVENTS DURING THE PERIOD

The annual general meeting (AGM) was held on April 27. The Members of the Board and the Chief Executive Officer (CEO) were granted discharge for their management duties in 2019. The members of the board were all re-elected. Per-Arne Petersson of Deloitte, was not eligible for re-election as the company auditor, due to the limitations of the rotation principle. Cecilia Andrén Dorselius of PWC was elected new auditor.



On the 5th of May, Serstech announced two new instruments – Serstech Arx and Serstech Arx+. The instruments are additions to the existing Raman instrument portfolio and represent significant steps forward for quick and precise identification of chemical substances. With the addition of the two new instruments, Serstech can now address both the high-end and the cost-conscious segments of the handheld Raman market.

Serstech Arx is intended for the security market and is faster, more precise and has several new features compared to the Serstech 100 Indicator, which will remain in the portfolio as the more affordable option.

Serstech Arx+ is intended for the pharmaceutical production market and complies with the US FDA regulations for instruments in a pharmaceutical environment. Serstech Arx+ includes a barcode scanner and other features that improves the efficiency of the QA process of pharmaceutical producers. Both instruments contain several industry-first features, including Serstech's patented autofocus solution. Autofocus improves the signal quality from the sample and removes the need for any lens adaptors, which makes it easier to use with protective gloves.

On the 7th of May, Serstech received a patent approval for its SERS solution, which is used in combination with any of Serstech's Raman instruments.

SERS is an acronym for Surface Enhanced Raman Spectroscopy and is based on the signal amplification caused by resonance in nanocoated silicon surfaces. In practical applications, this means that very small amounts of narcotics and other chemical substances can be identified, even at ppm (parts per million) concentration levels. Serstech's solution has been able to identify traces of pesticide pollution in rivers and very low concentrations of heroin, a substance that most Raman systems are challenged to identify even in pure form.

Serstech's SERS solution has been on the market since September 2019 and the response from partners and

end-customers has been very positive. The main application is currently in narcotics identification and especially impure street samples with lower concentrations.

On the 19th of May, Serstech announced entering into an agreement with Svensk Kapitalmarknadsgranskning AB (SKMG), where SKMG is to act as new Certified Advisor to Serstech as of the 1th of June 2020.

SIGNIFICANT EVENTS AFTER THE PERIOD

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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.

PERSONNEL

As of June 30, 2020, Serstech Group had 22 (13) employees.

	TOTAL	Men	Women
Lund, Sweden	15*	12	3
Cluj, Romania	7	6	1
Group	22	18	4

* Four employees are on their notice periods, which will end in August, September and early October. By October 3, Serstech will have 11 employees in Lund.

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 short-name SERT and with ISIN code SE0005365095.

As of June 30, 2020, the company had 3 132 shareholders.

SERSTECH GROUP INCOME STATEMENT

Amounts in KSEK	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
REVENUE					
Net sales	308	5 089	6 321	8 340	18 742
Capitalized work for own account	3 724	1 183	7 881	2 326	5 455
Other operating income	1 090	0	1 122	0	45
Total revenue	5 122	6 272	15 324	10 666	24 242
EXPENSES					
Raw materials and consumables	-633	-1 527	-2 726	-2 649	-8 140
Other external costs	-4 074	-2 323	-8 369	-3 471	-9 137
Payroll expenses	-4 165	-3 290	-8 768	-6 658	-12 607
Depreciation of tangible and intangible assets	-2 715	-2 470	-5 425	-4 940	-9 912
Exchange gains and losses, net	-308	14	37	93	67
Total expenses	-11 894	-9 596	-25 252	-17 625	-39 729
EBIT	-6 772	-3 324	-9 928	-6 959	-15 487
Interest and similar, net	-48	-25	-96	-49	-195
EBT	-6 820	-3 349	-10 024	-7 008	-15 682
Taxes	0	0	-1	0	0
Net Earnings	-6 820	-3 349	-10 025	-7 008	-15 682

SERSTECH GROUP

BALANCE SHEET — ASSETS

	2020-06-30	2019-06-30	2019-12-31
Amounts in KSEK			
ASSETS			
Intangible assets			
Intangible assets	32 319	31 386	29 688
Total intangible assets	32 319	31 386	29 688
Tangible assets			
Equipment, tools, fixtures and fittings	554	615	470
Total tangible assets	554	615	470
Total financial assets	0	0	0
Total fixed assets	32 873	32 001	30 158
Current assets			
Inventories etc.			
Inventories	1 383	1 753	3 024
Total	1 383	1 753	3 024
Current receivables			
Accounts receivable - trade	1 343	1 709	2 947
Current tax assets	47	188	0
Other receivables	1 585	2 584	10 278
Prepaid expenses and accrued income	321	130	301
Total Current receivables	3 296	4 611	13 526
Cash and bank balances	10 272	4 667	15 159
Total current assets	14 951	11 031	31 709
TOTAL ASSETS	47 824	43 032	61 867

SERSTECH GROUP

BALANCE SHEET — EQUITY AND LIABILITIES

	2020-06-30	2019-06-30	2019-12-31
Amounts in KSEK			
EQUITY			
Equity	40 714	36 000	51 077
Total equity	40 714	36 000	51 077
Provisions	139	259	139
Non-current liabilities			
Liabilities to credit institutions	1 209	2 481	1 194
Total non-current liabilities	1 209	2 481	1 194
Current liabilities			
Liabilities to credit institutions	1 609	1 175	1 950
Accounts payable	631	1 148	4 929
Other current liabilities	656	548	428
Accrued expenses	2 866	1 421	2 150
Total current liabilities	5 762	4 292	9 457
TOTAL EQUITY AND LIABILITIES	47 824	43 032	61 867

CHANGE IN EQUITY SERSTECH GROUP

Amounts in KSEK	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
Equity brought forward	47 533	38 650	51 077	42 309	42 309
Warrants issue*	0	699	0	699	699
Rights issue	0	0	7 650	0	17 286
Issue costs	0	0	-339	0	-1185
New share issue in progress	0	0	-7650	0	7650
Profit for the period	-6 820	-3 349	-10 025	-7 008	-15 682
Amount at end of period	40 714	36 000	40 714	36 000	51 077

* The warranty programme from summer 2019 has been reclassified and moved from liability to equity with limited affect on previously reported figures.

SERSTECH GROUP

CASH FLOW ANALYSIS

	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
Amounts in KSEK					
OPERATING ACTIVITIES					
Operating profit	-6 772	-3 324	-9 928	-6 959	-15 487
Adjustment for items not included in cash flow	2 716	2 470	5 419	4 941	9 793
Interest paid	-48	-25	-96	-49	-195
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-4 104	-879	-4 605	-2 067	-5 889
CASHFLOW FROM CHANGES IN OPERATING PROFIT					
increase (-)/decrease (+) inventory	-126	-68	1 641	-802	-2 073
increase (-)/decrease (+) account receivables	2 586	722	1 604	1 313	75
increase (-)/decrease (+) other short-term receivables	-65	125	975	1 485	1 458
increase (+)/decrease (-) account payables	-34	355	-3 728	-1 390	2 391
increase (+)/decrease (-) other short-term liabilities	620	283	374	489	1 098
CASHFLOW FROM OPERATING ACTIVITIES	-1 123	538	-3 739	-972	-2 940
INVESTMENT ACTIVITIES					
Acquisition of property, plant and equipment	0	4	-252	-16	-16
Sale of property, plant and equipment	0	12	0	16	16
Acquisition of intangible fixed assets	-3 724	-1 183	-7 882	-2 326	-5 455
Acquisition of subsidiaries	0	0	0	0	0
CASHFLOW FROM INVESTMENT ACTIVITIES	-3 724	-1 167	-8 134	-2 326	-5 455
FINANCING ACTIVITIES					
Loans	0	1 906	-326	1 812	1 300
Warrant issue	0	699	0	699	699
Share issue costs paid	0	0	-339	0	-1 185
Rights issue	0	0	7 650	0	17 286
CASHFLOW FROM FINANCING ACTIVITIES	0	2 605	6 985	2 511	18100
CASHFLOW FOR THIS PERIOD					
Cash and cash equivalents at beginning of period	15 119	2 691	15 159	5 454	5 454
Cash and cash equivalents at end of period	10 272	4 667	10 272	4 667	15 159

SERSTECH GROUP

KEY FIGURES

	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
Amounts in SEK					
PROFITABILITY AND RETURN					
Revenue growth (%)	-94%	0	-24%	201%	0
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)	40 714	36 000	40 714	36 000	51 077
Balance sheet (KSEK)	47 824	43 032	47 824	43 032	61 867
Capital employed (KSEK)	43 532	39 656	43 532	39 656	56 521
Interest-bearing net debt (KSEK)	-7 454	-1 011	-7 454	-1 011	-11 936
Capital turnover rate (times)	0,01	0,12	0,12	0,18	0,34
Equity ratio (%)	85%	83,66%	85%	83,66%	82,56%
Gearing ratio (%)	6,92%	10,16%	6,92%	10,16%	6,16%
Interest coverage	neg	neg	neg	neg	neg
CASH FLOW AND LIQUIDITY					
Cash flow before investments (KSEK)	-1 123	538	-3 739	-972	-2 940
Cash flow after investments (KSEK)	-4 847	-629	-11 873	-3 298	-8 395
Liquid funds (KSEK)	10 272	4 667	10 272	4 667	15 159
INVESTMENTS					
Acquisition of property, plant and equipment (KSEK)	0	4	-252	-16	-16
Sale of property, plant and equipment (KSEK)	0	12	0	16	16
Acquisition of intangible fixed assets (KSEK)	-3 724	-1 183	-7 882	-2 326	-5 455
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	26	16	26	15	15
Revenue per employee (KSEK)	197	318	589	556	1 249
Number of employees	23	16	23	16	17
DATA PER SHARE					
Number of shares	71 243 673	64 119 306	71 243 673	64 119 306	69 058 067
Earnings per share	-0,10	-0,05	-0,14	-0,11	-0,23
Equity per share (SEK)	0,57	0,56	0,57	0,56	0,74
Average number of shares	71 243 673	64 119 306	70 150 870	64 119 306	66 588 687
Earnings per average number of shares	-0,10	-0,05	-0,14	-0,11	-0,24

SERSTECH AB, PARENT COMPANY

INCOME STATEMENT

Amounts in KSEK	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
REVENUE					
Net sales	308	5 089	6 321	8 340	18 742
Capitalized work for own account	3 724	1 183	7 881	2 326	5 455
Other operating income	1 090	0	1 122	0	45
Total revenue	5 122	6 272	15 324	10 666	24 242
EXPENSES					
Raw materials and consumables	-1 270	-1 527	-2 726	-2 649	-8 140
Other external costs	-3 918	-2 323	-8 897	-3 471	-9 137
Payroll expenses	-3 692	-3 290	-8 045	-6 658	-12 607
Depreciation of tangible and intangible assets	-2 715	-2 470	-5 419	-4 940	-9 912
Exchange gains and losses, net	-280	14	89	93	67
Total expenses	-11 875	-9 596	-24 998	-17 625	-39 729
EBIT	-6 753	-3 324	-9 674	-6 959	-15 487
Interest and similar, net	-48	-25	-96	-49	-195
EBT	-6 801	-3 349	-9 770	-7 008	-15 682
Taxes	0	0	0	0	0
Net Earnings	-6 801	-3 349	-9 770	-7 008	-15 682

SERSTECH AB, PARENT COMPANY

BALANCE SHEET — ASSETS

	2020-06-30	2019-06-30	2019-12-31
Amounts in KSEK			
ASSETS			
Intangible assets			
Intangible assets	32 319	31 386	29 688
Total intangible assets	32 319	31 386	29 688
Tangible assets			
Equipment, tools, fixtures and fittings	554	615	470
Total tangible assets	554	615	470
Financial assets			
Shares in subsidiaries	50	50	50
Total financial assets	50	50	50
Total fixed assets	32 923	32 051	30 208
Current assets			
Inventories etc.			
Inventories	1 383	1 753	3 024
Total	1 383	1 753	3 024
Current receivables			
Accounts receivable - trade	1 343	1 509	2 947
Other receivables from Group companies	127	699	29
Current tax assets	47	188	0
Other receivables	1 585	2 584	10 278
Prepaid expenses and accrued income	321	130	301
Total Current receivables	3 423	5 110	13 555
Cash and bank balances	10 065	4 118	15 080
Total current assets	14 871	10 981	31 659
TOTAL ASSETS	47 794	43 032	61 867

SERSTECH AB, PARENT COMPANY

BALANCE SHEET — EQUITY AND LIABILITIES

	2020-06-30	2019-06-30	2019-12-31
Amounts in KSEK			
EQUITY			
Equity	40 969	36 000	51 077
Total equity	40 969	36 000	51 077
Provisions	139	259	139
Non-current liabilities			
Liabilities to credit institutions	1 209	2 481	1 194
Total non-current liabilities	1 209	2 481	1 194
Current liabilities			
Liabilities to credit institutions	1 609	1 175	1 950
Accounts payable	631	1 148	4 929
Liabilities to Group companies	0	0	0
Other current liabilities	371	548	428
Accrued expenses and deferred income	2866	1 421	2 150
Total current liabilities	5 477	4 292	9 457
TOTAL EQUITY AND LIABILITIES	47 794	43 032	61 867

SERSTECH AB, PARENT COMPANY

CHANGE IN EQUITY

	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
Amounts in KSEK					
Equity brought forward	47 770	38 650	51 077	42 309	42 309
Warrants issue*	0	699	0	699	699
Rights issue	0	0	7 650	0	17 286
Issue cost	0	0	-339	0	-1 185
New share issue in progress	0	0	-7 650	0	7 650
Profit for the period	-6 801	-3 349	-9 769	-7 008	-15 682
Amount at end of period	40 969	36 000	40 969	36 000	51 077

* The warranty programme from summer 2019 has been reclassified and moved from liability to equity with limited affect on previously reported figures.

SERSTECH AB, PARENT COMPANY

CASH FLOW ANALYSIS

Amounts in KSEK	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
OPERATING ACTIVITIES					
Operating profit	-6753	-3 324	-9 674	-6 959	-15 487
Adjustment for items not included in cash flow	2716	2 470	5 419	4 940	9 797
Interest paid	-48	-25	-96	-49	-195
CASHFLOW FROM OPERATING ACTIVITIES BEFORE CHANGES TO WORKING CAPITAL	-4 085	-879	-4 351	-2 068	-5 884
CASHFLOW FROM CHANGES IN OPERATING PROFIT					
increase (-)/decrease (+) inventory	-126	-68	1 641	-802	-2 073
increase (-)/decrease (+) account receivables	2 586	922	1 604	1 513	75
increase (-)/decrease (+) other short-term receivables	-59	-574	878	786	1 458
increase (+)/decrease (-) account payables	-33	355	-3 728	-1 390	2 391
increase (+)/decrease (-) other short-term liabilities	653	283	89	489	1 768
CASHFLOW FROM OPERATING ACTIVITIES	-1 064	39	-3 867	-1 472	-2 265
INVESTMENT ACTIVITIES					
Acquisition of property, plant and equipment	0	4	-252	-16	-16
Sale of property, plant and equipment	0	12	0	16	12
Acquisition of intangible fixed assets	-3 724	-1 183	-7 882	-2 326	-5 455
Acquisition of subsidiaries	0	-50	0	-50	-50
CASHFLOW FROM INVESTMENT ACTIVITIES	-3 724	-1 217	-8 134	-2 376	-5 509
FINANCING ACTIVITIES					
Loans	0	1 906	-325	1 812	1 300
Warrant issue	0	699	0	699	699
Share issue costs paid	0	0	-339	0	-1 185
Rights issue	0	0	7 650	0	16 587
CASHFLOW FROM FINANCING ACTIVITIES	0	2 605	6 986	2 511	17 401
CASHFLOW FOR THIS PERIOD	-4 788	1 427	-5015	-1 337	9 627
Cash and cash equivalents at beginning of period	14 854	2 691	15 080	5 454	5 454
Cash and cash equivalents at end of period	10 065	4 118	10 065	4 118	15 080

SERSTECH AB, PARENT COMPANY

KEY FIGURES

	2020-04-01 2020-06-30	2019-04-01 2019-06-30	2020-01-01 2020-06-30	2019-01-01 2019-06-30	2019-01-01 2019-12-31
Amounts in SEK					
PROFITABILITY AND RETURN					
Revenue growth (%)	-94%	226%	-24%	201%	77%
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)	40 969	36 000	40 969	36 000	51 077
Balance sheet (KSEK)	47 794	43 032	47 794	43 032	61 867
Capital employed (KSEK)	43 787	39 656	43 787	39 656	56 521
Interest-bearing net debt (KSEK)	-7 247	-462	-7 247	-462	-11 936
Capital turnover rate (times)	0,01	0,12	0,12	0,18	0,34
Equity ratio (%)	85,72%	83,66%	85,72%	83,66%	82,56%
Gearing ratio (%)	6,88%	10,16%	6,88%	10,16%	6,16%
Interest coverage	neg	neg	neg	neg	neg
CASH FLOW AND LIQUIDITY					
Cash flow before investments (KSEK)	-1 064	39	-3 867	-1 472	-2 265
Cash flow after investments (KSEK)	-4 788	-1 178	-12 001	-3 848	-7 774
Liquid funds (KSEK)	10 065	4 118	10 065	4 118	15 080
INVESTMENTS					
Acquisition of property, plant and equipment (KSEK)	0	4	-252	-16	-16
Sale of property, plant and equipment (KSEK)	0	12	0	16	16
Acquisition of intangible fixed assets (KSEK)	-3 724	-1 183	-7 882	-2 326	-5 455
Sales of property, plant and equipment (KSEK)	0	0	0	0	0
Acquisition of subsidiaries (KSEK)	0	-50	0	-50	-50
Acquisition of shares and holdings (KSEK)	0	0	0	0	0
PERSONNEL					
Average number of employees	18	16	18	15	15
Revenue per employee (KSEK)	285	318	851	556	1 249
Number of employees	15	16	15	16	17
DATA PER SHARE					
Number of shares	71 243 673	64 119 306	71 243 673	64 119 306	69 058 067
Earnings per share	-0,10	-0,05	-0,14	-0,11	-0,23
Equity per share (SEK)	0,58	0,56	0,58	0,56	0,73
Average number of shares	71 243 673	64 119 306	70 150 870	64 119 306	66 588 687
Earnings per average number of shares	-0,10	-0,05	-0,14	-0,11	-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:

2020-11-11

Quarterly report (Jan-Sep)

2021-02-25

Year-end report (Jan-Dec)

2021-04-30

Quarterly report (Jan-Mar)

2021-04-30

Annual shareholders meeting

2021-07-26

Half Year report (Jan-Jun)

FOR FURTHER INFORMATION, PLEASE CONTACT:

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ABOUT SERSTECH

Serstech delivers solutions for chemical identification and has customers across 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 is traded at Nasdaq First North Growth Market and more information about the company can be found at www.serstech.com