

ON THE RIGHT PATH

OCTOBER – DECEMBER 2021

- Order bookings amounted to SEK 1,749 million (4,852)
- Income amounted to SEK 2,543 million (2,166)
- Operating profit amounted to SEK 71 million (47)
- Cash flow from operating activities amounted to an outflow of SEK 140 million (inflow 204)
- Cash flow for the period amounted to an outflow of SEK 28 million (inflow 153)
- Profit for the period amounted to SEK 87 million (loss 72)
- The equity/assets ratio was 35.7 percent (32.5)
- The Aries block was sold to joint venture Karlastaden Group AB, which is owned jointly by Serneke and Fastighets AB Balder

JANUARY – DECEMBER 2021

- Order bookings amounted to SEK 6,345 million (10,639) and the order backlog was SEK 12,101 million (13,619)
- Income amounted to SEK 8,735 million (6,871)
- Operating profit amounted to SEK 235 million (loss 414)
- Cash flow from operating activities amounted to an inflow of SEK 115 million (outflow 352)
- At the end of the period, available cash and cash equivalents totaled SEK 775 million (646)
- Profit for the period amounted to SEK 349 million (loss 358)
- The equity/assets ratio was 35.7 percent (32.5)
- At the time of the publication of the year-end report, the Board has not yet made a decision regarding any proposed dividend for the financial year 2021. The Board will return to this matter no later than 30 March 2022 in connection with submission of the annual report for 2021.

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Income	2,543	2,166	8,735	6,871
Operating profit	71	-47	235	-414
Operating margin, %	2.8	-2.2	2.7	-6.0
Profit/loss for the period	87	-72	349	-358
Earnings per share, SEK, before dilution	3.10	-3.10	12.48	-15.82
Earnings per share, SEK, after dilution	3.10	-3.10	12.48	-15.82
Equity per share, SEK, after dilution	87.85	78.68	87.85	78.68
Equity/assets ratio, %	35.7	32.5	35.7	32.5
Net debt/receivable	-873	20	-873	20
Net debt, or receivable/EBITDA	-2.8	-0.1	-2.8	-0.1
Net debt/equity ratio, %	-35.4	1.0	-35.4	1.0
Order bookings	1,749	4,852	6,345	10,639
Order backlog	12,101	13,619	12,101	13,619

CEO STATEMENT

The fourth quarter confirmed the positive trend that pervaded the Company's development in 2021. The core operations are more stable in their deliveries, and we have a steady flow of divestments from our project portfolio. I am proud of the progress we have made and, above all, the way in which our employees have shown an inclination and capacity for change. Although we are not yet safely in port, we did close 2021 with a quarter confirming that we are on the right course.

Contracting operations in Serneke Sweden continue to stabilize, with the fourth quarter showing an operating profit of SEK 32 million. We are more selective in our order bookings and more controlled in our deliveries. Hard work pays off and there are no shortcuts in this business – discipline and focus are essential in continuing to improve profitability.

Despite a number of external uncertainties, with a pandemic, transport issues and, most recently, political and military unease and rising inflation, we saw the economy recover over the year with construction increasing. The underlying need for housing and public properties remains. The market situation provides one explanation as to how we increased consolidated sales to slightly more than SEK 8.7 (6.9) billion over the year. At the same time, it is important to emphasize the strategy of prioritizing profitability and stability over growth. A large part of the sales increase was driven by the business model delivering, with several major projects being generated through our own project development efforts – the Karlatornet tower naturally being the largest.

Over the past quarter, we had order bookings of SEK 1.7 billion and leave 2021 with a strong order book at slightly more than SEK 12 billion. This affords us a sense of security and confidence as we progress. Generating growth through our own project development efforts and being selective in the regular market remains a priority.

Karlstaden is emerging. Of the eight blocks, comprising some 300,000 m² of building rights in total, six have now been sold and the remaining two, comprising some 90,000 m², form part of an ongoing sales process. We continue to experience strong demand and people are very interested in what will be a unique district. The construction of the Karlatornet tower is progressing according to plan as we raise the frame and core by a floor each week, with the work on the facade and interiors following further down. At the other end of the district, the framework for the Capella block has been assembled and work on the Callisto, Lynx and Virgo blocks are scheduled to commence in the first quarter of 2022.



We enter 2022 strengthened by what we achieved together in 2021. Our course is set, with our sights focused on achieving good control and further strengthening the company's culture. Developments over the past year have truly proven the resolute strength of the company's employees. We also pipe aboard a partly new Group Management team, who will accelerate the process of delivering a more efficient and sustainable offering – demonstrating more clearly than ever that Serneke is a next generation company. While certainly proud, I am not yet satisfied! And I am also extremely energized to see what we can achieve in 2022.

Michael Berglin, President and CEO

ORDER BOOKINGS AND ORDER BACKLOG

Order bookings SEK million	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Order backlog SEK million	Dec 31	Dec 31
	2021	2020	2021	2020		2021	2020
Contracting	1,749	4,852	6,345	10,639	Contracting	12,101	13,619

External order intake for the quarter amounted to SEK 1,749 million (4,852), which is a decrease of 64 percent compared with the corresponding quarter in the preceding year.

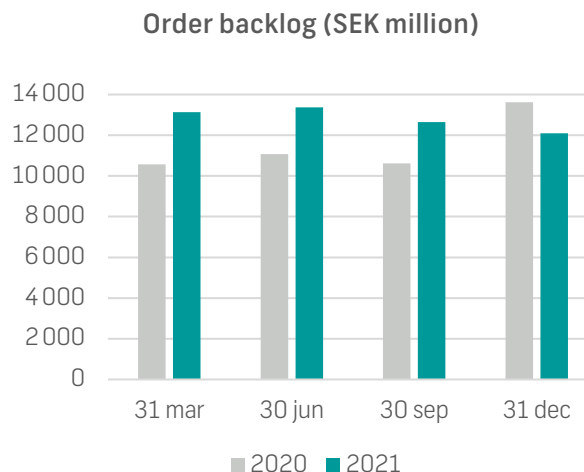
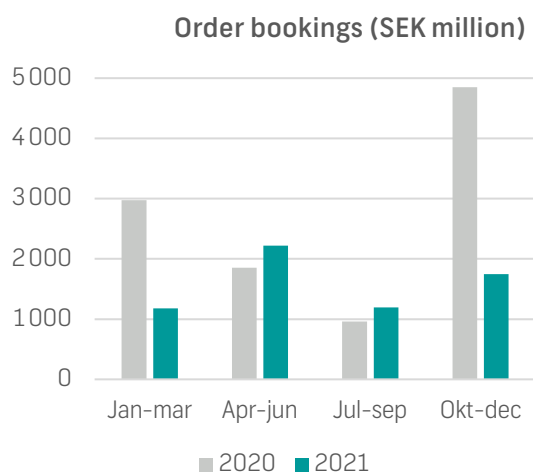
The explanation for the decrease in comparison with the corresponding quarter in the preceding year has to do with the transaction with Balder regarding Karlatornet AB (joint venture) with contracting work for approximately SEK 2,900 million being included in order bookings for the fourth quarter of 2020.

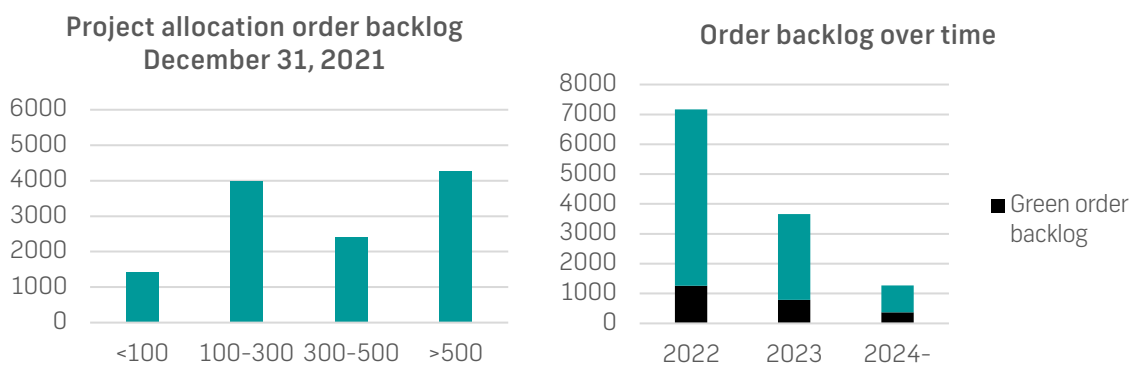
The emphasis of the assignments secured during the quarter is primarily on housing production. The quarter's largest order amounted to SEK 350 million and pertains to a turnkey contracting agreement signed with Specialfastigheter for the development of the Sagsjön women's prison in Lindome, south of Gothenburg. The project is scheduled for completion in the first quarter of 2024.

The market trend and prospects remain relatively unchanged compared with the preceding quarter. Underlying demand remains, although reflecting a certain shift from private clients for residential projects to local government clients, with increased orders for public spaces and public properties.

At the end of the fourth quarter, the external order backlog amounted to SEK 12,101 million (13,619). This entails a decrease of 11 percent compared with the corresponding quarter in the preceding year.

Of the order backlog over the next three years, green projects account for SEK 2,413 million. The projects involve constructing properties in accordance with established certification requirements that agree with Serneke's green framework.





ASSIGNMENTS WITH ORDER VALUES OF MORE THAN SEK 100 MILLION IN OCTOBER – DECEMBER 2021

Assignment	Location	Order value (SEK million)	(Anticipated) start of construction
Public properties	Lindome	350	Fourth quarter 2021
Housing	Karlstad	342	Fourth quarter 2021
Housing	Uppsala	291	Fourth quarter 2021
Industry	Borås	270	Fourth quarter 2021
Public properties	Deje	137	First quarter 2022
Housing	Luleå	105	First quarter 2022



Serneke signed a turnkey agreement with Albér Fastigheter to build 302 apartments in three stages in the Kasernhöjden district near Karlstad city center. The order value amounted to SEK 342 million.

INCOME AND PROFIT

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Income	2,543	2,166	8,735	6,871
Operating profit	71	-47	235	-414
Net financial items	3	-72	21	-88
Earnings after financial items	74	-119	256	-502
Tax	13	47	93	144
Profit/loss for the period	87	-72	349	-358

OCTOBER – DECEMBER 2021

Consolidated income amounted to SEK 2,543 million (2,166), an increase of 17 percent. Business Area Sweden increased its income by 18 percent to SEK 2,389 million (2,025), Business Area Invest increased its income to SEK 580 million (223), with the increase consisting primarily of the sale of the Aries block to the joint venture Karlastaden Group AB, as well as contracting income for Karlatornet AB (joint venture) of SEK 319 million. Intra-group eliminations amount to SEK 468 million and is primarily explained by internal deliveries to Karlastaden.

Operating profit amounted to SEK 71 million (loss 47), with Business Area Invest contributing most through its sale of the Aries block to the joint venture Karlastaden Group AB. Contracting operations in Sweden also had a positive effect on operating profit. Compared with the preceding year, the margin in our ongoing projects for the quarter is indicative of operating profit moving in the right direction.

Net financial items amounted to SEK 3 million (negative 72). Net financial items for the preceding period were negatively affected by the market valuation and discounting of the shareholder loan arising in connection with the sale of the Karlatornet tower in the fourth quarter of 2020 for approximately SEK 1.4 billion. As the project progresses in accordance with the calculated forecast, the corresponding amounts will gradually have a positive effect on net interest income, largely explaining the positive net financial items for the period.

The Group reported an estimated tax expense of SEK 13 million (47). The positive tax effect for the period is primarily explained by non-taxable income and deferred tax effects of transactions.

Profit for the period amounted to SEK 87 million (loss 72) and earnings per share after dilution for the quarter were SEK 3.10 (loss 3.10).

JANUARY – DECEMBER 2021

Consolidated income amounted to SEK 8,735 million (6,871), an increase of 27 percent. Business Area Sweden increased its income by 16 percent to SEK 8,103 million (6,990). Business Area Invest's income increased to SEK 1,686 million (325), with the increase consisting of, for example, the net reporting of Fastighets AB Balder's acquisition of joint venture participations, as well as the sale of the Aries block to the joint venture Karlastaden Group AB. The sale of assets during the fourth quarter of 2020, in accordance with the transaction agreement, also contributed positively, as did contract income of SEK 810 million in Karlatornet AB (joint venture). Intra-group eliminations amount to SEK 1 209 million and is primarily explained by internal deliveries to Karlastaden.

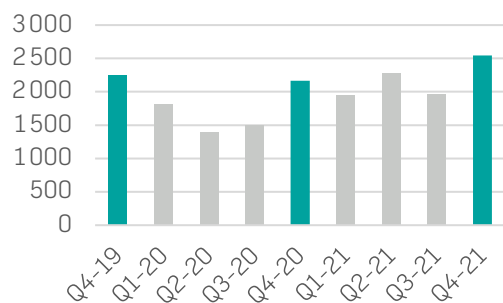
Operating profit amounted to SEK 235 million (loss 414) and was mainly affected positively by Business Area Invest through the formation of a joint venture, in which Balder has acquired 50 percent, to construct three blocks at Karlastaden. The sale of the Aries block to joint venture Karlastaden Group AB also had a positive effect. Compared with the preceding year, the margin in our ongoing projects is indicative of operating profit moving in the right direction.

Net financial items amounted to SEK 21 million (negative 88). Net financial items for the preceding period were negatively affected by the market valuation and discounting of the shareholder loan arising in connection with the sale of the Karlatornet tower in the fourth quarter of 2020 for approximately SEK 1.4 billion. As the project progresses in accordance with the calculated forecast, the corresponding amounts will gradually have a positive effect on net interest income, largely explaining the positive net financial items for the period. Net financial items were also affected positively by interest income pertaining to the shareholder loan.

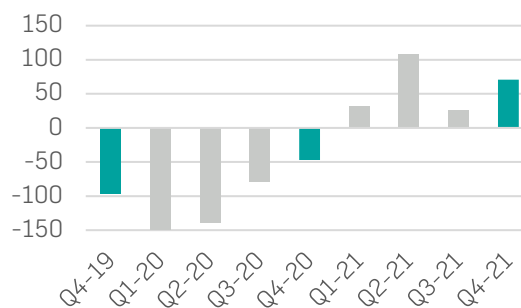
The Group reported an estimated tax expense of SEK 93 million (144). The positive tax effect for the period is primarily explained by non-taxable income and deferred tax effects of transactions.

Profit for the period amounted to SEK 349 million (loss 358) and earnings per share after dilution for the period were SEK 12.48 (loss 15.82).

Sales per quarter



Operating profit per quarter



The Capella neighborhood is starting to grow in Karlstad in collaboration with Hemsö and Tosito. In addition to housing, premises for care, education and care will be housed in the neighborhood.

FINANCIAL POSITION

SEK million	Dec 31 2021	Dec 31 2020
Total assets	6,914	5,992
Total equity	2,467	1,946
Net debt	-873	20
Net debt/EBITDA	-2.8	-0.1
Cash and cash equivalents	575	234
Equity/assets ratio, %	35.7	32.5

The consolidated balance sheet total amounted to SEK 6,914 million (5,992) as at December 31, and the equity/assets ratio was 35.7 percent (32.5). At the end of the period, cash and cash equivalents amounted to SEK 575 million (234), with the Group also having a credit facility of SEK 300 million, with SEK 76 million of this being used of for guarantees issued. At the end of the period, available cash and cash equivalents totaled SEK 775 million (646). The Group also holds granted but unused building credits of SEK 771 million, meaning that financing for future projects developed in-house is secured. Additionally, the joint venture Karlatornet AB, which is owned 50-percent by Serneke, has a granted but unused building credit of SEK 2,177 million.

On December 31, equity amounted to SEK 2,467 million (1,946). The change comprises profit for the period of SEK 349 million, a new share issue of SEK 166 million and share-based compensation of SEK 6 million.

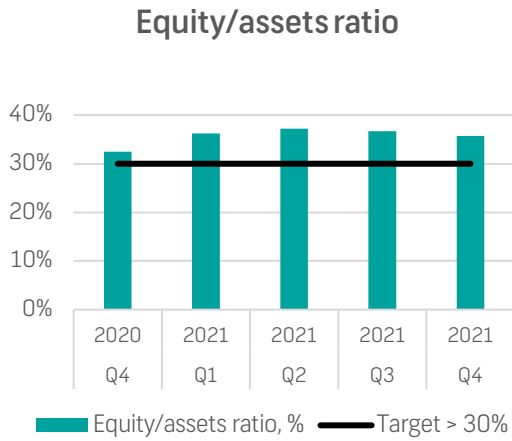
On December 31, net borrowing amounted to SEK 873 million (20). The foremost changes concern to the amortization of bonds by SEK 200 million. The bond matures in December, with the conditions for refinancing this debt being deemed as favorable. In addition to this, the change is also explained by an increase in long-term interest-bearing receivables of SEK 600 million in connection with the establishment of a new joint venture with Fastighets AB Balder and an increase in cash and cash equivalents.

Interest-bearing receivables increased significantly in December 2020, arising in connection with Serneke and Balder entering into a share transfer agreement entailing Balder acquiring 50 percent of the shares in Karlatornet AB (the joint venture). The joint venture acquired all Karlatornet assets from Serneke at book value, with projects and development properties amounting to SEK 1,704 million, against a promissory note in the form of interest-bearing shareholder loans of SEK 1,386 million.

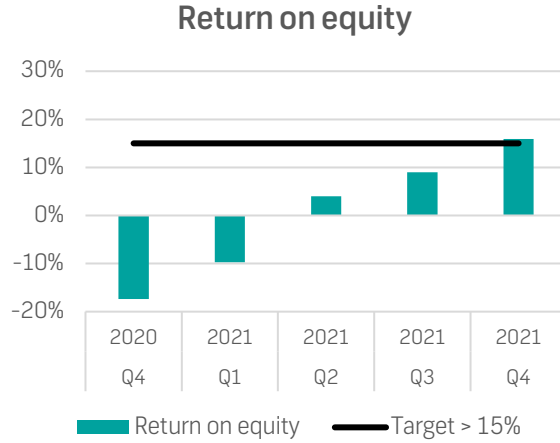
Net debt SEK million	Dec 31 2021	Dec 31 2020
Bank loans	210	204
Utilized bank overdraft facility	-	-
Construction credits, housing cooperative projects	269	42
Bonds	516	719
Financial lease liabilities	84	82
Additional lease liabilities, IFRS 16	248	286
Loans from the Swedish Tax Agency	275	275
Other interest-bearing liabilities	-	-
Interest-bearing receivables	-1,900	-1,354
Cash and cash equivalents	-575	-234
Net debt	-873	20

GROUP FINANCIAL TARGETS

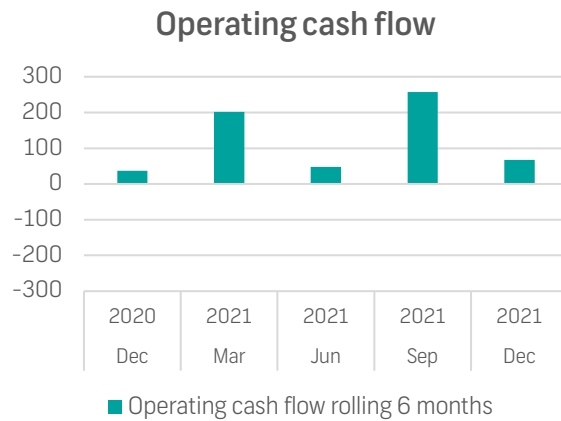
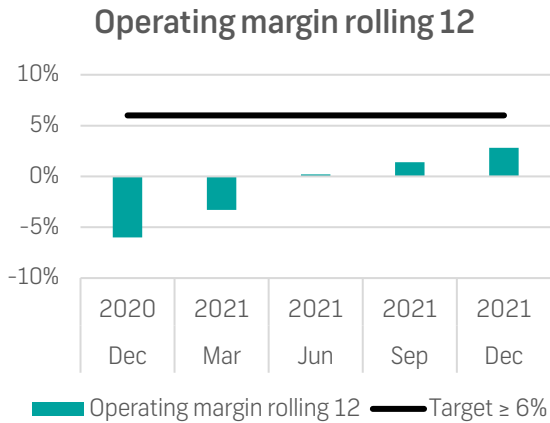
The equity/assets ratio shall exceed 30 percent.



The return on equity shall exceed 15 percent.



The operating margin shall exceed 6 percent. Positive operating cash flow each quarter on a rolling six-month basis.



CASH FLOW

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Cash flow from operating activities	-140	204	115	-352
Cash flow from investment activities	4	-12	20	-20
Cash flow from financing activities	108	-39	206	444
Cash flow for the period	-28	153	341	72
Cash and cash equivalents at beginning of period	603	81	234	162
Cash and cash equivalents at end of period	575	234	575	234

OCTOBER–DECEMBER 2021

Cash flow from operating activities amounted to an outflow of SEK 140 million (inflow 204), of which cash flow from changes in working capital amounted to an outflow of SEK 178 million (inflow 215).

Cash flow from investing activities amounted to an inflow of SEK 4 million (outflow 12), stemming mainly from the divestment of tangible fixed assets.

Cash flow from financing activities amounted to an inflow of SEK 108 million (outflow 39) and is mainly explained by newly raised loans in tenant-owner associations and amortization of loans.

Cash flow for the period amounted to an outflow of SEK 28 million (inflow 153).

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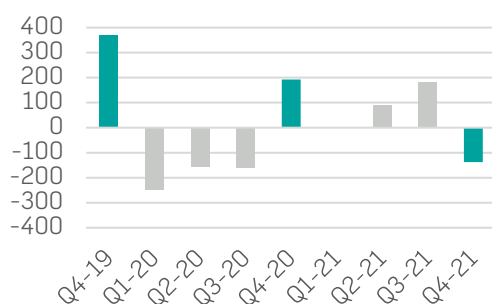
Cash flow from operating activities amounted to an inflow of SEK 115 million (outflow 352), of which cash flow from changes in working capital amounted to an outflow of SEK 22 million (inflow 7).

Cash flow from investing activities amounted to an inflow of SEK 20 million (outflow 20), stemming mainly from the associated companies, as well as from divestment of tangible fixed assets.

Cash flow from financing activities amounted to an inflow of SEK 206 million (444) and is explained by the amortization of loans by SEK 457 million, of which amortization of bonds amounted to SEK 200 million. New loans have been raised in the amount of SEK 426 million and contributions of SEK 70 million have been paid into tenant-owner associations. During the year, a new share issue took place, contributing SEK 166 million to the financing operations.

Cash flow for the period amounted to an inflow of SEK 341 million (72).

Cash flow before financing



OVERVIEW BUSINESS AREAS

The Serneke Group is divided into three segments: Sweden, Invest and International, which are reported as individual operating segments.

Business Area Sweden conducts contracting operations in the areas of construction, civil engineering and infrastructure, as well as project development operations by developing project and development properties. The business area conducts construction contracting for both external customers, as well as Business Area Invest.

Business Area Invest conducts development projects with a higher degree of complexity, a higher transaction risk and a greater need for capital to be tied up. The

business area generates internal assignments for Serneke Sweden's contracting operations.

Business Area International brings the Group's international investments together. The business area is in the start-up phase and currently comprises an interest in an Australian construction company and an ongoing project-export initiative. Due to its current scope, the segment will not be described in this report, other than in the tables below on this page and in the "multi-year overview" on page 18.

Other operations are reported under Group-wide, which primarily comprises Group functions and Group-wide provisions.

SALES

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
SEK million				
Sweden	2,389	2,025	8,103	6,990
Invest	580	223	1,686	325
International	0	0	0	0
Group-wide	42	17	155	88
Eliminations	-468	-99	-1,209	-532
Total	2,543	2,166	8,735	6,871

OPERATING PROFIT

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
SEK million				
Sweden	32	-65	57	-331
Invest	74	-4	319	-91
International	-5	-3	-18	-13
Group-wide	-11	-6	-72	0
Eliminations	-19	31	-51	21
Total	71	-47	235	-414

*The comparative figures have been recalculated in accordance with the new segment reporting

SEASONAL VARIATIONS

To a certain extent, Serneke's operations are subject to seasonal effects. The contracting operations normally experience lower activity in the first quarter of the year due to fewer production days and, to a greater extent than normal, the weather during the winter months. Earnings are also affected by where public holidays fall, as this affects the number of production days.

SWEDEN

Sweden

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
SEK million				
Income	2,389	2,025	8,103	6,990
Operating profit	32	-65	57	-331
Operating margin, %	1.3	-3.2	0.7	-4.7

OCTOBER – DECEMBER 2021

Income amounted to SEK 2,389 million (2,025), an increase of 18 percent. The increase is mainly attributable to Karlatornet being in full production, while projects previously included in divested portfolios were also produced at a high pace compared with the corresponding quarter in the preceding year.

Operating profit amounted to SEK 32 million (loss 65) and the operating margin was 1.3 percent (negative 3.2). Operating profit developed in the right direction over the quarter with the operating margin for the quarter showing a continued favorable trend – this being the fifth consecutive quarter in which earnings have gradually improved.

Project and development properties

On December 31, 2021, the total book value of the project development portfolio amounted to SEK 521 million.

Development rights Number (GFA)	Dec 31 2021	Dec 31 2020
Development rights on own balance sheet	45,921	18,066
Development rights through joint ventures	400	2,300
Agreed development rights not yet taken into possession	235,232	259,527
Total	281,553	279,893

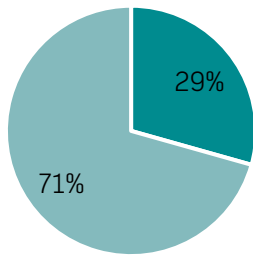
Housing construction projects developed in-house	Dec 31 2021	Dec 31 2020
Number of housing units under construction during the period	144	24
Number of housing units sold during the period	65	23
Total number of housing units under construction at the end of the period	227	107
Number of repurchased housing units on the Company's own balance sheet at the end of the period	0	4
Total	436	158

JANUARY – DECEMBER 2021

Income amounted to SEK 8,103 million (6,990), an increase of 16 percent. The increase is mainly attributable to Karlatornet having been in full production over most of the year, while projects previously included in divested portfolios were also produced at a high pace compared with the corresponding period in the preceding year.

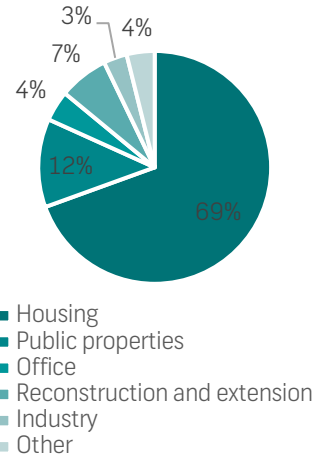
Operating profit amounted to SEK 57 million (loss 331) and the operating margin was 0.7 percent (negative 4.7). Operating profit developed in the right direction over the year, with operating profit for the period being the strongest since 2018.

Order backlog per client



■ Public purchaser ■ Private purchaser

Order backlog per product mix



*At the end of 2021, Karlatornet passed one hundred meters in height and continues to grow by about one floor a week.
Photo: Kasper Dudzik*

INVEST

Invest

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
SEK million				
Income	580	223	1,686	325
Share in profit of associates and joint ventures	-4	-2	-6	14
Operating profit	74	-4	319	-91
Operating margin, %	12.8	-1.8	18.9	-28.0

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The business area's income amounted to SEK 580 million (223) with the increase consisting primarily of the sale of the Aries block to the joint venture Karlastaden Group AB, as well as of contracting income for Karlatornet AB (joint venture).

The share in the profit of associates and joint ventures amounted to a negative SEK 4 million (2).

Operating profit amounted to SEK 74 million (loss 4). The positive operating profit is mainly explained by the sale of the Aries block to the joint venture Karlastaden Group AB.

Project and development properties

On December 31, 2021, the total book value of the project development portfolio in Invest amounted to SEK 1,181 million.

Development rights Number (GFA)	Dec 31 2021	Dec 31 2020
Development rights on own balance sheet	150,703	227,621
Development rights through joint ventures	81,454	50,000
Agreed development rights not yet taken into possession	347,204	359,129
Total	579,361	636,750

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Income amounted to SEK 1,686 million (325), with the increase consisting of, for example, the net reporting of Fastighets AB Balder's acquisition of joint venture participations, as well as the sale of the Aries block to the joint venture Karlastaden Group. The sale of assets during the fourth quarter of 2020, in accordance with the transaction agreement, also contributed positively, as did contract income of SEK 810 million in Karlatornet AB (joint venture). Additionally, income also comprises contracting income from the manufacture and assembly of steel pipe structures, property sales, as well as hotel revenues.

The share in the profit of associates and joint ventures amounted to a negative SEK 6 million (positive 14).

Operating profit amounted to SEK 319 million (loss 91). The positive operating profit is mainly explained by the formation of a joint venture with Balder regarding three buildings within the Karlastaden district, as well as the sale of the Aries block to the joint venture Karlastaden Group AB. In addition, sales of assets in accordance with the business settlement in the fourth quarter of 2020 also have a positive effect. In addition, the hotel operations have had a negative effect on operating profit.

Housing construction projects developed in-house

	Dec 31 2021	Dec 31 2020
Number of housing units under construction during the period		
Number of housing units sold during the period		
Total number of housing units under construction at the end of the period	305	297
Number of repurchased housing units on the Company's own balance sheet at the end of the period		
Total	305	297

PARENT COMPANY

The operations of Serneke Group AB (publ) consist mainly of Group Management and Group-wide services.

Income for October–December amounted to SEK 42 million (17) and consisted primarily of intra-group services. The operating loss for the same period amounted to SEK 6 million (6).

Income for the period January–December amounted to SEK 155 million (88) and the operating loss was SEK 2 million (7).

The Parent Company is indirectly affected by the risks described in the section Significant risks and uncertainty factors.

RELATED-PARTY TRANSACTIONS

The nature and extent of transactions by related parties can be found in Note 35 of the 2020 Annual Report. During the year, related party transactions have occurred with Lommen Sjöbefälet AB, Kongahälla Shopping AB, Ola Serneke Holding AB, Kviberg Skidanläggning AB, Limestone Management AB, JV Sersund AB, JV Karlatornet AB, JV Karlastaden Group AB and the associated company Änglagården. Transactions with related parties have been made on market terms.

Presented below are transactions that Serneke has carried out with related parties since January 1, 2021 and up until December 31, 2021:

Transactions with Lommen Sjöbefälet AB are considered to be related party transactions as the Company's main owner, Ludwig Mattsson, is a member of the Board of Serneke Group AB. The transactions consist primarily of the rent for Serneke's head office and purchases amounting to SEK 12.5 million. Transactions with Kongahälla Shopping AB are considered to be related party transactions as the Company's main owner, Ludwig Mattsson, is a member of the Board of Serneke Group AB. The transactions primarily involve contracting income amounting to SEK 5.6 million.

Transactions with Ola Serneke Holding AB are considered to be related party transactions as Ola Serneke is the principal shareholder in Serneke Group AB. Purchases amounted to SEK 0.5 million and sales to SEK 3.5 million. The transactions mainly comprise income/expenses relating to the settlement of the assets that took place in 2020 between Serneke and Kviberg Skidanläggning AB, which is owned by Ola Serneke Holding AB, and are thus considered to be related party transactions. Transactions with Limestone Management AB, Per Åkerman's consulting company, are considered to be related party

transactions as Per Åkerman is a member of the Board of the Company. The transactions relate to consultancy fees for tasks beyond the Board assignment and amount to SEK 1.9 million. Transactions with Sersund AB (joint venture) are considered to be related party transactions as Serneke holds 50 percent of Sersund and the transactions consist mainly of income of SEK 72.2 million from contracting services. Transactions with Karlatornet AB (joint venture) are considered to be related party transactions as Serneke owns 50 percent of Karlatornet AB as of December 17, 2020. The transactions primarily involve contracting income of SEK 911.2 million. Transactions with Karlastaden Group (JV) are considered to be related party transactions as Serneke owns 50 percent of Karlastaden Group AB. The transactions primarily involve contracting income of SEK 115.4 million. Transactions with the associated company Änglagården are considered to be related party transactions as Serneke owns 40 percent of Änglagården. The transactions primarily involve outsourcing of staff, rent for premises and rent for the arena, respectively. Income amounted to SEK 5.6 million and purchases to SEK 25.0 million

SIGNIFICANT RISKS AND UNCERTAINTIES

Serneke's operations entail several types of risks, both operational and financial. Operational risks are related to the daily operations and can apply to tenders or project development, assessment of profits, risks linked to production or the price trend. Operational risks are managed by the internal business management that has been developed within the Group. Identifying and managing Serneke's risks is crucial to the Group's profitability. Each segment manages its risks based on the business management and developed procedures and processes. Serneke's financial risks such as interest rate, liquidity, financing and credit risks are managed centrally in order to minimize and control risk exposure. The liquidity situation is assessed on an ongoing basis by the Board and Group Management. Work with sales of the Group's project portfolio is part of Serneke's operations and continues to balance, for example, capital tied up, and to free up liquidity. The Board's assessment is that Serneke acts on the basis of good rules of procedure and ensures that sufficient liquidity is obtained to safeguard its continued operation.

For further information on risks, as well as critical estimates and assessments, see the Board of Directors' Report and Notes 3 and 4 in the 2020 Annual Report. The descriptions in the Annual Report remain relevant. The Annual Report is published at www.serneke.group.

OTHER SIGNIFICANT EVENTS DURING THE REPORT PERIOD

The corona virus pandemic

Serneke is monitoring the development of the corona virus pandemic closely to assess its effects in the short and long term. Although the entire economy is affected, the extent and how it will affect Serneke's operations in the long term is difficult to assess.

Group Management

On 27 October, the Company appointed four new members of Group Management. Mikael Hultqvist is stepping in as President of Serneke Sweden, while three new roles are added, with Carole Lindmark stepping into the role of Head of Communications, Johanna Rutberg being appointed General Counsel and Kaia Eichler being appointed Head of Sustainability.

SIGNIFICANT EVENTS FOLLOWING THE REPORT PERIOD

No significant events have occurred after the end of the reporting period.

THE SERNEKE SHARE (SRNKE)

Serneke Group AB has two share series, Series A and B. On December 31, 2021 Serneke had about 7,460 shareholders and the closing price on that date was SEK 54.7.

Serneke's ten largest shareholders, December 31, 2021

	Series A shares	No. of B shares	Total number of shares	Percentage of shares outstanding, %	Percentage of votes, %
Ola Serneke Holding AB	3,710,000	2,433,946	6,143,946	21.88%	52.73%
Lommen Holding AB	540,000	3,646,482	4,186,482	14.91%	12.07%
Christer Larsson i Trollhättan AB	380,000	524,345	904,345	3.22%	5.77%
Ledge Ing AB	330,000	540,000	870,000	3.10%	5.12%
Vision Group i väst AB	250,000	550,662	800,662	2.85%	4.07%
Fastighets AB Balder	0	2,300,000	2,300,000	8.19%	3.07%
Svolder Aktiebolag	0	2,077,608	2,077,608	7.40%	2.77%
Försäkringsaktiebolaget Avanza	0	891,876	891,876	3.18%	1.19%
Mediuminvest AS	0	576,745	576,745	2.05%	0.77%
Novobis AB	0	366,708	366,708	1.31%	0.49%
Total, 10 largest	5,210,000	13,908,372	19,118,372	68.08%	88.04%
Other shareholders	0	8,963,726	8,963,726	31.92%	11.96%
Total shares outstanding	5,210,000	22,872,098	28,082,098	100.00%	100.00%
Repurchased shares	0	671,134	671,134		
Total shares registered	5,210,000	23,543,232	28,753,232		

Source: Euroclear and Serneke

Share series, number of shares and votes, December 30, 2021.

Share class	Shares	Votes
Series A shares	5,210,000.00	5,210,000.00
Series B shares	22,872,098.00	2,287,209.80
Total	28,082,098.00	7,497,209.80

FINANCIAL CALENDAR

Annual General Meeting 2022 April 26, 2022
 Interim report January – March 2022 May 5, 2022
 Interim report January – June 2022 July 15, 2022

The Board hereby certifies that this interim report provides a fair overview of the operations, position and earnings of the Parent Company and the Group and describes the significant risks and uncertainties that Serneke faces.

This report has not been reviewed by the Company's auditors.

Gothenburg, February 9, 2022
 Serneke Group AB (publ)

Board of Directors

Jan C. Johansson
 Chairman

Mari Broman
 Member

Ludwig Matsson
 Member

Veronica Rörsgård
 Member

Mariann Östansjö
 Member

Fredrik Alvarsson
 Member

Per Åkerman
 Member

Lars Kvarnsund
 Member

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This information is such that Serneke Group AB (publ) is obliged to publish pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was submitted for publication on February 9, 2022, at 8:00 a.m. CET.

QUARTERLY DATA AND MULTI-YEAR REVIEW

	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar
SEK million	2021	2021	2021	2021	2020	2020	2020	2020
Income								
Sweden	2,389	1,925	2,019	1,770	2,025	1,592	1,461	1,912
Invest	580	322	447	337	223	28	28	46
International	0	0	0	0	0	0	0	0
Group-wide	42	46	33	33	17	20	14	37
Eliminations	-468	-325	-225	-190	-99	-142	-110	-181
Total	2,543	1,968	2,274	1,950	2,166	1,498	1,393	1,814
Operating profit								
Sweden	32	21	14	-10	-65	-62	-134	-70
Invest	74	7	167	71	-4	-10	-4	-73
International	-5	-4	-4	-4	-3	-3	-3	-4
Group-wide	-11	15	-59	-17	-6	0	5	1
Eliminations	-19	-14	-10	-9	31	-4	-3	-3
Total	71	25	108	31	-47	-79	-139	-149
Operating margin, %	2.8	1.3	4.7	1.6	-2.2	-5.3	-10.0	-8.2
Profit after net financial items	74	33	111	38	-119	-82	-147	-154
Profit/loss for the period	87	37	178	46	-72	-66	-114	-106
Balance sheet								
Fixed assets	2725	2655	2522	2,158	2156	757	779	678
Current assets	4189	3810	3775	3,807	3836	4962	4872	4,927
Total assets	6,914	6,465	6,297	5,965	5,992	5,719	5,651	5,605
Shareholders' equity	2,467	2,372	2,340	2,161	1,946	1,896	1,959	2,074
Non-current liabilities	740	1,200	1,177	1,182	1,058	1,245	1,262	1,430
Current liabilities	3,707	2,893	2,780	2,622	2,988	2,578	2,430	2,101
Total equity and liabilities	6,914	6,465	6,297	5,965	5,992	5,719	5,651	5,605
Orders								
Order bookings	1,749	1,196	2,221	1,179	4,852	961	1,851	2,975
Order backlog	12,101	12,642	13,372	13,126	13,619	10,623	11,072	10,576
Employees								
Average number of employees	1,208	1,205	1,189	1174	1,161	1,180	1,202	1195

KEY INDICATORS

IFRS-based key indicators

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
SEK million				
Income	2,543	2,166	8,735	6,871
Earnings per share, SEK, before dilution	3.10	-3.10	12.48	-15.82
Earnings per share, SEK, after dilution	3.10	-3.10	12.48	-15.82
Weighted average number of shares before dilution	28,034,147	23,200,132	27,962,221	22,625,132
Weighted average number of shares after dilution	28,034,147	23,200,132	27,962,221	22,657,467

Other key indicators

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
SEK million				
Operating profit	71	-47	235	-414
Growth, %	17.4	-3.9	27.1	2.2
Order bookings	1,749	4,852	6,345	10,639
Order backlog	12,101	13,619	12,101	13,619
Organic growth, %	17.4	-3.9	27.1	2.2
Operating margin, %	2.8	-2.2	2.7	-6.0
Cash flow before financing	-136	192	135	-372
Cash flow from operations per share, before dilution	-4.99	8.79	4.11	-15.56
Cash flow from operations per share, after dilution	-4.99	8.79	4.11	-15.56
Equity per share, SEK, before dilution	87.85	78.68	87.85	78.68
Equity per share, SEK, after dilution	87.85	78.68	87.85	78.68
Working capital	998	848	998	848
Capital employed	3,961	3,539	3,961	3,539
Return on capital employed, %	7.8	-11.4	7.8	-11.4
Return on equity after taxes, %	15.8	-17.4	15.8	-17.4
Equity/assets ratio, %	35.7	32.5	35.7	32.5
Net debt	-873	20	-873	20
Net debt/equity ratio, %	-35.4	1.0	-35.4	1.0
Net debt/EBITDA	-2.8	-0.1	-2.8	-0.1

SUMMARY FINANCIAL STATEMENTS

SUMMARY OF CONSOLIDATED INCOME STATEMENT

Summary of Consolidated Income Statement

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Income	2,543	2,166	8,735	6,871
Production and administration expenses	-2,411	-2,191	-8,344	-7,218
Gross profit	132	-25	391	-347
Sales and administration expenses	-57	-23	-150	-80
The effect on profit of establishing the joint venture	-	2	-	2
Share in profit of associates and joint ventures	-4	-1	-6	11
Operating profit	71	-47	235	-414
Net financial items	3	-72	21	-88
Profit after financial items	74	-119	256	-502
Tax	13	47	93	144
Profit/loss for the period	87	-72	349	-358
Attributable to:				
Parent Company shareholders	87	-72	349	-358
Non-controlling interests	0	0	0	0
Earnings per share before dilution, SEK	3.10	-3.10	12.48	-15.82
Earnings per share after dilution, SEK	3.10	-3.10	12.48	-15.82
Average number of shares before dilution	28,034,147	23,200,132	27,962,221	22,625,132
Average number of shares after dilution	28,034,147	23,200,132	27,962,221	22,657,467

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Profit/loss for the period	87	-72	349	-358
Other comprehensive income	0	0	0	0
Total comprehensive income	87	-72	349	-358

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	Dec 31 2021	Dec 31 2020
Assets		
<i>Fixed assets</i>		
Intangible fixed assets	25	24
Other tangible fixed assets	351	416
Investments in associates/joint ventures	160	148
Deferred tax assets	108	15
Non-current interest-bearing receivables	1,900	1,354
Other non-current receivables	181	199
Total fixed assets	2,725	2,156
<i>Current assets</i>		
Project and development properties	1,704	1,740
Inventories	1	1
Accounts receivable	966	1,012
Accrued but not invoiced income	555	420
Other current receivables	388	429
Cash and bank balances	575	234
Total current assets	4,189	3,836
Total assets	6,914	5,992
Equity and liabilities		
Shareholders' equity	2,467	1,946
<i>Non-current liabilities</i>		
Non-current interest-bearing liabilities	467	840
Other non-current liabilities	71	31
Other provisions	202	187
Total non-current liabilities	740	1,058
<i>Current liabilities</i>		
Current interest-bearing liabilities	1,135	768
Current tax liabilities	0	2
Accounts payable	1,344	1,058
Invoiced but not accrued income	744	618
Other current liabilities	484	542
Total current liabilities	3,707	2,988
Total equity and liabilities	6,914	5,992

SUMMARY OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

SEK million	Dec 31 2021	Dec 31 2020
Equity attributable to Parent Company shareholders		
Balance at beginning of period	1,946	2,179
New share issue	166	121
Share-related compensation	6	4
Transactions with non-controlling interests	0	0
Changed accounting policy	-	-
Comprehensive income for the period	349	-358
Non-controlling interests		
Acquisition of non-controlling interests	-	-
Comprehensive income for the period	-	-
Balance at end of period	2,467	1,946

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
<i>Operating activities</i>				
Cash flow before change in working capital	38	-11	136	-359
Change in working capital	-178	215	-22	7
Cash flow from operating activities	-140	204	115	-352
<i>Investing activities</i>				
Increase/decrease in investing activities	4	-12	20	-20
Cash flow from investing activities	4	-12	20	-20
Cash flow before financing	-136	192	135	-372
<i>Financing activities</i>				
Newly raised borrowings	110	58	426	137
New share issue	0	122	167	122
Amortization of liabilities	-68	-79	-457	-375
Increase/decrease in financing activities	66	-140	70	560
Cash flow from financing activities	108	-39	206	444
Cash flow for the period	-28	153	341	72
Cash and cash equivalents at beginning of period	603	81	234	162
Cash and cash equivalents at end of period	575	234	575	234

PARENT COMPANY CONDENSED INCOME STATEMENT

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Income	42	17	155	88
Sales and administration expenses	-48	-23	-157	-95
Operating profit	-6	-6	-2	-7
Net financial items	-17	-13	-69	-108
Profit after financial items	-23	-19	-71	-115
Appropriations	0	0	0	0
Profit/loss before tax	-23	-19	-71	-115
Tax	-6	-18	1	0
Profit/loss for the period	-29	-37	-70	-115

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Profit/loss for the period	-29	-37	-70	-115
Other comprehensive income	0	0	0	0
Total comprehensive income	-29	-37	-70	-115

PARENT COMPANY CONDENSED BALANCE SHEET

SEK million	Dec 31 2021	Dec 31 2020
Assets		
<i>Fixed assets</i>		
Tangible fixed assets	8	9
Investments in Group companies	360	306
Deferred tax assets	14	13
Other non-current receivables	3	3
Total fixed assets	385	331
<i>Current assets</i>		
Project and development properties	2	2
Other current receivables	1,498	1,378
Cash and bank balances	313	115
Total current assets	1,813	1,495
Total assets	2,198	1,826
Equity and liabilities		
Shareholders' equity	530	428
<i>Non-current liabilities</i>		
Non-current interest-bearing liabilities	3	722
Other provisions	2	2
Total non-current liabilities	5	724
<i>Current liabilities</i>		
Current interest-bearing liabilities	523	7
Accounts payable	8	9
Other current liabilities	1,132	658
Total current liabilities	1,663	674
Total equity and liabilities	2,198	1,826

NOTES

NOTE 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS), as well as interpretations of current International Financial Reporting Interpretations Committee (IFRIC) standards as adopted by the EU. The Parent Company's reports have been prepared in compliance with the Annual Accounts Act and the Financial Reporting Board's recommendation RFR 2, Accounting for Legal Entities. ESMA's guidelines on alternative key indicators are applied in the report.

The Interim Report has been prepared in accordance with the same accounting principles and calculation methods as in the 2020 Annual Report. For detailed information regarding accounting policies, see Serneke's 2020 Annual Report, see www.serneke.se.

IAS 20 Accounting for Government Grants and Disclosure of Government Assistance

In connection with the corona pandemic, Serneke has received government support, mainly in the form of opportunities to defer payments of taxes and fees, temporarily reduced employer contributions, support for short-term work, as well as compensation for sick pay expenses. Serneke has chosen to report support for temporary work, adjustment support and costs for sick leave under Other income (SEK 10 million). These items are included in the accounts when it is reasonably certain that these grants will be received and that any conditions for the grants have been met.

Payments of taxes and fees were deferred in the amount of SEK 275 million, which is reported under current interest-bearing liabilities.

NOTE 2 – Financial assets and liabilities at fair value

Financial assets and financial liabilities measured at fair value in the balance sheet are classified according to one of three levels based on the information used to establish the fair value. The Group only holds financial assets and liabilities valued in level 3, which is why levels 1 and 2 have been omitted in the table below. No transfers have been made between the levels during the periods. A more detailed description of the levels can be found in Note 4 of the 2020 Annual Report.

Level 1 – Valuation is made according to prices in active markets for identical instruments.

Level 2 – Financial instruments for which the fair value is established based on valuation models that are based on observable data for the asset or liability other than quoted prices included in Level 1.

Level 3 – Financial instruments for which fair value is established based on valuation models where significant inputs are based on non-observable data.

Group SEK million	Dec 31 2021	Dec 31 2020
Financial assets		
Non-current interest-bearing receivables*	1,893	1,320
Available-for-sale financial assets**	2	2
Total financial assets	1,895	1,322
Financial liabilities		
Other short- and long-term liabilities	18	23
Of which, additional purchase considerations***	18	23
Total financial liabilities	18	23

* As of 31 December 2021, the shareholder loan for Karlatornet amounted to SEK 1,291 million. The remainder of the receivable is attributable to the joint venture established with Fastighets AB Balder in the second quarter of 2021.

** In the fair value calculation of available-for-sale financial assets at level 3, the market price method has been applied and the yield value assumption has been used.

*** In the fair value calculation of the additional purchase considerations at level 3, project estimates, budgets and forecasts have been applied.

The fair value of the bond amounts to SEK 500 million. For the Group's other financial assets and financial liabilities, the reported values are assessed as corresponding to FAIR VALUE. No significant changes in valuation models, assumptions or inputs were made during the period.

The repayment of the financial receivables regarding Karlatornet presupposes that the underlying calculations, which also pertain to the valuation of the underlying assets, proceed in accordance with the forecast and, if a deviation were to occur entailing there being no funds available to enable the payment of the dividend to Balder, Serneke has undertaken to convert the shareholder loan into a contingent shareholder contribution.

NOTE 3 – Pledged assets and contingent liabilities

The Group pledges collateral for external loans. The Group's contingent liabilities arise primarily in connection with different property disposals, whereby various operational guarantees may occur, as well as performance guarantees for future contracts. Serneke Group AB (publ) has also entered into a guarantee undertaking, which means that the co-owners in Prioritet Serneke Arena are jointly responsible for the correct fulfillment of interest and repayment of the associate's liabilities to credit institutions in the event that the associate is unable to pay.

Pledged assets and contingent liabilities in the consolidated balance sheet:

	Dec 31	Dec 31
Group	2021	2020
Pledged assets	2,367	2,017
Contingent liabilities	2,677	888
Parent Company		
Pledged assets	300	500
Contingent liabilities	4,987	2,628

Note 4 – Breakdown of income

Oct–Dec 2021, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	2,336	437	-	-	-426	2,347
Sale of properties and development rights	47	129	-	-	-	176
Rental income	0	1	-	0	0	1
Other income	6	13	-	42	-42	19
Total income	2,389	580	-	42	-468	2,543

Date of income recognition:

At a specific time	53	142	-	42	-42	195
Over time	2,336	438	-	0	-426	2,348
Total income	2,389	580	-	42	-468	2,543

Oct–Dec 2020, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	1,933	22	-	-	-82	1,873
Sale of properties and development rights	87	190	-	-	-	277
Rental income	0	2	-	3	-3	2
Other income	5	9	-	14	-14	14
Total income	2,025	223	-	17	-99	2,166

Date of income recognition:

At a specific time	92	199	-	14	-14	291
Over time	1,933	24	-	3	-85	1,875
Total income	2,025	223	-	17	-99	2,166

Jan–Dec 2021, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	8,024	1,077	-	-	-1,055	8,046
Sale of properties and development rights	65	557	-	-	-	622
Rental income	0	5	-	9	-9	5
Other income	14	47	-	146	-145	62
Total income	8,103	1,686	-	155	-1,209	8,735

Date of income recognition:

At a specific time	79	604	-	146	-145	684
Over time	8,024	1,082	-	9	-1,064	8,051
Total income	8,103	1,686	-	155	-1,209	8,735

Jan–Dec 2020, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	6,415	93	-	-	-444	6,064
Sale of properties and development rights	553	190	-	-	-	743
Rental income	0	8	-	12	-12	8
Other income	22	34	-	76	-76	56
Total income	6,990	325	-	88	-532	6,871
Date of income recognition:						
At a specific time	575	224	-	76	-76	799
Over time	6,415	101	-	12	-456	6,072
Total income	6,990	325	-	88	-532	6,871

Construction income

Income from contracting agreements is reported in accordance with IFRS 15 Revenue from Contracts with Customers, either by fulfilling the performance undertaking over time (that is, gradually) or at one specific time. Contracting agreements entail the construction contract being performed on the customer's land, where an asset is created over which the customer gains control in pace with the completion of the asset. This entails income being recognized gradually (over time), applying percentage-of-completion. When applying percentage-of-completion, the input method applies whereby income is reported based on the degree of completion, which is calculated as the ratio between the expenses incurred for work performed at the end of reporting period and the estimated total expenses for the assignment. Revaluations of the projects' final forecasts entail corrections of previously accrued profits. If it is probable that the total contract expenses will exceed the total contract income, the anticipated loss should be immediately recognized as a cost in its entirety. Modification and supplementary orders are included in the commission income to the extent that they have been approved by the customer.

Sale of properties and development rights

On disposal of properties or development rights directly or indirectly through a sale of shares, the underlying property or development right's value is recognized in the Group as income. Income from property sales is reported on gaining access to the property. When agreements include both property sales and building rights, as well as a contracting agreement for the planned building for the buyer, an assessment is made as to whether the property and/or building rights transactions and the contracting agreement, respectively, are separate performance commitments. Depending on the design and

terms of the agreement, the sale can be seen as one or several performance undertakings. Sales are reported at the point in time at which control is transferred to the buyer. Control is transferred over time if the seller has no alternative use for the property sold and the seller is entitled to payment from the customer for the work performed. In such cases, income is reported applying percentage of completion. If any of the above criteria are not met, income is reported at a single point in time, on completion and transfer to the customer. Sales of development rights can be dependent upon decisions regarding future detailed development plans. An assessment is then made as to the likelihood of the respective detailed development plan. Sales income and earnings are recognized when the probability is deemed to be very high. When sales income is recognized, all remaining commitments in the sales earnings are also taken into account. Occasionally, property projects are sold with guarantees of a certain level of leasing, and, at the time of sale, any rental guarantees are reported as a reserve in the project, which then has a positive effect on successive profit recognition as letting takes place.

Rental income

Income also includes rental income, which is to be considered as operating leasing. Rental income is announced in advance and accrued on a straight-line basis in the income statement based on the terms of the leases. Rent paid in advance reported as prepaid rental income. In cases where the rental contract allows a reduced rent for a certain period of time, which is compensated for by higher rent during another period, this is allocated across the term of the contract.

Other income

Other income refers to income not classified as construction income, property sales and building rights, or rental income such as hotel revenues, government subsidies, or income from central companies.

FINANCIAL DEFINITIONS

Indicator	Definition	Purpose			
Growth	Income for the period less income for the previous period divided by income for the previous period.	In the Company's view, the key indicator allows investors, who so wish, to assess the Company's capacity to increase its earnings.			
Organic growth	Income for the period, adjusted for acquired growth, less income for the previous period, adjusted for acquired growth, divided by income for the previous period, adjusted for acquired growth.	In the Company's view, the key indicator allows investors, who so wish, to assess the Company's capacity to increase its income without acquiring operating companies.			
Calculation of organic growth		Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
	Income current period	2,543	2,166	8,735	6,871
	Income corresponding to previous period	2,166	2,253	6,871	6,725
	Income change	377	-87	1,864	146
	Adjustment for structural effect	0	0	0	0
	Total organic growth	377	-87	1,864	146
	Total organic growth (%)	17.4%	-3.9%	27.1%	2.2%
Order bookings	The value of new projects and changes in existing projects during the period.	In the Company's view, this key indicator allows investors, who so wish, to assess the Company's sales in Business Area Contracting for the current period.			
Order backlog	The value of the Company's undelivered orders at the end of the period excluding cooperation agreements.	In the Company's view, this key indicator allows investors, who so wish, to assess the Company's income in Business Area Contracting over upcoming periods.			
Operating margin	Operating profit divided by income.	In the Company's view, the key indicator allows investors, who so wish, to assess the Company's profitability.			
Operating capital	Current assets less current liabilities.	In the Company's view, the key indicator allows investors, who so wish, to assess the Company's tied-up capital in relation to its competitors.			
Capital employed	Consolidated total assets less deferred tax assets less non-interest-bearing liabilities including deferred tax liabilities.	In the Company's view, this key indicator allows investors, who so wish, to assess the total capital placed at the Company's disposal by shareholders and creditors.			
Calculation of capital employed		Dec 31 2021	Dec 31 2020		
	Total assets	6,914	5,992		
	Deferred tax assets	-108	-15		
	Less non-interest-bearing liabilities including deferred tax liabilities	-2,845	-2,438		
	Capital employed	3,961	3,539		

Indicator	Definition	Purpose
Return on capital employed	Profit after net financial items plus financial expenses divided by average capital employed for the period. Accumulated interim periods are based on rolling 12-month earnings.	In the Company's view, the key indicator allows investors, who so wish, to assess the Company's capacity to generate a return on the total capital placed at the Company's disposal by shareholders and creditors.
		Dec 31
		Dec 31
	Calculation of average capital employed	2021
		2020
	Dec 31, 2021 (3,961) + Dec 31, 2020 (3,539) / 2	3,750
	Dec 31, 2020 (3,539) + Dec 31, 2019 (3,602) / 2	3,571
		Dec 31
		Dec 31
	Calculation of return on capital employed	2021
	2020	
Profit after net financial items	256	
Plus financial expenses	38	
Average capital employed	3,750	
Return on capital employed	7.8%	
	-11.4%	
Equity per share, before/after dilution	Total equity according to the balance sheet divided by the number of shares outstanding on the closing date. The difference between before and after dilution is accounted for by the convertibles issued by the Group.	The Company believes that key indicators give investors a better understanding of historical return per share at the closing date.
Cash flow from operations per share, before/after dilution	Cash flow from operating activities divided by the average number of shares during the period. The difference between before and after dilution is accounted for by the convertibles issued by the Group.	It is the Company's view that the key indicator gives investors a better understanding of the operations' cash flow in relation to the number of shares, adjusted for changes in the number of shares during the period.
Earnings per share, before/after dilution	Profit for the period divided by the average number of shares during the period. The difference between before and after dilution is accounted for by the convertibles issued by the Group.	It is the Company's view that the key indicator gives investors a better understanding of profit per share.

Indicator	Definition	Purpose		
Return on equity	Profit for the period as a percentage of average shareholders' equity. Accumulated interim periods are based on rolling 12-month earnings.	In the Company's view, the key indicator allows investors, who so wish, to assess the Company's capacity to generate a return on the capital shareholders have placed at the Company's disposal.		
			Dec 31	Dec 31
			2021	2020
			Calculation of average shareholders' equity	
			Dec 31, 2021 (2,467) + Dec 31, 2020 (1,946) / 2	2,207
			Dec 31, 2020 (1,946) + Dec 31, 2019 (2,179) / 2	2,063
			Dec 31	Dec 31
			2021	2020
Calculation of return on shareholders' equity				
Profit/loss for the period	349			
Average shareholders' equity	2,207			
Return on equity	15.8%			
	-17.4%			
Equity/assets ratio	Shareholders' equity less minority interests as a percentage of total assets.	The equity/assets ratio shows the proportion of total assets represented by shareholders' equity and has been included to allow investors to be able to assess the Company's capital structure.		
Net debt	Interest-bearing liabilities less liquid assets less interest-bearing receivables.	Net debt is a measure deemed relevant for creditors and credit rating agencies.		
Net debt/equity ratio	Interest-bearing net debt divided by shareholders' equity.	Net debt/equity ratio is a measure deemed relevant for creditors and credit rating agencies.		
EBITDA	Operating profit excluding amortization/depreciation.	EBITDA is a measure deemed to provide investors a better understanding of the Company's earnings.		
			Dec 31	Dec 31
			2021	2020
			Calculation of EBITDA	
			Operating profit	235
Depreciation	80			
EBITDA	315			
	-343			
Net debt/EBITDA	Interest-bearing liabilities less liquid assets less interest-bearing receivables divided by EBITDA.	Net debt/EBITDA is a measure deemed relevant for creditors and credit rating agencies.		

SERNEKE IN BRIEF

Serneke is a growing corporate group providing comprehensive services in contracting and project development with more than 1,200 employees. Through novel thinking, we drive development and create more effective and more innovative solutions for responsible construction. The business has a good mix of

public and commercial assignments, providing strength over economic cycles.

Serneke's annual reports and other financial information are available under the tab Investors at www.serneke.se

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Presentation of the Interim Report for January–December 2021

On February 9, 2022 at 9:00 a.m. (CET), Serneke Group will comment on this Interim Report in a conference call with an online presentation for investors, analysts and the media. The presentation will be in Swedish and can be followed live via webcast at <https://tv.streamfabriken.com/serneke-q4-2021>. Presentation materials for the presentation will be available on the website one hour before the webcast begins.

To participate, please dial: +46 8 505 583 73