

Year-end Report January–December 2019

A QUARTER PERVADED BY TRANSACTIONS AND STRONG ORDER BOOKINGS

October–December 2019

- Order bookings amounted to SEK 2,969 million (1,000)
- Income amounted to SEK 2,253 million (1,991)
- The operating loss amounted to SEK 97 million (profit 509)
- Cash flow from operating activities amounted to SEK 83 million (264). Cash flow was affected adversely by investments of SEK 157 million in the production of tenant-owner apartments and the Karlastaden project
- The loss for the period amounted to SEK 63 million (profit 572)
- The final settlement of the remaining additional purchase consideration for the Säve site strengthened the cash and bank balances by SEK 300 million and had a negative effect on operating profit by SEK 90 million

January–December 2019

- Order bookings amounted to SEK 8,601 million (4,692) and the order backlog was SEK 8,943 million (6,382)
- Income amounted to SEK 6,725 million (6,516)
- The operating loss amounted to SEK 84 million (profit 595)
- Cash flow from operating activities amounted to an outflow of SEK 645 million (inflow 265). Cash flow was affected adversely by investments of SEK 484 million in the production of tenant-owner apartments and the Karlastaden project
- The loss for the period amounted to SEK 82 million (profit 604)
- Recalculated in accordance with the former accounting principle regarding tenant-owner apartments projects and assuming the Karlastaden project as external, income would have instead amounted to SEK 7,228 million and the operating loss would have been SEK 29 million.
- The Board of Directors confirms the Company's dividend policy but chooses to await the outcome of current transactions before recommending a dividend for 2019 in the Notice to attend the Annual General Meeting.

Ola Serneke, CEO Serneke Group, comments:

– Both within the Company and externally, 2019 was a year marked by major challenges. The year also reflected the Company's view that having the courage to change is crucial, even though decisions may be difficult at that moment. We have vigorously addressed aspects bringing long-term organizational improvement and resulting in a more profitable company.

– Factors impacting earnings negatively included: capacity that has been kept on "standby" at Karlastaden, our long-term initiative in collaboration agreements, the earnings of the civil engineering operations, the restructuring costs for implementing the new organization, amended accounting principles and, last but not least, the final settlement in the sale of the Säve flygplats site. The combined negative impact on earnings of these circumstances in 2019 amounts to approximately SEK 380 million, and to about SEK 2.3 billion in sales.



Presentation of the Interim Report for January–December 2019

On February 5, 2020 at 9:00 a.m. (CET), Serneke Group will comment on this Year-End 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-q4-2019>. Presentation materials for the presentation will be available on the website one hour before the webcast begins.

To participate, please dial: +46 8 50 55 83 59

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This information is information that Serneke is obliged to disclose pursuant to the EU Market Abuse Regulation and the Securities Market Act. The information was released for public disclosure, through the agency of the contact person above, on 5 February 2020 at 08.00 a.m. CET.

Serneke is a rapidly growing corporate group active in construction contracts and project development. The Group was founded in 2002 and today has income of SEK 6,7 billion and nearly 1,200 employees. Through novel thinking, the Company drives development and creates more effective and more innovative solutions for responsible construction. The Company builds and develops housing, commercial buildings, industrial facilities, public buildings, roads and civil engineering projects, and other infrastructure. The Company's customers are public and commercial clients. The Company's operations are nationwide and organized into five regions in Sweden: South, West, East, Mid Sweden and North. Serneke has its headquarters in Gothenburg and offices in Stockholm, Malmö, Alingsås, Borås, Eskilstuna, Halmstad, Helsingborg, Jönköping, Karlstad, Luleå, Skövde, Strömstad, Trollhättan, Uppsala, Varberg, Växjö and Örebro. The Company's Class B shares (SRNKE) have been listed on the Nasdaq Stockholm exchange since November 2016.

More information about Serneke Group AB can be found at www.serneke.se