

For Serneke, 2016 was another good year

Ola Serneke, President and CEO, comments on the year-end report for 2016:

"The Serneke Group is able to report another year of rapid growth and good profitability. Income increased by 28 percent and amounted to nearly SEK 4 billion for 2016 and our order backlog was 37 percent higher than at the end of 2015. I am especially proud that our largest business area, Construction, ended 2016 strongly. The operating margin for the business area amounted to 3.7 percent in the fourth quarter, compared with 2.0 percent in the corresponding period in the preceding year. Serneke is now one of Sweden's largest contracting companies and we will continue to grow with good profitability.

Project Development has a strong portfolio of property projects, including Karlastaden, and the fair value of these amounted to SEK 1.7 billion, of which SEK 0.6 billion is recognized as book value. In our new business area, Property Management, we are already seeing good rental income from S ve flygplats, Priority Serneke Arena and other properties.

I am pleased with the positive reception we received on the listing of the Company's Series B shares on the Nasdaq Stockholm exchange in November, 2016. The new share issue strengthened our financial position and shareholders' equity amounted to SEK 1,469 billion (453) and we had a good equity/assets ratio of 42.7 percent (27.4) at the end 2016. This provides strong support for us all at Serneke in reaching our overall profitably target of achieving SEK 10 billion in sales in 2020."

January–December 2016

- Revenues amounted to SEK 3,978 million (3,107), an increase of 28 percent
- Operating profit amounted to SEK 411 million (128) and the operating margin was 10.3 percent (4.1)
- Profit for the period amounted to SEK 394 million (137)
- Earnings per share after dilution amounted to SEK 21.22 (8.11)
- Shareholders' equity amounted to 1,469 (453)
- The equity/assets ratio was 42.7 percent (27.4)
- Order bookings amounted to SEK 5,539 million (5,094)
- The order backlog amounted to SEK 7,041 million (5,125)
- In June, 50 percent of the Karlastaden project in Gothenburg was sold to property company Nordic Real Estate Partners (NREP)
- The Board of Directors proposes that no dividend be paid for 2016 (0)

Outlook for 2017

The Swedish construction market continues to show strong growth and projections for total construction from the Swedish Construction Federation continue to show strong demand, mainly in the three metropolitan regions. Serneke is well-established here with an organization of competent employees that builds exciting projects and the Group believes it has the capacity necessary to grow with good profitability in its contracting operations.

Serneke's project portfolio is strong, with a good balance that limits exposure and attracts qualified investors. The Group also has good property holdings that will be developed together with various stakeholders.



Year-end report 2016:

The complete year-end report and presentation materials are available via www.serneke.group/investerare.

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This information is such that Serneke Group AB is required to disclose under the EU Market Abuse Regulation. The information was submitted under the auspices of the contact person stated above, for publication on February 28 at 08.01 a.m. CET.

Serneke is a rapidly growing corporate group active in construction, civil engineering, project development and property management. The Group was founded in 2002 and today has annual income of close to SEK 4 billion and about 850 employees. Through novel thinking, the Company drives development and create 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 and operations are focused on the three metropolitan regions in Sweden, Gothenburg (Region West), Stockholm (Region East) and Malmö (Region South). Serneke's headquarters are located in Gothenburg and the Company also has offices in Stockholm, Malmö, Helsingborg, Borås, Halmstad, Strömstad, Trollhättan, Varberg and Alingsås. The Company's Series B shares (SRNKE) have been listed on the Nasdaq Stockholm exchange since November 2016.

Further information about Serneke is available at www.serneke.group