

## KICK-OFF FOR A NEW ORGANIZATION

### JANUARY – MARCH 2020

- Order bookings amounted to SEK 2,975 million (1,177) and the order backlog was SEK 10,576 million (5,973)
- Income amounted to SEK 1,814 million (1,480)
- The operating loss was SEK 149 million (profit 18), of which non-recurring expenses amounted to SEK 135 million
- At the end of the period, available cash and cash equivalents totaled SEK 587 million
- Cash flow from operating activities amounted to an outflow of SEK 233 million (262)
- Cash flow for the period amounted to an outflow of SEK 50 million, of which Karlatornet had a negative impact by SEK 140 million
- The loss for the period amounted to SEK 106 million (profit 10)
- The sale of the Karlatornet Tower has been postponed as a direct consequence of the uncertain situation in the global financial market caused by the Coronavirus pandemic. The level of activity in the project has been reduced to a minimum, with expenses of SEK 58 million associated with the project having burdened the quarter.
- The reorganization process is progressing, and efficiency measures are being implemented that will release about 200 million on an annual basis from the beginning of 2021. These measures will cut expenses throughout the organization and entail as many as 100 full-time employees being served notice of termination. Measures to restructure the organization burdened profit for the quarter by SEK 30 million.

SEK million	Jan–Mar 2020	Jan–Mar 2019	Apr–Mar 2019/2020	Jan–Dec 2019
Income	1,814	1,480	7,059	6,725
Operating profit	-149	18	-251	-84
Operating margin, %	-8.2	1.2	-3.6	-1.2
Profit/loss for the period	-106	10	-198	-82
Earnings per share, SEK, before dilution	-4.73	0.45	-8.83	-3.66
Earnings per share, SEK, after dilution	-4.73	0.44	-8.83	-3.66
Equity per share, SEK, after dilution	92.25	99.81	92.25	96.92
Equity/assets ratio, %	37.0	39.9	37.0	38.0
Net debt	1,198	1,057	1,198	1,224
Net debt/EBITDA	-6.1	1.7	-6.1	-36.0
Net debt/equity ratio, %	57.8	46.8	57.8	56.2
Order bookings	2,975	1,177	10,399	8,601
Order backlog	10,576	5,973	10,576	8,943

## CEO STATEMENT

Although the effects of the Coronavirus pandemic on society, both nationally and globally, only appeared in earnest in March, it has had consequences for us that are evident in the first quarter report. The effects of the pandemic are as unexpected and pervasive as they are difficult to predict for the future. Our sector is not among the hardest hit and, to date, we have managed, despite some challenges for material deliveries and staffing, to keep our active projects progressing well by being flexible and maintaining a good dialogue with clients. The ultimate consequences of the pandemic on our industry, and the resulting economic downturn, remain to be seen. It has always been important to us to maintain a preparedness for fluctuations in the business cycle and this has naturally been accentuated in the current situation.

Our total operating loss for the quarter of SEK 149 million (18) was affected by a number of non-recurring expenses totaling SEK 135 million. One of the direct consequences of the corona pandemic that we have seen is that our intended partner in the Karlatornet project, Oaktree Capital Management, chose, at the end of March, to postpone the final signing of the agreement we reached in January. As a consequence, we have lowered the level of activity in the construction of the tower to a minimum. This process burdened the earnings for the quarter by SEK 58 million. In the immediate future, one of our foremost priorities will be securing financing and resuming construction on the project as quickly as possible.

Our current process of organizational change burdened earnings in the amount of SEK 30 million. The closure and merger of profit units in our former Civil Engineering business area entails additional non-recurring expenses of SEK 25 million. Corresponding restructuring in our Project Development operations has resulted in non-recurring expenses of SEK 22 million for projects not considered to meet requirements for a transaction in the near future. In the future, we will govern our Project Development operations with a greater focus on transactions in our now mature project portfolio. For a number of years, we have invested in projects under our own control, which are now ready for sale. We have a total of approximately 1 million square meters of development rights at our disposal.

Even after taking these non-recurring expenses into account, we have a negative underlying outcome for the quarter. In our industry, the first quarter of the year is a period of lower activity, which affects earnings. We have also had a couple of specific projects that did not progress as planned, although we are now leaving no stone unturned in avoiding similar effects in the future.

The adjustment our company is currently making should be considered in light of the current COVID-19 situation but is primarily part of a more long-term process aimed at shifting our principal focus from growth to profitability. Our recent financial results signal that, following many years of strong growth, we are in a phase where we must do what we have always been good at



– daring to question, making decisions and continuing to focus ahead. This is a process that we had started last year as our new organization took shape. During the first quarter of this year, we continued our measures by launching an efficiency program that will free up some SEK 200 million annually from 2021, meaning, among other things, that about 100 jobs will be affected. Accordingly, 2020 will be a year of consolidation in which we continue our efforts to sharpen our organization and focus on profitability.

We choose to do this right now, not only because it is required of us, but also because the conditions for doing so are favorable, despite a somewhat uncertain situation with the pandemic. We have a historically strong order backlog of approximately SEK 10.5 billion, almost double what it was compared with the same time a year ago. During the quarter, we signed a number of new contracts, including both turnkey and collaborative projects. Examples include 400 homes in Brandbergen in Stockholm, 319 apartments at Norra Kajen in Sundsvall and 198 homes in Helsingborg.

Our sales in the first quarter increased by slightly more than 20 percent compared with the first quarter last year, ending up at SEK 1,814 million (1,480). Both the Contracting and Project Development operations increased their sales, although the overall increase was driven predominantly by the sale of three housing cooperative projects.

The total cash flow for the first three months of the year amounted to an outflow of SEK 50 million. Karlatornet affects cash flow by approximately SEK 140 million and, with the postponed transaction excluded, cash flow ends up at an inflow of SEK 90 million. Positive cash flow over time is a priority issue and a number of activities are currently in progress to strengthen it in the future.

Both our company and society in general currently find themselves in an unusual situation. We must all consider how we are affected and what we can do best to prevail. I am certain that we as a company will emerge from this trial strengthened

Ola Serneke, President and CEO

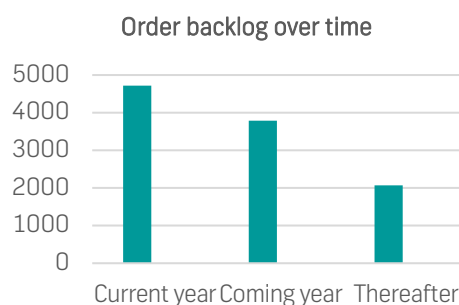
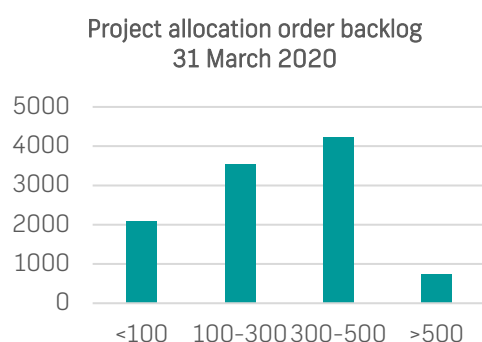
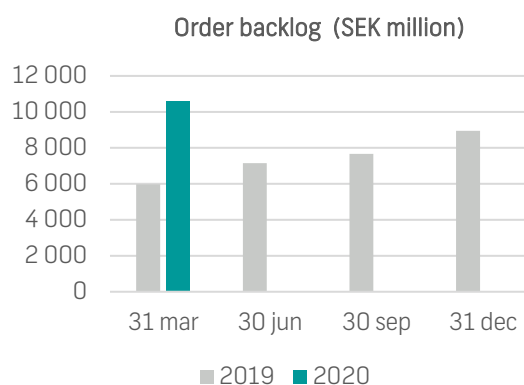
## ORDER BOOKINGS AND ORDER BACKLOG

Order bookings SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 19/20	Jan-Dec 2019
Contracting	2,975	1,177	10,399	8,601

Order backlog SEK million	Mar 31 2020	Mar 31 2019	Dec 31 2019
Contracting	10,576	5,973	8,943

External order bookings in the first quarter amounted to SEK 2,975 million (1,177), an increase of 153 percent compared with the corresponding quarter of the preceding year. It was primarily housing construction projects that contributed to the strong order bookings. As part of this, a portfolio of five sites with appurtenant rental housing projects was sold and three of these projects were recognized in order bookings for slightly more than SEK 900 million during the quarter. The largest individual order during the quarter was valued at SEK 475 million, involving a housing project in Borås. Demand in the Swedish construction market is driven by an underlying need for both housing and public

properties as a consequence of the growing population. This is occurring at the same time as there is increased uncertainty in the business cycle with an ongoing economic downturn. This is particularly noticeable in the housing sector with increased caution among clients and longer lead times before decisions are made. The backlog of external orders at the end of the fourth quarter amounted to SEK 10,576 million (5,973), an increase of 77 percent compared with the corresponding quarter of the preceding year and, at the same time, the highest level in Serneke's history.



### NEW ORDERS VALUED AT MORE THAN SEK 100 million IN THE PERIOD JANUARY-MARCH 2020

Assignment	Location	Order value (SEK million)	Anticipated start of construction
Housing	Borås	475	Second quarter 2020
Housing	Gothenburg	345	Third quarter 2020
Housing	Borås	109	First quarter 2020
Housing	Stockholm	491	First quarter 2020
Housing	Helsingborg	267	First quarter 2020
Housing	Malmö	135	Third quarter 2020

## INCOME AND PROFIT

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
Income	1,814	1,480	7,059	6,725
Operating profit	-149	18	-251	-84
Net financial items	-5	-10	-22	-27
Earnings after financial items	-154	8	-273	-111
Tax	48	2	75	29
Profit/loss for the period	-106	10	-198	-82

### JANUARY-MARCH 2020

Consolidated income amounted to SEK 1,814 million (1,480), an increase of 23 percent. The contracting operations increased their revenue by 4 percent to a total SEK 1,575 million (1,515). Project development revenue amounted to SEK 427 million (29), with the sharp increase largely being attributable to three housing cooperative projects having been handed over to the customer during the quarter, contributing SEK 390 million (0) to sales.

The operating loss amounted to SEK 149 million (profit 18) and was negatively affected by most of the non-recurring expenses totaling SEK 135 million. The Contracting operations generated a loss of SEK 87 million (profit 25), with the segment being affected negatively by non-recurring expenses of SEK 25 million attributable to the restructuring of the Civil Engineering operations and organizational restructuring of SEK 10 million. The Project Development operations generated a loss of SEK 72 million (9) and were impacted negatively by SEK 58 million in the quarter due to the deferred sale of

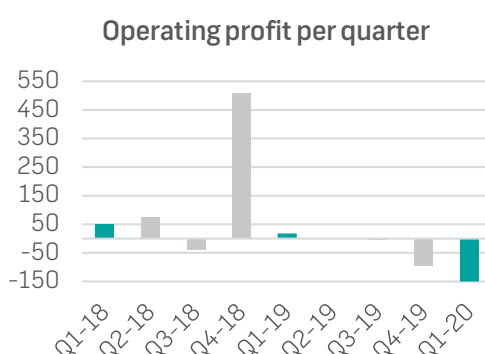
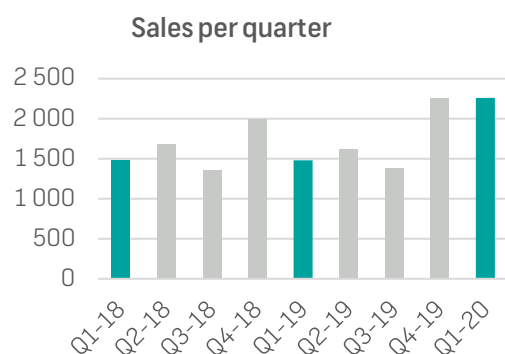
the Karlatornet Tower, which caused the level of activity in the project to be reduced to a minimum.

Organizational restructuring burdened the quarter by SEK 20 million and, in conjunction with a strategic review of the project portfolio, further impairment of SEK 22 million was recognized in Project Development projects. Completed sales of housing cooperative projects contributed SEK 73 million to operating profit.

Net financial items were negative in the amount of SEK 5 million (10). During the quarter, borrowing expenses of SEK 13 million (2) on project properties were capitalized.

The Group reported an estimated tax expense of SEK 48 million (2). The positive tax effect is attributable partly to non-taxable income and a change in deferred tax related to tax loss carryforwards.

The loss for the period amounted to SEK 106 million (profit 10) and earnings per share after dilution for the quarter were a negative SEK 4.73 (positive 0.44).



## FINANCIAL POSITION

SEK million	Mar 31 2020	Mar 31 2019	Dec 31 2019
Total assets	5,605	5,652	5,734
Total equity	2,074	2,257	2,179
Net debt	1,198	1,057	1,224
Net debt/EBITDA	-6.1	1.7	-36.0
Cash and cash equivalents	112	210	162
Equity/assets ratio, %	37.0	39.9	38.0

As of 31 March, the consolidated balance sheet total amounted to SEK 5,605 million (5,734) and the equity/assets ratio was 37.0 percent (38.0). At the end of the period, cash and cash equivalents amounted to SEK 112 million (162), in addition to which, the Group has a credit framework of SEK 665 million, of which SEK 190 million had been utilized. At the end of the period, available cash and cash equivalents totaled SEK 587 million (692).

On March 31, equity amounted to SEK 2,074 million (2,179). The change comprises the loss for the year of SEK 106 million and share-related compensation of SEK 1 million.

On March 31, net borrowing amounted to SEK 1,198 million (1,224). Net debt in relation to EBITDA was negative 6.1 (positive 1.7). Construction credits for housing cooperative projects decreased as a result of three projects being sold during the quarter.

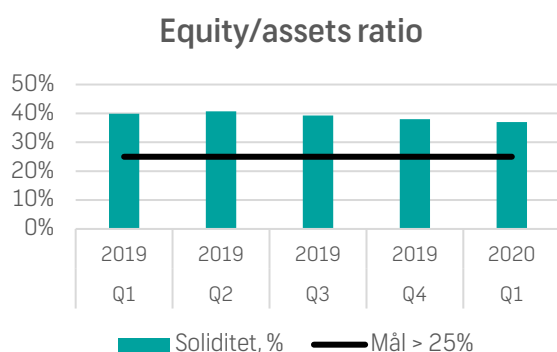
Net debt SEK million	Mar 31 2020	Mar 31 2019	Dec 31 2019
Bank loans	169	224	169
Utilized bank overdraft facility	190	-	-
Construction credits, housing cooperative projects	42	202	308
Bonds	696	692	695
Financial lease liabilities	88	75	85
Additional lease liabilities, IFRS 16	167	93	158
Other interest-bearing liabilities	8	8	8
Interest-bearing receivables	-50	-27	-37
Cash and cash equivalents	-112	-210	-162
<b>Net debt</b>	<b>1198</b>	<b>1,057</b>	<b>1,224</b>

The SEK 665 million credit facility at Nordea carries one covenant, requiring the Group to maintain an equity/assets ratio of 25 percent and another requiring that net debt in relation to EBITDA not exceed a multiple of 2.5. On the reporting date of March 31, 2020, the equity/assets ratio was 37 percent and the debt/equity ratio was negative. For this, Nordea has waived the covenant in the credit facility agreement. The waiver is valid until the next reference date, June 30, 2020.

## CAPITAL STRUCTURE

One of the Group's financial targets is for the equity/assets ratio to exceed 25 percent.

The liquidity reserve shall amount to at least 5 percent of income in the past 12-month period.



## CASH FLOW

	Jan-Mar	Jan-Mar	Apr-Mar	Jan-Dec
SEK million	2020	2019	2019/2020	2019
Cash flow from operating activities	-233	-262	-616	-645
Cash flow from investment activities	-16	-12	207	211
Cash flow from financing activities	199	95	311	207
Cash flow for the period	-50	-179	-98	-227
Cash and cash equivalents at beginning of period	162	389	210	389
Cash and cash equivalents at end of period	112	210	112	162

### January – March 2020

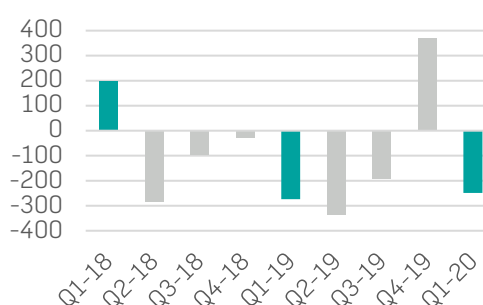
Cash flow from operating activities amounted to an outflow of SEK 233 million (262), of which cash flow from changes in working capital amounted to an outflow of SEK 156 million (228). The change in working capital has been adversely affected mainly by investments of approximately SEK 140 million in the Karlastaden project.

Cash flow from investing activities amounted to an outflow of SEK 16 million (12).

Cash flow from financing activities amounted to an outflow of SEK 199 million (95), pertaining mainly to a utilized overdraft facility of SEK 190 million, contributions of SEK 242 million paid by housing cooperatives and repayments of loans in housing cooperatives of SEK 249 million.

Cash flow for the period amounted to an outflow of SEK 50 million (179).

### Cash flow before financing



*Serneke is the turnkey contractor when Brandbergen Centrum in the municipality of Haninge, outside Stockholm, is remodeled and expanded with approximately 400 new homes. The order is valued at approximately SEK 500 million.*

## OVERVIEW SEGMENTS

The Serneke Group is divided into three segments: Contracting, Project Development and Other, which are reported as individual operating segments.

The Construction segment conducts integrated construction, civil engineering and infrastructure-related operations. The segment conducts construction contracting for both external customers, as well as the Project Development segment.

The Project Development segment develops project and development properties by acquiring

developed or undeveloped land that is being refined into residential and commercial properties. The Project Development segment reports sales both as a contractor and as a developer.

The Other segment develops the Group's corporate holdings, including its holdings in associated companies.

Under Eliminations and Group-wide, central companies, Group functions and internal profit eliminations are reported.

### SALES

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<b>SEK million</b>				
Contracting	1,575	1,515	6,490	6,430
Project Development	427	29	966	568
Other	26	24	102	100
<i>Eliminations and Group-wide</i>	<i>-214</i>	<i>-88</i>	<i>-499</i>	<i>-373</i>
<b>Total</b>	<b>1,814</b>	<b>1,480</b>	<b>7,059</b>	<b>6,725</b>

### OPERATING PROFIT

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<b>SEK million</b>				
Contracting	-87	25	-82	30
Project Development	-72	-9	-118	-55
Other	1	1	-3	-3
<i>Group-wide</i>	<i>9</i>	<i>1</i>	<i>-48</i>	<i>-56</i>
<b>Total</b>	<b>-149</b>	<b>18</b>	<b>-251</b>	<b>-84</b>

### 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.

## CONTRACTING

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<b>SEK million</b>				
Income	1,575	1,515	6,490	6,430
Operating profit	-87	25	-82	30
Operating margin, %	-5.5	1.7	-1.3	0.5

### January – March 2020

Income amounted to SEK 1,575 million (1,515), an increase of 4 percent. During the quarter, there were no significant effects on revenue attributable to the current Coronavirus pandemic. Certain disruptions to individual projects have occurred, however, which are handled by the local project organization. In general, the level of activity in the construction projects in progress has remained high.

The operating loss amounted to SEK 87 million (profit 25) and the operating margin ended up at a negative 5.5 percent (positive 1.7). During the quarter, the margin was impacted negatively by SEK 10 million as a result of the organizational change in progress and by SEK 25 million in non-recurring expenses for the reorganization of projects from the former Civil Engineering segment. The segment is taking measures to reduce the cost base and improve profitability.



*During the quarter, a turnkey contract was signed with Helsingborgs-hem for 198 new housing cooperative apartments at Drottning-hög in Helsingborg.*

## PROJECT DEVELOPMENT

	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<b>SEK million</b>				
Income	427	29	966	568
Share in profit of associates and joint ventures	7	2	17	12
Operating profit	-72	-9	-118	-55
Operating margin, %	-16.9	-31.0	-12.2	-9.7

### January – March 2020

Income amounted to SEK 427 million (29), an increase of 1,372 percent. The increase is attributable to completed transactions for a total SEK 399 million.

The share in the profit of associates and joint ventures amounted to SEK 7 million (2).

The operating loss amounted to SEK 72 million (9) and the operating margin ended up at a negative 16.9 percent (31.0). Operating profit for the quarter was impacted negatively by the direct consequences of the Coronavirus pandemic on the Karlatornet project in the amount of SEK 58 million, with the intended partner, Oaktree Capital Management, choosing in late March to postpone the signing. As a consequence of this, the level of activity in the construction of the tower was reduced. Organizational restructuring also burdened the quarter by SEK 20 million and, in conjunction with a strategic review of the project portfolio, further impairment of SEK 22 million was recognized in Project Development projects. Completed sales of housing cooperative projects contributed SEK 73 million to operating profit.

At the end of the quarter, the segment had a total of three production projects in progress, excluding Karlastaden, including one through a joint venture,

comprising a total of 140 homes of which 117, or 84 percent, had been sold. During the quarter, three housing cooperative projects, comprising 117 apartments, were handed over to the customer. All except 11 of the apartments in the projects had been sold.

### Project development portfolio

On March 31, 2019, the total book value of the project development portfolio amounted to SEK 3,049 million (3,274). The change is mainly attributable to sales of housing cooperative projects.

Development rights Number (GFA)	Mar 31 2020	Mar 31 2019	Dec 31 2019
Development rights on own balance sheet	307,162	399,778	310,162
Development rights through joint ventures	55,705	60,436	58,011
Agreed development rights not yet taken into possession	502,147	433,429	482,247
Total	865,014	893,643	850,420

Housing construction projects developed in-house	Mar 31 2020	Mar 31 2019	Apr-Mar 2019/2020	Dec 31 2019
Number of housing units under construction during the period	24	-	140	116
Number of housing units sold during the period	25	27	142	144
Total number of housing units under construction at the end of the period	734	744	817	827
Number of repurchased housing units on the company's own balance sheet at the end of the period	2	-	3	1

## PARENT COMPANY

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

Income for January-March amounted to SEK 37 million (44) and consisted primarily of intra-group services. The decrease in revenues is explained by the ongoing reorganization in which the central functions are being cut back. The operating loss for the same period amounted to SEK 12 million (1). The weaker earnings were mainly attributable to transaction expenses.

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 36 of the 2019 Annual Report. During the year, related-party transactions have taken place with property company Adapta AB, Ludwig Mattson, Ola Serneke Invest AB, Ludwig Matsson, JV Sersund AB and associate Änglagården. Transactions with related parties have been made on market terms.

Transactions with Adapta AB are considered to constitute related-party transactions since the principal owner, Ludwig Matsson, is a member of the Board of Serneke Group. The transactions consisted mainly of construction income and rental of Serneke's headquarters, and sales amounted to SEK 1 million and purchases to SEK 3 million as of March 31, 2020. Transactions have also been conducted with private individual Ludwig Matsson regarding contracting revenue of SEK 2 million. Transactions with Ola Serneke Invest AB are considered to be related party transactions, as Ola Serneke is the principal owner, CEO and a member of the Board of Serneke Group AB. As of March 31, 2020, revenue primarily comprised rent and amounted to SEK 1 million. Transactions with JV Sersund AB consist of contracting income of SEK 19 million. Transactions with associate Änglagården consist mainly of contracted personnel, premises rental and rental of the venue name and, at March 31, 2020, income amounted to SEK 1 million and purchases to SEK 5 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. At the end of the first quarter, a number of transactions were included in this assessment. There is also a financial preparedness to safeguard the Company's continued scope of action.

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 2019 Annual Report. The descriptions in the Annual Report remain relevant. The Annual Report is published at [www.serneke.group](http://www.serneke.group).

## OTHER SIGNIFICANT EVENTS DURING THE REPORT PERIOD

### **New organization from January 1, 2020**

From the start of the year, a region-based organization has been introduced with the overall objective of increasing collaboration within the Group while also strengthening local entrepreneurial and business acumen. The new organization is based on five regions: South, West, East, Central and North. Each region offers all of Serneke's contracting and project development services. All construction, civil engineering and infrastructure-related activities are conducted within the Contracting Operations, and development of housing and commercial properties is conducted within the Project Development operations.

### **Sale of Karlatornet Tower postponed**

In mid-January 2020, an agreement was reached with Oaktree Capital Management on the sale of a majority holding in Karlatornet. However, due to the concern in the global financial market caused by the Coronavirus, Oaktree decided at the end of March 2020, to postpone the final signing of the agreement. As a consequence, the

level of activity on the project has been reduced to a minimum. In total, the quarter was burdened by approximately SEK 58 million attributable to the project being postponed and construction being lowered to a minimum.

## SIGNIFICANT EVENTS FOLLOWING THE REPORT PERIOD

Taking into account the major reorganization initiated in the autumn of 2019, the change now being implemented will result in expenses being reduced by approximately SEK 200 million annually. The changes are expected to take full effect at the beginning of 2021 and will impact as many as 100 full-time jobs.

## THE SERNEKE SHARE (SRNKE)

Serneke Group AB has two share series, Series A and B. As of March 31, 2020, Serneke had approximately 7,600 shareholders and the closing price on March 31, 2020 was SEK 35.7.

### Serneke's ten largest shareholders, March 31, 2020

	Series A shares	No. of B shares	Total number of shares	Percentage of shares outstanding, %	Percentage of votes, %
Ola Serneke Invest AB	3,710,000	2,397,987	6,107,987	27.23%	56.98%
Lommen Holding AB	540,000	3,457,803	3,997,803	17.82%	12.78%
Christer Larsson i Trollhättan AB	380,000	497,000	877,000	3.91%	6.20%
Ledge Ing AB	330,000	456,763	786,763	3.51%	5.42%
Vision Group i väst AB	250,000	551,000	801,000	3.57%	4.40%
Svolder Aktiebolag	0	1,327,609	1,327,609	5.92%	1.92%
Cliens fonder	0	795,000	795,000	3.54%	1.15%
Nordnet Pensionsförsäkring AB	0	346,422	346,422	1.54%	0.50%
Bert-Åke Eriksson	0	271,687	271,687	1.21%	0.39%
Madeleine Olsson Eriksson	0	271,684	271,684	1.21%	0.39%
<b>Total, 10 largest</b>	<b>5,210,000</b>	<b>10,372,955</b>	<b>15,582,955</b>	<b>69.46%</b>	<b>90.12%</b>
Other shareholders	0	6,850,510	6,850,510	30.54%	9.88%
<b>Total shares outstanding</b>	<b>5,210,000</b>	<b>17,223,465</b>	<b>22,433,465</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Repurchased shares</b>	<b>0</b>	<b>814,987</b>	<b>814,987</b>		
<b>Total shares registered</b>	<b>5,210,000</b>	<b>18,038,452</b>	<b>23,248,452</b>		

Source: Euroclear and Serneke

Share series, number of shares and votes, March 31, 2020

Share class	Shares	Votes
Series A shares	5,210,000	5,210,000
Series B shares	17,223,465	1,722,346.5
<b>Total</b>	<b>22,433,465</b>	<b>6,932,346.5</b>

## FINANCIAL CALENDAR

Interim Report January–June	Aug 20, 2020
Interim Report January–Sept	Nov 5, 2020
Year-end report 2020	Feb 19, 2021

The Board of Directors and the CEO certify that this Interim Report provides a fair overview of the Parent Company and Group's operations, position and performance and describes significant risks and uncertainties facing Serneke.

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

Gothenburg, May 5, 2020  
Serneke Group AB (publ)

### Board

Kent Sander  
Chairman

Mari Broman  
Member

Ludwig Matsson  
Member

Ola Serneke  
CEO

Anna-Karin Celsing  
Member

Anna Belfrage  
Member

Fredrik Alvarsson  
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. The information was submitted for publication on May 5, 2020, at 8:00 a.m.

## QUARTERLY DATA AND MULTI-YEAR REVIEW

	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun	Jan-Mar	Oct-Dec	Jul-Sep	Apr-Jun
SEK million	2020	2019	2019	2019	2019	2018	2018	2018
<b>Income</b>								
Contracting	1575	1,837	1412	1,666	1,515	1,937	1,337	1586
Project Development	427	484	29	26	29	149	62	116
Other	26	24	20	33	24	27	27	42
<i>Eliminations and Group-wide</i>	-214	-92	-85	-109	-88	-122	-67	-63
<b>Total</b>	<b>1,814</b>	<b>2,253</b>	<b>1,376</b>	<b>1,616</b>	<b>1,480</b>	<b>1,991</b>	<b>1,359</b>	<b>1,681</b>
<b>Operating profit</b>								
Contracting	-87	-37	5	36	25	55	-35	43
Project Development	-72	-32	0	-14	-9	460	-6	36
Other	1	2	-7	1	1	-2	-1	1
<i>Group-wide</i>	9	-30	-3	-23	1	-4	2	-6
<b>Total</b>	<b>-149</b>	<b>-97</b>	<b>-5</b>	<b>0</b>	<b>18</b>	<b>509</b>	<b>-40</b>	<b>74</b>
Operating margin, %	-8.2	-4.3	-0.4	0.0	1.2	25.6	-2.9	4.4
Profit after net financial items	-154	-85	-30	-3	8	501	-50	58
Profit/loss for the period	-106	-63	-27	-2	10	572	-55	48
<b>Balance sheet</b>								
Fixed assets	678	661	941	910	1,106	1,094	1,998	1,944
Current assets	4,927	5,073	4,753	4,654	4,546	4,461	2,725	2,798
<b>Total assets</b>	<b>5,605</b>	<b>5,734</b>	<b>5,694</b>	<b>5,564</b>	<b>5,652</b>	<b>5,555</b>	<b>4,723</b>	<b>4,742</b>
Shareholders' equity	2,074	2,179	2,238	2,263	2,257	2,272	1,721	1,770
Non-current liabilities	1,430	1,719	1,615	1,669	1,573	1,289	1,317	1,387
Current liabilities	2,101	1,836	1,841	1,632	1,822	1,994	1,685	1,585
<b>Total equity and liabilities</b>	<b>5,605</b>	<b>5,734</b>	<b>5,694</b>	<b>5,564</b>	<b>5,652</b>	<b>5,555</b>	<b>4,723</b>	<b>4,742</b>
<b>Orders</b>								
Order bookings	2,975	2,969	1,792	2,663	1,177	1,000	1,236	1,328
Order backlog	10,576	8,943	7,662	7,149	5,973	6,382	7,303	7,398
<b>Employees</b>								
Average number of employees	1167	1,153	1,173	1,178	1134	1,110	1,096	1,051

## KEY INDICATORS

### IFRS-based key indicators

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2020	Jan-Dec 2019
Income	1,814	1,480	7,059	6,725
Earnings per share, SEK, before dilution	-4.73	0.45	-8.83	-3.66
Earnings per share, SEK, after dilution	-4.73	0.44	-8.83	-3.66
Weighted average number of shares before dilution	22,433,465	22,433,465	22,433,465	22,433,465
Weighted average number of shares after dilution	22,481,968	22,613,468	22,525,801	22,558,676

### Other key indicators

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2020	Jan-Dec 2019
Operating profit	-149	18	-251	-84
Growth, %	22.6	-0.3	8.4	3.2
Order bookings	2,975	1,177	10,399	8,601
Order backlog	10,576	5,973	10,576	8,943
Organic growth, %	22.6	-0.3	8.4	3.2
Operating margin, %	-8.2	1.2	-3.6	-1.2
Cash flow before financing	-249	-274	-409	-434
Cash flow from operations per share, before dilution	-10.39	-11.68	-27.46	-28.75
Cash flow from operations per share, after dilution	-10.39	-11.68	-27.46	-28.75
Equity per share, SEK, before dilution	92.45	100.61	92.45	97.13
Equity per share, SEK, after dilution	92.25	99.81	92.25	96.92
Working capital	2,826	2,724	2,826	3,237
Capital employed	3,434	3,551	3,434	3,602
Return on capital employed, %	-7.0	19.5	-7.0	-2.2
Return on equity after taxes, %	-9.1	27.9	-9.1	-3.7
Equity/assets ratio, %	37.0	39.9	37.0	38.0
Net debt	1,198	1,057	1,198	1,224
Net debt/equity ratio, %	57.8	46.8	57.8	56.2
Net debt/EBITDA	-6.1	1.7	-6.1	-36.0

# SUMMARY FINANCIAL STATEMENTS

## SUMMARY OF CONSOLIDATED INCOME STATEMENT

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
Income	1,814	1,480	7,059	6,725
Production and administration expenses	-1,929	-1,420	-7,129	-6,620
<b>Gross profit</b>	<b>-115</b>	<b>60</b>	<b>-70</b>	<b>105</b>
Sales and administration expenses	-40	-45	-192	-197
Share in profit of associates and joint ventures	6	3	11	8
<b>Operating profit</b>	<b>-149</b>	<b>18</b>	<b>-251</b>	<b>-84</b>
Net financial items	-5	-10	-22	-27
<b>Profit after financial items</b>	<b>-154</b>	<b>8</b>	<b>-273</b>	<b>-111</b>
Tax	48	2	75	29
<b>Profit/loss for the period</b>	<b>-106</b>	<b>10</b>	<b>-198</b>	<b>-82</b>
<b>Attributable to:</b>				
Parent Company shareholders	-106	10	-200	-85
Non-controlling interests	0	0	3	3
Earnings per share before dilution, SEK	-4.73	0.45	-8.83	-3.66
Earnings per share after dilution, SEK	-4.73	0.44	-8.83	-3.66
Average number of shares before dilution	22,433,465	22,433,465	22,433,465	22,433,465
Average number of shares after dilution	22,481,968	22,613,468	22,525,801	22,558,676

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<b>Profit/loss for the period</b>	<b>-106</b>	<b>10</b>	<b>-198</b>	<b>-82</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>-106</b>	<b>10</b>	<b>-198</b>	<b>-82</b>

## CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	Mar 31 2020	Mar 31 2019	Dec 31 2019
<b>Assets</b>			
<i>Fixed assets</i>			
Intangible fixed assets	23	23	23
Investment properties	-	215	-
Other tangible fixed assets	309	219	298
Investments in associates/joint ventures	151	128	145
Non-current interest-bearing receivables	50	27	37
Other non-current receivables	145	494	158
<b>Total fixed assets</b>	<b>678</b>	<b>1,106</b>	<b>661</b>
<i>Current assets</i>			
Project and development properties	3,049	2,846	3,274
Inventories	1	1	1
Accounts receivable	883	923	825
Accrued but not invoiced income	593	379	560
Other current receivables	289	187	251
Cash and bank balances	112	210	162
<b>Total current assets</b>	<b>4,927</b>	<b>4,546</b>	<b>5,073</b>
<b>Total assets</b>	<b>5,605</b>	<b>5,652</b>	<b>5,734</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>2,074</b>	<b>2,257</b>	<b>2,179</b>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	947	1,107	962
Other non-current liabilities	139	104	162
Deferred tax liability	80	155	128
Other provisions	264	207	183
<b>Total non-current liabilities</b>	<b>1,430</b>	<b>1,573</b>	<b>1,435</b>
<i>Current liabilities</i>			
Current interest-bearing liabilities	413	187	461
Current tax liabilities	1	6	12
Accounts payable	1,037	803	958
Invoiced but not accrued income	399	563	347
Other current liabilities	251	263	342
<b>Total current liabilities</b>	<b>2,101</b>	<b>1,822</b>	<b>2,120</b>
<b>Total equity and liabilities</b>	<b>5,605</b>	<b>5,652</b>	<b>5,734</b>

## SUMMARY OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

SEK million	Mar 31 2020	Mar 31 2019	Dec 31 2019
<b>Equity attributable to Parent Company shareholders</b>			
Balance at beginning of period	2,179	2,272	2,272
Share-related compensation	1	0	15
Conversion, convertible debenture loans	-	-	-1
Changed accounting policy	-	-25	-25
Comprehensive income for the period	-106	10	-82
<b>Balance at end of period</b>	<b>2,074</b>	<b>2,257</b>	<b>2,179</b>

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<i>Operating activities</i>				
Cash flow before change in working capital	-77	-34	-95	-52
Change in working capital	-156	-228	-521	-593
<b>Cash flow from operating activities</b>	<b>-233</b>	<b>-262</b>	<b>-616</b>	<b>-645</b>
<i>Investing activities</i>				
Increase/decrease in investing activities	-16	-12	207	211
<b>Cash flow from investing activities</b>	<b>-16</b>	<b>-12</b>	<b>207</b>	<b>211</b>
<b>Cash flow before financing</b>	<b>-249</b>	<b>-274</b>	<b>-409</b>	<b>-434</b>
<i>Financing activities</i>				
Newly raised borrowings	33	82	397	446
Amortization of liabilities	-262	0	-520	-258
Increase/decrease in financing activities	428	13	434	19
<b>Cash flow from financing activities</b>	<b>199</b>	<b>95</b>	<b>311</b>	<b>207</b>
<b>Cash flow for the period</b>	<b>-50</b>	<b>-179</b>	<b>-98</b>	<b>-227</b>
Cash and cash equivalents at beginning of period	162	389	210	389
<b>Cash and cash equivalents at end of the period</b>	<b>112</b>	<b>210</b>	<b>112</b>	<b>162</b>

## PARENT COMPANY CONDENSED INCOME STATEMENT

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
Income	37	44	171	178
Sales and administration expenses	-49	-45	-196	-192
<b>Operating profit</b>	<b>-12</b>	<b>-1</b>	<b>-25</b>	<b>-14</b>
Net financial items	-12	-10	-93	-91
<b>Profit after financial items</b>	<b>-24</b>	<b>-11</b>	<b>-118</b>	<b>-105</b>
Appropriations	0	0	0	0
<b>Profit/loss before tax</b>	<b>-24</b>	<b>-11</b>	<b>-118</b>	<b>-105</b>
Tax	5	2	6	3
<b>Profit/loss for the period</b>	<b>-19</b>	<b>-9</b>	<b>-112</b>	<b>-102</b>

## PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Jan-Mar 2020	Jan-Mar 2019	Apr-Mar 2019/2020	Jan-Dec 2019
<b>Profit/loss for the period</b>	<b>-19</b>	<b>-9</b>	<b>-112</b>	<b>-102</b>
<b>Other comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>-19</b>	<b>-9</b>	<b>-112</b>	<b>-102</b>

## PARENT COMPANY CONDENSED BALANCE SHEET

SEK million	Mar 31 2020	Mar 31 2019	Dec 31 2019
<b>Assets</b>			
<i>Fixed assets</i>			
Tangible fixed assets	10	13	13
Investments in Group companies	302	201	300
Investments in associates and joint ventures	-	10	-
Deferred tax assets	18	12	13
Other non-current receivables	3	2	3
<b>Total fixed assets</b>	<b>333</b>	<b>238</b>	<b>329</b>
<i>Current assets</i>			
Project and development properties	2	3	2
Other current receivables	1,830	1,632	1,726
Cash and bank balances	1	123	66
<b>Total current assets</b>	<b>1,833</b>	<b>1,758</b>	<b>1,794</b>
<b>Total assets</b>	<b>2,166</b>	<b>1,996</b>	<b>2,123</b>
<b>Equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>398</b>	<b>497</b>	<b>417</b>
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	700	704	699
Other provisions	2	-	2
<b>Total non-current liabilities</b>	<b>702</b>	<b>704</b>	<b>701</b>
<i>Current liabilities</i>			
Current interest-bearing liabilities	199	16	10
Accounts payable	19	14	20
Other current liabilities	848	765	975
<b>Total current liabilities</b>	<b>1,066</b>	<b>795</b>	<b>1,005</b>
<b>Total equity and liabilities</b>	<b>2,166</b>	<b>1,996</b>	<b>2,123</b>

## 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 2019 Annual Report. For detailed information regarding accounting policies, see Serneke's 2019 Annual Report, see [www.serneke.se](http://www.serneke.se).

### 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 2019 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.

	Mar 31	Mar 31	Dec 31
Group SEK million	2020	2019	2019
<i>Financial assets</i>			
Available-for-sale financial assets*	2	2	2
<b>Total financial assets</b>	<b>2</b>	<b>2</b>	<b>2</b>

<i>Financial liabilities</i>			
Other short- and long-term liabilities	23	58	23
Of which, additional purchase considerations**	23	58	23
<b>Total financial liabilities</b>	<b>23</b>	<b>58</b>	<b>23</b>

\* 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.

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.

### 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:

	Mar 31	Mar 31	Dec 31
Group	2020	2019	2019
Pledged assets	1,919	2,089	2,044
Contingent liabilities	544	395	350
<b>Parent Company</b>			
Pledged assets	500	500	500
Contingent liabilities	2,650	1,254	2,262

## Note 4 – Breakdown of income

Jan-Mar 2020, SEK million	Contracting	Project Development	Other	Eliminations and Group-wide	Total
Construction income	1,573	8	26	-214	1,393
Sale of properties and development rights	-	399	-	-	399
Rental income	0	9	-	-	9
Other income	2	11	0	-	13
<b>Total income</b>	<b>1,575</b>	<b>427</b>	<b>26</b>	<b>-214</b>	<b>1,814</b>

### Date of income recognition:

At a specific time	2	410	-	-	412
Over time	1,573	17	26	-214	1,402
<b>Total income</b>	<b>1,575</b>	<b>427</b>	<b>26</b>	<b>-214</b>	<b>1,814</b>

Jan-Mar 2019, SEK million	Contracting	Project Development	Other	Eliminations and Group-wide	Total
Construction income	1,513	11	24	-88	1,460
Rental income	0	15	-	-	15
Other income	2	3	-	-	5
<b>Total income</b>	<b>1,515</b>	<b>29</b>	<b>24</b>	<b>-88</b>	<b>1,480</b>

### Date of income recognition:

At a specific time	2	3	-	-	5
Over time	1,513	26	24	-88	1,475
<b>Total income</b>	<b>1,515</b>	<b>29</b>	<b>24</b>	<b>-88</b>	<b>1,480</b>

### Construction income

Income from contracting agreements are 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 project's final forecasts entail corrections of previously accumulated earnings. 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. Additional orders and amendments are included in the income from the assignment to the extent that they are 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 at the time at which the new owner takes possession. When contracts include property sales, development rights and construction contracting to the buyer of the planned building, an assessment is made regarding whether the property and/or development rights transactions and the construction contract are separate performance undertakings. 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. Property projects are also on occasion sold with guarantees for a certain degree of leasing and, at the time of sale, any lease guarantees are reported as a reserve in the project, which then has a positive effect on the percentage of completion as leases are signed.

### Rental income

Income also includes rental income, which is to be considered as operating leasing. Rental income is invoiced in advance and recognized on a straight-line basis in the income statement based on the terms of the lease agreements. Advance rent is 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, sales of properties and development rights or rental income, including, for example, hotel income or income from central companies.

## FINANCIAL DEFINITIONS

Indicator	Definition	Purpose			
<b>Growth</b>	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.			
<b>Organic growth</b>	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.			
		<b>Jan-Mar</b>	Jan-Mar	Apr-Mar	Jan-Dec
<b>Calculation of organic growth</b>		<b>2020</b>	2019	2019/2020	2019
Income current period		1,814	1,480	7,059	6,725
Income corresponding to previous period		1,480	1,485	6,511	6,516
<b>Income change</b>		<b>334</b>	<b>-5</b>	<b>548</b>	<b>209</b>
Adjustment for structural effect		0	0	0	0
<b>Total organic growth</b>		<b>334</b>	<b>-5</b>	<b>548</b>	<b>209</b>
Total organic growth (%)		22.6%	-0.3%	8.4%	3.2%
<b>Order bookings</b>	The value of new projects and changes in existing projects during the period.	In Serneke's view, the key indicator allows investors, who so wish, to assess the Group's sales by Business Area Construction and Business Area Civil Engineering for the current period.			
<b>Order backlog</b>	The value of the Company's undelivered orders at the end of the period excluding cooperation agreements.	In the Company's view, the key indicator allows investors, who so wish, to assess the Company's income through Business Area Construction and Business Area Civil Engineering in future periods.			

Indicator	Definition	Purpose																																								
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. For the business areas, the net of Group-internal receivables and liabilities is also deducted.	In the Company's view, the key indicator allows investors, who so wish, to assess the total capital placed at the Company's disposal by shareholders and creditors.																																								
		<table><tr><td>Mar 31</td><td>Mar 31</td><td>Dec 31</td></tr><tr><td>2020</td><td>2019</td><td>2019</td></tr><tr><td colspan="3">Calculation of capital employed</td></tr><tr><td>Total assets</td><td>5,605</td><td>5,652</td><td>5,734</td></tr><tr><td>Deferred tax assets</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Less non-interest-bearing liabilities including deferred tax liabilities</td><td>-2,171</td><td>-2,101</td><td>-2,132</td></tr><tr><td>Capital employed</td><td>3,434</td><td>3,551</td><td>3,602</td></tr></table>	Mar 31	Mar 31	Dec 31	2020	2019	2019	Calculation of capital employed			Total assets	5,605	5,652	5,734	Deferred tax assets	-	-	-	Less non-interest-bearing liabilities including deferred tax liabilities	-2,171	-2,101	-2,132	Capital employed	3,434	3,551	3,602															
	Mar 31	Mar 31	Dec 31																																							
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Less non-interest-bearing liabilities including deferred tax liabilities	-2,171	-2,101	-2,132																																							
Capital employed	3,434	3,551	3,602																																							
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.																																								
		<table><tr><td>Mar 31</td><td>Mar 31</td><td>Dec 31</td></tr><tr><td>2020</td><td>2019</td><td>2019</td></tr><tr><td colspan="3">Calculation of average capital employed</td></tr><tr><td>March 31, 2020 (3,434) + March 31, 2019 (3,551) / 2</td><td>3,493</td><td></td><td></td></tr><tr><td>March 31, 2019 (3,551) + March 31, 2018 (2,553) / 2</td><td></td><td>3,052</td><td></td></tr><tr><td>Dec 31, 2019 (3,602) + Dec 31, 2018 (3,264) / 2</td><td></td><td></td><td>3,433</td></tr><tr><td colspan="3">Calculation of return on capital employed</td></tr><tr><td>Profit after net financial items</td><td>-273</td><td>517</td><td>-111</td></tr><tr><td>Plus financial expenses</td><td>27</td><td>78</td><td>36</td></tr><tr><td>Average capital employed</td><td>3,493</td><td>3,052</td><td>3,433</td></tr><tr><td>Return on capital employed</td><td>-7.0%</td><td>19.5%</td><td>-2.2%</td></tr></table>	Mar 31	Mar 31	Dec 31	2020	2019	2019	Calculation of average capital employed			March 31, 2020 (3,434) + March 31, 2019 (3,551) / 2	3,493			March 31, 2019 (3,551) + March 31, 2018 (2,553) / 2		3,052		Dec 31, 2019 (3,602) + Dec 31, 2018 (3,264) / 2			3,433	Calculation of return on capital employed			Profit after net financial items	-273	517	-111	Plus financial expenses	27	78	36	Average capital employed	3,493	3,052	3,433	Return on capital employed	-7.0%	19.5%	-2.2%
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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,	Profit for the period divided by the average number of shares during the period. The difference between	It is the Company's view that the key indicator gives investors a better understanding of profit per share.																																								

Indicator	Definition	Purpose
before/after dilution	before and after dilution is accounted for by the convertibles issued by the Group.	

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.			
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.			
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 active in construction, civil engineering and project development, with more than 1,100 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](http://www.serneke.se)

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### Presentation of the Interim Report for January–March 2020

On May 5, 2020 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-q1-2020>. Presentation materials for the presentation will be available on the website one hour before the webcast begins.

To participate, please dial: +46 8 566 426 95