

The sale of Karlatornet is being postponed

Completion of the sale of Karlatornet, which was due to happen within days, is being postponed. The reason is the uncertain situation in the global financial market caused by the corona pandemic. Consequently, Serneke will minimize all activities in the construction of the tallest house in the Nordic region.

It was mid-January of this year that Serneke and Oaktree Capital Management reached a principle agreement to divest 80-percent of Karlatornet, situated on the Karlastaden estate in the Lindholmen area of Gothenburg. Since then, a process of finalizing senior financing and transaction documentation has been set to be completed during the first months of 2020.

However, due to the concern caused by the corona virus in the global financial market, Serneke's intended partner in the project has decided to postpone the closing of final agreements to the future.

– It is obviously a disappointment that we cannot keep the timing for completion of the transaction that we had set up. But we do not control the current situation in the world, and we see how the global turmoil disturbs industry after industry with serious consequences, says Ola Serneke, CEO of Serneke Group.

Because of the postponed closing, Serneke will take immediate actions to minimize all activities in the project

– We must take responsibility for the entire company in this situation and until we have analyzed the consequences of this and what the future development will look like, we need to take strong actions. This will have direct consequences on resources tied to the project. An analysis of these consequences as well as the impact for the schedule may we return to as soon as possible, says Ola Serneke.

For more information, please contact:

Michael Berglin, Deputy CEO Serneke Group AB
Tel: +46 31 712 97 39
Michael.berglin@serneke.se

Anders Düring, CFO Serneke Group AB
Tel: +46 708 88 77 33
anders.during@serneke.se

Johan Live, Communications Manager Serneke Sverige AB
Tel: +46 7698 68 11 37
johan.live@serneke.se



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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, Norrköping, Skövde, Strömstad, Sundsvall, Trollhättan, Uppsala, Varberg, Växjö and Örebro. The Company's Class B shares (SRNKE) have been listed on the Nasdaq Stockholm exchange since November 2016.

Further information about Serneke Group AB is available at www.serneke.com