

POSITIVE PERFORMANCE DEVELOPMENT DESPITE A CONCERNED WORLD

APRIL – JUNE 2022

- Order bookings amounted to SEK 1,598 million (2,221)
- Income amounted to SEK 2,658 million (2,274)
- Operating profit amounted to SEK 61 million (108)
- Cash flow from operating activities amounted to an outflow of SEK 227 million (inflow 50)
- Cash flow for the period amounted to an outflow of SEK 176 million (inflow 47)
- Profit for the period amounted to SEK 72 million (178)
- The equity/assets ratio was 37.9 percent (37.2)
- The sale was completed of the second part of the Auriga block in the Karlastaden district to joint venture Karlastaden Group AB, which is owned jointly by Serneke and Fastighets AB Balder.
- On May 31, Serneke Group AB repaid SEK 500 million of its bond loan ISIN SE0011256338. The amortization was conducted in accordance with the applicable terms of the bond.

JANUARY – JUNE 2022

- Order bookings amounted to SEK 3,435 million (3,400) and the order backlog was SEK 11,234 million (13,372)
- Income amounted to SEK 4,710 million (4,224)
- Operating profit amounted to SEK 97 million (139)
- Cash flow from operating activities amounted to an outflow of SEK 232 million (inflow 48)
- At the end of the period, available cash and cash equivalents totaled SEK 771 million (775)
- Profit for the period amounted to SEK 127 million (224)
- The equity/assets ratio was 37.9 percent (37.2)

SEK million	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
Income	2,658	2,274	4,710	4,224	9,221	8,735
Operating profit	61	108	97	139	193	235
Operating margin, %	2.3	4.7	2.1	3.3	2.1	2.7
Profit/loss for the period	72	178	127	224	252	349
Earnings per share, SEK, before dilution	2.54	6.37	4.49	8.02	8.96	12.48
Earnings per share, SEK, after dilution	2.54	6.37	4.49	8.02	8.96	12.48
Equity per share, SEK, after dilution	91.92	83.76	91.92	83.76	91.92	87.85
Equity/assets ratio, %	37.9	37.2	37.9	37.2	37.9	35.7
Net debt/receivable	-1,466	-206	-1,466	-206	-1,466	-873
Net debt, or receivable/EBITDA	-5.4	-2.2	-5.4	-2.2	-5.4	-2.8
Net debt/equity ratio, %	-56.3	-8.8	-56.3	-8.8	-56.3	-35.4
Order bookings	1,598	2,221	3,435	3,400	6,380	6,345
Order backlog	11,234	13,372	11,234	13,372	11,234	12,101

CEO STATEMENT

Over the second quarter of the year, the external situation has shifted in the direction of increased uncertainty with regard to several factors affecting us and our industry. Despite this external turbulence, I am nonetheless satisfied to summarize our first half of the year as a period in which we continued to strengthen the company in its priority areas – profitability, balanced growth, stability, and development.

Our consolidated operating profit for the quarter of SEK 61 million (108), and the operating profit of SEK 22 million (14) from the Swedish contracting operations, demonstrate that we are able to maintain the stable trend of recent quarters despite these external factors. Business Area Sweden increased its income for the quarter by 34 percent to SEK 2,709 million (2,019), partly due to a higher production rate in several projects in the Karlstad district and to production having commenced on several other divested projects.

Our order bookings for the quarter decreased slightly compared with the corresponding period in the preceding year, ending up at SEK 1,598 million (2,221). I feel confident with the level, however, particularly as we currently have several major collaborative projects in Phase 1 that have yet to be added to the order book, but for which the implementation phases are due to commence relatively soon. With interest rates and an insecure housing market characterizing demand, we derive further security from having been able to refocus the product mix in our order backlog. Compared with the situation in the second quarter of 2021, we have a larger share of projects involving public properties, industrial properties and offices and a smaller share of housing. Although underlying housing needs remain extensive, there is a risk that demand will decrease due to inflation and interest rates. The larger proportion of public projects and clients that we currently have in the portfolio brings stability.

Over the quarter, we experienced a general continued rise in prices for materials, although suppliers and customers alike have, to some extent, successfully realigned and adapted to the situation caused by war and sanctions. We have raised our preparedness, adapted our agreements and have been able to find alternative supply paths. For certain types of materials, prices are declining, albeit from high levels, although the degree of uncertainty requires us to monitor developments closely.



I am also pleased that we managed to strengthen our financial flexibility during the quarter, as well as our opportunities for the future, by prematurely repaying a short-term bond loan, transitioning instead towards a long-term financing model using bank loans. Accordingly, we are transitioning towards increased financial stability, partly through this measure and partly by being even more careful and selective in our investments in our own projects. In times of uncertainty, discipline and planning are crucial in remaining robust and generating freedom of action for oneself.

Stability is also increasing in our largest project, Karlatornet, which is growing steadily upwards by one story a week. This has not been slowed by the current construction of the tower's twist, in which the entire building turns a quarter of a turn, giving the building its characteristic profile. At the time of writing, 20 stories remain before reaching the top.

When we return after our well-deserved summer break, I look forward to being able to present our forward-looking ambitions in more concrete terms. In parallel with our focus on stability and profitability, we have been developing our strategy for maintaining the company's long-term relevance in an ever-changing world. Based on a strong culture and employees who seek to always improve, we will remain a driving force for development, both in our industry and in society.

Michael Berglin, President and CEO

INCOME AND PROFIT

SEK million	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan– Jun 2021	Jul–Jun 2021/2022	Jan– Dec 2021
Income	2,658	2,274	4,710	4,224	9,221	8,735
Operating profit	61	108	97	139	193	235
Net financial items	4	3	6	10	17	21
Earnings after financial items	65	111	103	149	210	256
Tax	7	67	24	75	42	93
Profit/loss for the period	72	178	127	224	252	349

APRIL – JUNE 2022

Consolidated income amounted to SEK 2,658 million (2,274), an increase of 17 percent. Business Area Sweden's income increased by 34 percent to SEK 2,709 million (2,019). Business Area Invest's income increased to SEK 472 million (447). The increase in Sweden is explained by Karlatornet being in full production and by projects included in previously divested portfolios also being produced at a high rate. The increase in Invest is mainly related to the sale of the second part of the Auriga block to the Karlastaden Group AB joint venture.

Operating profit amounted to SEK 61 million (108), with Business Area Invest contributing most through its sale of the second part of the Auriga block to the Karlastaden Group AB joint venture.

Net financial items amounted to SEK 4 million (3). During the quarter, borrowing expenses of SEK 9 million (14) on project properties were capitalized.

The Group reported an estimated tax income of SEK 7 million (expense 67). 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 72 million (178) and earnings per share after dilution for the quarter were SEK 2.54 (6.37).

JANUARY – JUNE 2022

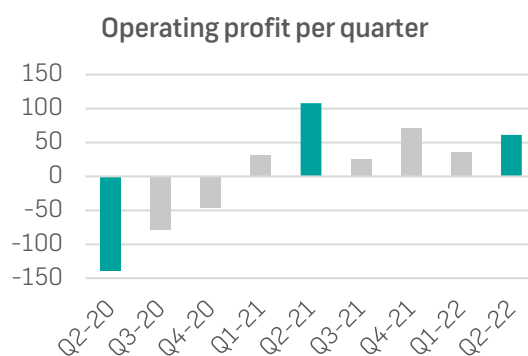
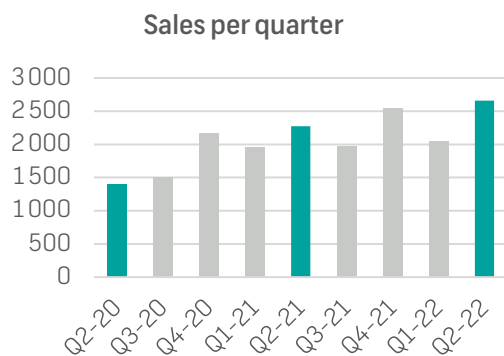
Consolidated income amounted to SEK 4,710 million (4,224), an increase of 12 percent. Business Area Sweden increased its income by 25 percent to SEK 4,735 million (3,789). The increase in Sweden is explained by Karlatornet being in full production and by projects included in previously divested portfolios also being produced at a high rate. Business Area Invest's income increased to SEK 973 million (784), with the increase consisting primarily of, for example, the sale of parts 1 and 2 of the Auriga block to the Karlastaden Group AB joint venture, but also of construction income of SEK 487 million for the Karlatornet AB joint venture. Group-internal eliminations amounted to SEK 1,090 million and pertained primarily to internal deliveries to Karlastaden.

Operating profit amounted to SEK 97 million (139), with Business Area Invest contributing most through its sale of parts 1 and 2 of the Auriga block to the joint venture Karlastaden Group AB.

Net financial items amounted to SEK 6 million (10). The decrease is mainly attributable to increased interest expenses on borrowings. During the period, borrowing expenses of SEK 9 million (26) on project properties were capitalized.

The Group reported an estimated tax income of SEK 24 million (expense 75). 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 127 million (224) and earnings per share after dilution for the period were SEK 4.49 (8.02).



In the Tamarinden district, we have developed and sold 139 rental apartments that we will now construct. Tamarinden aims to become one of Sweden's first truly climate-smart residential areas. In the district as a whole, a total of 700 homes, a preschool, several parks, and business premises are to be constructed.

FINANCIAL POSITION

SEK million	Jun 30 2022	Jun 30 2021	Dec 31 2021
Total assets	6,873	6,297	6,914
Total equity	2,602	2,340	2,467
Net debt	-1,466	-206	-873
Net debt/EBITDA	-5.4	-2.2	-2.8
Cash and cash equivalents	371	335	575
Equity/assets ratio, %	37.9	37.2	35.7

As of June 30, the consolidated balance sheet total amounted to SEK 6,873 million (6,914) and the equity/assets ratio was 37.9 percent (35.7). At the end of the period, cash and cash equivalents amounted to SEK 371 million (575), with the Group also having a credit facility of SEK 500 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 771 million (775). The Group also holds granted but unused building credits of SEK 772 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 1,504 million.

As of June 30, equity amounted to SEK 2,602 million (2,467). The change comprises profit for the period of SEK 127 million and share-based compensation of SEK 8 million.

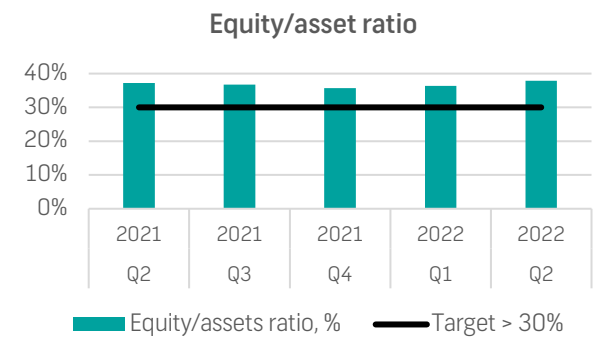
At June 30, net borrowing amounted to SEK 1,466 million (873). The main changes relate to the amortization of bonds for SEK 500 million, in connection with which, a long-term bank loan was raised for the corresponding amount. In addition, non-current interest-bearing receivables increased by SEK 485 million in connection with sales to the Karlastaden Group AB joint venture.

Interest-bearing receivables amounted to SEK 2,432 million, mainly comprising receivables incurred in connection with Serneke and Balder entering into transactions regarding the Karlastaden district.

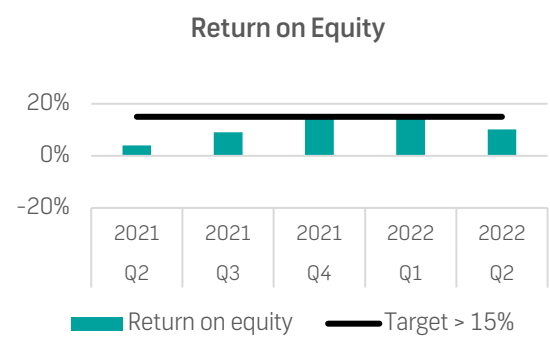
Net debt SEK million	Jun 30 2022	Jun 30 2021	Dec 31 2021
Bank loans	648	220	210
Utilized bank overdraft facility	-	-	-
Construction credits, housing cooperative projects	97	104	269
Bonds	0	514	516
Financial lease liabilities	91	74	84
Additional lease liabilities, IFRS 16	226	272	248
Loans from the Swedish Tax Agency	275	275	275
Other interest-bearing liabilities	-	-	-
Interest-bearing receivables	-2,432	-1,330	-1,900
Cash and cash equivalents	-371	-335	-575
Net debt	-1,466	-206	-873

GROUP FINANCIAL TARGETS

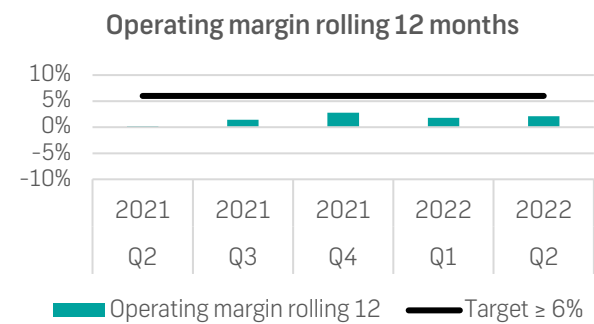
The equity/assets ratio shall exceed 30 percent.



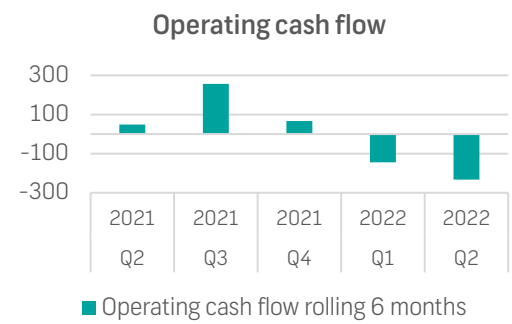
The return on equity shall exceed 15 percent.



The operating margin shall exceed 6 percent.



Positive operating cash flow each quarter on a rolling six-month basis.



CASH FLOW

	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
SEK million						
Cash flow from operating activities	-227	50	-232	48	-165	115
Cash flow from investment activities	-35	41	-43	41	-64	20
Cash flow from financing activities	86	-44	71	12	265	206
Cash flow for the period	-176	47	-204	101	36	341
Cash and cash equivalents at beginning of period	547	288	575	234	335	234
Cash and cash equivalents at end of period	371	335	371	335	371	575

APRIL – JUNE 2022

Cash flow from operating activities amounted to an outflow of SEK 227 million (inflow 50), of which cash flow from changes in working capital amounted to an outflow of SEK 202 million (inflow 50). Most of the negative change over the period was attributable to accruals on accounts receivable and accounts payable.

Cash flow from investing activities amounted to an outflow of SEK 35 million (inflow 41), mainly comprising receivables arising in connection with the sale of the Auriga block in Karlstad, dividends from associated companies and proceeds from divestments of tangible fixed assets.

Cash flow from financing activities amounted to an inflow of SEK 86 million (outflow 44) and is mainly attributable to loan repayments, loans raised and payments to housing cooperatives.

Cash flow for the period amounted to an outflow of SEK 176 million (inflow 47).

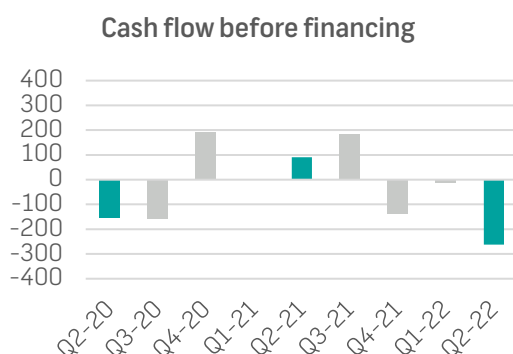
JANUARY – JUNE 2022

Cash flow from operating activities amounted to an outflow of SEK 232 million (inflow 48), of which cash flow from changes in working capital amounted to an outflow of SEK 98 million (inflow 45).

Cash flow from investing activities amounted to an outflow of SEK 43 million (inflow 41), mainly attributable to receivables arising in connection with the sale of the Auriga block in Karlstad, dividends from associated companies and proceeds from divestments of tangible fixed assets.

Cash flow from financing activities amounted to an inflow of SEK 71 million (12), which is primarily explained by loan repayments made in the amount of SEK 876 million, of which SEK 500 million consisted of bonds amortizations. New loans have been raised in the amount of SEK 782 million and contributions of SEK 166 million have been paid in to tenant-owner associations.

Cash flow for the period amounted to an outflow of SEK 204 million (inflow 101).



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 currently in a start-up phase, consisting primarily of an ongoing initiative in project exports. 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

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul-Jun 2021/2022	Jan-Dec 2021
SEK million						
Sweden	2,709	2,019	4,735	3,789	9,049	8,103
Invest	472	447	973	784	1,875	1,686
International	0	0	0	0	0	0
Group-wide	46	33	92	66	181	155
Eliminations	-569	-225	-1,090	-415	-1,884	-1,209
Total	2,658	2,274	4,710	4,224	9,221	8,735

OPERATING PROFIT

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul-Jun 2021/2022	Jan-Dec 2021
SEK million						
Sweden	22	14	32	4	85	57
Invest	69	167	129	237	211	319
International	-4	-4	-11	-8	-21	-18
Group-wide	-5	-59	-16	-76	-12	-72
Eliminations	-21	-10	-37	-18	-70	-51
Total	61	108	97	139	193	235

*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

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul-Jun 2021/2022	Jan-Dec 2021
SEK million						
Income	2,709	2,019	4,735	3,789	9,049	8,103
Operating profit	22	14	32	4	85	57
Operating margin, %	0.8	0.7	0.7	0.1	0.9	0.7

APRIL – JUNE 2022

Income amounted to SEK 2,709 million (2,019), an increase of 34 percent. The increase is mainly attributable to Karlatornet being in full production, while projects previously included in divested project portfolios were also produced at a high pace compared with the corresponding quarter in the preceding year.

Operating profit amounted to SEK 22 million (14) and the operating margin was 0.8 percent (0.7). The operating profit and operating margin for the quarter were negatively affected by indirect effects associated with the corona pandemic, as well as price increases in the market as a result of the unease in Europe and the inflation trend. Compared with the preceding year, operating profit for the quarter shows financial

development in the right direction, with this having been the fifth consecutive quarter in profit.

JANUARY – JUNE 2022

Income amounted to SEK 4,735 million (3,789), an increase of 25 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 32 million (4) and the operating margin was 0.7 percent (0.1). Both operating profit and the operating margin for the period reflect a trend in the right direction.



In June, Serneke sold the Norrköping District Court project to Vacse and commenced construction. In total, the property transaction and the contracting agreement are valued at about SEK 246 million. The new District Court is scheduled for completion in the spring of 2024.

ORDER BOOKINGS AND ORDER BACKLOG

Order bookings SEK million	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2020/2021	Jan–Dec 2021
Contracting	1,598	2,221	3,435	3,400	6,380	6,345
Order backlog SEK million	Jun 30 2022	Jun 30 2021	Dec 31 2021			
Contracting	11,234	13,372	12,101			

External order intake for the quarter amounted to SEK 1,598 million (2,221), which is a decrease of 28 percent compared with the corresponding quarter in the preceding year.

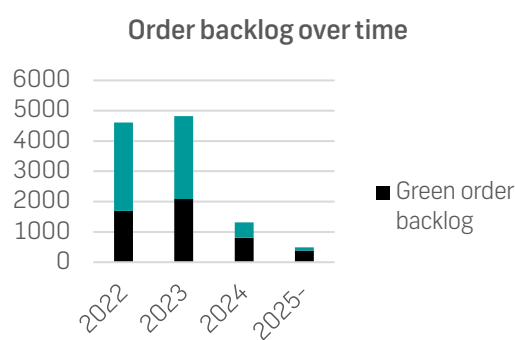
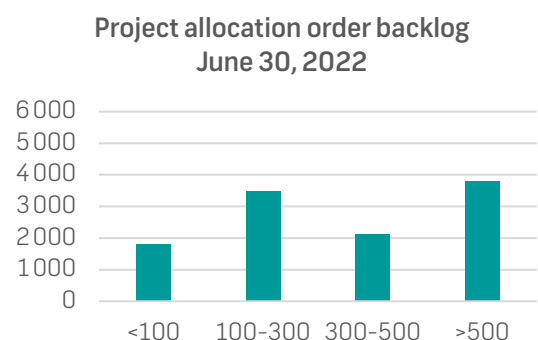
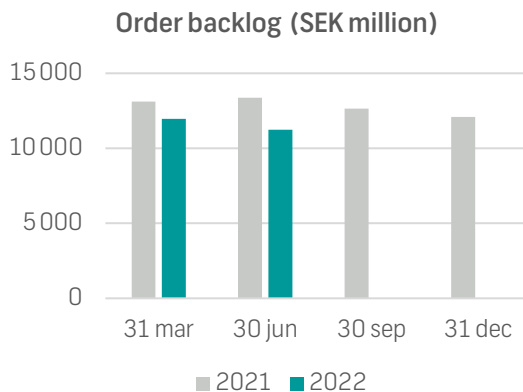
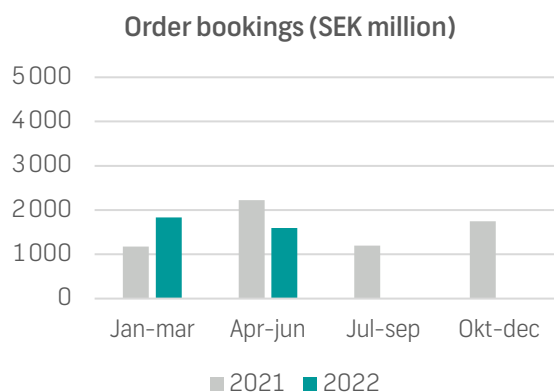
Among the assignments secured during the quarter, the emphasis is primarily on housing, but also on public properties. The quarter's largest order amounted to SEK 206 million and involves a turnkey contract signed with CapMan for the development of a climate-smart residential area in Örebro. The project is scheduled for completion in the fourth quarter of 2024.

Development in the market and future prospects have shifted towards a higher degree of uncertainty, requiring continued vigilance.

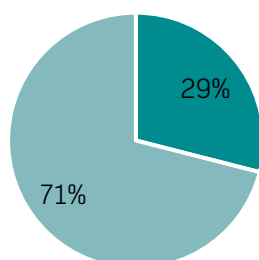
Underlying demand remains, although reflecting a certain shift from private clients for residential projects to local government clients, with increased orders for public spaces and public properties.

The external order backlog at the end of the second quarter amounted to SEK 11,234 million (13,372). This entails a decrease of 16 percent compared with the corresponding quarter in the preceding year.

Of the order backlog for the upcoming years, green projects account for SEK 4,970 million. The projects involve constructing properties in accordance with established certification requirements that agree with Serneke's green framework.

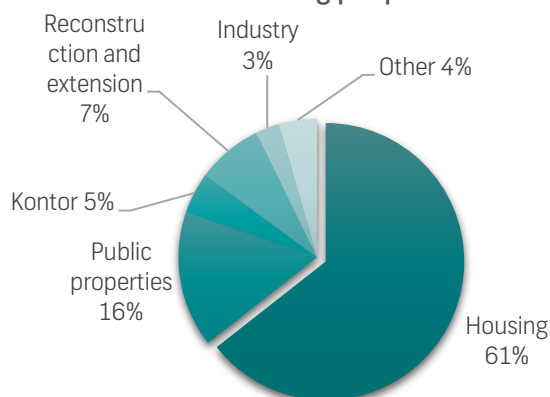


Order backlog per client



■ Public purchaser ■ Private purchaser

Order backlog per product mix



ASSIGNMENTS WITH ORDER VALUES EXCEEDING SEK 100 MILLION IN APRIL – JUNE 2021

Assignment	Location	Order value (SEK million)	(Anticipated) start of construction
Housing	Örebro	206	Second quarter 2022
Public properties	Norrköping	175	Second quarter 2022
Office	Stockholm	136	Third quarter 2022
Housing	Skövde	123	Fourth quarter 2022



At the time of this report, some 20 stories remain before the Karlatornet tower reaches its full height of 73 stories. The tower continues to grow by about one story a week. Photo: Kasper Dudzik

INVEST

Invest

	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
SEK million						
Income	472	447	973	784	1,875	1,686
Share in profit of associates and joint ventures	1	2	5	7	-8	-6
Operating profit	69	167	129	237	211	319
Operating margin, %	14.6	37.4	13.3	30.2	11.3	18.9

In-house-developed tenant-owner housing production projects

	June 30 2022	June 30 2021	Dec 31 2021
Number of housing units under construction during the year	18	65	144
Number of housing units sold during the year	88	20	65
Total number of housing units under construction at the end of the period	402	477	532
Number of repurchased housing units on the Company's own balance sheet at the end of the period	12	3	0

*Comparative figures have been adjusted to include previous balances from the Sweden segment. See page 11

APRIL – JUNE 2022

The business area's income amounted to SEK 472 million (447) with the increase consisting primarily of the sale of the second part of the Auriga 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 SEK 1 million (2).

Operating profit amounted to SEK 69 million (167). The positive operating profit is mainly explained by the sale of the second part of the Auriga block to the joint venture Karlastaden Group AB.

Project and development properties

As of June 30, 2022, the total book value of Invest's project development portfolio amounted to SEK 1,402 million.

Development rights	June 30 2022	June 30 2021	Dec 31 2021
Number (GFA)			
Development rights on own balance sheet	136,622	230,787	196,624
Development rights through joint ventures	129,360	50,400	81,854
Agreed development rights not yet taken into possession	567,357	560,442	582,436
Total	833,339	841,629	860,913

JANUARY – JUNE 2022

Income amounted to SEK 973 million (784), with the increase primarily being attributable to the sale of parts 1 and 2 of the Auriga block to the Karlastaden Group AB joint venture. Contracting income of SEK 487 million in the Karlatornet AB joint venture contributed to the positive increase for the period. 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 SEK 5 million (7).

Operating profit amounted to SEK 129 million (237). The positive operating profit is mainly explained by the sale of parts 1 and 2 of the Auriga block to the Karlastaden Group AB joint venture. Hotel operations were also affected positively, with increased activity following the ending of the corona pandemic restrictions.

PARENT COMPANY

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

Income for April-June amounted to SEK 47 million (34) and consisted primarily of intra-group services. The operating loss for the same period amounted to SEK 5 million (0).

Income for the period January-June amounted to SEK 93 million (67) and the operating profit was SEK 2 million (loss 11).

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 33 of the 2021 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 1 January 2022 until 30 June 2022:

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 6.6 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 1.8 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. Purchasing amounted to SEK 0.4 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 of SEK 0.4 million for tasks beyond the Board assignment. 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 8.7 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 558.9 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 135.1 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 2.2 million and purchases to SEK 14.3 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 2021 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

Serneke is monitoring the continued development of the corona virus pandemic closely to assess its effects in the short and long term.

Russia's invasion of Ukraine in February 2022 intensified the effects on the global economy that became apparent during the corona pandemic. The sanctions against Russia and Belarus introduced as a result of the war and the widespread uncertainty in the global economy are affecting the supply and transport of materials, as well as purchasing prices.

During the period, inflation and interest rates also shifted sharply, which could have an impact in the future through further increased prices and subdued demand.

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 June 30, 2022, Serneke had approximately 7,130 shareholders and the closing price on June 30, 2022, was SEK 36.4.

Serneke's ten largest shareholders, Jun 30, 2022

	Series A shares	Series B shares	Total number of shares	Percentage of shares outstanding, %	Percentage of votes, %
Ola Serneke Holding AB	3,710,000	2,430,526	6,140,526	21.69%	52.57%
Lommen Holding AB	540,000	3,646,482	4,186,482	14.79%	12.03%
Christer Larsson i Trollhättan AB	380,000	507,000	887,000	3.13%	5.73%
Ledge Ing AB	330,000	450,000	780,000	2.76%	4.99%
Vision Group i väst AB	250,000	550,662	800,662	2.83%	4.06%
Fastighets AB Balder	0	2,300,000	2,300,000	8.13%	3.06%
Svolder Aktiebolag	0	2,077,608	2,077,608	7.34%	2.76%
Försäkringsaktiebolaget Avanza	0	1,147,694	1,147,694	4.05%	1.53%
Mediuminvest AS	0	733,058	733,058	2.59%	0.97%
Novobis AB	0	366,708	366,708	1.30%	0.49%
Total, 10 largest	5,210,000	14,209,738	19,419,738	68.60%	88.18%
Other shareholders	0	8,886,967	8,886,967	31.40%	11.82%
Total shares outstanding	5,210,000	23,096,705	28,306,705	100.00%	100.00%
Repurchased shares	0	446,527	446,527		
Total shares registered	5,210,000	23,543,232	28,753,232		

Source: Euroclear and Serneke

Share series, number of shares and votes, Jun 30, 2022.

Share class	Shares	Votes excluding own holding
Series A shares	5,210,000	5,210,000
Series B shares	23,096,705	2,309,670.50
Total	28,306,705	7,519,670.50
Own holding	446,527	
Total number	28,753,232	

Share class	Shares	Votes
Series A shares	5,210,000	5,210,000
Series B shares	23,543,232	2,354,323.20
Total	28,753,232	7,564,323.20

FINANCIAL CALENDAR

Interim Report January–September 2022	October 27, 2022
Year-end report 2022	February 8, 2023

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, July 15, 2022
Serneke Group AB (publ)

Board of Directors

Jan C. Johansson
Chairman

Mari Broman
Member

Ludwig Matsson
Member

Veronica Rörsgård
Member

Per Åkerman
Member

Fredrik Alvarsson
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 Markets Act. The information was submitted for publication on July 15, 2022, at 08:00 a.m. CET

QUARTERLY DATA AND MULTI-YEAR REVIEW

	Apr- Jun 2022	Jan-Mar 2022	Oct-Dec 2021	Jul-Sep 2021	Apr- Jun 2021	Jan-Mar 2021	Oct-Dec 2020	Jul-Sep 2020
SEK million	2022	2022	2021	2021	2021	2021	2020	2020
Income								
Sweden	2,709	2,026	2,389	1,925	2,019	1,770	2,025	1,592
Invest	472	501	580	322	447	337	223	28
International	0	0	0	0	0	0	0	0
Group-wide	46	46	42	46	33	33	17	20
Eliminations	-569	-521	-468	-325	-225	-190	-99	-142
Total	2,658	2,052	2,543	1,968	2,274	1,950	2,166	1,498
Operating profit								
Sweden	22	10	32	21	14	-10	-65	-62
Invest	69	60	74	7	167	71	-4	-10
International	-4	-5	-5	-4	-4	-4	-3	-3
Group-wide	-5	-11	-11	15	-59	-17	-6	0
Eliminations	-21	-18	-19	-14	-10	-9	31	-4
Total	61	36	71	25	108	31	-47	-79
Operating margin, %	2.3	1.8	2.8	1.3	4.7	1.6	-2.2	-5.3
Profit after net financial items	65	38	74	33	111	38	-119	-82
Profit/loss for the period	72	55	87	37	178	46	-72	-66
Balance sheet								
Fixed assets	3291	2894	2725	2655	2522	2158	2156	757
Current assets	3582	4052	4189	3810	3775	3807	3836	4962
Total assets	6,873	6,946	6,914	6,465	6,297	5,965	5,992	5,719
Shareholders' equity	2,602	2,527	2,467	2,372	2,340	2,161	1,946	1,896
Non-current liabilities	1,449	752	740	1,200	1,177	1,182	1,058	1,245
Current liabilities	2,822	3,667	3,707	2,893	2,780	2,622	2,988	2,578
Total equity and liabilities	6,873	6,946	6,914	6,465	6,297	5,965	5,992	5,719
Orders								
Order bookings	1,598	1,837	1,749	1,196	2,221	1,179	4,852	961
Order backlog	11,234	11,966	12,101	12,642	13,372	13,126	13,619	10,623
Employees								
Average number of employees	1,304	1,269	1,208	1,205	1,189	1,174	1,161	1,180

KEY INDICATORS

IFRS-based key indicators

SEK million	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
Income	2,658	2,274	4,710	4,224	9,221	8,735
Earnings per share, SEK, before dilution	2.54	6.37	4.49	8.02	8.96	12.48
Earnings per share, SEK, after dilution	2.54	6.37	4.49	8.02	8.96	12.48
Weighted average number of shares before dilution	28,306,705	27,938,245	28,269,271	27,938,245	28,127,733	27,962,221
Weighted average number of shares after dilution	28,306,705	27,938,245	28,269,271	27,938,245	28,127,733	27,962,221

Other key indicators

SEK million	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
Operating profit	61	108	97	139	193	235
Growth, %	16.9	63.2	11.5	31.7	16.9	27.1
Order bookings	1,598	2,221	3,435	3,400	6,380	6,345
Order backlog	11,234	13,372	11,234	13,372	11,234	12,101
Organic growth, %	16.9	63.2	11.5	31.7	16.9	27.1
Operating margin, %	2.3	4.7	2.1	3.3	2.1	2.7
Cash flow before financing	-262	91	-275	89	-229	135
Cash flow from operations per share, before dilution	-8.02	1.79	-8.21	1.72	-5.87	4.11
Cash flow from operations per share, after dilution	-8.02	1.79	-8.21	1.72	-5.87	4.11
Equity per share, SEK, before dilution	91.92	83.76	91.92	83.76	91.92	87.85
Equity per share, SEK, after dilution	91.92	83.76	91.92	83.76	91.92	87.85
Working capital	760	995	760	995	760	482
Capital employed	3,807	3,710	3,807	3,710	3,807	3,961
Return on capital employed, %	7.1	1.1	7.1	1.1	7.1	7.8
Return on equity after taxes, %	10.2	4.0	10.2	4.0	10.2	15.8
Equity/assets ratio, %	37.9	37.2	37.9	37.2	37.9	35.7
Net debt	-1,466	-206	-1,466	-206	-1,466	-873
Net debt/equity ratio, %	-56.3	-8.8	-56.3	-8.8	-56.3	-35.4
Net debt/EBITDA	-5.4	-2.2	-5.4	-2.2	-5.4	-2.8

SUMMARY FINANCIAL STATEMENTS

SUMMARY OF CONSOLIDATED INCOME STATEMENT

Summary of Consolidated Income Statement						
SEK million	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
Income	2,658	2,274	4,710	4,224	9,221	8,735
Production and administration expenses	-2,528	-2,145	-4,488	-4,027	-8,805	-8,344
Gross profit	130	129	222	197	416	391
Sales and administration expenses	-51	-32	-93	-67	-176	-150
The effect on profit of establishing the joint venture	0	0	0	0	0	0
Share in profit of associates and joint ventures	-18	11	-32	9	-47	-6
Operating profit	61	108	97	139	193	235
Net financial items	4	3	6	10	17	21
Profit after financial items	65	111	103	149	210	256
Tax	7	67	24	75	42	93
Profit/loss for the period	72	178	127	224	252	349
Attributable to:						
Parent Company shareholders	72	178	127	224	252	349
Non-controlling interests	0	0	0	0	0	0
Earnings per share before dilution, SEK	2.54	6.37	4.49	8.02	8.96	12.48
Earnings per share after dilution, SEK	2.54	6.37	4.49	8.02	8.96	12.48
Average number of shares before dilution	28,306,705	27,938,245	28,269,271	27,938,245	28,127,733	27,962,221
Average number of shares after dilution	28,306,705	27,938,245	28,269,271	27,938,245	28,127,733	27,962,221

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
Profit/loss for the period	72	178	127	224	252	349
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	72	178	127	224	252	349

CONDENSED CONSOLIDATED BALANCE SHEET

SEK million	Jun 30 2022	Jun 30 2021	Dec 31 2021
Assets			
<i>Fixed assets</i>			
Intangible fixed assets	26	24	25
Other tangible fixed assets	332	389	351
Investments in associates/joint ventures	166	151	160
Deferred tax assets	132	89	108
Non-current interest-bearing receivables	2,432	1,330	1,900
Other non-current receivables	203	539	181
Total fixed assets	3,291	2,522	2,725
<i>Current assets</i>			
Project and development properties	1,376	1,555	1,704
Inventories	2	1	1
Accounts receivable	1,075	983	966
Accrued but not invoiced income	524	446	555
Other current receivables	234	455	388
Cash and bank balances	371	335	575
Total current assets	3,582	3,775	4,189
Total assets	6,873	6,297	6,914
Equity and liabilities			
Shareholders' equity	2,602	2,340	2,467
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	1,190	935	467
Other non-current liabilities	72	33	71
Deferred tax liability	0	0	0
Other provisions	187	209	202
Total non-current liabilities	1,449	1,177	740
<i>Current liabilities</i>			
Current interest-bearing liabilities	147	524	1,135
Current tax liabilities	0	0	0
Accounts payable	1,391	1,025	1,344
Invoiced but not accrued income	811	816	744
Other current liabilities	473	415	484
Total current liabilities	2,822	2,780	3,707
Total equity and liabilities	6,873	6,297	6,914

SUMMARY OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

SEK million	Jun 30 2022	Jun 30 2021	Dec 31 2021
Equity attributable to Parent Company shareholders			
Balance at beginning of period	2,467	1,946	1,946
New share issue		167	166
Share-related compensation	8	3	6
Other		-	-
Transactions with non-controlling interests		-	-
Changed accounting policy		-	-
Comprehensive income for the period	127	224	349
Non-controlling interests			
Acquisition of non-controlling interests		-	-
Comprehensive income for the period		0	-
Balance at end of period	2,602	2,340	2,467

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

SEK million	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul-Jun 2021/2022	Jan-Dec 2021
<i>Operating activities</i>						
Cash flow before change in working capital	-25	0	-134	3	-1	136
Change in working capital	-202	50	-98	45	-165	-22
Cash flow from operating activities	-227	50	-232	48	-165	115
<i>Investing activities</i>						
Increase/decrease in investing activities	-35	41	-43	41	-64	20
Cash flow from investing activities	-35	41	-43	41	-64	20
Cash flow before financing	-262	91	-275	89	-229	135
<i>Financing activities</i>						
Newly raised borrowings	694	172	782	208	1,000	426
New share issue	0	0	0	167	0	167
Amortization of liabilities	-729	-217	-876	-365	-968	-457
Dividend	0	0	0	0	0	0
Increase/decrease in financing activities	121	1	165	2	233	70
Cash flow from financing activities	86	-44	71	12	265	206
Cash flow for the period	-176	47	-204	101	36	341
Cash and cash equivalents at beginning of period	547	288	575	234	335	234
Cash and cash equivalents at end of period	371	335	371	335	371	575

PARENT COMPANY CONDENSED INCOME STATEMENT

SEK million	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul-Jun 2021/2022	Jan- Dec 2021
Income	47	34	93	67	181	155
Sales and administration expenses	-52	-34	-91	-78	-170	-157
Operating profit	-5	0	2	-11	11	-2
Net financial items	-10	-21	-26	-39	-56	-69
Profit after financial items	-15	-21	-24	-50	-45	-71
Appropriations	0	0	0	0	0	0
Profit/loss before tax	-15	-21	-24	-50	-45	-71
Tax	2	4	3	9	-5	1
Profit/loss for the period	-13	-17	-21	-41	-50	-70

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK million	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jul-Jun 2021/2022	Jan- Dec 2021
Profit/loss for the period	-13	-17	-21	-41	-50	-70
Other comprehensive income	0	0	0	0	0	0
Total comprehensive income	-13	-17	-21	-41	-50	-70

PARENT COMPANY CONDENSED BALANCE SHEET

SEK million	Jun 30 2022	Jun 30 2021	Dec 31 2021
Assets			
<i>Fixed assets</i>			
Tangible fixed assets	9	7	8
Investments in Group companies	395	309	360
Deferred tax assets	17	22	14
Other non-current receivables	3	3	3
Total fixed assets	424	341	385
<i>Current assets</i>			
Project and development properties	2	2	2
Other current receivables	934	1,524	1,498
Cash and bank balances	154	145	313
Total current assets	1,090	1,671	1,813
Total assets	1,514	2,012	2,198
Equity and liabilities			
Shareholders' equity	516	556	530
<i>Non-current liabilities</i>			
Non-current interest-bearing liabilities	8	516	3
Other provisions	1	2	2
Total non-current liabilities	9	518	5
<i>Current liabilities</i>			
Current interest-bearing liabilities	2	7	523
Accounts payable	11	8	8
Other current liabilities	976	923	1,132
Total current liabilities	989	938	1,663
Total equity and liabilities	1,514	2,012	2,198

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.

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 2021 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	Jun 30 2022	Jun 30 2021	Dec 31 2021
Financial assets			
Non-current interest-bearing receivables*	2425	-	1,893
Available-for-sale financial assets**	2	2	2
Total financial assets	2,427	2	1,895
Financial liabilities			
Other short- and long-term liabilities	10	23	18
Of which, additional purchase considerations***	10	23	18
Total financial liabilities	10	23	18

* As of June 30, 2022, the shareholder loan for Karlatornet is recognized at SEK 1,264 million. The remainder of the receivable is attributable to the joint ventures established with Fastighets AB Balder in 2021 and in the second quarter of 2022.

** 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 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:

	Jun 30	Jun 30	Dec 31
Group	2022	2021	2021
Pledged assets	2,570	2,139	2,367
Contingent liabilities	4,360	990	2,677
Parent Company			
Pledged assets	300	300	300
Contingent liabilities	7,186	2,886	4,987

Note 4 – Breakdown of income

Apr–June 2022, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	2,708	334	-	-	-525	2,517
Sale of properties and development rights	0	100	-	-	-	100
Rental income	0	2	-	3	-3	2
Other income	1	36	-	43	-41	39
Total income	2,709	472	0	46	-569	2,658

Date of income recognition:

At a specific time	1	136	-	43	-41	139
Over time	2,708	336	-	3	-528	2,519
Total income	2,709	472	0	46	-569	2,658

Apr–Jun 2021, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	2,014	213	-	-	-192	2,035
Sale of properties and development rights	3	43	-	-	-	46
Rental income	0	2	-	3	-3	2
Other income	2	189	-	30	-30	191
Total income	2,019	447	0	33	-225	2,274

Date of income recognition:

At a specific time	5	232	-	30	-30	237
Over time	2,014	215	-	3	-195	2,037
Total income	2,019	447	0	33	-225	2,274

Jan–Jun 2022, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	4,729	708	-	-	-1,000	4,437
Sale of properties and development rights		214	-	-	-	214
Rental income	0	4	-	5	-5	4
Other income	6	47	-	87	-85	55
Total income	4,735	973	0	92	-1,090	4,710

Date of income recognition:

At a specific time	6	261	-	87	-85	269
Over time	4,729	712	-	5	-1005	4,441
Total income	4,735	973	0	92	-1,090	4,710

Jan–Jun 2021, SEK million	Sweden	Invest	International	Group-wide	Eliminations	Total
Construction income	3,781	373	-	-	-349	3,805
Sale of properties and development rights	3	212	-	-	-	215
Rental income	0	4	-	6	-6	4
Other income	5	195	-	60	-60	200
Total income	3,789	784	0	66	-415	4,224
Date of income recognition:						
At a specific time	8	407	-	60	-60	415
Over time	3,781	377	-	6	-355	3,809
Total income	3,789	784	0	66	-415	4,224

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		Apr–Jun 2022	Apr–Jun 2021	Jan–Jun 2022	Jan–Jun 2021	Jul–Jun 2021/2022	Jan–Dec 2021
Income current period		2,658	2,274	4,710	4,224	9,221	8,735
Income corresponding to previous period		2,274	1,393	4,224	3,207	7,888	6,871
Income change		384	881	486	1,017	1,333	1,864
Adjustment for structural effect		0	0	0	0	0	0
Total organic growth		384	881	486	1,017	1,333	1,864
Total organic growth (%)		16.9%	63.2%	11.5%	31.7%	16.9%	27.1%
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	Jun 30 2022	Jun 30 2021	Dec 31 2021			
	Total assets	6,873	6,297	6,914			
	Deferred tax assets	-132	-89	-108			
	Less non-interest-bearing liabilities including deferred tax liabilities	-2,934	-2,498	-2,845			
	Capital employed	3,807	3,710	3,961			

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.
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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 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 – June 2022

On July 15, 2022, at 9:00 a.m. (CET), Serneke Group will comment on this Interim Report in a live online presentation for investors, analysts and the media. The presentation will be held in Swedish and can be followed live via webcast at <https://tv.streamfabriken.com/serneke-q2-2022>. Presentation materials for the presentation will be available on the website one hour before the webcast begins.

To participate, please dial: +46 8 566 42 705