

Press release

2020-08-27

Peab's Board proposes new time for distribution of Annehem Fastigheter

Today Peab's Board proposed that all the shares in Annehem Fastigheter are to be distributed to the company's shareholders and listed, if possible during the fourth quarter 2020 and otherwise during the first quarter 2021, if market conditions allow. When Annehem Fastigheter is distributed the difference between market values and book values as well as eliminated construction contract profit will be taken up as income in Peab. This preliminarily amounts to SEK 850 million. Peab's Board has decided not to make a new proposal for an ordinary dividend, and therefore the Annual General Meeting's decision of no ordinary dividend will remain unchanged.

In connection with publishing the year-end report for 2019 Peab's Board proposed an unchanged ordinary dividend of SEK 4.20 per share and an extra distribution of all the shares in the real estate company Annehem Fastigheter. These proposals were withdrawn in March and April due to the corona pandemic and the resulting consequences.

Based on the market assessments and business developments presented in the quarterly report for the second quarter, Peab's Board and executive management have today updated their evaluation of the conditions for distribution. Their conclusion is that market conditions have stabilized and the right conditions exist for distributing and listing Annehem Fastigheter.

Therefore today Peab's Board proposed that all the shares in Annehem Fastigheter are to be distributed to the company's shareholders and listed, if possible during the fourth quarter 2020 and otherwise during the first quarter 2021, if market conditions allow and if Annehem Fastigheter receives financing on market terms. Peab's Board has decided not to make a new proposal for an ordinary dividend, and therefore the Annual General Meeting's decision of no ordinary dividend will remain unchanged.

Annehem Fastigheter will preliminarily own fully developed property with a market value of around SEK 3,200 million. The property in Bara which was previously intended to be part of Annehem Fastigheter will not be included. Peab will continue to own the 50 percent of shares in Point Hyllie Holding AB, which owns Choice Hotel and office building The Point in Hyllie, that were previously intended to be part of Annehem Fastigheter. In addition, Annehem Fastigheter will have a contract with Peab to acquire two more properties with a total market value of around SEK 400 million which will be completed and taken over in 2021.

When Annehem Fastigheter is distributed the difference between market values and book values as well as eliminated construction contract profit will be taken up as income in Peab. This preliminarily amounts to SEK 850 million. The variance from the previous assessment of SEK 1,200 million is mainly due to the fact that the shares in Point Hyllie Holding AB will not be owned by Annehem Fastigheter.

Peab has previously communicated the selection of four board members in Annehem Fastigheter: Göran Grosskopf, Chairman, Pia Andersson, Jesper Göransson and Anders Hylén. Today Lars Ljungälv and Karin Ebbinghaus have been appointed members of the board, which means the board will consist of six members elected by the General Meeting. More information about Lars Ljungälv and Karin Ebbinghaus as well as the other board members will be provided in the information brochure which will be published in conjuncture with the Extraordinary General Meeting. The information brochure will also contain a description of Annehem Fastigheter's finalized structure, as well as the transaction and financial effects on Peab. Peab's Board intends to summon an Extraordinary General

Meeting when the exact time schedule for the distribution of Annehem Fastigheter has been determined.

“Distributing Annehem is just as right today as it was in February. The distribution creates opportunities for further value generation for Peab’s shareholders in both Peab’s and Annehem’s business,” says Jesper Göransson, President and CEO of Peab.

For further information please contact:

Jesper Göransson, President and CEO of Peab, reached through
Juha Hartomaa, Head of IR Peab, cell: +46 725-33 31 45

Peab AB discloses the information provided herein pursuant to the EU Market Abuse Regulation. The information was submitted, through the contact persons above, for publication on August 27, 2020 at 4:15 p.m. CEST.

Peab is a leading Nordic construction and civil engineering company with about 17,000 employees and SEK 56 billion in net sales. The Group has strategically placed offices in Sweden, Norway, Finland and Denmark. Company headquarters are in Förslöv on Bjäre Peninsula in southern Sweden. The Peab share is listed on NASDAQ Stockholm.