

Alternative performance measures and financial definitions

Alternative performance measures are used to describe the development of operations and to enhance comparability between periods. These are not defined under IFRS but correspond to the methods applied by executive management and Board of Directors to measure the company's financial performance. Alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS but rather as a complement.

The difference between segment reporting and reporting according to IFRS is described in more detail in note 3, and note 4 in the Annual Report 2024. The difference primarily consists of differences in accounting principles for our own housing development projects where revenue and profit are recognized over time in segment reporting and at one point in time, when homebuyers take over their homes, in reporting according to IFRS. In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leases that are classified by the counterparty (the lessor) as operational leases. IFRS 16 Leases is applied in Group reporting according to IFRS, which entails that lessees recognize depreciation and interest attributable to leasing assets and liabilities. As a result the difference between segment reporting and reporting according to IFRS even affects the items on the balance sheet, including net debt. Nonetheless, in the key ratios below the method of calculation is the same for both segment reporting and reporting according to IFRS.

Definition and motivation of use	Calculation at quarterly report January-June 2025	
Available liquidity Liquid funds and short-term investments along with unutilized credit facilities, excluding unutilized project financing. Shows the Group's available liquidity.	Reporting according to IFRS	MSEK
	Liquid funds	453
	Unutilized credit facilities	6,002
	Available liquidity	6,455
Equity per share Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.	Reporting according to IFRS	
	Equity, MSEK	15,316
	Less equity attributable to non-controlling interests, MSEK	-25
	Equity attributable to shareholders in parent company, MSEK	15,291
	Number of outstanding shares at the end of the period	287,451,746
	Equity per share, SEK	53.19
	Segment reporting	
	Equity, MSEK	15,572
	Less equity attributable to non-controlling interests, MSEK	-25
	Equity attributable to shareholders in parent company, MSEK	15,547
	Number of outstanding shares at the end of the period	287,451,746
	Equity per share, SEK	54.09
Cash flow before financing Cash flow before financing calculated as the total of cash flow from current operations before changes in working capital, cash flow from changes in working capital and cash flow from investment operations.	Reporting according to IFRS	MSEK
	Cash flow from current operations before changes in working capital	739
	Cash flow from changes in working capital	-1,106
	Cash flow from investment operations	-102
	Cash flow before financing	-469
	Segement reporting	
	Cash flow from current operations before changes in working capital	548
	Cash flow from changes in working capital	-1,369
	Cash flow from investment operations	-102
	Cash flow before financing	-923
	Reconciliation between IFRS and segment reporting	
	Cash flow before financing according to IFRS	-469
	Cash flow from current operations before changes in working capital	-191
	Cash flow from changes in working capital	-263
	Cash flow from investment operations	-
	Cash flow before financing according to segement reporting	-923

Definition and motivation of use	Calculation at quarterly report January-June 2025
Cash flow per share Cash flow before financing divided by the average number of outstanding shares during the period. Shows cash flow per share.	Reporting according to IFRS Cash flow before financing, MSEK-469 Average number of outstanding shares287,451,746 Cash flow per share, SEK-1.63 Segment reporting Cash flow before financing, MSEK-923 Average number of outstanding shares287,451,746 Cash flow per share, SEK-3.21
Net debt Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.	Reporting according to IFRS MSEK Interest-bearing long-term liabilities7,485 Interest-bearing long-term liabilities, project financing11 Interest-bearing current liabilities3,543 Interest-bearing current liabilities, project financing2,289 - Interest-bearing long-term receivables-539 - Interest-bearing current receivables-1,015 - Liquid funds-453 Net debt11,321 Segment reporting MSEK Interest-bearing long-term liabilities6,353 Interest-bearing long-term liabilities, project financing11 Interest-bearing current liabilities3,264 Interest-bearing current liabilities, project financing1,904 - Interest-bearing long-term receivables-539 - Interest-bearing current receivables-1,015 - Liquid funds-453 Net debt9,525 Reconciliation between IFRS and segment reporting Net debt according to IFRS11,321 Additional IFRS 16 Leases-1,411 Project financing, sold part of housing projects-385 Net debt according to segment reporting9,525
Operative cash flow Cash flow before financing according to segment reporting. The cash flow does not include received internal Group interest, paid interest and paid tax that is not allocated to the business areas but only reported for the Group. Investments via leasing charge cash flow from investment operations in the business areas. Operative cash flow is only calculated for the business areas. Shows the cash flow generated per business area.	
Orders received The sum of orders received during the period. Measures how new orders replace produced work. In our own developed housing projects tenant-owned housing associations/residential limited companies are considered external customers.	
Order backlog The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced. Order backlog is based on segment reporting. Shows how much will be produced in the future.	

Definition and motivation of use	Calculation at quarterly report January-June 2025		
Earnings per share Profit for the period attributable to shareholders in parent company divided by the average number of outstanding shares during the period. Shows profit per share.	Reporting according to IFRS		
	Profit for the period, MSEK		-295
	Adjustment of profit for the period attributable to non-controlling interests, MSEK		-6
	Profit for the period attributable to shareholders in parent company, MSEK		-301
	Average number of outstanding shares		287,451,746
	Earnings per share, SEK		-1.05
	Segment reporting		
	Profit for the period, MSEK		-293
	Adjustment of profit for the period attributable to non-controlling interests, MSEK		-6
	Profit for the period attributable to shareholders in parent company, MSEK		-299
	Average number of outstanding shares		287,451,746
	Earnings per share, SEK		-1.04
Return on equity Profit of the rolling 12 month period attributable to shareholders in the parent company divided by the average (last four quarters) equity attributable to shareholders in the parent company. The measurement is used to create efficient business and a rational capital structure and shows how the Group has multiplied shareholder's equity.	Reporting according to IFRS		
	Profit for the period, MSEK		1,552
	Average equity, MSEK		
	Q2 2025	15,291	
	Q1 2025	15,973	
	Q4 2024	16,482	
	Q3 2024	15,287	
		63,033 / 4	15,758
	Return on equity, %		9.8
	Segment reporting		
	Profit for the period, MSEK		1,488
	Average equity, MSEK		
	Q2 2025	15,547	
	Q1 2025	16,257	
	Q4 2024	16,738	
	Q3 2024	15,621	
		64,163 / 4	16,041
	Return on equity, %		9.3

Definition and motivation of use	Calculation at quarterly report January-June 2025	
Return on capital employed Pre-tax profit for the rolling 12 month period with the addition of financial expenses in percent of the (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments and shows the Group's earning capacity independent of financing.	Reporting according to IFRS	
	Pre-tax profit, MSEK	1,848
	Financial expenses, MSEK	1,246
	Total profit, MSEK	3,094
	Average capital employed, MSEK	
	Q2 2025	28,644
	Q1 2025	29,646
	Q4 2024	30,878
	Q3 2024	30,526
	119,694 / 4	29,924
	Return on capital employed, %	10.3
	Segment reporting	
	Pre-tax profit, MSEK	1,758
	Financial expenses, MSEK	1,199
	Total profit, MSEK	2,957
	Average capital employed, MSEK	
	Q2 2025	27,104
	Q1 2025	27,673
	Q4 2024	28,999
	Q3 2024	27,537
	111,313 / 4	27,828
	Return on capital employed, %	10.6
Interest coverage ratio Pre-tax profit items plus interest expenses in relation to interest expenses. The measurement shows how well interest expenses can be covered.	Reporting according to IFRS	
	Pre-tax profit, MSEK	-325
	Interest expenses, MSEK	328
	Total, MSEK	3
	Interest coverage ratio, multiple	0.0
	Segment reporting	
	Pre-tax profit, MSEK	-327
	Interest expenses, MSEK	253
	Total, MSEK	-74
	Interest coverage ratio, multiple	-0.3
Operating margin Operating profit as a percentage of net sales. Shows the profitability in the business.	Reporting according to IFRS	
	Operating profit, MSEK	508
	Net sales, MSEK	25,888
	Operating margin, %	2.0
	Segment reporting	
	Operating profit, MSEK	482
	Net sales, MSEK	25,862
	Operating margin, %	1.9
Net debt/equity ratio Interest-bearing net debt in relation to equity. Shows financial position.	Reporting according to IFRS	
	Net debt, MSEK	11,321
	Equity, MSEK	15,316
	Net debt/equity ratio, multiple	0.7
	Segment reporting	
	Net debt, MSEK	9,525
	Equity, MSEK	15,572
	Net debt/equity ratio, multiple	0.6

Definition and motivation of use	Calculation at quarterly report January-June 2025	
Equity/assets ratio Equity as a percentage of total assets at the end of the period. Shows financial position.	<u>Reporting according to IFRS</u>	
	Equity, MSEK	15,316
	Total assets, MSEK	46,706
	Equity/assets ratio, %	32.8
	<u>Segment reporting</u>	
	Equity, MSEK	15,572
	Total assets, MSEK	44,525
	Equity/assets ratio, %	35.0
Capital employed for the Group Total assets at the end of the period less non-interest-bearing operating liabilities and provisions. The measurement is used to measure capital utilization and its effectiveness.	<u>Reporting according to IFRS</u>	MSEK
	Total assets	46,706
	- Deferred tax liabilities	-531
	- Other long-term liabilities	-1,652
	- Other current liabilities	-15,879
	Capital employed	28,644
	<u>Segment reporting</u>	MSEK
	Total assets	44,525
	- Deferred tax liabilities	-573
	- Other long-term liabilities	-1,678
	- Other current liabilities	-15,170
	Capital employed	27,104
	<u>Reconciliation between IFRS and segment reporting</u>	MSEK
	Capital employed according to IFRS	28,644
	IFRS 16, additional leases	1,371
	Housing projects, sold part	-2,911
	Capital employed according to segment reporting	27,104
Capital employed for the business areas Total assets in the business areas at the end of the period reduced by deferred tax recoverables and internal receivables from the internal bank Peab Finans with deductions for non-interest-bearing liabilities, provisions and deferred tax liabilities. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.		
All amounts, if not otherwise specified, have been rounded to the nearest SEK million. The numbers in the quarterly report are based on the Group's consolidation system which is in SEK thousands. By rounding numbers presented key ratios may differ slightly from calcuated according to the definition.		