

# Information brochure

Information to the shareholders of Peab AB prior to resolution regarding the distribution of Annehem Fastigheter AB at Peab AB's Extraordinary General Meeting on 12 November 2020

This information brochure is not a prospectus. The information brochure is to be used as a basis for decision by Peab's shareholders when deciding on the board's proposal regarding the distribution of the shares in the wholly owned subsidiary Annehem Fastigheter to the shareholders of Peab. Provided that the extraordinary general meeting on 12 November 2020 resolves on the distribution in accordance with the board's proposal, no further action is required by shareholders of Peab to receive shares in Annehem Fastigheter, except for being registered as a shareholder (directly registered or nominee registered) on the record date of the distribution. Provided that the extraordinary general meeting resolves on the distribution in accordance with the board's proposal, a prospectus will be published before Annehem Fastigheter's B shares are listed on Nasdaq Stockholm.

## IMPORTANT INFORMATION

Peab's Board of Directors has proposed that the Extraordinary General Meeting on 12 November 2020 resolves to distribute all shares in Annehem Fastigheter AB (publ), with corp.reg. no. 559220-9083 ("**Annehem Fastigheter**"), to the shareholders of Peab AB (publ) ("**Peab**"). This information brochure (the "**information brochure**") contains only general information and does not constitute a prospectus. The information brochure should instead be used as a basis for decision-making for shareholders. Provided that the extraordinary general meeting on 12 November 2020 resolves to distribute all shares in Annehem Fastigheter in accordance with the board's proposal, a prospectus will be published before the shares in Annehem Fastigheter are distributed and the B shares are admitted to trading on Nasdaq Stockholm. The prospectus will contain detailed information about Annehem Fastigheter and the risks associated with Annehem Fastigheter.

Swedish law applies to the information brochure. Disputes arising out of the content of this information brochure and related legal circumstances shall be settled exclusively by the Swedish courts. The information brochure has been drawn up in a Swedish-language and an English-language version. In the event that the versions are not consistent, the Swedish-language version shall take precedence.

### Information to investors in the United States

The shares in Annehem Fastigheter have not been and will not be registered under the U.S. Securities Act of 1933 as amended ("**Securities Act**") or the securities legislation of any state or other jurisdiction in the United States and may not be offered, sold or otherwise transferred, directly or indirectly, in or to the United States, except under an available exemption from, or by a transaction not subject to, the registration requirements under the U.S. Securities Act and in compliance with the securities legislation in the relevant state or any other jurisdiction of the United States. Annehem Fastigheter is expected to be subject to the exemption from registration under Rule 12g3-2(b) of the U.S. Securities Exchange Act of 1934 as amended ("**U.S. Exchange Act**"), in its present wording, and will therefore not be required to register its shares under nor subject to the reporting requirements of the U.S. Exchange Act. Annehem Fastigheter will not be subject to reporting obligations under the U.S. Exchange Act.

Annehem Fastigheter's shares have neither been approved nor rejected by the United States Securities and Exchange Commission, any state securities authority or any other authority in the United States. Nor has any such authority assessed or commented on the benefits of the distribution of Annehem Fastigheter's shares or on the accuracy and reliability of this information brochure. All claims to the contrary are a criminal act in the United States.

### Forward-looking information and risk factors

This information brochure contains certain forward-looking statements and opinions that reflect Peab's and Annehem Fastigheter's current views on future events and financial and operational developments. Such words as "intends", "assesses", "expects", "can", "plans", "estimates" and other expressions that relate to indications or predictions concerning future development or trends and that do not refer to historical facts constitute forward-looking statements. Forward-looking information is by its nature associated with both known and unknown risks and uncertainty factors, since it depends on future events and circumstances. Forward-looking information represents no guarantee with regard to future results or developments and actual outcomes may be considerably different from what has been expressed in the form of forward looking information. Neither Peab nor Annehem Fastigheter undertakes responsibility to update or revise forward-looking information due to new information, future events or the like unless required by applicable law.

Peab's and Annehem Fastigheter's operations may be affected by a number of factors. A description of certain risk factors related to the distribution of Annehem Fastigheter can be found in the section "*Risk Factors associated with the distribution of Annehem Fastigheter*" and a description of significant risk factors related to Annehem Fastigheter will be included in the prospectus that will be published before Annehem Fastigheter's shares are admitted to trading on Nasdaq Stockholm.

### Industry and market information

This information brochure contains industry and market information compiled based on information obtained from third parties and on Peab's and Annehem Fastigheter's own assessments. Neither Peab nor Annehem Fastigheter accepts any responsibility for the accuracy of the industry or market information that is included in this information brochure.

### Presentation of financial information

Certain financial and other information presented in this information brochure has been rounded off to make the information more easily comprehensible to the reader. Accordingly, the figures in certain columns do not necessarily correspond to the total amount specified. No information in this information brochure has been audited or reviewed by Peab's or Annehem Fastigheter's auditors.

### Other information

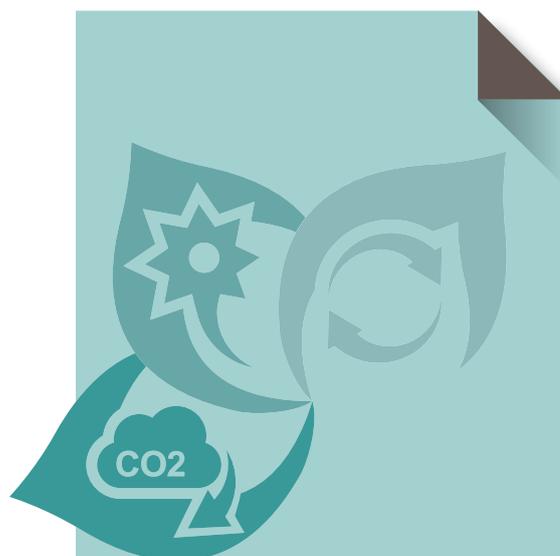
This information brochure contains some information with respect to Peab and Annehem Fastigheter which will be complemented by Annehem Fastigheter's public information and reports, other information that is available on Peab's website and the listing prospectus for Annehem Fastigheter which will be published before the distribution and listing of Annehem Fastigheter. In addition, shareholders may obtain the following information:

- Peab's quarterly report January-September 2020,
- Peab's Annual Report for 2017, 2018 and 2019,
- other information regarding Peab's operations, financial position, earnings, cash flow and shares and
- Annehem Fastigheter's listing prospectus, which will be published on Peab's and Annehem Fastigheter's respective website before the distribution and listing of the shares in Annehem Fastigheter.

The information above is available via [www.peab.com/financial-info/financial-reports/](http://www.peab.com/financial-info/financial-reports/). Shareholders are encouraged to read the above-mentioned information along with this brochure.

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## ATTENDANCE AT PEAB'S EXTRAORDINARY GENERAL MEETING

Information regarding the right to participate and how to provide a postal vote prior to Peab's Extraordinary General Meeting on 12 November 2020 can be found in the notice published on Peab's website, <https://www.peab.com/financial-info/corporate-governance/extra-agm-2020/>.

## SOME DEFINITIONS

**Euroclear Sweden** Euroclear Sweden AB.

**Nasdaq Stockholm** The regulated market operated by Nasdaq Stockholm AB.

**Annehem Fastigheter, the Company or the Group** Annehem Fastigheter AB (publ), the group in which Annehem Fastigheter AB (publ) is the parent company or a subsidiary of the group, depending on the context.

**SEK** Swedish kronor.

**Peab or the Peab Group** Peab AB, the group in which Peab AB is the parent company (excluding Annehem Fastigheter), depending on the context.

## IMPORTANT DATES

<b>Record date for attendance at Peab's Extraordinary General Meeting</b>	4 November 2020
<b>Last day to register attendance at Peab's Extraordinary General Meeting by having sent a postal vote</b>	11 November 2020
<b>Extraordinary General Meeting of Peab</b>	12 November 2020
<b>Publication of prospectus regarding the listing of Annehem Fastigheter's B shares</b>	During December 2020
<b>Expected day for distribution of all shares in Annehem Fastigheter</b>	During December 2020
<b>First day of trading in Annehem Fastigheter's B shares</b>	During December 2020



# Background and reasons

On 27 August 2020, the board of Peab announced that it had decided to propose to the extraordinary general meeting to resolve on a distribution of all the shares in a newly founded company, Annehem Fastigheter, containing Peab's wholly owned, fully developed commercial properties.

In recent years, Peab has invested considerable resources in the capital-intensive business areas Industry and Project Development, a strategy that it will continue to pursue in the future. Project Development operations comprise development of both residential and commercial projects and are run primarily in wholly owned form but also through partially owned companies. For appreciation purposes, fully developed properties have mainly been held in partially owned companies but have also been recognised on Peab's balance sheet. In order to create the right conditions in the future for operative steering, tied-up capital and income recognition in Project Development operations, Peab's board has analysed various alternatives. A distribution of all of the shares in Annehem Fastigheter is deemed to be the best alternative for long-term value growth for Peab's shareholders. Peab will then be able to focus its operations on building and developing properties, while Annehem Fastigheter can concentrate on owning and managing fully developed properties.

It is believed that Annehem Fastigheter as a separate company will have a greater opportunity to capitalise on the potential of the existing property portfolio and act on attractive growth- and business opportunities identified by the Company in the property market. By conducting focused property management operations, potential for increasing specialisation and efficiency as well as optimizing customer benefit and position in the value chain can be made. The benefits of being a separate listed property company also include the possibility to use appropriate sources of financing, the possibility to use shares in larger acquisitions as well as more targeted publicity. More targeted publicity means that current and future customers and suppliers will gain a better understanding of Annehem Fastigheter's operations, and creates even better conditions for more spontaneous inquiries regarding potential property transactions. In addition, future as well as current investors will as a consequence of the separate listing be able to invest directly in the Company.

The existing property portfolio in Annehem Fastigheter primarily comprises modern, flexible, environmentally compatible, high-quality commercial properties in Nordic growth areas. The Company holds 21 investment properties at a fair value of SEK 3,003 million on 30 September 2020. Annehem Fastigheter has a clearly defined growth plan and has as part of this plan acquired two commercial properties that will be taken into possession during 2021, with an agreed underlying property value of SEK 406 million. The Company has as a part of this growth plan also acquired two residential properties that will be taken into possession during 2022 and 2024, with an agreed underlying property value amounting to SEK 385 million. In addition, the Company will acquire and take one already fully rented commercial property in Oslo into possession during the fourth quarter of 2020. Annehem Fastigheter estimates that the underlying property value for this property amounts to SEK 287 million by completion. In addition, the Company has entered into letters of intent with Peab to acquire several future commercial properties related to development rights owned by Peab. The Company's strategy includes further diversification through the acquisition of community service and residential properties from Peab or other parties.

If the Extraordinary General Meeting resolves in accordance with the board's proposal, all of the shares of Annehem Fastigheter will be distributed to the shareholders of Peab and Annehem Fastigheter's board will apply for the B shares to be admitted for trading on Nasdaq Stockholm.

Förslöv, 29 October 2020

**Peab AB**

*The board of directors*



# Information on the proposed distribution of Annehem Fastigheter

## Decision on distribution

Provided that the extraordinary general meeting of Peab on 12 November 2020 resolves in accordance with the board's proposal to distribute all shares in the wholly owned subsidiary Annehem Fastigheter to the shareholders of Peab, the registered shareholders of Peab on the record date for the distribution resolved upon by the board are entitled to obtain shares in Annehem Fastigheter.

According to the board's proposal, one (1) share in Peab shall give the right to one (1) share right in Annehem Fastigheter, whereby five (5) share rights gives the right to one (1) share of the same kind in Annehem Fastigheter.<sup>1)</sup> Other than being registered as a shareholder on the record date for the distribution (directly registered or through trustees), no measures need be taken to obtain shares in Annehem Fastigheter. The distribution is intended to be carried out in accordance with the so-called Lex Asea rules, see also the section "*Certain tax issues*" below. If a shareholder's share rights are not evenly divisible by five (5) the shareholders excess share rights will be sold on behalf of each shareholder. The sale will be carried out commission free through Nordea. The proceeds from the sale will be paid to the shareholders concerned via Euroclear Sweden AB. The board proposes that the extraordinary general meeting authorises the board to set the record date for the distribution.

## Record date

The board proposes that the extraordinary general meeting authorises the board of Peab to determine the record date for the distribution of the shares in Annehem Fastigheter. The record date is expected to be in close connection with the listing of the B shares in Annehem Fastigheter on Nasdaq Stockholm. The board's intention is that the listing of Annehem Fastigheter's B shares shall take place during December 2020.

## Obtaining shares in Annehem Fastigheter

Those who, on the record date for the distribution of shares in Annehem Fastigheter, are entered in the register of shareholders in Peab kept by Euroclear Sweden, receive shares in Annehem Fastigheter without action. The shares in Annehem Fastigheter will be available in the securities accounts of entitled shareholders (or securities accounts belonging to those who are otherwise entitled to distribution) no later than two business days after the record date. Euroclear Sweden will then send out a notification indicating the number of shares registered in the recipient's securities account.

## Listing of the B shares in Annehem Fastigheter

The board of Annehem Fastigheter intends to apply for admission to trading of Annehem Fastigheter's B share on Nasdaq Stockholm. Information about the ISIN code for Annehem Fastigheter's shares will be available in the prospectus that will be published prior to the listing of Annehem Fastigheter's B shares on Nasdaq Stockholm.

1) Peab's holding of own shares does not entitle it to the distribution of shares in Annehem Fastigheter. On 30 September 2019, Peab held 1,086,984 of its own B shares.



# Brief description of Annehem Fastigheter

## Introduction

Annehem Fastigheter is a growth-driven property company specialising in commercial, community service and residential properties in the Nordic growth regions of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. The Company believes that these geographic markets are particularly attractive given the high demand for commercial, community service and residential properties in the regions. Demand is supported by the ongoing urbanisation, population growth and sustainability trend in the Nordics.

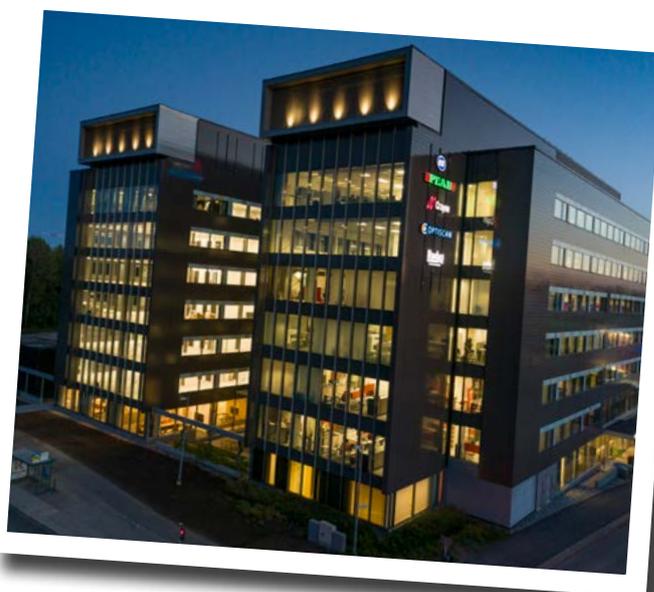
Annehem Fastigheter's property portfolio consists of 21 investment properties that on 30 September 2020 had a fair value of SEK 3,003 million and a lettable area of 180 thousand sqm.<sup>1)</sup> The property portfolio largely comprises modern, flexible, environmentally compatible, high-quality commercial properties. In addition, the Company has acquired four properties that are constructed by Peab and will be taken into possession between 2021 and 2024. The agreed underlying property value for these properties is SEK 791 million and the lettable area is 16 thousand sqm. The Company will also acquire and take one property into possession during the fourth quarter of 2020. The Company estimates that this property has an underlying property value amounting to SEK 287 million and a lettable area of 4 thousand sqm by completion.

The Company has also entered into letters of intent with Peab to acquire several future commercial properties related to development rights owned by Peab.<sup>2)</sup> These development rights are situated in close proximity to the Company's existing portfolio. Acquisition of the future properties would therefore strengthen the geographic position and enable efficient property management (refer to the section " – Property portfolio" for more information about the existing portfolio and the acquisition portfolio).

As a dedicated property company with an experienced executive management team, Annehem Fastigheter has excellent opportunities for capitalising on the potential of its existing property portfolio and expanding the portfolio. In doing so, the Company can create long-term shareholder value.

1) Including parking spaces.

2) Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.



## Business concept, vision and mission

### Annehem Fastigheter's business concept

Annehem Fastigheter shall own and manage high-quality commercial, community service and residential properties with a clear environmental profile located near good transport links in Nordic growth areas. The Company builds lasting relationships and value through property management close to customers.

### Annehem Fastigheter's vision

Annehem Fastigheter shall always be the number one choice for customers and employees where the Company choose to operate.

### Annehem Fastigheter's mission

Annehem Fastigheter creates attractive meeting places and homes. The Company's believe is that the workplace, meeting place and home are tools for nurturing growth and attractiveness. The positive development of Annehem Fastigheter's customers in turn creates growth and attractiveness in the cities in which the Company operates.

## Strengths and competitive advantages

Annehem Fastigheter's main strengths and competitive advantages are considered to be:

### High-quality, modern, flexible and environmentally compatible properties

The existing portfolio primarily comprises modern, flexible and environmentally compatible, high-quality properties. The share of the portfolio that was constructed in the last five years represents 83 percent of the value of the property portfolio.<sup>1)</sup> The majority of these are office properties that have been built with flexible floor plans. The fact that the office properties are flexible and can be designed for different purposes means that the premises are well-suited to the current trend and shift towards activity-based office environments. The ability to adapt the properties to customer needs means that the Company can grow as the tenants' operations develop, thus meeting the aim of building long-term relationships with customers.

The attractive features of the properties have contributed to a low economic vacancy rate of five percent<sup>2)</sup> on 30 September 2020 and has created conditions for a long-term earnings capacity. The properties were built by Peab, which has a long history of constructing quality buildings with a focus on sustainability. The energy efficiency of the properties means that operating expenses can be kept at relatively low levels, which customers appreciate. The properties are rented on long-term leases to stable customers, such as municipalities and large companies. The average weighted remaining contract period is 4.7 years. Proof of the strength of Annehem Fastigheter's customer base and flexible premises is the limited impact of the corona pandemic on the Company to date. In the first three quarters of 2020, Annehem Fastigheter did not have to make any rent reductions. The Company's exposure to the industries that the Company considers to be most negatively affected by the pandemic – hotels, restaurants and retail – amounted to only approximately eight percent of rent revenue in the first three quarters of 2020 (refer to the section "*Tenants and customers – Effects of the corona pandemic*" for more information about the effects of the corona pandemic).

### Property portfolio focused on Nordic growth areas

The Company's properties are concentrated to locations near good transport links in the Nordic growth areas of Stockholm, Skåne, Gothenburg, Helsinki and Oslo. The Company considers these geographic markets to be particularly attractive given the high demand for commercial, community service and residential properties in the regions. Population growth in the regions that the Company serves is higher than the average for each country. Furthermore, demand is supported by the ongoing urbanisation and sustainability trend in the Nordics.

The properties are, in addition to their location in attractive regions, strategically situated in business districts with good transport links outside the central business district (CBD).

This presents several clear advantages. In general, the business climate is deemed to be more favourable in the business districts selected by the Company compared with the business climate in neighbouring cities. The areas prioritised meet the business sector's three key priority factors for an attractive business district: potential for attracting highly skilled personnel, competitive rents and flexible premises.

The location of the office properties means that companies can rent premises at a significantly lower cost than in the CBD while at the same time attract highly skilled personnel and remain close to their stakeholders. The option of optimising and rearranging office space in the flexible properties to meet tenant needs means that they are relevant to a broad group of companies. The combination of the possibility to rearrange office space and convenient transport links between the home and the office results in attractive meeting places and flexible working conditions. Furthermore, the concentration of the properties in these districts allows for efficient property management. One example of the Company's strategic planning with good transport links is the portfolio in Stockholm, where the investment properties are located in the new city district of Ulriksdal in Solna, which is outside the inner city.

Annehem Fastigheter believes that demand for commercial, community service and residential properties in the priority Nordic growth areas will remain strong over the next few years, which provides a solid platform for maintaining a low vacancy rate.

### Substantial growth potential through property acquisitions with high visibility and well-defined development strategy

Annehem Fastigheter is a growth-driven property company with a well-defined strategy for growing and developing the portfolio. Alongside expanding the portfolio by acquiring properties, the Company has a plan for increasing the value of the existing portfolio through specialisation and adding value. Investing in different types of properties in the various geographic areas that are already included in the portfolio creates diversity, at the same time as the efficiency of property management activities is enhanced. This results in economies of scale.

The Company acquired two commercial properties and two residential properties that will be taken into possession between 2021 and 2024. The agreed underlying property value for these properties is SEK 791 million. The Company will also acquire and take one property into possession during the fourth quarter of 2020. The Company estimates that this property has an underlying property value amounting to SEK 287 million by completion.

1) Fair value on 30 September 2020.

2) Includes rent guarantees.

The Company has also entered into letters of intent to acquire several future commercial properties related to development rights owned by Peab on market terms.<sup>1)</sup> These development rights are situated close to the Company's existing portfolio. Acquisition of the future properties would therefore strengthen the geographic position. In the long term, Annehem Fastigheter also intends to diversify its portfolio by acquiring community service and residential properties.

The Company envisages many opportunities to capitalise on the potential of the existing property portfolio in addition to such property acquisitions. Potential for increasing efficiency can be found by conducting focused property management operations. The Company has a strategy for adding value to the portfolio by adjusting the premises to customer needs as necessary and continuing to strengthen its environmental profile (refer to the section "*Strategy – Capitalising on the potential of the property portfolio through focused property management operations*").

#### **Financial profile that enables a distinct growth strategy**

Annehem Fastigheter's existing and future properties provide the conditions for long-term cash-flow generation and earnings capacity. The existing portfolio primarily comprises recently constructed office properties in attractive Nordic growth areas, which offer high yield and revenue potential. Economies of scale will increase in the Company's property management operations in line with the Company acquiring more properties in the Nordic growth areas where the existing portfolio is concentrated, which will boost profitability.

Annehem Fastigheter is a growth-driven company with a well-defined strategy for property acquisitions. The separate listing leads to several actual benefits and is deemed to be important in order to support the Company's growth strategy. As a defined property company, the Company can seek appropriate sources of financing, such as property financing with pledging in the portfolio as well as raising capital through issues. The Company's financial position provides scope for new financing upon acquisition. In addition, the separate listing provides improved possibilities to use shares in larger acquisitions and, as a result of a more targeted publicity, creates improved conditions for spontaneous inquiries regarding potential property transactions.

#### **Exposure to an attractive property market and robust macroeconomic environment**

Favourable macroeconomic factors mean that the Company estimates that conditions in the property market remain attractive. Annehem Fastigheter believes that there is high demand for commercial, community service and residential properties

in the geographic regions served by the Company. Demand is driven by a multitude of factors, such as urbanisation, population growth and expectations regarding continued historically low interest rates, which provide a basis for a long-term liquid secondary market.

#### **Experienced executive management team and board of directors**

The executive management team of Annehem Fastigheter is highly qualified and possesses broad and proven experience from the property sector. The executive management team is highly suited to run a new company that is pursuing a growth strategy and following a flexible and decentralised organisational structure that enables effective operations and property management. The board consists of experienced directors and will provide important support during the Company's journey of growth.

### **Strategy**

The main components of Annehem Fastigheter's strategy are:

#### **Property portfolio growth focusing on Nordic growth areas**

Annehem Fastigheter is a growth-driven property company with a well-defined strategy for property acquisitions and a previously identified acquisition portfolio with high visibility.

The Company has acquired two commercial properties that will be taken into possession during 2021. These two properties are situated in Solna and Helsingborg respectively and has an agreed underlying property value amounting to SEK 406 million. In addition, the Company has acquired two residential properties situated in Malmö and Partille that will be taken into possession during 2022 and 2024 respectively. The agreed underlying property value for the two residential properties is SEK 385 million. The Company will also acquire and take one property into possession during the fourth quarter of 2020. This is an already fully rented commercial property in Oslo and Annehem Fastigheter estimates that the underlying property value for this property amounts to SEK 287 million by completion.

Annehem Fastigheter has also identified several development rights owned by Peab, regarding future commercial properties deemed highly suited to the Company's property portfolio and strategy and are scheduled to be fully developed after 2021. Annehem Fastigheter has entered into letters of intent with Peab to acquire these properties on market terms.<sup>1)</sup> When completed, the properties will comprise 86 thousand sqm and Annehem Fastigheter estimates that the total underlying property value at completion amounts to SEK 4,900 million.<sup>2)</sup>

1) Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

2) The property value is based on Annehem Fastigheter's assessment on 30 September 2020 of the underlying property value of each property as per the date of completion.

In the long term, Annehem Fastigheter also intends to diversify its portfolio by acquiring community service and residential properties in the Nordic growth areas that the Company focuses on. Expanding its exposure to other types of properties increases the number of potential acquisition opportunities and can enhance efficiency in locations in which property management operations have already been established. Annehem Fastigheter also believes that community service and residential properties are a good supplement since they diversify the risk exposure of the property portfolio.

The Company continuously monitors the markets it focuses on to identify new potential acquisition targets. Annehem Fastigheter's market-centric organisation and concentration on selected Nordic growth areas provide a platform for continuously monitoring market developments and thus maintaining in-depth knowledge of local markets. Market know-how is further deepened through close relationships and regular dialogue with other market players, partners and customers. This presents many opportunities for identifying property candidates at an early stage that are well-suited to the property portfolio.

#### **Capitalising on the potential of the property portfolio through focused property management operations**

The Company envisages many opportunities to capitalise on the potential of its existing high-quality property portfolio. Conducting focused property management operations leads to potential for efficiency, thereby generating economies of scale. Annehem Fastigheter anticipates development potential in the Company's two business parks as well as the surrounding land amounting to approximately 5,900 thousand sqm. The Company also has a strategy for adding value to the portfolio by adjusting the premises to customer needs as necessary and continuing to strengthen its environmental profile (refer to the section " – Continued proactive work to maintain and further strengthen the high environmental profile" for more information about the strategy for adding value to the property portfolio).

#### **Continued proactive work to maintain and further strengthen the high environmental profile**

Annehem Fastigheter considers sustainability to be a natural part of its operations and has high ambitions for meeting today's and tomorrow's environmental and sustainability requirements as regards work processes, property management and transaction activities. The Company sees the potential for creating value by applying a persistent focus on sustainability and taking action to develop the environmental profile of the properties.

The Company has developed an environmental and sustainability strategy for both the existing portfolio and for properties that will be acquired. This plan includes proactive efforts by

Annehem Fastigheter to secure certification for those properties that are not yet environmentally certified. Properties acquired in the future will be environmentally certified, with the aim of achieving as high a classification as possible. The environmental profile will also be strengthened by Annehem Fastigheter taking action to optimise the existing facilities in order to minimise the share of purchased energy.

## **Financial targets**

Annehem Fastigheter's overall target is to create value for the Company's shareholders. Annehem Fastigheter's board of directors has established the following targets regarding growth and profitability, financial risk limitations and distribution policy:

#### **Targets regarding growth and profitability:**

- Average annual growth in the property portfolio of at least 20 percent, up to a total property portfolio with a fair value of SEK 7 billion.
- Profits from property management per share shall within 12 to 18 months double and thereafter increase with an average of 20 percent per year over time.
- Return on equity of at least 10 percent per year over time.

#### **Financial risk limitations:**

- The equity/assets ratio shall be at least 30 percent.
- The net loan-to-value ratio shall not exceed 60 percent over time.
- The interest-coverage ratio shall, on a long-term basis, not fall below 2.2 x.

#### **Distribution policy:**

- The profits shall essentially be reinvested in order to utilize business opportunities and achieve Annehem Fastigheter's targets regarding growth.

## **Property portfolio**

Annehem Fastigheter's portfolio mainly includes high-quality, modern, flexible and environmentally compatible commercial properties in Nordic growth areas. The Company's strategy includes further diversification through the acquisition of community service and residential properties.

The Company's property portfolio comprises 21 investment properties. In addition, the Company has acquired two commercial properties that are constructed by Peab and will be taken into possession during 2021, as well as two residential properties that will be taken into possession during 2022 and 2024, respectively. Annehem Fastigheter will also acquire and take one property into possession during the fourth quarter of 2020.

The fair value of the investment properties on 30 September 2020 was SEK 3,003 million and the total lettable area was 180 thousand sqm.<sup>1)</sup> The total rental value on 30 September 2020 amounted to SEK 200 million, of which SEK 88 million comprised the South Region and SEK 112 million the Capital

Region.<sup>2)</sup> The contracted economic occupancy rate on the same date was 95 percent. The average weighted remaining contract period for property portfolio on 30 September 2020 was 4.7 years. For the Capital Region, the corresponding figure was 5.9 years and for the South Region 3.2 years.

## Overview of investment properties<sup>1)</sup>

Property region	Fair value, SEK million	No. of properties	Lettable area, thousand sqm <sup>2)</sup>	No. of garage spaces	Rental value <sup>3)</sup> , SEK million	Contracted economic occupancy rate, %	Average weighted remaining contract period, years
Capital Region							
– Stockholm	1,194	2	16	475	52	100%	5.8
– Helsinki	913	3	17	475	60	100% <sup>4)</sup>	6.0
– Oslo <sup>5)</sup>	–	–	–	–	–	–	–
South Region							
– Gothenburg	173	1	6		11	99%	6.6
– Malmö	228	2	6		16	100% <sup>4)</sup>	5.7
– Ängelholm/Helsingborg <sup>6)</sup>	495	13	125		61	84%	2.0
<b>Total investment properties</b>	<b>3,003</b>	<b>21</b>	<b>170</b>	<b>950</b>	<b>200</b>	<b>95%</b>	<b>4.7</b>

1) Based on values on 30 September 2020.

2) Excluding parking spaces.

3) Rental value is defined as rental income pursuant to the relevant agreement including estimated market rent for unleased space twelve months ahead at the time of report and rental revenue is defined as rents and rent supplement excluding rental discounts.

4) Including rent guarantees issued by Peab for vacant space and is valid for 36 months from the time of acquisition. Regarding Helsinki this refers to the properties Ultimes I & II from 1 July 2020 and regarding Malmö this refers to the property Peab Center Malmö from 1 March 2020.

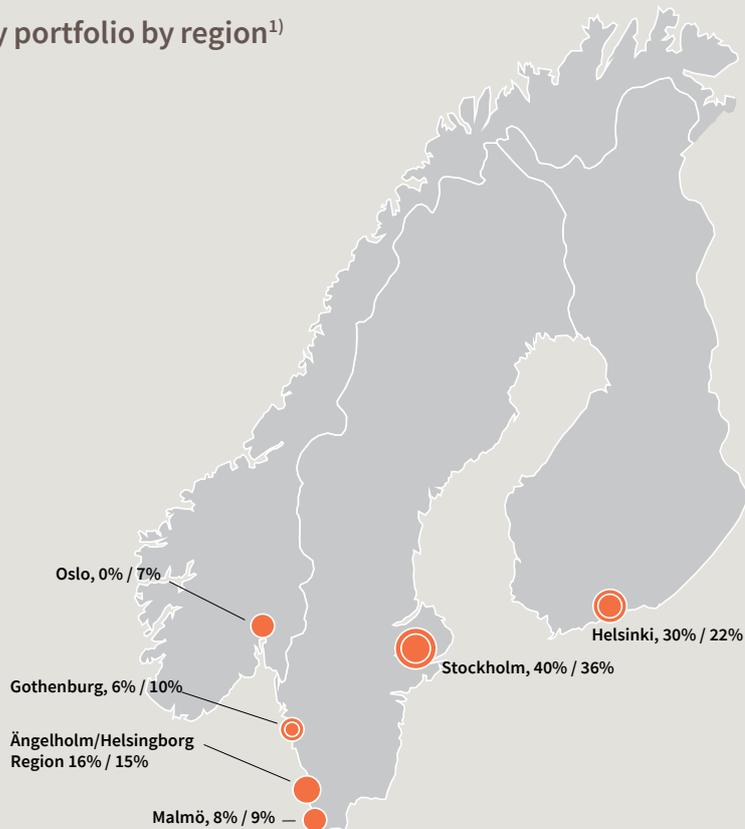
5) The Company will acquire and take one property into possession in Oslo during the fourth quarter of 2020.

6) Ängelholm/Helsingborg Region includes Ljungbyhed.

1) Including parking spaces.

2) "Rental value" is defined as rental income pursuant to the relevant agreement including estimated market rent for unleased space twelve months ahead at the time of report and "Rental revenue" is defined as rents and rent supplement excluding rental discounts.

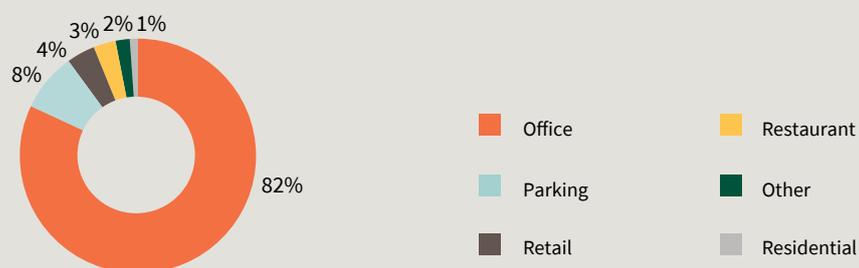
## Property portfolio by region<sup>1)</sup>



Percentages stated according to investment properties portfolio/investment properties + Properties acquired but not yet taken into possession + Property o acquire and take into possession during 2020

1) Property value for investment properties in accordance with real value on 30 September 2020, property value for acquired but not taken into possession properties according to the agreed underlying property value, property value for property that will be acquired and taken into possession during 2020 according to the underlying property value by completion estimated by the Company.

## Contractual annual rent by property type, investment properties<sup>1)</sup>



1) Values on 30 September 2020.

**Acquired but not yet taken into possession properties**

Annehem Fastigheter has a clearly defined growth plan and has as part of this plan acquired two commercial properties that will be taken into possession during 2021 and two residential properties that will be taken into possession during 2022 and 2024. The total agreed underlying property value for these properties amounts to SEK 791 million and the lettable area is 16 thousand sqm.

The Company has signed share purchase agreement regarding acquisitions of the commercial properties. These properties are situated in Solna and Helsingborg respectively. The property in Solna is a five-storey office building, with an economic occupancy rate of 90 percent from a tenant with a ten year lease. The Helsingborg property comprises office space, warehouse space and a gym and has an economic occupancy rate of 83 percent and has a rent guarantee from Peab for vacant spaces that is valid for 36 months from the time of acquisition. This entail a contracted economic occupancy rate of 100 percent. The agreed underlying property value for the two commercial properties are SEK 406 million.

The Company has also signed share purchase agreements regarding acquisition of the two residential properties. These properties are situated in Partille in Gothenburg and in Malmö and comprise 8 thousand sqm. The high-quality and environmentally compatible (Sw. *Svanenmärkta*) rental residential properties are located in attractive regions for tenants as well as for the Company. The residential properties are situated in regions with good demand and nearby the Company's existing properties, which enables usage of the existing property management. The agreed underlying property value for the two residential properties is SEK 385 million.

**Property to acquire and take into possession during 2020**

Annehem Fastigheter shall during the fourth quarter of 2020 acquire and take one property into possession in Oslo. This commercial property is already fully rented and the Company estimates the underlying property value by completion to be SEK 287 million. The total lettable area is 4 thousand sqm.

**Commercial properties with letters of intent**

Annehem Fastigheter has identified that Peab holds several outstanding development rights regarding future commercial properties that would be highly suited to the Company's property portfolio and strategy and that Peab plans to fully develop after 2021. Annehem Fastigheter has entered into letters of intent with Peab to acquire the properties on market terms. These letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.<sup>1)</sup> The development rights are situated in close proximity to the Company's existing portfolio. Acquisition of the future properties would therefore both strengthen the geographic position and enable efficient property management which would contribute to economies of scale. The commercial properties with letters of intent will comprise 86 thousand sqm and Annehem Fastigheter estimates that the total underlying property value at completion amounts to SEK 4 900 million.<sup>2)</sup>

1) Except for certain customary provisions, the letters of intent are non-binding and Annehem Fastigheter is under no obligation to acquire, and Peab is under no obligation to sell, any of the properties.

2) The property value is based on Annehem Fastigheter's assessment on 30 September 2020 of the underlying property value of each property as per the date of completion.

## Overview of acquisition portfolio

Property type	Status	Region	Scheduled to be taken into possession <sup>2)</sup>	Area thousand sqm	Property value SEK million	Rental value, SEK million
Commercial	Acquired	Helsingborg	Q2 2021	4	131 <sup>3)</sup>	8
Commercial	Acquired	Stockholm	Q4 2021	4	275 <sup>3)</sup>	14
Residential	Acquired	Malmö	Q2 2022	3	135 <sup>3)</sup>	6
Residential	Acquired	Göteborg	Q1 2024	5	250 <sup>3)</sup>	12
Commercial	Will be acquired	Oslo	Q4 2020	4	287 <sup>4)</sup>	13
Commercial	Entered into letters of intent <sup>1)</sup>	Stockholm	After 2024	16	1,100 <sup>4)</sup>	47
Commercial	Entered into letters of intent <sup>1)</sup>	Stockholm	2023	12	800 <sup>4)</sup>	34
Commercial	Entered into letters of intent <sup>1)</sup>	Stockholm	2024	12	800 <sup>4)</sup>	34
Commercial	Entered into letters of intent <sup>1)</sup>	Malmö	2023	5	250 <sup>4)</sup>	14
Commercial	Entered into letters of intent <sup>1)</sup>	Malmö	2024	5	200 <sup>4)</sup>	11
Commercial	Entered into letters of intent <sup>1)</sup>	Malmö	After 2024	7	300 <sup>4)</sup>	17
Commercial	Entered into letters of intent <sup>1)</sup>	Malmö	After 2024	3	150 <sup>4)</sup>	9
Commercial	Entered into letters of intent <sup>1)</sup>	Helsingfors	2023	10	500 <sup>4)</sup>	30
Commercial	Entered into letters of intent <sup>1)</sup>	Helsingfors	After 2024	8	350 <sup>4)</sup>	22
Commercial	Entered into letters of intent <sup>1)</sup>	Helsingfors	After 2024	9	450 <sup>4)</sup>	27

1) Letters of intent with Peab to acquire future properties related to outstanding development rights. Except for certain customary provisions, the letters of intents are non-binding and Annehem Fastigheter is under no obligation to acquire and Peab is under no obligation to sell any of the properties.

2) Refers to the time of when the Company preliminary will take the property into possession according to each acquisition agreement.

3) Agreed underlying property value.

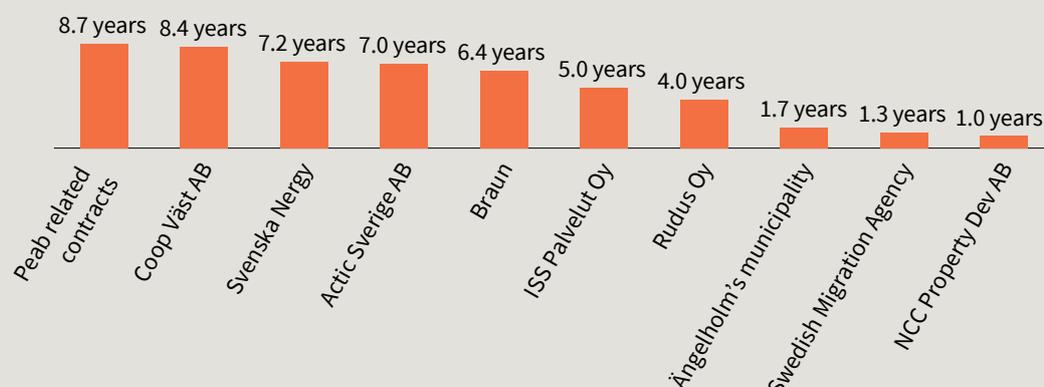
4) The Company's estimation regarding underlying property value by time of completion.

## Tenants and contract structure

Annehem Fastigheter has a diversified customer base with several categories of tenants in various sectors. The Company had 276 commercial leases on 30 September 2020. These leases show that the majority of the Company's contractual annual rent falls due in more than five years.

### Annehem Fastigheter's lease maturity structure on 30 September 2020

Year of maturity	Contractual annual rent, SEK million	Percentage, %	No of leases
< 1 year	1	1%	8
1-2 years	13	7%	110
2-3 years	23	12%	36
3-4 years	14	7%	22
3-4 years	38	20%	49
> 5 years	102	54%	51
<b>Total</b>	<b>190</b>	<b>100%</b>	<b>276</b>

Average remaining contract period for the ten largest customers on 30 September 2020<sup>1)</sup>

1) In descending order based on the average remaining contract period.

Peab is Annehem Fastigheter's largest tenant and Peab related contracts represented 42 percent of the rental value on 30 September 2020. Furthermore, no single tenant represented more than six percent of the rental value. The ten largest customers (excl. Peab related contracts) represented 27 percent. The average weighted remaining contract period on 30 September 2020 amounted to 7.5 years for the ten largest tenants with regard to rental value and 4.7 years in total.

## The ten largest tenants in terms of rental value on 30 September 2020

Tenant	Rental value <sup>1)</sup> , SEK million	Percentage of total rental value, %	Number of leases	Average weighted remaining contract period, years
Peab related contracts	83	42%	28	8.7 years
Coop Väst AB	13	6%	1	8.4 years
Braun	7	4%	2	6.4 years
Svenska Nergy	7	3%	1	7.2 years
Actic Sverige AB	7	3%	1	7.0 years
Rudus Oy	5	3%	1	4.0 years
Ängelholm's municipality	5	3%	8	1.7 years
ISS Palvelut Oy	4	2%	5	5.0 years
Swedish Migration Agency	3	2%	4	1.3 years
NCC Property Dev	2	1%	1	1.0 years
<b>Total ten largest tenants</b>	<b>137</b>	<b>69%</b>	<b>52</b>	<b>7.5 years</b>
<b>Total</b>	<b>200</b>	<b>100%</b>	<b>276</b>	<b>4.7 years</b>

1) Rental value is defined as rental income pursuant to the relevant agreement including estimated market rent for unleased space twelve months ahead at the time of report and rental revenue is defined as rents and rent supplement excluding rental discounts.

## Effects of the corona pandemic

During the three first quarters of 2020 no tenants were granted a discounted rent and no customer has entered into bankruptcy due to the corona pandemic. In order to help its customers, the Company has in some cases changed from quarterly to monthly payments. On 30 September 2020, 56 percent of the tenants<sup>1)</sup> paid quarterly in advance, while 44 percent paid one month in advance.

Annehem Fastigheter believes that it has low exposure to the industries that the Company believes to have been the most

severely impacted by the corona pandemic: hotels, restaurants and retail. The percentage of rent revenue from these three industries amounted to eight percent during the three first quarters of 2020.

The Company does not believe that the corona pandemic has, to date, impacted the efficiency of the organisation or the recruitment of personnel. The Company has identified several attractive acquisition opportunities despite the corona pandemic.

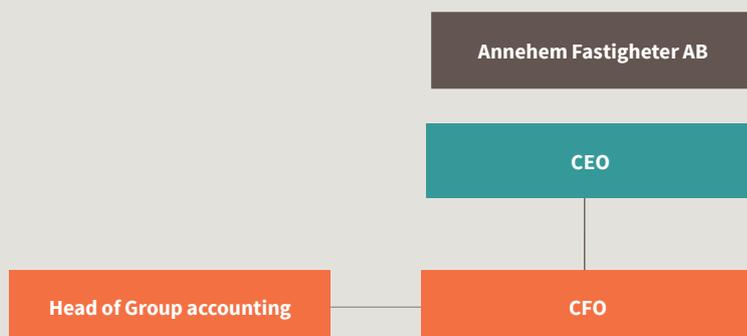
1) Excluding student housing.

## Organisation

Annehem Fastigheter has an organisation that is well-suited to conducting operations in line with the intended strategy. The aim is to run an effective, focused and entrepreneurial business to achieve operational efficiency and value growth. The organisational structure is based on a decentralised model combined with an executive management team, consisting of CEO, CFO and Head of Group accounting, that follows a well-defined strategy and vision. The executive management team is highly qualified and has extensive experience from the property market and is well-suited to run an organisation with an explicit growth strategy. An overview of Annehem Fastigheter's executive management team can be found below.

The organisation will be developed to align with Annehem Fastigheter's prerequisites and strategy. Property managers and financial coordinators were hired from Peab through a business transfer on 1 June 2020, and financial controllers with extensive experience from the operations when they were conducted in Peab were recruited from Peab from 1 July 2020. This was done to rapidly put in place an efficient administrative infrastructure. In addition, external parties provide assistance in legal and communication matters. The Company has a robust IT infrastructure based on a Cloud first strategy that is provided by an external party.

### Executive management team





### Property management

Annehem Fastigheter's registered office is in Ängelholm, Sweden, while the head office containing the management functions is found in Solna. Management of properties in Sweden mainly takes place using internal resources. The Capital Region has a property manager who is responsible for the properties in Helsinki and Oslo, but property management is carried out by external parties until the Company has reached a critical mass of properties under management. Property management focuses on a close dialogue between the customer and the property manager. By generating high value for customers, the rate of lease turnover can be kept low, thus contributing to a low vacancy level in the long term and fewer tenant-specific modifications.

# Condensed financial information for Annehem Fastigheter

*The following tables display a summary of the combined condensed financial information for Annehem Fastigheter for the 2019, 2018 and 2017 financial years, and for the January–September 2020 period, with comparative figures for the corresponding period in 2019. The financial information is unaudited and has not been reviewed by Peab’s or Annehem Fastigheter’s auditors. The combined financial statements have been prepared by aggregating the current Peab Group companies arranged under Annehem Fastigheter.*

*As a property company, Annehem Fastigheter has decided to apply common accounting policies and presentation formats found among property companies. This means, for example, that investment properties are valued according to the fair value method unlike in Peab, which has chosen to recognise all properties according to the cost method.*

*Annehem Fastigheter will enter into external financing arrangements before the planned distribution of Annehem Fastigheter, which means that Annehem Fastigheter’s capital structure will change (please see the section “Financing and capital structure” below). This means that historical figures for interest-bearing liabilities, net debt and net interest income are not representative of the effect of the changed capital structure.*

*The complete combined financial statements for the 2017 – 2019 financial years will be published in a prospectus prior to the listing of Annehem Fastigheter’s B shares on Nasdaq Stockholm. Annehem Fastigheter’s financial statements will be prepared in accordance with International Financial Reporting Standards (“IFRS”), as adopted by the EU.*

## Combined income statement

SEK million	1 Jan 2020 – 30 Sep 2020	1 Jan 2019 – 30 Sep 2019	1 Jan 2019 – 31 dec 2019	1 Jan 2018 – 31 dec 2018	1 Jan 2017 – 31 dec 2017
Rent revenue	108.4	60.1	96.5	86.7	88.7
Other property income	18.9	7.6	13.2	11.1	11.9
<b>Total revenue</b>	<b>127.3</b>	<b>67.8</b>	<b>109.7</b>	<b>97.8</b>	<b>100.5</b>
Property expenses					
Operating costs	-27.9	-21.2	-29.2	-25.3	-23.1
Maintenance costs	-7.0	-7.4	-12.7	-13.8	-15.7
Property tax	-4.6	-1.1	-2.7	-0.9	-0.9
Property administration	-2.4	-2.8	-4.9	-4.9	-5.4
<b>Net operating income</b>	<b>85.4</b>	<b>35.3</b>	<b>60.2</b>	<b>52.9</b>	<b>55.4</b>
Central administration	-29.7 <sup>1)</sup>	-6.8	-10.2	-7.5	-8.7
Other operating income	3.1	8.6	2.1	0.6	1.3
Other operating costs	-3.0	-	-	--	-
Interest income	0.5	0.5	0.5	0.1	0.1
Interest expenses	-36.0	-14.1	-21.0	-11.2	-10.2
<b>Income from property management</b>	<b>20.3</b>	<b>23.5</b>	<b>31.5</b>	<b>34.8</b>	<b>37.8</b>
Changes in value of properties, realised	-	-	0.1	-	-
Changes in value of properties, unrealised	16.4	-8.2	98.1	34.4	18.7
<b>Income before tax for the period</b>	<b>36.7</b>	<b>15.3</b>	<b>129.7</b>	<b>69.3</b>	<b>56.5</b>
Tax expenses <sup>2)</sup>	-9.1	-0.8	-26.9	-12.7	-13.8
<b>Net income for the period</b>	<b>27.6</b>	<b>14.5</b>	<b>102.7</b>	<b>56.6</b>	<b>42.7</b>

1) Including expenses for the listing amounting to SEK 7.7 million.

2) Refer to income tax and deferred tax expenses.

## Combined balance sheet

SEK million	30 Sep 2020	30 Sep 2019	31 dec 2019	31 dec 2018	31 dec 2017
<b>ASSETS</b>					
<b>Fixed assets</b>					
Capitalized expenses for development work	0.9	–	–	–	–
Investment properties	3,003.1	1,533.2	2,437.2	938.8	872.0
Machinery and equipment	4.6	3.1	2.9	1.8	1.1
<b>Total fixed assets</b>	<b>3,008.5</b>	<b>1,536.2</b>	<b>2,440.2</b>	<b>940.6</b>	<b>873.1</b>
<b>Current assets</b>					
Accounts receivable	1.0	10.0	11.4	15.1	10.3
Accounts receivable, related parties	1.7	1.8	1.1	5.1	2.6
Current receivables	6.0	3.0	2.4	2.1	1.6
Current tax receivables	1.5	–	–	–	–
Other receivables from related parties	151.6	15.3	68.3	14.7	14.2
Cash and cash equivalents	60.7	55.9	40.3	35.7	27.0
<b>Total current assets</b>	<b>222.4</b>	<b>86.1</b>	<b>123.6</b>	<b>72.8</b>	<b>55.7</b>
<b>TOTAL ASSETS</b>	<b>3,230.9</b>	<b>1,622.3</b>	<b>2,563.7</b>	<b>1,013.4</b>	<b>928.8</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	0.1	–	0.1	–	–
Ongoing share issue	0.4	–	–	–	–
Other contributed capital	1,797.4	396.9	749.6	287.0	277.5
Reserves	5.8	6.6	3.7	3.1	1.0
Retained earnings including net income for the year	229.6	114.0	202.0	99.3	42.7
<b>Equity attributable to the parent company's shareholders</b>	<b>2,033.4</b>	<b>517.5</b>	<b>955.5</b>	<b>389.3</b>	<b>321.2</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Liabilities to related parties, non-current	–	68.6	59.3	58.4	70.9
Non-current interest-bearing liabilities	725.4	685.3	353.5	357.9	343.2
Other non-current liabilities	0.1	0.1	–	–	–
Deferred tax liabilities	70.4	31.7	61.6	24.5	11.6
<b>Total non-current liabilities</b>	<b>795.8</b>	<b>785.7</b>	<b>474.5</b>	<b>440.9</b>	<b>425.7</b>
<b>Current liabilities</b>					
Liabilities to related parties, interest-bearing	27.6	–	727.1	141.9	138.3
Current interest-bearing liabilities	265.6	–	313.1	–	–
Group account, Peab	–	290.0	–	–	–
Liabilities to related parties, accounts payable	12.1	2.3	50.6	14.5	16.3
Accounts payable and other liabilities	30.6	4.1	5.3	6.0	6.5
Current tax liabilities	15.7	–	–	–	–
Other current liabilities	50.2	22.7	37.5	20.8	20.8
<b>Total current liabilities</b>	<b>401.8</b>	<b>319.2</b>	<b>1,133.8</b>	<b>183.2</b>	<b>181.9</b>
<b>Total liabilities</b>	<b>1,197.6</b>	<b>1,104.8</b>	<b>1,608.3</b>	<b>624.1</b>	<b>607.6</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,230.9</b>	<b>1,622.3</b>	<b>2,563.7</b>	<b>1,013.4</b>	<b>928.8</b>

## Combined cash flow statement

SEK million	1 Jan 2020 – 30 Sep 2020	1 Jan 2019 – 30 Sep 2019	1 Jan 2019 – 31 dec 2019	1 Jan 2018 – 31 dec 2018	1 Jan 2017 – 31 dec 2017
Income from property management	20.3	23.5	31.5	34.8	37.8
<i>Items not affecting cash flow:</i>					
Depreciation	0.6	0.4	0.5	0.4	0.4
Income tax paid	-0.6	-0.7	3.7	-3.6	-4.0
<b>Changes in working capital</b>					
Operating receivables	21.4	7.5	-45.9	-7.7	0.5
Operating liabilities	62.2	-12.2	52.1	-2.4	-4.5
<b>Cash flow from operating activities</b>	<b>103.9</b>	<b>18.5</b>	<b>41.9</b>	<b>21.5</b>	<b>30.3</b>
<b>Investing activities</b>					
Investments in existing properties	-110.4	-27.3	-61.1	-14.5	-8.2
Acquisition of investment properties	-422.0	-548.9	-1,338.8	-	-
Investments in machinery and equipment	-0.7	-1.6	-1.6	-1.1	-0.7
Investments in intangible fixed assets	-0.9	-	-	-	-
<b>Cash flow from investing activities</b>	<b>-533.9</b>	<b>-577.7</b>	<b>1,401.5</b>	<b>-15.7</b>	<b>-8.9</b>
<b>Financing activities</b>					
Capital contribution	2,000.0	-	-	-	-
Ongoing share issue	0.4	-	-	-	-
Borrowings	344.6	462.8	895.4	12.7	8.4
Repayment of loans	-779.0	-0.2	-2.3	-24.1	-7.2
<b>Cash flow from financing activities</b>	<b>1,566.0</b>	<b>462.6</b>	<b>893.1</b>	<b>-11.4</b>	<b>1.2</b>
<b>Cash flow for the period</b>	<b>1,135.9</b>	<b>-96.7</b>	<b>-466.5</b>	<b>-5.5</b>	<b>22.6</b>
Cash and cash equivalents at the beginning of the year	40.3	35.7	35.7	27.0	6.8
Exchange rate difference in cash and cash equivalents	0.9	0.4	1.8	1.2	0.6
Transactions with shareholders	-1,116.5	116.5	469.3	13.1	-3.1
<b>Cash and cash equivalents at year-end</b>	<b>60.7</b>	<b>55.9</b>	<b>40.3</b>	<b>35.7</b>	<b>27.0</b>

## Key figures and data

Some of the selected key figures presented below are what is known as non-IFRS measures, which are not necessarily comparable with the key figures of the same name used in the financial statements of other companies. Annehem Fastigheter believes that these financial measures provide a better understanding of the trends pertaining to the financial results and that such measures not defined under IFRS

provide useful information for investors. A financial measure that is not defined in accordance with IFRS is a metric that measures historical or future financial results, financial position or cash flows, excluding or including amounts not adjusted in the same manner as the most directly comparable IFRS measure. These financial measures are not to be considered in isolation from or as a substitute for the earnings measures presented in accordance with IFRS.

<b>SEK million, unless otherwise stated</b>	<b>1 Jan 2020 – 30 Sep 2020</b>	<b>1 Jan 2019 – 30 Sep 2019</b>	<b>1 Jan 2019 – 31 dec 2019</b>	<b>1 Jan 2018 – 31 dec 2018</b>	<b>1 Jan 2017 – 31 dec 2017</b>
Rent revenue	108.4	60.1	96.5	86.7	88.7
Net operating income	85.4	35.3	60.2	52.9	55.4
Income from property management, excluding expenses for the listing	28.0	23.5	31.5	34.8	37.8
Net income for the period	27.6	14.5	102.7	56.6	42.7
Earnings per share for the period, SEK <sup>1)</sup>	0.47	0.25	1.74	0.96	0.72
Loan-to-value ratio, properties, %	32	64	58	59	63
Equity/assets ratio, %	63	32	37	38	35
Interest-coverage ratio, multiple	1.6	2.7	2.5	4.1	4.5
Economic occupancy rate, %	95	82	83	87	88
Surplus ratio, %	79	59	62	61	62

1) When calculating the period's earnings per share, the number of shares has been based on the number of shares that Annehem Fastigheter will have at the time of the distribution of Annehem Fastigheter.

## Definitions of key figures

KEY FIGURES	DEFINITION	JUSTIFICATION FOR USER
Net operating income	Net operating income includes the revenue and expenses that are directly linked to the properties, that is to say, rent revenue and the expenses required for running the property, such as operating costs and maintenance costs.	The measure is used to show the development of the business.
Income from property management, excluding expenses for the listing	Income from property management is comprised of net operating income excluding expenses for the listing plus property management and administrative expenses and financial income and expenses. The earnings measure does not include the effects of changes in value of the investment properties and derivatives.	The measure is used to illustrate the Group's earnings for conducting property operations.
Loan-to-value ratio, properties	Interest-bearing liabilities less cash and cash equivalents as a percentage of the carrying value of the properties.	The loan-to-value ratio is a measure of risk that indicates the degree to which the operations are encumbered with interestbearing liabilities.
Equity/assets ratio	Equity in relation to total assets.	The measure shows how large a share of the Company's assets are financed with equity and has been included to enable investors to assess the Company's capital structure.
Interest-coverage ratio	Income from property management, including reversal of financial income, expenses and depreciation as a percentage of financial income and expenses. The interest-coverage ratio is a measure that shows how many times the Company can pay its interests using earnings from the operational operations.	The interest-coverage ratio is a financial measure of risk that shows how many times the Company can pay its interest charges with its income from operational activities.
Economic occupancy rate	Rent revenue as a percentage of the rental value at the end of the period.	The key figure facilitates the assessment of rent revenue in relation to the total value of the rented and unrented floor space.
Surplus ratio	Net operating income for the period as a percentage of rent revenue.	The surplus ratio shows the percentage of each Swedish krona earned that the Company can keep. The key figure is a measure of efficiency that is comparable over time.

## Financing and capital structure

Prior to the distribution of the shares in Annehem Fastigheter, Annehem Fastigheter has entered into a term sheet and intends to enter into a credit agreement with several Nordic banks. By the time of the distribution Annehem Fastigheter's external debt financing will solely comprise of bank loans from these Nordic banks, which will be lent by one of Annehem Fastigheter's subsidiaries. No bonds previously issued by Peab will be transferred to Annehem Fastigheter. In addition, Peab has during the second half of 2020 provided shareholder contribution to Annehem Fastigheter amounting to SEK 2 billion in order to create a suitable capital structure in Annehem Fastigheter. In addition, there are still certain dealings between Annehem Fastigheter and Peab, which are reflected

in Annehem Fastigheter's balance sheet on 30 September 2020. Annehem Fastigheter's credit agreements comprises an amount of approximately SEK 1.9<sup>1)</sup> billion divided into three tranches which the Company may draw upon different occasions. The credit agreement will have a three-year term from the time the agreement is entered. Annehem Fastigheter and certain group companies will provide collateral and guarantees for the loans under the credit agreement. The credit agreement will contain certain financial commitments such as equity/assets ratio, so called covenants, which are key figures that Annehem Fastigheter or its subsidiaries (as applicable) may not exceed or fall below. If the covenants or other undertakings in the loan agreement are breached, the banks may terminate the credit agreement.

1) Calculated based on an exchange rate of 0.94 NOK/SEK and 10.30 Euro/SEK.

# Current earnings capacity for Annehem Fastigheter

The current earnings capacity for the Group for the twelve months, given the Group's property portfolio on 30 September 2020 is presented below. Current earnings capacity is, in the Company's opinion, not an estimate of its expected earnings, rather it is to be considered solely as a hypothetical instantaneous impression and is presented only to illustrate annualised revenue and expenses based on the property portfolio, financial expenses, capital structure and organisation at a given point in time. The current earnings capacity does not include an assessment of the future trends for rents, vacancy rates, property expenses, interest rates, changes in value, purchases or sales of properties or other factors. The Group's earnings capacity does not include the earnings effect of unrealised and realised changes in value. The current earnings capacity has not been audited by Annehem Fastigheter's auditors, and the shareholders of Peab and potential investors should not rely on the current earnings capacity presented below.

## The Group's earnings capacity, portfolio taken into possession on 30 September 2020

SEK million	
Adjusted rental value	200.3
Vacancy	-9.8
<b>Rent revenue</b>	<b>190.5</b>
Property costs	-60.0
Property tax	-7.0
<b>Net operating income</b>	<b>123.5</b>
Central administration	-41.0
Net financial items	-45.5
<b>Income from property management<sup>1)</sup></b>	<b>37.0</b>

1) Excluding items affecting comparability. On 30 September 2020, these amounted to SEK 7.7 million.

## The following information is used as the basis for calculating earnings capacity

Contractual annual rent (including supplements and rent discounts), plus other property-related income based on current leases on 30 September 2020. Operating and maintenance costs comprise budgeted costs for a normal year. Property tax was calculated on the basis of the current tax assessment value of the properties on 30 September 2020. Costs for central administration were calculated on the basis of Annehem Fastigheter's organisation on 30 September 2020. Interest income and interest expenses were calculated based on contracted interest-rate levels and include interest on external loans.

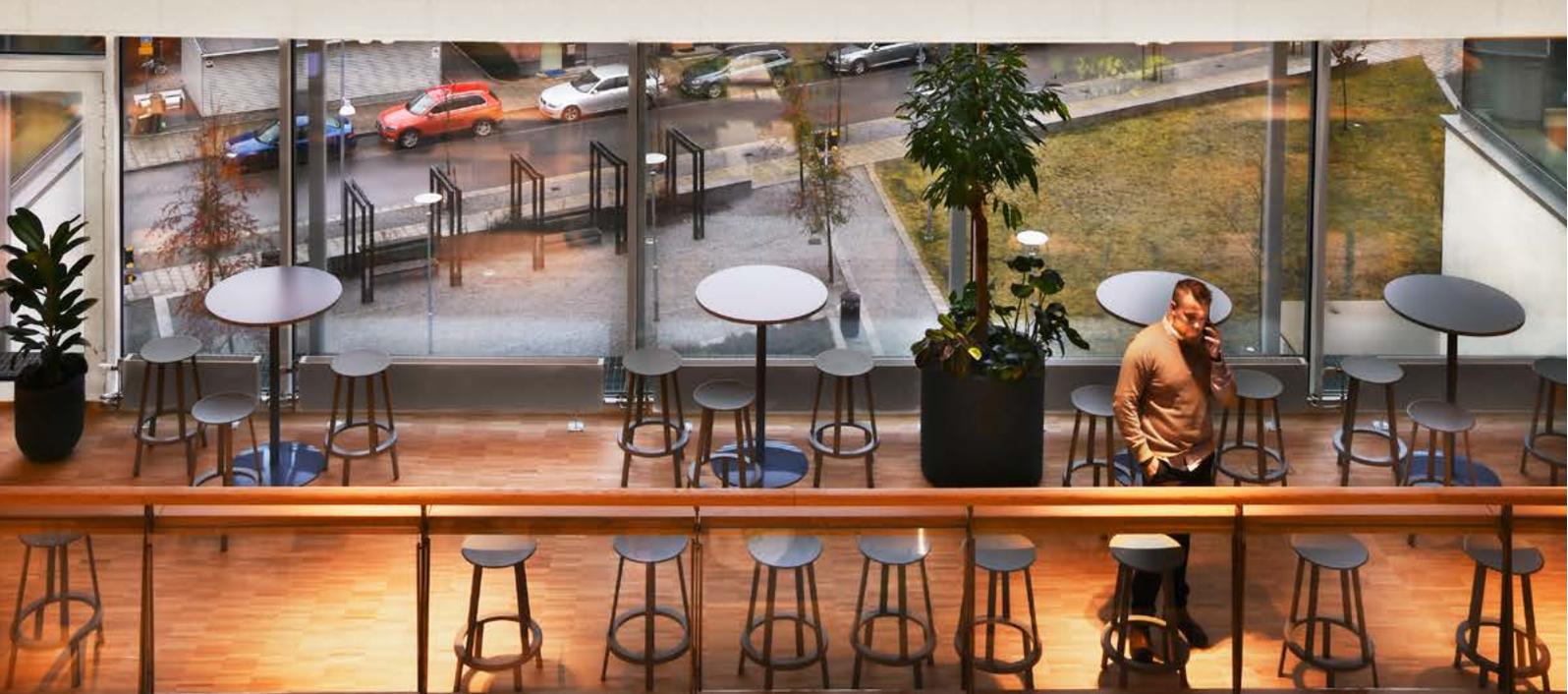
## Agreements regarding acquisitions taken into possession after 30 September 2020<sup>1)</sup>

The Company is continuously acquiring properties. The properties presented below are the properties that the Company has acquired but not taken into possession, and which will be taken into possession after 30 September 2020.

#	Taken into possession <sup>1)</sup>	Status	Property	Property kind	Property value SEK million	Estimated yearly rent revenue, SEK million	Net operating income SEK million
1	Q2 2021	Acquired	Peab Center Helsingborg	Commercial	131	7.6	6.7
2	Q4 2021	Acquired	Ledvolten	Commercial	275	14.5	12.0
3	Q2 2022	Acquired	Carl Florman	Residential	135	6.3	5.3
4	Q1 2024	Acquired	Partille Port	Residential	250	11.6	10.0

1) Refers to when preliminary possession is to take place in accordance with the respective acquisition agreement.

1) In addition to the properties below, Annehem Fastigheter will during the fourth quarter of 2020 acquire and take one commercial property into possession in Oslo. The Company estimates that this property has an underlying property value amounting to SEK 287 million by completion, yearly rent revenue amounting to SEK 12.8 million and net operating incomes amounting to SEK 12.1 million.

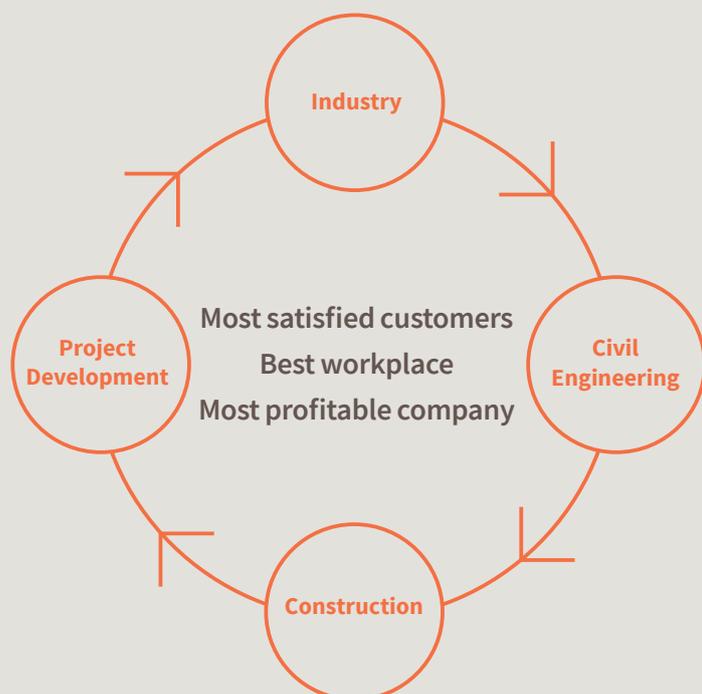


# Brief description of Peab, excluding Annehem Fastigheter

## Introduction

Peab is the leading Nordic community builder with operations in Sweden, Norway, Finland and Denmark. Our 16,000 employees develop and build homes and offices, public functions and infrastructure, and are responsible for operation and maintenance. Our business model, with four collaborating business areas, create opportunities throughout the value chain in our projects. The four business areas of Construction, Civil Engineering, Industry and Project Development are specialised and structured according to the conditions of the local markets and are divided by geography and product segment. This provides the conditions for a decentralised and cost-efficient organisation based on local entrepreneurship close to customers.

Our three strategic goals are: most satisfied customers, best workplace and most profitable company in our industry.



## Business concept and vision

### Business concept

Peab is a construction and civil engineering company that puts total quality first in every step of the construction process. Through innovation combined with solid professional skills we make the customer's interest our own and thereby build for the future.

### Vision

Our vision is to be the Nordic Community Builder.

## Business model, objectives and strategy

### Business model

Peab's business model is based on four collaborating business areas whose operations are based on local entrepreneurship close to customers. Where possible, we utilise local resources in the form of our own personnel, our own input goods and local subcontractors. The business areas collaborate, for example, by business area Industry delivering to both business area Civil Engineering and business area Construction;

business area Civil Engineering supplies contract work to primarily business area Construction; and business area Construction is, in turn, a supplier to business area Project Development. In this way, the operations form a complete community builder and we create value across the entire value chain in our projects. Our four business areas, and their broad geographic range, also help diversify risks and thus improve the long-term stability of the Peab Group.

### Net sales, 2019

# SEK 54 billion

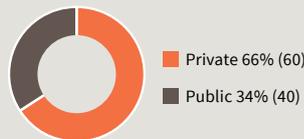
### Per business area, 2019



### Per geographic area, 2019



### Per customer type, 2019



### Operating profit per business area, 2019



## Three goals

We have three strategic goals for our operations. These are:

1. Most satisfied customers in the industry
2. Best workplace
3. Most profitable company



### Most satisfied customers in the industry

We are a complete community builder that offers comprehensive solutions and develops projects together with customers. We are the local company with the big group resources.



### Best workplace

People are what matter the most to Peab. At Peab everyone should feel they have safe, including workplaces with good work conditions and development opportunities. When our employees grow Peab grows.



### Most profitable company

We will be profitable by working together with our customers with continuous improvements, quality and cost-efficiency. We know that the best workplace and the most satisfied customers generate profitability.

## Financial targets

Our three financial targets are:

- Return on equity: The target is for the return to be at least 20 percent.
- Equity/assets ratio: The target is for the equity/assets ratio to be at least 25 percent.
- Dividends: The target is for the dividend to be at least 50 percent of profit for the year.

### Return on equity



### Equity/assets ratio



### Dividends



\* Not recalculated taking IFRS 15 into account, \*\* For 2019, no dividend has been paid.

## Business areas

**Business area Construction** works with everything from new construction of homes, public and commercial premises to renovations and extensions as well as offering construction services.

**Business area Civil Engineering** is active on the local civil engineering market as well as in larger Nordic infrastructure projects like highways, railroads and bridges. It also operates and maintains streets and roads.

**Business area Industry** delivers, among other things, ballast, concrete, paving, temporary electricity and prefabricated concrete elements to external customers and the other business areas in Peab. It also provides cranes, machines and transportation as well as recycles production waste and rubble.

**Business area Project Development** handles Group acquisitions as well as development, management and divestment of residential and commercial property. Housing Development is mainly geared towards private consumers while Property Development is aimed at real estate investors.

## The Board

Peab's board of directors elected by Peab's annual general meeting 2020 are Göran Grosskopf (chairman), Karl Axel Granlund, Liselott Kilaas, Kerstin Lindell, Fredrik Paulsson, Mats Paulsson (vice chairman), Malin Persson, Anders Runevad and Lars Sköld.

For a more detailed presentation of the board members, please see Peab's 2019 annual report or visit [www.peab.se](http://www.peab.se).

## Executive management

Peab's executive management comprises Jesper Göransson (president and CEO), Niclas Winkvist (CFO, part of business area Industry), Roger Linnér (COO, part of business area Industry), Camila Buzaglo (CCO), Johan Dagertun (CSO), Stefan Danielsson (manager business area Construction), Göran Linder (manager business area Project Development) and Lotta Brändström (manager business area Civil Engineering).

For a more detailed presentation of executive management, please see Peab's 2019 annual report or visit [www.peab.se](http://www.peab.se).



# Selected financial information for Peab including and excluding Annehem Fastigheter

*Condensed financial information for the January – September 2020 period for Peab including and excluding Annehem Fastigheter is presented below. The basis of this financial information is Peab's interim report for January – September 2020. The financial information presented for Peab including Annehem Fastigheter and for Peab excluding Annehem Fastigheter is unaudited and has been restated only to show what the situation would have been for Peab for the period of January – September 2020 excluding Annehem Fastigheter. Restatement does not show the financial effects of the actual distribution. This is described under the section "Financial effects for Peab as a result of the distribution" below instead.*

*Peab changed its accounting policies for Swedish tenant-owned housing projects from 1 January 2020. Since the Peab Group applies different accounting policies to its segment reporting compared with IFRS reporting, Peab has decided to present one segment reporting, which is how the board and executive management monitor the business, and one IFRS reporting. Annehem Fastigheter has been recognised outside this segment reporting since 1 January 2020. For more information about accounting policies and reporting for Peab, refer to Peab's January – September 2020 interim report.*

*The financial information for January – September 2020 for Peab excluding Annehem Fastigheter illustrates a hypothetical situation and has been prepared with the reservation described above and does not reflect Peab's actual result from the operations if the distribution had actually taken place on 30 September 2020. The financial information below shall not be deemed to be an indication of Peab's results for any future period.*

## Income statement

The distribution of Annehem Fastigheter is expected to have only a limited impact on the IFRS income statement for Peab excluding Annehem Fastigheter. The reason for this is that a large portion of Annehem Fastigheter's revenue for January – September 2020 is derived from rent revenue from companies within the Peab Group, which have previously been elimi-

nated in Peab's income statement. Peab has built up properties in its own balance sheet for a number of years that were largely transferred to property management in 2019 and 2020. Accordingly, sales and earnings from these properties did not have any major effect on Peab's IFRS income statement in January – September 2020. Earnings from the properties will now arise in Annehem Fastigheter instead.

(Amounts in SEK million)	Segment reporting	Acc. to IFRS	
	1 January – 30 September 2020 <sup>1)</sup>	1 January – 30 September 2020	
		Peab incl. Annehem Fastigheter	Peab excl. Annehem Fastigheter
Net sales	41,993	43,863	43,924
Production costs	-37,972	-39,552	-39,647
<b>Gross profit</b>	<b>4,021</b>	<b>4,311</b>	<b>4,277</b>
<b>Gross margin</b>	<b>9.6 %</b>	<b>9.8 %</b>	<b>9.7 %</b>
Sales and administrative expenses	-2,424	-2,445	-2,413
Other operating income	145	145	145
Other operating costs	-26	-31	-26
<b>Operating profit</b>	<b>1,716</b>	<b>1,980</b>	<b>1,983</b>
<b>Operating margin</b>	<b>4.1 %</b>	<b>4.5 %</b>	<b>4.5 %</b>
Net finance	-90	-145	-122
<b>Pre-tax profit</b>	<b>1,626</b>	<b>1,835</b>	<b>1,861</b>
Tax	-333	-383	-386
<b>Profit for the year</b>	<b>1,293</b>	<b>1,452</b>	<b>1,475</b>

1) Annehem Fastigheter has been recognised outside segment reporting since 1 January 2020.

## Balance sheet

In Peab's balance sheet has from and including February 2020, when the board resolved on distribution of Annehem Fastigheter, assets and liabilities attributable to Annehem Fastigheter been recognised as separate items as assets and liabilities, respectively, which are held for value transfers to owners. The balance sheet for Peab excluding Annehem Fastigheter assumes that all of Annehem Fastigheter's interest-bearing liabilities and internal receivables and liabilities have been settled in connection with the distribution, which reduced interest-bearing liabilities by a net SEK 868 million. Effects of IFRS 16 Leases in relation to office rents increased non-current assets and interest-bearing liabilities by SEK 574 million.

(Amounts in SEK million)	Segment reporting	Acc. to IFRS	
	1 January – 30 September 2020 <sup>1)</sup>	1 January – 30 September 2020	
		Peab incl.	Peab excl.
		Annehem Fastigheter	Annehem Fastigheter
<b>Assets</b>			
Intangible assets	3,795	3,795	3,795
Tangible assets	6,211	7,048	7,622
Investment properties	112	132	132
Interest-bearing long-term receivables	1,183	1,183	1,183
Financial assets	1,999	1,937	1,937
Deferred tax recoverables	27	213	213
Project and development properties	9,876	15,106	15,106
Inventories	1,267	1,267	1,267
Interest-bearing current receivables	139	139	139
Other current receivables	13,517	12,856	12,908
Liquid funds	1,347	1,347	1,347
Assets held for value transfers to owners <sup>2)</sup>		2,127	
<b>Total assets</b>	<b>39,473</b>	<b>47,150</b>	<b>45,649</b>
<b>Equity and liabilities</b>			
Equity	12,637	12,874	11,724
Interest-bearing liabilities	8,449	13,865	14,562
Deferred tax liabilities	99	99	99
Other long-term liabilities	1,438	1,367	1,410
Other current liabilities	16,850	17,851	17,854
Liabilities referring to assets held for value transfer to owners <sup>3)</sup>		1,094	
<b>Total equity and liabilities</b>	<b>39,473</b>	<b>47,150</b>	<b>45,649</b>

1) Annehem Fastigheter has been recognised outside segment reporting since 1 January 2020.

2) The item includes liquid funds of SEK 61 million on 30 September 2020.

3) The item includes interest-bearing liabilities of SEK 990 million on 30 September 2020.

## Cash flow statement

The cash flow statement does not include any effects of the distribution of Annehem Fastigheter, meaning no effects of repayment of interest-bearing liabilities on the distribution date and Peab's capital contribution.

(Amounts in SEK million)	Segment reporting	Acc. to IFRS	
	1 January – 30 September 2020 <sup>1)</sup>	1 January – 30 September 2020	
		Peab incl. Annehem Fastigheter	Peab excl. Annehem Fastigheter
<b>Cash flow from operating activities before changes in working capital</b>	<b>2,718</b>	<b>3,181</b>	<b>3,166</b>
Cash flow from changes in working capital	2,021	2,391	2,381
<b>Cash flow from current operations</b>	<b>4,739</b>	<b>5,572</b>	<b>5,547</b>
Cash flow from investing operations	-3,723	-3,777	-3,716
<b>Cash flow before financing</b>	<b>1,016</b>	<b>1,795</b>	<b>1,831</b>
Cash flow from financing operations	40	-719	-776
<b>Cash flow for the period</b>	<b>1,056</b>	<b>1,076</b>	<b>1,055</b>
Cash at the beginning of the period	332	373	332
Exchange rate differences in cash	-41	-41	-40
<b>Cash at the end of the period</b>	<b>1,347</b>	<b>1,408</b>	<b>1,347</b>

1) Annehem Fastigheter has been recognised outside segment reporting since 1 January 2020.

## Key figures

(Amounts in SEK million unless otherwise stated)	Segment reporting	Acc. to IFRS	
	1 January – 30 September 2020 <sup>1)</sup>	1 January – 30 September 2020	
		Peab incl. Annehem Fastigheter	Peab excl. Annehem Fastigheter
Net sales	41,993	43,863	43,924
Operating profit	1,716	1,980	1,983
Operating margin, %	4.1	4.5	4.5
Profit for the year	1,293	1,452	1,475
Earnings per share, SEK	4.38	4.92	5.00
Equity	12,637	12,874	11,724
Equity/assets ratio, %	32.0	27.3	25.7
Net debt	5,780	12,125	11,893
Capital employed	21,086	27,729	26,286
Debt/equity ratio	0.5	0.9	1.0
Equity per share, SEK	42.84	43.64	39.74

1) Annehem Fastigheter has been recognised outside segment reporting since 1 January 2020.

## Financial effects for Peab as a result of the distribution

The distribution of Annehem Fastigheter will have certain accounting effects on the Peab Group.

When Annehem Fastigheter is distributed, the difference between market values and carrying amounts of properties as well as eliminated construction contract profit will be recognised as income in Peab. Difference in market values and carrying amounts of properties will be recognised in business area Project Development in segment reporting and preliminary amounts to SEK 800 million. Eliminated construction contract profit will be recognised at Group level in segment reporting and preliminary amounts to approximately SEK 50 million. Net debt according to segment reporting will decline since liquid proceeds for the properties will be received on distribution.

Peab has contributed capital of SEK 2,000 million to Annehem Fastigheter. Peab's equity will thus be impacted by a preliminary net SEK -1,150 million after the distribution of Annehem Fastigheter. When Annehem Fastigheter is distributed, total assets according to IFRS will decline as will equity due to contributed capital, which is why the equity/assets ratio according to IFRS will decrease. Net debt in Peab, according to IFRS, will decline since the liabilities for the properties will be transferred to Annehem Fastigheter.





# Annehem Fastigheter's board of directors, senior executives and auditors

## Board of directors

Name	Position	Board member since <sup>1)</sup>	Independent in relation to	
			Annehem Fastigheter	Major shareholders of Annehem Fastigheter <sup>2)</sup>
Göran Grosskopf	Chairman of the board	2004	Yes	No
Pia Andersson	Board member	2020	No	No
Karin Ebbinghaus	Board member	2020	Yes	Yes
Jesper Göransson	Board member	2020	No	No
Anders Hylén	Board member	2020	Yes	Yes
Lars Ljungälv	Board member	2020	Yes	Yes

1) Refers to the date on which the individual became a board member of Peab or Annehem Fastigheter, as applicable.

2) Refers to major shareholders after the listing of Annehem Fastigheter's B shares on Nasdaq Stockholm.



### GÖRAN GROSSKOPF

Born 1945. Chairman of the board since 2004.

**Education:** Professor, LLd and Dr Econ.

**Other current positions:** Chairman of the board of BrainHeart Energy AB, Peab AB and Stefan Paulsson Invest AB. Member of the board of Ekhaga Utveckling AB, Maven Wireless Sweden AB, Medicon Village Fastighets AB, Permak AB and Possio AB.

**Former positions:** Professor of tax law and working chairman of the board of Tetra Laval Group. Chairman of the board of Colo-Plus AB and Ekhaga Utveckling AB.

**Shareholding in Peab<sup>1)</sup>:** Göran Grosskopf holds 823,500 A shares and 460,000 B shares in Peab.



### PIA ANDERSSON

Born 1961. Board member since 2020.

**Education:** MSc in Civil Engineering, Lund University Faculty of Engineering

**Other current positions:** Board member of Centur Projektutveckling Holding AB, Medicon Village Fastighets AB, PA – Konsult i Båstad AB and Varvsstaden Projekt Holding AB. Board member and CEO of Varvsstaden AB and Varvsstaden Gjuteriet 111 AB.

**Former positions:** Board member of Fastighets AB ML 4, Fotbollsstadion i Malmö Fastighets AB, Nya Bara Utvecklings AB, PeBri Projektutveckling AB and Point Hyllie Holding AB. Board member and CEO of Peab Fastighetsutveckling Syd AB, INSPI Sweden AB, Peab FU Fartygsmekano AB and Skånehus AB.

**Shareholding in Peab<sup>1)</sup>:** Pia Andersson holds 3,861,354 A shares and 8,109,175 B shares in Peab.



### KARIN EBBINGHAUS

Born 1972. Board member since 2020.

**Education:** Master of Laws from Lund University. Executive MBA, Stockholm School of Economics.

**Other current positions:** Chairman of Engaging Solution AB. Board member of Wictor Family Office AB. CEO of ELONROAD AB.

**Former positions:** Board member of Altered Stockholm AB, Biofiber Tech Sweden AB, Maven Wireless Sweden AB, Refurnish the World AB and Speximo AB.

**Shareholding in Peab<sup>1)</sup>:** Karin Ebbinghaus does not currently own any shares in Peab.

1) Refers to own holdings and holdings of related persons and affiliated companies.



### JESPER GÖRANSSON

*Born 1971. Board member since 2020.*

**Education:** MSc Economics from Lund University.

**Other current positions:** CEO of Peab AB. Board member of several companies in the Peab Group. Board member of Fastighets AB Centur and Fastighets AB Tornet.

**Former positions:** Board member of Fastighets AB ML 4, Visio Exploatering AB and Visio Råsunda Garage AB.

**Shareholding in Peab<sup>1)</sup>:** Jesper Göransson holds 448,800 B shares in Peab, and 633,200 B shares in Peab via endowment insurance<sup>2)</sup>.



### ANDERS HYLÉN

*Born 1963. Board member since 2020.*

**Education:** MSc in Civil Engineering, Lund University Faculty of Engineering

**Other current positions:** Board member of Dockan Exploatering AB, Hälsingborgs Byggmästares Fastighets AB, Hälsostaden Ängelholm AB, Hälsostaden Ängelholm Holding AB and Tornet Bostadsproduktion AB.

**Former positions:** Chairman of Ängelholms Flygplats AB. Board member of Skanör Invest AB and Sydpartner AB.

**Shareholding in Peab<sup>1)</sup>:** Anders Hylén holds 160 B shares in Peab.



### LARS LJUNGÄLV

*Born 1969. Board member since 2020.*

**Education:** BSc Economics, Lund University.

**Other current positions:** CEO and Group CEO of Bergendahl & Son AB. Board member of several companies in the Bergendahl group. Board member of IKANO Bank AB (publ) and Byggmax Group AB.

**Former positions:** Global manager for large corporations and member of the executive management team, Swedbank AB. CEO of Sparbanken Öresund AB. CEO of Färs och Frosta Sparbank AB. Board member of Intersport AB. Board member of Sparbanken Skåne. Board member of the university of Lund.

**Shareholding in Peab<sup>1)</sup>:** Lars Ljungälv does not currently own any shares in Peab.

1) Refers to own holdings and holdings of related persons and affiliated companies.

2) According to Jesper Göransson's employment contract with Peab, part of or the entire outcome from variable remuneration can, while the outcome of the LTI programme must, be placed in an endowment insurance which primarily invests in Peab shares. Information regarding variable remuneration and the LTI programme can be found in Peab's annual report 2019, note 10.

## Senior executives



### JÖRGEN LUNDGREN

*Born 1967. CEO since 2020.*

**Education:** MSc Business and Economics, Mid Sweden University.

**Other current positions:** Chairman of Hedern Fastigheter Holding AB. Board member of Aros Bostadsutveckling AB, Getberget Utveckling AB, Linlun AB, Mäklarhuset Real Estate Sweden AB and Mäklarhuset Invest Sweden AB.

**Former positions:** CEO of Fastighetsaktiebolaget Norrporten and Solnaberg Property AB (publ), managing region director of Castellum, Nordea Bank and bank manager at Danske Bank. Board member and CEO of Polskenet. Board member of JorPet AB. Deputy board member of Mählers Smide AB.

**Shareholding in Peab<sup>1)</sup>:** Jörgen Lundgren does not currently own any shares in Peab.



### JAN EGENÄS

*Born 1962. CFO since 2020.*

**Education:** MSc Business and Economics, Umeå University.

**Other current positions:** Chairman of Cavandium AB. Board member and CEO of Egenäs Consulting AB. Board member of IPort AB.

**Former positions:** Several senior positions as CFO or CEO in many companies in Swedavia Real Estate AB, Oscar Properties and SENS Group. Chairman of Saab Digital Air Traffic Solutions AB. Board member of Real Holding i Sverige AB (publ). Board member and CEO of Einar Mattsson Fastighetsförvaltning AB.

**Shareholding in Peab<sup>1)</sup>:** Jan Egenäs does not currently own any shares in Peab.



### ADELA COLAKOVIC

*Born 1988. Head of Group accounting since 2020.*

**Education:** BSc Business Administration, Södertörn University

**Other current positions:** –

**Former positions:** Group accounting manager at Ice Group ASA, group accountant at Boliden AB, Group Financial Controller Cision AB, and previous experience as accounting assistant at companies including AFA Försäkringar AB.

**Shareholding in Peab<sup>1)</sup>:** Adela Colakovic does not currently own any shares in Peab.

## Auditors

KPMG AB has been the Company's auditor since 2019 and was re-elected at the 2020 annual general meeting for a mandate period until the end of the 2021 annual general meeting. Peter Dahllöf (born 1972) is the auditor in charge. Peter Dahllöf is an authorised public auditor and a member of FAR (the professional institute for authorised public accountants). The address of KPMG AB's office is Vasagatan 16, Box 382, SE-101 27 Stockholm, Sweden.

1) Refers to own holdings and holdings of related persons and affiliated companies.

# Share capital and ownership

## Share information

As of the date of this information brochure, Peab's registered share capital amounts to SEK 1,583,866,055.50, divided into 296,049,730 shares, of which 34,319,957 are A shares and 261,729,773 are B shares (including 1,086,984 own B shares on 30 September 2020 that do not give a right to a distribution). After the distribution of Annehem Fastigheter's shares, the board will work to ensure that the B shares in Annehem Fastigheter are admitted to trading on Nasdaq Stockholm. A shares and B shares in Annehem Fastigheter will have the same rights as shares of the same in Peab.

## Voting rights

One A share in Annehem Fastigheter and Peab, respectively, gives the right to ten votes and one B share gives the right to one vote at the general meeting.

## Right to distribution and surplus in the event of liquidation

A shares and B shares have equal rights to distributions and A share of Annehem Fastigheter's profits and surplus in the event of liquidation. Distributions are decided by the annual general meeting. The right to distribution belongs to a person who, on the record date set by the general meeting, is a registered shareholder in the share register kept by Euroclear Sweden. Distributions are normally paid through Euroclear Sweden in cash per share to shareholders, but can also be paid as distribution in kind. For information on Annehem Fastigheter's distribution policy, see the section "*Brief description of Annehem Fastigheter – Financial Targets*".

## Major shareholders

As of the date of this information brochure, Annehem Fastigheter is a wholly owned subsidiary of Peab. The table below shows Peab's shareholders who have a direct or indirect holding that corresponds to five percent or more of the shares or votes in Peab on 30 September 2020. If the record date for the distribution of Annehem Fastigheter shares had been 30 September 2020, the largest shareholders in Annehem Fastigheter would initially have been the ones shown in the table below. The ownership structure for Annehem Fastigheter will initially be the same as for Peab on the record date of the proposed distribution.

Shareholder	Number of A shares	Number of B shares	Total number of shares	Share of capital, %	Share of votes, %
Ekhaga Utveckling AB	25,563,264	36,057,059	61,620,323	20.8	48.2
AB Axel Granlund	1,500,000	18,000,000	19,500,000	6.6	5.5
Mats Paulsson and family	3,861,354	8,109,175	11,970,529	4.0	7.7

# Risk factors associated with the distribution of Annehem Fastigheter

*Below is a brief overview of certain risk factors related to the distribution of shares in Annehem Fastigheter. Provided that the extraordinary general meeting decides on the distribution of Annehem Fastigheter in accordance with the board's proposal, a more detailed description of risks related to Annehem Fastigheter will be available in the prospectus intended to be published before a listing of Annehem Fastigheter's B shares on Nasdaq Stockholm.*

## The expected benefits of the distribution of the shares in Annehem Fastigheter might not be realised

The intended purpose of the proposed separation and distribution of Annehem Fastigheter is to increase the opportunities for each business to successfully realise its strategies and create value for shareholders. One of the reasons for the distribution is that Peab's and Annehem Fastigheter's operations have different specialisations. However, there is a risk that the expected benefits of the distribution will not materialise if the assumptions on which the decision to carry out the distribution is based prove to be incorrect or if the expected benefits or underlying driving forces have been overestimated. For example, there is a risk that Annehem Fastigheter, as an independent company, will not be able to obtain external financing or other financial services on equally favourable terms as those obtained by Peab, or Peab's financiers, before the distribution of Annehem Fastigheter.

There is also a risk that investors' willingness to invest directly in Annehem Fastigheter is overestimated, which may lead to the price of Annehem Fastigheter's shares developing unfavourably after the listing of Annehem Fastigheter's shares on Nasdaq Stockholm. Furthermore, to the extent that Annehem Fastigheter as an independent company incurs additional costs or generates lower sales, its operations, results and financial position may be adversely affected and the expected benefits of Annehem Fastigheter as an independent company may not be realised.

## Risks associated with smaller and streamlined businesses

In connection with the distribution, the assets attributable to Annehem Fastigheter will leave the Peab Group. This means that the risks associated with Annehem Fastigheter's business will be concentrated in Annehem Fastigheter and its shareholders, and that the risks will not be outweighed or offset by the benefits of scale of belonging to the Peab Group. Similarly, the risks associated with the activities that remain in the Peab

Group will be further concentrated in the Peab Group and will not be outweighed or offset by Annehem Fastigheter's operations. This means that the conditions for handling, for example, unforeseen claims and costs deteriorate after the distribution, as such claims and costs will be proportionately higher in either Peab or Annehem Fastigheter. Unforeseen claims and costs of material importance and the lack of the possibility of offsetting the effects of certain operational risks may have a more significant negative impact on Peab's and Annehem Fastigheter's operations, results and financial position after the distribution than before it.

## The proposed distribution may affect the price of both Peab's and Annehem Fastigheter's shares

The proposed distribution of Annehem Fastigheter includes the establishment of an independent Group consisting of operations and assets from the Peab Group. It is impossible to predict the market price of Peab's and Annehem Fastigheter's shares as independent companies or whether their combined share price will exceed the current price of Peab's shares. The distribution may also affect the individual companies' financial position, risk profile and other conditions for operating their respective businesses. There is also a risk that the Peab Group's present shareholders will sell their shares in Peab or Annehem Fastigheter as a result of the distribution, which may have a negative impact on the price of the Peab shares and/or the Annehem Fastigheter shares. There is also a risk that the market will not react positively to the distribution of Annehem Fastigheter and that investors perceive the two independent companies as less attractive than the Peab Group in its current form.

## Certain tax issues

*Below is a general summary of certain tax consequences that may arise from the proposal to distribute the shares in Annehem Fastigheter and the sale of excess share rights in Annehem Fastigheter on behalf of shareholders. The summary is not an exhaustive analysis of all tax consequences, neither in Sweden nor in any other country. The tax consequences for each individual shareholder depend on the specific circumstances of the case and the tax legislation of the country in which the shareholder is resident for tax purposes. Each shareholder is therefore advised to consult their own tax adviser in order to obtain information on the specific tax consequences that may arise in the individual case. The summary is based on the legislation in force at the time of this information brochure and does not take into account legislative changes which occur after this date, possibly with retroactive effect.*

### Certain tax issues in Sweden

Below is a summary of certain Swedish tax consequences that may arise in connection with the proposal to distribute the shares in Annehem Fastigheter and sale of excess share rights in Annehem Fastigheter on behalf of shareholders. The summary is based on current legislation and is only general information for natural persons and limited liability companies tax resident in Sweden, unless otherwise stated.

The summary does not include: (i) shares held as current assets in business operations, (ii) shares held by limited partnerships or partnerships, (iii) the special rules on tax-free capital gains (including non-deductible capital losses) and distributions that may be applicable when the investor holds shares that are deemed to be held for business purposes, (iv) shares that are held in a so-called investment savings account or through endowment insurance, which are subject to special rules for standard rate taxation, or (v) special tax rules for certain kinds of taxpayers, such as investment and life insurance companies. For more detailed information on taxation of the sale of shares in or receipt of distributions from Annehem Fastigheter including set-off rules for capital gains and losses, please see the tax section of the prospectus that will be published before listing Annehem Fastigheter's shares on Nasdaq Stockholm.

The tax consequences for each individual shareholder will thus depend on the holder's particular situation. Each shareholder should therefore consult an independent tax adviser to obtain information on the specific consequences that may arise in the individual case, including (but not limited to) the applicability and effect of foreign tax legislation and provisions in tax treaties.

### Taxation on the distribution of shares in Annehem Fastigheter

The distribution of shares in Annehem Fastigheter to the shareholders of Peab is intended to be in accordance with the so-called "Lex Asea-provisions", which means that no immediate taxation is incurred upon the distribution of shares. Under the so-called "Lex Asea-provisions", the shareholders of Peab who are entitled to participate in the distribution will have the acquisition value for their shares in Peab distributed between these shares and the shares received in Annehem Fastigheter. The distribution of the acquisition value is based on the change in the value of the shares in Peab that arises as a result of the distribution of the shares in Annehem Fastigheter. Peab intends to request for a general guideline from the Swedish Tax Agency on the allocation of the acquisition value. Information regarding the distribution is expected to be available on each company's website and on the Swedish Tax Agency's website.

### Withholding tax on distribution

Since the distribution of shares in Annehem Fastigheter is intended to take place in accordance with the so-called Lex Asea rules, no Swedish withholding tax will be levied on the said distribution for shareholders who are subject to limited tax liability in Sweden.

### Sale of share rights in Annehem Fastigheter

#### Private individuals

For private individuals' resident in Sweden for tax purposes, capital income such as interest, distributions and capital gains is taxed in the capital income category. The same applies to shareholders who receive excess share rights in Annehem Fastigheter that are sold on their behalf. The tax rate in the capital income category is 30 per cent.

Capital gains and losses are computed as the difference between the consideration, less selling expenses, and the acquisition value. The acquisition value of the shares in Annehem Fastigheter is to be determined on the basis of the general guideline that the Swedish Tax Agency is expected to announce. The acquisition value for each share right in Annehem Fastigheter should amount to one-fifth of the acquisition value of one share in Annehem Fastigheter, which is expected to be determined on the basis of the Swedish Tax Agency's general guideline. The acquisition value for all share rights of the same class and type shall be added together and computed collectively in accordance with the so-called average method (Sw. *genomsnittsmetoden*). As an alternative, the so-called standard method (Sw. *schablonmetoden*) may be used at the disposal of listed share rights. This method means that the acquisition value may be determined at 20 per cent of the consideration less selling expenses.

**Limited companies**

For limited liability companies (Sw. *aktieföretag*), all income, including taxable capital gains and taxable distributions, is taxed as income from business operations at a rate of 21.4 per cent. Capital gains and capital losses are calculated in the same way as described for private individuals above.

# Questions and answers

## Why is the distribution of shares in Annehem Fastigheter being done?

The board of Peab considers that a demerger of the operations provides the conditions to focus on each company's core business and that a distribution of Annehem Fastigheter to current shareholders is therefore the best option for long-term value growth.

## What are the terms of the distribution?

Provided that the Extraordinary General Meeting on 12 November 2020 decides on the distribution, those who are registered shareholders in Peab will be entitled to receive shares in Annehem Fastigheter without payment. According to the board's proposal, one (1) share in Peab shall give the right to one (1) share right in Annehem Fastigheter, whereby five (5) share rights gives the right to one (1) share of the same kind in Annehem Fastigheter. If a shareholder's share rights are not evenly divisible by five (5) the shareholders excess share rights will be sold on behalf of each shareholder. The sale will be carried out commission-free through Nordea. The proceeds from the sale will be paid to the shareholders concerned via Euroclear Sweden AB. The board proposes that the extraordinary general meeting authorises the board to set the record date for the distribution.

## Do I have to take any action to obtain the distributed shares?

No, those who are registered (directly registered or through trustees) as a shareholder in Peab on the record date for the distribution will receive shares in Annehem Fastigheter automatically.

## When is the record date for the distribution?

The board of directors has proposed that the extraordinary general meeting authorises the board to decide on the record date for the distribution of Annehem Fastigheter at Euroclear Sweden. The record date is therefore not fixed as of the date of this information brochure and will be advised later. The record date is expected to be in close connection with the listing of the B shares in Annehem Fastigheter on Nasdaq Stockholm. The board's intention is that the listing of Annehem Fastigheter's B shares shall take place during December 2020.

## When will the prospectus be published and where can I find it?

A prospectus with information about Annehem Fastigheter and the risks associated with an investment in Annehem Fastigheter's shares will be published before Annehem Fastigheter's B shares are admitted to trading on Nasdaq Stockholm. The prospectus will be made available on Peab's and Annehem Fastigheter's respective websites and can also be obtained in paper form at Peab's and Annehem Fastigheter's respective offices.

## Will the distribution cause any tax consequences for shareholders?

For private individuals and limited liability companies that are resident in Sweden for tax purposes, the distribution of shares in Annehem Fastigheter will not give rise to any immediate taxation due to the application of the so-called "Lex Asea-provisions". However, it should be noted that share rights in Annehem Fastigheter that are sold on behalf of shareholders will trigger capital gains taxation.

In accordance with the so-called "Lex Asea-provisions", no Swedish withholding tax will be levied in connection with the distribution of shares in Annehem Fastigheter to persons who are not resident in Sweden for tax purposes.



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