

Alternative performance measures and financial definitions

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

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

Definition and motivation of use	Calculation at year-end report January-December 2025	
Available liquidity Liquid funds and short-term investments along with unutilized credit facilities, excluding unutilized project financing. Shows the Group's available liquidity.	Reporting according to IFRS	MSEK
	Liquid funds	3,145
	Unutilized credit facilities	6,934
	Available liquidity	10,079
Equity per share Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.	Reporting according to IFRS	
	Equity, MSEK	16,479
	Less equity attributable to non-controlling interests, MSEK	-24
	Equity attributable to shareholders in parent company, MSEK	16,455
	Number of outstanding shares at the end of the period	282,077,746
	Equity per share, SEK	58.34
	Segment reporting	
	Equity, MSEK	16,716
	Less equity attributable to non-controlling interests, MSEK	-24
	Equity attributable to shareholders in parent company, MSEK	16,692
	Number of outstanding shares at the end of the period	282,077,746
	Equity per share, SEK	59.18
Cash flow before financing Cash flow before financing calculated as the total of cash flow from current operations before changes in working capital, cash flow from changes in working capital and cash flow from investment operations.	Reporting according to IFRS	MSEK
	Cash flow from current operations before changes in working capital	3,532
	Cash flow from changes in working capital	392
	Cash flow from investment operations	971
	Cash flow before financing	4,895
	Segment reporting	
	Cash flow from current operations before changes in working capital	3,169
	Cash flow from changes in working capital	-21
	Cash flow from investment operations	971
	Cash flow before financing	4,119
	Reconciliation between IFRS and segment reporting	
	Cash flow before financing according to IFRS	4,895
	Cash flow from current operations before changes in working capital	-363
	Cash flow from changes in working capital	-413
	Cash flow from investment operations	-
	Cash flow before financing according to segment reporting	4,119

Definition and motivation of use
Calculation at year-end report January-December 2025

Cash flow per share Cash flow before financing divided by the average number of outstanding shares during the period. Shows cash flow per share.	Reporting according to IFRS					
	<table> <tr> <td>Cash flow before financing, MSEK</td> <td>4,895</td> </tr> <tr> <td>Average number of outstanding shares</td> <td>286,390,289</td> </tr> <tr> <td>Cash flow per share, SEK</td> <td>17.09</td> </tr> </table>	Cash flow before financing, MSEK	4,895	Average number of outstanding shares	286,390,289	Cash flow per share, SEK
Cash flow before financing, MSEK	4,895					
Average number of outstanding shares	286,390,289					
Cash flow per share, SEK	17.09					
Net debt Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.	Segment reporting					
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Average number of outstanding shares	286,390,289					
Cash flow per share, SEK	14.38					
Operative cash flow Cash flow before financing according to segment reporting. The cash flow does not include received internal Group interest, paid interest and paid tax that is not allocated to the business areas but only reported for the Group. Investments via leasing charge cash flow from investment operations in the business areas. Operative cash flow is only calculated for the business areas. Shows the cash flow generated per business area.	Reporting according to IFRS					
Orders received The sum of orders received during the period. Measures how new orders replace produced work. In our own developed housing projects tenant-owned housing associations/residential limited companies are considered external customers.						
Order backlog The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced. Order backlog is based on segment reporting. Shows how much will be produced in the future.						

Definition and motivation of use

	Calculation at year-end report January-December 2025	
Earnings per share		
Profit for the period attributable to shareholders in parent company divided by the average number of outstanding shares during the period. Shows profit per share.		
	Reporting according to IFRS	
	Profit for the period, MSEK	1,363
	Adjustment of profit for the period attributable to non-controlling interests, MSEK	-6
	Profit for the period attributable to shareholders in parent company, MSEK	1,357
	Average number of outstanding shares	286,390,289
	Earnings per share, SEK	4.74
	Segment reporting	
	Profit for the period, MSEK	1,342
	Adjustment of profit for the period attributable to non-controlling interests, MSEK	-6
	Profit for the period attributable to shareholders in parent company, MSEK	1,336
	Average number of outstanding shares	286,390,289
	Earnings per share, SEK	4.66
Return on equity		
Profit of the rolling 12 month period attributable to shareholders in the parent company divided by the average (last four quarters) equity attributable to shareholders in the parent company. The measurement is used to create efficient business and a rational capital structure and shows how the Group has multiplied shareholder's equity.		
	Reporting according to IFRS	
	Profit for the period, MSEK	1,357
	Average equity, MSEK	
	Q4 2025	16,455
	Q3 2025	15,968
	Q2 2025	15,291
	Q1 2025	15,973
		63,687 / 4
	Return on equity, %	15,922 8.5
	Segment reporting	
	Profit for the period, MSEK	1,336
	Average equity, MSEK	
	Q4 2025	16,692
	Q3 2025	16,271
	Q2 2025	15,547
	Q1 2025	16,257
		64,767 / 4
	Return on equity, %	16,192 8.3

Definition and motivation of use

	Calculation at year-end report January-December 2025																																												
Return on capital employed average (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments and shows the Group's earning capacity independent of financing.	<p>Reporting according to IFRS</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Pre-tax profit, MSEK</td><td style="text-align: right;">1,695</td></tr> <tr><td>Financial expenses, MSEK</td><td style="text-align: right;">1,144</td></tr> <tr><td>Total profit, MSEK</td><td style="text-align: right;">2,839</td></tr> <tr><td>Average capital employed, MSEK</td><td></td></tr> <tr><td>Q4 2025</td><td style="text-align: right;">28,116</td></tr> <tr><td>Q3 2025</td><td style="text-align: right;">28,619</td></tr> <tr><td>Q2 2025</td><td style="text-align: right;">28,644</td></tr> <tr><td>Q1 2025</td><td style="text-align: right;">29,646</td></tr> <tr><td></td><td style="text-align: right;">115,025 / 4</td></tr> <tr><td></td><td style="text-align: right;">28,756</td></tr> <tr><td>Return on capital employed, %</td><td style="text-align: right;">9.9</td></tr> </table> <p>Segment reporting</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Pre-tax profit, MSEK</td><td style="text-align: right;">1,674</td></tr> <tr><td>Financial expenses, MSEK</td><td style="text-align: right;">1,098</td></tr> <tr><td>Total profit, MSEK</td><td style="text-align: right;">2,772</td></tr> <tr><td>Average capital employed, MSEK</td><td></td></tr> <tr><td>Q4 2025</td><td style="text-align: right;">26,784</td></tr> <tr><td>Q3 2025</td><td style="text-align: right;">26,689</td></tr> <tr><td>Q2 2025</td><td style="text-align: right;">27,104</td></tr> <tr><td>Q1 2025</td><td style="text-align: right;">27,673</td></tr> <tr><td></td><td style="text-align: right;">108,250 / 4</td></tr> <tr><td></td><td style="text-align: right;">27,063</td></tr> <tr><td>Return on capital employed, %</td><td style="text-align: right;">10.2</td></tr> </table>	Pre-tax profit, MSEK	1,695	Financial expenses, MSEK	1,144	Total profit, MSEK	2,839	Average capital employed, MSEK		Q4 2025	28,116	Q3 2025	28,619	Q2 2025	28,644	Q1 2025	29,646		115,025 / 4		28,756	Return on capital employed, %	9.9	Pre-tax profit, MSEK	1,674	Financial expenses, MSEK	1,098	Total profit, MSEK	2,772	Average capital employed, MSEK		Q4 2025	26,784	Q3 2025	26,689	Q2 2025	27,104	Q1 2025	27,673		108,250 / 4		27,063	Return on capital employed, %	10.2
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Interest coverage ratio Pre-tax profit items plus interest expenses in relation to interest expenses. The measurement shows how well interest expenses can be covered.	<p>Reporting according to IFRS</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Pre-tax profit, MSEK</td><td style="text-align: right;">1,695</td></tr> <tr><td>Interest expenses, MSEK</td><td style="text-align: right;">618</td></tr> <tr><td>Total, MSEK</td><td style="text-align: right;">2,313</td></tr> <tr><td>Interest coverage ratio, multiple</td><td style="text-align: right;">3.7</td></tr> </table> <p>Segment reporting</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Pre-tax profit, MSEK</td><td style="text-align: right;">1,674</td></tr> <tr><td>Interest expenses, MSEK</td><td style="text-align: right;">474</td></tr> <tr><td>Total, MSEK</td><td style="text-align: right;">2,148</td></tr> <tr><td>Interest coverage ratio, multiple</td><td style="text-align: right;">4.5</td></tr> </table>	Pre-tax profit, MSEK	1,695	Interest expenses, MSEK	618	Total, MSEK	2,313	Interest coverage ratio, multiple	3.7	Pre-tax profit, MSEK	1,674	Interest expenses, MSEK	474	Total, MSEK	2,148	Interest coverage ratio, multiple	4.5																												
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Operating margin Operating profit as a percentage of net sales. Shows the profitability in the business.	<p>Reporting according to IFRS</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Operating profit, MSEK</td><td style="text-align: right;">2,693</td></tr> <tr><td>Net sales, MSEK</td><td style="text-align: right;">58,581</td></tr> <tr><td>Operating margin, %</td><td style="text-align: right;">4.6</td></tr> </table> <p>Segment reporting</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Operating profit, MSEK</td><td style="text-align: right;">2,626</td></tr> <tr><td>Net sales, MSEK</td><td style="text-align: right;">58,559</td></tr> <tr><td>Operating margin, %</td><td style="text-align: right;">4.5</td></tr> </table>	Operating profit, MSEK	2,693	Net sales, MSEK	58,581	Operating margin, %	4.6	Operating profit, MSEK	2,626	Net sales, MSEK	58,559	Operating margin, %	4.5																																
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Net debt/equity ratio Interest-bearing net debt in relation to equity. Shows financial position.	<p>Reporting according to IFRS</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Net debt, MSEK</td><td style="text-align: right;">7,969</td></tr> <tr><td>Equity, MSEK</td><td style="text-align: right;">16,479</td></tr> <tr><td>Net debt/equity ratio, multiple</td><td style="text-align: right;">0.5</td></tr> </table> <p>Segment reporting</p> <table style="width: 100%; border-collapse: collapse;"> <tr><td>Net debt, MSEK</td><td style="text-align: right;">6,400</td></tr> <tr><td>Equity, MSEK</td><td style="text-align: right;">16,716</td></tr> <tr><td>Net debt/equity ratio, multiple</td><td style="text-align: right;">0.4</td></tr> </table>	Net debt, MSEK	7,969	Equity, MSEK	16,479	Net debt/equity ratio, multiple	0.5	Net debt, MSEK	6,400	Equity, MSEK	16,716	Net debt/equity ratio, multiple	0.4																																
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Definition and motivation of use

Calculation at year-end report January-December 2025

Equity/assets ratio Equity as a percentage of total assets at the end of the period. Shows financial position.	Reporting according to IFRS	MSEK
	Equity, MSEK	16,479
Capital employed for the Group Total assets at the end of the period less non-interest-bearing operating liabilities and provisions. The measurement is used to measure capital utilization and its effectiveness.	Reporting according to IFRS	MSEK
	Total assets	44,543
	- Deferred tax liabilities	-394
	- Other long-term liabilities	-1,660
	- Other current liabilities	-14,373
	Capital employed	28,116
	Segment reporting	MSEK
	Total assets	42,472
	- Deferred tax liabilities	-438
	- Other long-term liabilities	-1,708
	- Other current liabilities	-13,542
	Capital employed	26,784
	Reconciliation between IFRS and segment reporting	MSEK
	Capital employed according to IFRS	28,116
	IFRS 16, additional leases	-1,293
	Housing projects, sold part	-39
	Capital employed according to segment reporting	26,784
Capital employed for the business areas Total assets in the business areas at the end of the period reduced by deferred tax recoverables and internal receivables from the internal bank Peab Finans with deductions for non-interest-bearing liabilities, provisions and deferred tax liabilities. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.		
All amounts, if not otherwise specified, have been rounded to the nearest SEK million. The numbers in the quarterly report are based on the Group's consolidation system which is in SEK thousands. By rounding numbers presented key ratios may differ slightly from calculated according to the definition.		