

# 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	
<b>Available liquidity</b> Liquid funds and short-term investments along with unutilized credit facilities, excluding unutilized project financing. Shows the Group's available liquidity.	<b>Reporting according to IFRS</b>	MSEK
	Liquid funds	3,145
	Unutilized credit facilities	6,934
	Available liquidity	10,079
<b>Equity per share</b> Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.	<b>Reporting according to IFRS</b>	
	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
	<b>Segment reporting</b>	
	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
<b>Cash flow before financing</b> 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.	<b>Reporting according to IFRS</b>	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
	<b>Segement reporting</b>	
	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
	<b>Reconciliation between IFRS and segment reporting</b>	
	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 segement reporting	4,119

Definition and motivation of use	Calculation at year-end report January-December 2025
<b>Cash flow per share</b> Cash flow before financing divided by the average number of outstanding shares during the period. Shows cash flow per share.	<b>Reporting according to IFRS</b> Cash flow before financing, MSEK4,895 Average number of outstanding shares286,390,289 Cash flow per share, SEK17.09  <b>Segment reporting</b> Cash flow before financing, MSEK4,119 Average number of outstanding shares286,390,289 Cash flow per share, SEK14.38
<b>Net debt</b> Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.	<b>Reporting according to IFRS</b> MSEK Interest-bearing long-term liabilities5,853 Interest-bearing long-term liabilities, project financing5 Interest-bearing current liabilities3,419 Interest-bearing current liabilities, project financing2,360 - Interest-bearing long-term receivables-503 - Interest-bearing current receivables-20 - Liquid funds-3,145 Net debt7,969  <b>Segment reporting</b> MSEK Interest-bearing long-term liabilities4,796 Interest-bearing long-term liabilities, project financing5 Interest-bearing current liabilities3,141 Interest-bearing current liabilities, project financing2,126 - Interest-bearing long-term receivables-503 - Interest-bearing current receivables-20 - Liquid funds-3,145 Net debt6,400  <b>Reconciliation between IFRS and segment reporting</b> Net debt according to IFRS7,969 Additional IFRS 16 Leases-1,335 Project financing, sold part of housing projects-234 Net debt according to segment reporting6,400
<b>Operative cash flow</b> 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.	
<b>Orders received</b> 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.	
<b>Order backlog</b> 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		
<b>Earnings per share</b> 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.	<b>Reporting according to IFRS</b>		
	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
	<b>Segment reporting</b>		
	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
<b>Return on equity</b> 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.	<b>Reporting according to IFRS</b>		
	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	15,922
	Return on equity, %		8.5
	<b>Segment reporting</b>		
	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	16,192
	Return on equity, %		8.3

Definition and motivation of use	Calculation at year-end report January-December 2025	
<b>Return on capital employed</b> 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.	<b>Reporting according to IFRS</b>	
	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
	<b>Segment reporting</b>	
	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
<b>Interest coverage ratio</b> Pre-tax profit items plus interest expenses in relation to interest expenses. The measurement shows how well interest expenses can be covered.	<b>Reporting according to IFRS</b>	
	Pre-tax profit, MSEK	1,695
	Interest expenses, MSEK	618
	Total, MSEK	2,313
	Interest coverage ratio, multiple	3.7
	<b>Segment reporting</b>	
	Pre-tax profit, MSEK	1,674
	Interest expenses, MSEK	474
	Total, MSEK	2,148
	Interest coverage ratio, multiple	4.5
<b>Operating margin</b> Operating profit as a percentage of net sales. Shows the profitability in the business.	<b>Reporting according to IFRS</b>	
	Operating profit, MSEK	2,693
	Net sales, MSEK	58,581
	Operating margin, %	4.6
	<b>Segment reporting</b>	
	Operating profit, MSEK	2,626
	Net sales, MSEK	58,559
	Operating margin, %	4.5
<b>Net debt/equity ratio</b> Interest-bearing net debt in relation to equity. Shows financial position.	<b>Reporting according to IFRS</b>	
	Net debt, MSEK	7,969
	Equity, MSEK	16,479
	Net debt/equity ratio, multiple	0.5
	<b>Segment reporting</b>	
	Net debt, MSEK	6,400
	Equity, MSEK	16,716
	Net debt/equity ratio, multiple	0.4

Definition and motivation of use	Calculation at year-end report January-December 2025	
<b>Equity/assets ratio</b> Equity as a percentage of total assets at the end of the period. Shows financial position.	<b>Reporting according to IFRS</b>	
	Equity, MSEK	16,479
	Total assets, MSEK	44,543
	Equity/assets ratio, %	37.0
	<b>Segment reporting</b>	
	Equity, MSEK	16,716
	Total assets, MSEK	42,472
	Equity/assets ratio, %	39.4
<b>Capital employed for the Group</b> 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.	<b>Reporting according to IFRS</b>	MSEK
	Total assets	44,543
	- Deferred tax liabilities	-394
	- Other long-term liabilities	-1,660
	- Other current liabilities	-14,373
	Capital employed	28,116
	<b>Segment reporting</b>	MSEK
	Total assets	42,472
	- Deferred tax liabilities	-438
	- Other long-term liabilities	-1,708
	- Other current liabilities	-13,542
	Capital employed	26,784
	<b>Reconciliation between IFRS and segment reporting</b>	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
<b>Capital employed for the business areas</b> 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.		