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 2025. The difference primarily consists of differences in accounting principles for our own housing development projects where revenue and profit are recognized over time in segment reporting and at one point in time, when homebuyers take over their homes, in reporting according to IFRS. In segment reporting leasing fees for the lessee are recognized linearly over the leasing period for leases that are classified by the counterparty (the lessor) as operational leases. IFRS 16 Leases is applied in Group reporting according to IFRS, which entails that lessees recognize depreciation and interest attributable to leasing assets and liabilities. As a result the difference between segment reporting and reporting according to IFRS even affects the items on the balance sheet, including net debt. Nonetheless, in the key ratios below the method of calculation is the same for both segment reporting and reporting according to IFRS.

Definition and motivation of use	Calculation at quarterly report January-June 2026	
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	2,222
	Unutilized credit facilities	7,684
	Available liquidity	9,906
Equity per share Equity attributable to shareholders in parent company divided by the number of outstanding shares at the end of the period. Shows equity per share.	**Reporting according to IFRS**	
	Equity, MSEK	15,967
	Less equity attributable to non-controlling interests, MSEK	-24
	Equity attributable to shareholders in parent company, MSEK	15,943
	Number of outstanding shares at the end of the period	279,467,254
	Equity per share, SEK	57.05
	Segment reporting	
	Equity, MSEK	16,304
	Less equity attributable to non-controlling interests, MSEK	-24
	Equity attributable to shareholders in parent company, MSEK	16,280
	Number of outstanding shares at the end of the period	279,467,254
	Equity per share, SEK	58.25
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	1,034
	Cash flow from changes in working capital	-2,598
	Cash flow from investment operations	-490
	Cash flow before financing	-2,054
	Segement reporting	
	Cash flow from current operations before changes in working capital	948
	Cash flow from changes in working capital	-1,729
	Cash flow from investment operations	-490
	Cash flow before financing	-1,271
	Reconciliation between IFRS and segment reporting	
	Cash flow before financing according to IFRS	-2,054
	Cash flow from current operations before changes in working capital	-86
	Cash flow from changes in working capital	869
	Cash flow from investment operations	-
	Cash flow before financing according to segement reporting	-1,271

Definition and motivation of use	Calculation at quarterly report January-June 2026	
Cash flow per share Cash flow before financing divided by the average number of outstanding shares during the period. Shows cash flow per share.	**Reporting according to IFRS**	
	Cash flow before financing, MSEK	-2,054
	Average number of outstanding shares	281,017,485
	Cash flow per share, SEK	-7.31
	Segment reporting	
	Cash flow before financing, MSEK	-1,271
	Average number of outstanding shares	281,017,485
	Cash flow per share, SEK	-4.52
Net debt Interest-bearing liabilities including provisions for pensions less liquid funds and interest-bearing assets. Shows financial position.	**Reporting according to IFRS**	MSEK
	Interest-bearing long-term liabilities	6,771
	Interest-bearing long-term liabilities, project financing	2
	Interest-bearing current liabilities	4,170
	Interest-bearing current liabilities, project financing	3,003
	- Interest-bearing long-term receivables	-472
	- Interest-bearing current receivables	-82
	- Liquid funds	-2,222
	Net debt	11,170
	Segment reporting	MSEK
	Interest-bearing long-term liabilities	5,771
	Interest-bearing long-term liabilities, project financing	-
	Interest-bearing current liabilities	3,901
	Interest-bearing current liabilities, project financing	1,818
	- Interest-bearing long-term receivables	-472
	- Interest-bearing current receivables	-82
	- Liquid funds	-2,222
	Net debt	8,714
	Reconciliation between IFRS and segment reporting	
	Net debt according to IFRS	11,170
	Additional IFRS 16 Leases	-1,269
	Project financing, sold part of housing projects	-1,187
	Net debt according to segment reporting	8,714
Operative cash flow Cash flow before financing according to segment reporting. The cash flow does not include received internal Group interest, paid interest and paid tax that is not allocated to the business areas but only reported for the Group. Investments via leasing charge cash flow from investment operations in the business areas. Operative cash flow is only calculated for the business areas. Shows the cash flow generated per business area.		
Orders received The sum of orders received during the period. Measures how new orders replace produced work. In our own developed housing projects tenant-owned housing associations/residential limited companies are considered external customers.		
Order backlog The value at the end of the period of the remaining income in ongoing production plus orders received yet to be produced. Order backlog is based on segment reporting. Shows how much will be produced in the future.		

Definition and motivation of use	Calculation at quarterly report January-June 2026		
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		414
	Adjustment of profit for the period attributable to non-controlling interests, MSEK		2
	Profit for the period attributable to shareholders in parent company, MSEK		416
	Average number of outstanding shares		281,017,485
	Earnings per share, SEK		1.48
	Segment reporting		
	Profit for the period, MSEK		517
	Adjustment of profit for the period attributable to non-controlling interests, MSEK		2
	Profit for the period attributable to shareholders in parent company, MSEK		519
	Average number of outstanding shares		281,017,485
	Earnings per share, SEK		1.85
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		2,074
	Average equity, MSEK		
	Q2 2026	15,943	
	Q1 2026	16,397	
	Q4 2025	16,455	
	Q3 2025	15,968	
		64,763 / 4	16,191
	Return on equity, %		12.8
	Segment reporting		
	Profit for the period, MSEK		2,154
	Average equity, MSEK		
	Q2 2026	16,280	
	Q1 2026	16,709	
	Q4 2025	16,692	
	Q3 2025	16,271	
		65,952 / 4	16,488
	Return on equity, %		13.0

Definition and motivation of use	Calculation at quarterly report January-June 2026		
Return on capital employed Pre-tax profit for the rolling 12 month period with the addition of financial expenses in percent of the (last four quarters) capital employed. The measurement is used to measure capital efficiency and to allocate capital for new investments and shows the Group's earning capacity independent of financing.	**Reporting according to IFRS**		
	Pre-tax profit, MSEK		2,530
	Financial expenses, MSEK		442
	Total profit, MSEK		2,972
	Average capital employed, MSEK		
	Q2 2026	29,913	
	Q1 2026	29,061	
	Q4 2025	28,116	
	Q3 2025	28,619	
		115,709 / 4	28,927
	Return on capital employed, %		10.3
	Segment reporting		
	Pre-tax profit, MSEK		2,620
	Financial expenses, MSEK		397
	Total profit, MSEK		3,017
	Average capital employed, MSEK		
	Q2 2026	27,794	
	Q1 2026	27,328	
	Q4 2025	26,784	
	Q3 2025	26,689	
		108,595 / 4	27,149
	Return on capital employed, %		11.1
Interest coverage ratio Pre-tax profit items plus interest expenses in relation to interest expenses. The measurement shows how well interest expenses can be covered.	**Reporting according to IFRS**		
	Pre-tax profit, MSEK		510
	Interest expenses, MSEK		286
	Total, MSEK		796
	Interest coverage ratio, multiple		2.8
	Segment reporting		
	Pre-tax profit, MSEK		619
	Interest expenses, MSEK		207
	Total, MSEK		826
	Interest coverage ratio, multiple		4.0
Operating margin Operating profit as a percentage of net sales. Shows the profitability in the business.	**Reporting according to IFRS**		
	Operating profit, MSEK		683
	Net sales, MSEK		27,390
	Operating margin, %		2.5
	Segment reporting		
	Operating profit, MSEK		769
	Net sales, MSEK		27,549
	Operating margin, %		2.8
Net debt/equity ratio Interest-bearing net debt in relation to equity. Shows financial position.	**Reporting according to IFRS**		
	Net debt, MSEK		11,170
	Equity, MSEK		15,967
	Net debt/equity ratio, multiple		0.7
	Segment reporting		
	Net debt, MSEK		8,714
	Equity, MSEK		16,304
	Net debt/equity ratio, multiple		0.5

Definition and motivation of use	Calculation at quarterly report January-June 2026	
Equity/assets ratio Equity as a percentage of total assets at the end of the period. Shows financial position.	**Reporting according to IFRS**	
	Equity, MSEK	15,967
	Total assets, MSEK	47,290
	Equity/assets ratio, %	33.8
	Segment reporting	
	Equity, MSEK	16,304
	Total assets, MSEK	45,140
	Equity/assets ratio, %	36.1
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	47,290
	- Deferred tax liabilities	-436
	- Other long-term liabilities	-1,671
	- Other current liabilities	-15,270
	Capital employed	29,913
	Segment reporting	MSEK
	Total assets	45,140
	- Deferred tax liabilities	-478
	- Other long-term liabilities	-1,694
	- Other current liabilities	-15,174
	Capital employed	27,794
	Reconciliation between IFRS and segment reporting	MSEK
	Capital employed according to IFRS	29,913
	IFRS 16, additional leases	-1,227
	Housing projects, sold part	-892
	Capital employed according to segment reporting	27,794
Capital employed for the business areas Total assets in the business areas at the end of the period reduced by deferred tax recoverables and internal receivables from the internal bank Peab Finans with deductions for non-interest-bearing liabilities, provisions and deferred tax liabilities. The measurement is used to measure capital utilization and its effectiveness for the business areas, and is only presented as a net amount per business area.		

All amounts, if not otherwise specified, have been rounded to the nearest SEK million. The numbers in the quarterly report are based on the Group's consolidation system which is in SEK thousands. By rounding numbers presented key ratios may differ slightly from calcuated according to the definition.