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-September 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	3,412
	Unutilized credit facilities	7,753
	Available liquidity	11,165
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	16,922
	Less equity attributable to non-controlling interests, MSEK	-22
	Equity attributable to shareholders in parent company, MSEK	16,900
	Number of outstanding shares at the end of the period	276,922,254
	Equity per share, SEK	61.03
	Segment reporting	
	Equity, MSEK	17,315
	Less equity attributable to non-controlling interests, MSEK	-22
	Equity attributable to shareholders in parent company, MSEK	17,293
	Number of outstanding shares at the end of the period	276,922,254
	Equity per share, SEK	62.45
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	2,582
	Cash flow from changes in working capital	-2,599
	Cash flow from investment operations	-638
	Cash flow before financing	-655
	Segement reporting	
	Cash flow from current operations before changes in working capital	2,443
	Cash flow from changes in working capital	-1,176
	Cash flow from investment operations	-638
	Cash flow before financing	629
	Reconciliation between IFRS and segment reporting	
	Cash flow before financing according to IFRS	-655
	Cash flow from current operations before changes in working capital	-139
	Cash flow from changes in working capital	1,423
	Cash flow from investment operations	-
	Cash flow before financing according to segement reporting	629

Definition and motivation of use	Calculation at quarterly report January-September 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	-655
	Average number of outstanding shares	280,099,746
	Cash flow per share, SEK	-2.34
	Segment reporting	
	Cash flow before financing, MSEK	629
	Average number of outstanding shares	280,099,746
	Cash flow per share, SEK	2.25
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	6,731
	Interest-bearing long-term liabilities, project financing	63
	Interest-bearing current liabilities	3,682
	Interest-bearing current liabilities, project financing	3,725
	- Interest-bearing long-term receivables	-495
	- Interest-bearing current receivables	-68
	- Liquid funds	-3,412
	Net debt	10,226
	Segment reporting	MSEK
	Interest-bearing long-term liabilities	5,760
	Interest-bearing long-term liabilities, project financing	58
	Interest-bearing current liabilities	3,412
	Interest-bearing current liabilities, project financing	1,957
	- Interest-bearing long-term receivables	-495
	- Interest-bearing current receivables	-68
	- Liquid funds	-3,412
	Net debt	7,212
	Reconciliation between IFRS and segment reporting	
	Net debt according to IFRS	10,226
	Additional IFRS 16 Leases	-1,241
	Project financing, sold part of housing projects	-1,773
	Net debt according to segment reporting	7,212
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-September 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		1,386
	Adjustment of profit for the period attributable to non-controlling interests, MSEK		5
	Profit for the period attributable to shareholders in parent company, MSEK		1,391
	Average number of outstanding shares		280,099,746
	Earnings per share, SEK		4.96
	Segment reporting		
	Profit for the period, MSEK		1,541
	Adjustment of profit for the period attributable to non-controlling interests, MSEK		5
	Profit for the period attributable to shareholders in parent company, MSEK		1,546
	Average number of outstanding shares		280,099,746
	Earnings per share, SEK		5.52
Earnings per share after dilution When calculating earnings per share after dilution the average number of shares is adjusted to take into account the effect of the calculated number of shares allocated to employees through the Performance Share Program, LTI program.	**Reporting according to IFRS**		
	Profit for the period, MSEK		1,386
	Adjustment of profit for the period attributable to non-controlling interests, MSEK		5
	Profit for the period attributable to shareholders in parent company, MSEK		1,391
	Average number of outstanding shares		280,099,746
	Diluted shares related to the Performance Share Program		1,735,000
	Average number of outstanding shares after dilution		281,834,746
	Earnings per share after dilution, SEK		4.93
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		2,220
	Average equity, MSEK		
	Q3 2026	16,900	
	Q2 2026	15,943	
	Q1 2026	16,397	
	Q4 2025	16,455	
		65,695 / 4	16,424
	Return on equity, %		13.5
	Segment reporting		
	Profit for the period, MSEK		2,316
	Average equity, MSEK		
	Q3 2026	17,293	
	Q2 2026	16,280	
	Q1 2026	16,709	
	Q4 2025	16,692	
		66,974 / 4	16,744
	Return on equity, %		13.8

Definition and motivation of use	Calculation at quarterly report January-September 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	2,673
	Financial expenses, MSEK	437
	Total profit, MSEK	3,110
	Average capital employed, MSEK	
	Q3 2026 31,123	
	Q2 2026 29,913	
	Q1 2026 29,061	
	Q4 2025 28,116	
	118,213 / 4	29,553
	Return on capital employed, %	10.5
	Segment reporting	
	Pre-tax profit, MSEK	2,779
	Financial expenses, MSEK	391
	Total profit, MSEK	3,170
	Average capital employed, MSEK	
	Q3 2026 28,502	
	Q2 2026 27,794	
	Q1 2026 27,328	
	Q4 2025 26,784	
	110,408 / 4	27,602
	Return on capital employed, %	11.5
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	1,679
	Interest expenses, MSEK	440
	Total, MSEK	2,119
	Interest coverage ratio, multiple	4.8
	Segment reporting	
	Pre-tax profit, MSEK	1,845
	Interest expenses, MSEK	328
	Total, MSEK	2,173
	Interest coverage ratio, multiple	6.6
Operating margin Operating profit as a percentage of net sales. Shows the profitability in the business.	**Reporting according to IFRS**	
	Operating profit, MSEK	1,934
	Net sales, MSEK	43,287
	Operating margin, %	4.5
	Segment reporting	
	Operating profit, MSEK	2,065
	Net sales, MSEK	43,853
	Operating margin, %	4.7
Net debt/equity ratio Interest-bearing net debt in relation to equity. Shows financial position.	**Reporting according to IFRS**	
	Net debt, MSEK	10,226
	Equity, MSEK	16,922
	Net debt/equity ratio, multiple	0.6
	Segment reporting	
	Net debt, MSEK	7,212
	Equity, MSEK	17,315
	Net debt/equity ratio, multiple	0.4

Definition and motivation of use	Calculation at quarterly report January-September 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 Total assets, MSEK Equity/assets ratio, % **Segment reporting** Equity, MSEK Total assets, MSEK Equity/assets ratio, %	 16,922 49,155 34.4 17,315 46,681 37.1
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** Total assets - Deferred tax liabilities - Other long-term liabilities - Other current liabilities Capital employed **Segment reporting** Total assets - Deferred tax liabilities - Other long-term liabilities - Other current liabilities Capital employed **Reconciliation between IFRS and segment reporting** Capital employed according to IFRS IFRS 16, additional leases Housing projects, sold part Capital employed according to segment reporting	MSEK 49,155 -399 -1,705 -15,928 31,123 MSEK 46,681 -442 -1,705 -16,032 28,502 MSEK 31,123 -1,199 -1,422 28,502
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.		