



Press release

June 23, 2025

Peab and URW have reached a settlement agreement regarding Mall of Scandinavia

Through a settlement agreement Peab and Unibail-Rodamco-Westfield (URW) have agreed on a final resolution of all transactions regarding the contract for Mall of Scandinavia. The agreement entails that Peab's liquidity will increase by one billion Swedish kronor in the third quarter 2025, that net financial items in the second quarter 2025 will be charged with around SEK 600 million and that net debt will remain unchanged.

On June 30, 2023 an arbitral award in the case regarding the contract for Mall of Scandinavia was rendered. The arbitral tribunal concurred with Peab's claims for compensation for added expenses generated by extensive changes in the project made during the production phase and ruled that Peab was entitled to compensation of approximately one billion Swedish kronor for construction costs as well as SEK 390 million, in default interest. URW then challenged the award to Svea Court of Appeal which on May 28, 2025 rendered a judgment entitling Peab to compensation for the work incurred by changes and additions along with compensation for disorder and disruption. The arbitral award was set aside concerning URW's claim for liquidated damages for certain delays and Peab's claims for the costs of the arbitration procedures.

Since no payment was made as required by the judgment Peab initiated bankruptcy proceedings against the project company Rodamco Projekt AB in order to demand payment. URW announced on June 3, 2025 that it intended to initiate a new arbitration procedure regarding its claim for liquidated damages for certain delays and Peab intended to initiate a new arbitration procedure regarding its claim for the costs of the arbitration procedures.

On June 22, 2025 the parties agreed to settlement entailing a payment of one billion Swedish kronor from URW to Peab on July 2, 2025. The settlement agreement further entails that each party retract all processes, that the contract is considered finally settled and that the parties have no claims against each other, including warranty obligations. The settlement agreement thereby entails that there are no remaining risks for Peab regarding the contract for Mall of Scandinavia.

Through the settlement agreement Peab will be compensated with an amount equivalent to the amount determined for costs for completing the contract in the arbitral award on June 30, 2023. The agreement entails that Peab waives an amount equivalent to accrued default interest.

"We're very pleased that we can finally put the legal aftermath concerning Mall of Scandinavia behind us. We got the compensation for the contract we are entitled to contractually and legally. In order to put an end to the relationship between the parties once and for all we chose to reach this settlement agreement and we get one billion Swedish kronor paid into our account," says Jesper Göransson, President and CEO of Peab.



For further information, please contact:

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This information is information that Peab AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at June 23rd, 2025, 11:00 a.m. CEST.

Peab is the Nordic Community Builder with 13,000 employees and net sales of SEK 58 billion. With a local presence and focus on our own resources we develop, do the groundwork and build everyday life where it's lived. Company headquarters are in Förslöv on Bjäre Peninsula in southern Sweden. The Peab share is listed on Nasdaq Stockholm.